

[CONFORMED COPY]

FORM 10-K

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1993

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER 1-168

AMETEK, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE 13-4923320
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION) (I.R.S. EMPLOYER IDENTIFICATION NO.)

STATION SQUARE, PAOLI, PA 19301
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: 610-647-2121

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
COMMON STOCK, \$1.00 PAR VALUE (VOTING)	NEW YORK STOCK EXCHANGE
9 3/4% SENIOR NOTES DUE 2004	PACIFIC STOCK EXCHANGE
	NEW YORK STOCK EXCHANGE

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:

NONE
(TITLE OF EACH CLASS)

INDICATE BY CHECK MARK WHETHER THE REGISTRANT (1) HAS FILED ALL REPORTS REQUIRED TO BE FILED BY SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 DURING THE PRECEDING 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE REGISTRANT WAS REQUIRED TO FILE SUCH REPORTS), AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS. YES X NO

INDICATE BY CHECK MARK IF DISCLOSURE OF DELINQUENT FILERS PURSUANT TO ITEM 405 OF REGULATION S-K IS NOT CONTAINED HEREIN, AND WILL NOT BE CONTAINED, TO THE BEST OF REGISTRANT'S KNOWLEDGE, IN DEFINITIVE PROXY OR INFORMATION STATEMENTS INCORPORATED BY REFERENCE IN PART III OF THIS FORM 10-K OR ANY

AMENDMENT TO THIS FORM 10-K. [X]

The aggregate market value of the voting stock held by non-affiliates of the registrant as of March 4, 1994, was \$516,717,703.

The number of shares of common stock outstanding as of March 4, 1994, was 43,639,645.

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates information by reference from the Proxy Statement for Annual Meeting of Stockholders on April 26, 1994.

PART I

ITEM 1. BUSINESS

GENERAL DEVELOPMENT OF BUSINESS

AMETEK, Inc. ("Ametek" or the "Company") was incorporated in Delaware in 1930 under the name of American Machine and Metals, Inc. and maintains its principal executive offices at Station Square, Paoli, Pennsylvania 19301.

Ametek is an international manufacturer of high quality, engineered products for industrial and commercial markets. The Company has a significant market share for many of its products and a leading market share in electric motors for vacuum cleaners and other floor care products, the Company's most significant business. Many of the Company's products have a technological component and are engineered to customer specifications. The Company's products are produced and sold worldwide through the Company's Electro-mechanical, Precision Instruments and Industrial Materials Groups. The Company's business has grown over the years through a combination of acquisitions and internal growth into a diversified manufacturing company serving a wide range of markets. The Company has concentrated on identifying, developing and marketing high quality, technology-based products which hold, or have the potential for gaining, a significant share of one or more niche markets.

In November 1993, the Company completed a broad strategic review and announced a plan intended to enhance shareholder value over the long term. From an operational point of view, the Company will seek to increase the profitability of its existing businesses through (i) growth and reinvestment, particularly in its electro-mechanical, specialty metal and water filtration operations, (ii) continued emphasis on controlling costs and (iii) an increased focus on foreign sales, especially in the Pacific Rim and Europe, through a combination of direct selling efforts and joint ventures. The Company also intends to pursue strategic acquisitions on a selective basis. In addition, the Company intends to continue its policy of reviewing, from time to time, possible divestitures of existing businesses.

From a financial point of view, the Company's plan, which takes advantage of the Company's historically strong cash flow, involves repurchasing outstanding shares of its common stock for an aggregate purchase price of up to \$150 million and refinancing existing debt with the net proceeds from the March 1994 sale of \$150 million principal amount of 9 3/4% senior notes, borrowings under a new bank credit agreement, and available cash. The resulting increased leverage will reduce the Company's financial and operating flexibility. Accordingly, the plan also called for a reduction in the quarterly per share dividend rate on the Company's common stock from \$.17 to \$.06, beginning with the dividend payable on December 24, 1993, and a decrease in the Company's leverage over time.

The Company also recorded certain after tax charges against earnings of \$28.6 million during the fourth quarter of 1993, resulting in aggregate charges of \$33.5 million for the year. A substantial portion of these charges relates to the restructuring of several businesses and the remainder reflects asset write-downs and other unusual charges against income. The restructuring charges primarily result from actions taken or planned due to the unwillingness of the union at a Precision Instruments facility in Sellersville, Pennsylvania to agree on wage and work rule concessions requested by the Company necessary to make such operation competitive. These actions include relocating, outsourcing and downsizing various manufacturing functions at this facility. The Company

will also record an extraordinary after tax charge of approximately \$13 million, (estimated as of December 31, 1993), in the first quarter of 1994, subject to an interest rate adjustment, for the early retirement of existing debt after completion of the sale of the senior notes and the application of the proceeds thereof.

FINANCIAL INFORMATION ABOUT INDUSTRY SEGMENTS, FOREIGN OPERATIONS AND EXPORT SALES

Business segment and geographic information is set forth on pages 31 through 33 of this report.

1

In response to increasing globalization of the world economy and perceived opportunities for growth, the Company has expanded its foreign sales and operations over the past several years. This expansion has resulted from a combination of increasing export sales of products manufactured in the United States and overseas acquisitions and strategic alliances.

The Company's strategy for growth in global markets is driven by requirements for global cost-competitiveness and especially by economic growth in the Pacific Rim. Ametek Singapore Private, Ltd. was established as a regional headquarters to enable the Company to secure more favorable supply arrangements and to expand its product sales throughout the Pacific Rim.

International operations of the Company are subject to certain risks which are inherent in conducting business outside the United States, such as fluctuation in currency exchange rates and controls, restrictions on the movement of funds, import and export controls, and other economic, political and regulatory policies of the countries in which business is conducted.

NARRATIVE DESCRIPTION OF BUSINESS

PRODUCTS AND SERVICES

The Company classifies its operations into three principal business segments. A description of the products and services offered by the Company by segment is set forth below:

ELECTRO-MECHANICAL GROUP

The Company's Electro-mechanical Group ("EMG") is a major supplier of fractional horsepower electric motors and blowers for vacuum cleaners and other floor care products. EMG also manufactures electric motors and blowers for furnaces, lawn tools, photocopiers, computer equipment and other applications.

Through its six plants in the United States, three in Italy and one in Mexico, EMG produced approximately 18 million motors in 1993 and approximately 20 million motors in 1992. Each of these facilities is equipped with efficient state-of-the-art production lines designed to maximize manufacturing flexibility. Because of its high production volume, flexible manufacturing capability and technological know-how, EMG offers its customers cost competitive and custom designed products on a timely basis.

Floor Care Products

EMG participates in the production of motors and blowers for the full range of floor care products from the hand held, canister, upright and central vacuums for household use to the more sophisticated vacuum products for commercial and industrial applications.

In recent years, EMG has expanded its sales in the floor care industry by marketing its motors to vertically integrated vacuum cleaner manufacturers who elect to curtail or discontinue their own motor production and instead use EMG's motors. By using EMG's motors, vacuum cleaner manufacturers are able to reduce the substantial capital expenditures they would otherwise have to make to maintain their own motor production, with frequent design changes, at acceptable levels.

EMG's floor care product development activities have recently focused on improving motor-blower cost-performance through advances in power, efficiency and quieter operation. EMG has recently developed a 1200 watt brushless motor blower for high-end floor care applications in commercial vacuum cleaners and

central vacuum systems, as well as a new low cost motor designed for export markets with price-sensitive, high volume vacuum applications.

2

EMG currently maintains a significant position in the European market for floor care products based on exports from the United States and production from its Italian operations. Two of EMG's plants in Italy are dedicated to producing electric motors for vacuum cleaner manufacturers throughout Western Europe and, to a more limited extent, Eastern Europe. These motors are similar to those produced in the United States.

Consistent with its strategy for long term growth, EMG is in the process of increasing its unit production capacity for floor care products by approximately 50%, primarily to meet anticipated growth in customer demand for smaller size motors over the next several years. This is being accomplished primarily by adding new production lines at the existing Graham, North Carolina facility.

Technical Motor Products

In order to make greater use of its technological expertise developed in the floor care products area, EMG recently formed its Technical Motor Division to consolidate and expand its production of motors and blowers used in certain non-floor care applications, particularly in the market for brushless motor technology where EMG is seeking to establish a significant position.

EMG's technical motor products include motors for furnaces, lawn tools, photocopiers, computer equipment, other business machines, medical equipment and evaporative cooling equipment. Its brushless motors, which are free of static charges, are becoming increasingly popular in medical and other applications where flammability is a concern. Recent product developments in this area include the use of EMG's brushless motors in systems designed to assist patients with sleep-breathing disorders, systems which help bedridden patients avoid bedsores and systems to recover gasoline fumes at automotive refueling stations.

In addition, EMG will begin producing induction motors, which were previously purchased by EMG, for use in conjunction with its blower products. The ability to produce its own induction motors offers EMG new opportunities in the high efficiency furnace, water heating and induction motor pump markets.

In 1993, EMG dedicated one of its Italian plants to the manufacture of technical motor products. Through the Company's Singapore sales subsidiary and its Shanghai office, EMG is seeking to build a presence in the Pacific Rim. Consistent with its strategy for long term growth, EMG has recently increased its unit production capacity for technical motor products by approximately 25% to meet anticipated growth in customer demand for the next several years by commencing production at its new Rock Creek, North Carolina plant.

Customers

Although EMG is not dependent on any single customer such that its loss would have a material adverse effect on its operations, approximately 26% of EMG's sales for 1993 were made to its five largest customers.

PRECISION INSTRUMENTS GROUP

The Precision Instruments Group ("PI") serves a diverse group of markets, the largest of which are the aerospace, pressure gauge, process and refining and heavy-duty truck markets. PI produces cockpit instruments, process monitoring and display systems, process control gas and liquid analyzers, moisture and emissions monitoring systems, force and speed measuring instruments, air and noise monitors, pressure and temperature calibrators, pressure gauges and automotive products.

Aerospace Products

PI designs and manufactures cockpit instruments/displays, engine sensors and monitoring systems, fuel/liquid quantity measurement devices and electrical/thermocouple cables for aircraft and aircraft engines. These products record, process and display information for use by flight and ground crews. PI serves all segments of the commercial aerospace industry, including business and commuter aircraft and the

commercial airlines, as well as the defense industry. PI's products are also marketed as spares. PI's products are designed to customer specifications and must be certified as meeting stringent operational and reliability requirements.

PI's strategy in aerospace products is to operate in niche categories where it has a technological or cost advantage. PI believes that its extensive experience and technological expertise in the aerospace field, together with its long-standing relationships with several leading international manufacturers of commercial aircraft, provide it with a competitive advantage. PI was recently selected by Boeing to supply an engine vibration monitoring system for Boeing's new 777 model. Variations of this product will be marketed to other aircraft manufacturers. In addition, PI's strategic effort to expand its product line has recently yielded new orders for an advanced aircraft engine sensor, an advanced cockpit display system featuring active matrix liquid crystal display and a business jet fuel quantity system. In early 1993, PI acquired certain assets of Revere Aerospace Inc., which added a high-performance electrical and optical interconnecting cable business as a complement to its existing product lines.

As a result of the overall weakness in the aerospace industry, PI sales to the military and commercial OEM aircraft markets declined significantly in 1993 and 1992. In addition, PI's sales of aerospace products for use as spares were reduced significantly as airlines lowered spare parts inventories and utilized excess equipment from surplus aircraft. In response to these conditions, PI embarked on an aggressive program to reduce costs through significant consolidation and downsizing. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Recent Developments" on page 11 of this report.

Industrial Process Control and Pressure Gauge Products

PI serves the process industry by designing and manufacturing process control products, including gas and liquid analyzers, emission monitors, process annunciators and control room graphic displays. PI serves numerous segments of the process industry, including refining and petrochemical processing and power and steel plants. PI also produces a wide variety of pressure gauge products for numerous industrial and commercial uses.

In recent years, domestic market conditions have been, and continue to be, soft due primarily to adverse conditions in the refining and petrochemical industry. These conditions have been affected by environmental regulations which have severely reduced new refinery and petrochemical plant construction and refinery and petrochemical operating rates in the United States.

PI's business strategy is to concentrate on new markets where it has a technological or cost advantage. PI develops or customizes products around core technologies to meet customer requirements. For example, PI's oxygen and combustion analyzers have a leading market position and are designed to meet customer specific applications. PI has also recently succeeded in marketing one of its aerospace based products, thermocouples, for use with land gas turbines.

Pressure gauges are produced by PI's U.S. Gauge Division, a leader in the North American pressure gauge market. Pressure gauges are used in a wide variety of industrial and manufacturing processes. The general pressure gauge market has been adversely affected by poor domestic economic conditions and competition from low cost offshore producers. PI has responded to these market conditions by reducing costs and refocusing its domestic manufacturing to concentrate on higher priced pressure gauge applications. In addition, through a distributorship relationship with a Taiwanese company, PI is currently distributing in the United States low cost pressure gauges manufactured in the People's Republic of China, a product segment in which PI is not currently competitive.

Automotive Products

PI is the leading domestic producer and supplier of electronic instrument panels and instruments to the heavy truck market and is currently expanding

into the agricultural and construction vehicle markets. In recent years, the heavy truck market has been strong. Domestic truck manufacturers have faced a growing demand for more fuel efficient trucks that satisfy applicable air pollution guidelines. PI has participated in this market by working closely with several manufacturers to develop solid state instruments to monitor engine efficiency and emissions. PI's strategy is to expand this product line into construction and agricultural equipment and into international markets with products similar to those currently produced for United States manufacturers.

Customers

Although the Precision Instruments Group is not dependent on any single customer such that its loss would have a material adverse effect on its operations, approximately 29% of its 1993 sales were made to its five largest customers.

INDUSTRIAL MATERIALS GROUP

The Industrial Materials Group ("IMG") manufactures the following principal products: water filtration products, high-purity engineered metals, high-temperature fabrics, compounded plastics and plastic packaging materials. Each of IMG's five businesses is technology-based, stressing mechanical, metallurgical or plastic processing skills. IMG consists of five divisions: Plymouth Products, (including AMETEK Filters Ltd., a U.K. subsidiary), Specialty Metal Products, Haveg, Microfoam and Westchester Plastics.

IMG's strategic focus is to target niche markets by differentiating its products on the basis of quality, price and/or services and to pursue new product development by exploiting proprietary technologies and specialized manufacturing processes.

The Plymouth Products Division (including AMETEK Filters Ltd.) produces water filtration products for residential, commercial and industrial uses in the United States and 80 other countries. Plymouth Products sells its products in both the retail and wholesale markets. With its acquisition in late 1992 of the Kleen Plus (R) retail water filter line, Plymouth Products broadened its cartridge filter line so that it now offers complete water filtration systems, 25 special-purpose filter housings and 60 different replacement cartridges. Plymouth's filter cartridges and housings are used in such diverse applications as water filtration and food and beverage, cosmetics and chemical production. Plymouth's point-of-use drinking water filters are used for the removal of objectionable taste and odor, hazardous chemicals and heavy metals. In addition, Plymouth Products produces a faucet-mounted filter, as well as filters, housings and cartridges for use by plumbing professionals for residential and commercial customers. The Company has identified the water filtration market as a key opportunity for expansion and, accordingly, has commenced a \$4 million plant expansion. This capacity increase is the fifth such expansion in the last 13 years.

The Specialty Metal Products Division uses its powder metallurgy to produce strip and wire and uses its cladding technologies to make a variety of products with multiple metallurgical properties. Specialty Metal Products sells its products for use in the manufacture of appliances, electronic connectors, rechargeable batteries and TV cathode ray tubes. Its clad metals are used in gourmet cookware and chemical and pressure vessels, and its metal matrix composites are used for thermal management in high power electronic circuits.

The Haveg Division manufactures products for high temperature applications and highly corrosive environments. Haveg's products are made of silicas, phenolic resins and Teflon (R) (a registered trademark of the DuPont Company). Haveg's silica yarn, which maintains strength and flexibility at high temperatures, is used for protective welding curtains, as a textile replacement for asbestos and as a laminate for printed circuit boards. Two other Haveg products are Flexsil (R), made from Haveg's woven Siltemp (R) fabric and used in foundries to filter molten metal as it is poured into casting molds, and Teflon (R) heat exchangers, used in a number of different industrial applications because of its chemically inert construction and high purity.

Additionally, Haveg produces storage tanks and pipes, made of phenolic resins, which are able to withstand highly corrosive environments.

The Microfoam Division is the world's only producer of a very low density

polypropylene foam used primarily for packaging items, such as furniture and agricultural products, that require cushioning, surface protection and insulation. CouchPouch (TM), one of Microfoam's products made from the division's MicroTuff (TM) composite material is stitched into various size bags large enough to protect furniture. Because they are made of pure polypropylene, the products are suitable for reuse and recycling.

The Westchester Plastics Division is engaged in the toll processing and formulation of plastics compounds, including developing processing techniques that enhance such properties as fire retardance and adhesion. In addition, Westchester Plastics has state-of-the-art twin-screw extruder lines used to produce custom thermoplastics for a variety of industries.

Customers

Although IMG is not dependent on any single customer such that its loss would have a material adverse effect on its operations, approximately 13% of IMG's sales for 1993 were made to its five largest customers.

MARKETING

Generally, the Company's marketing efforts are organized and carried out at the divisional level. However, a few functions are centralized at the corporate level for reasons of cost and efficiency.

Given the basic similarity of its various products, its significant market share worldwide and the technical nature of its products, EMG conducts most of its domestic and international marketing activities through its direct sales force. EMG makes limited use of sales agents in those foreign countries where its sales activity is relatively low.

Because of their relatively diverse product lines, both PI and IMG make significant use of distributors and sales agents in the marketing efforts of most of their divisions. With its specialized customer base of aircraft manufacturers and airlines, PI's aerospace division relies primarily on its direct selling efforts.

COMPETITION

Generally, most markets in which the Company operates are highly competitive. The principal elements of competition for the products manufactured in each of the Company's business segments are price, product features, distribution, quality and service.

The primary competition in the United States in the floor care market is from a few competitors, each of which has a smaller market share but is part of a company which is larger and has greater resources than Ametek. Additional competition could come from vertically integrated manufacturers of floor care products which produce their own motors and blowers. In Europe, competition is from a small group of very large competitors and numerous small competitors.

In the markets served by the Precision Instruments Group, the Company believes that it is one of the world's largest pressure gauge manufacturers and a leading producer of annunciator systems. The Company also ranks among the top ten producers of certain measuring and control instruments in the United States. It is one of the leading instrument and sensor suppliers, with a broad product offering in both the military and commercial aviation industries. As a result of the continuing decline in demand for aircraft instruments and engine sensors due to the consolidation and deregulation of the airline industry and reduced military spending, competition is strong and is expected to intensify with respect to certain of the products in the aerospace markets. In the pressure gauge and automotive markets served by PI, there are a limited number

of companies competing on price and technology. With respect to process measurement and control niche markets, there are numerous competitors in each niche competing, for the most part, on the basis of product quality and innovation.

Many of the products sold by the Industrial Materials Group are made by few competitors and competition is mainly from producers of substitute materials. The Company's Westchester Plastics division is one of the nation's largest independent plastics compounders. In this market, the Company's competition is

from other independent toll compounders and those customers which have similar in-house compounding capabilities. Plymouth Products is one of the major suppliers of household water filtration systems, a market in which it has numerous competitors. In the industrial and commercial filtration markets which Plymouth Products serves, it does not have a major market share and faces competition from numerous sources.

BACKLOG AND SEASONAL VARIATIONS OF BUSINESS

The Company's approximate backlog of unfilled orders at the dates specified by business segment was as follows:

	DECEMBER 31,		
	1993	1992	1991
	(IN MILLIONS)		
Electro-mechanical.....	\$ 66.0	\$ 80.8	\$ 79.8
Precision Instruments.....	121.8	137.3	170.8
Industrial Materials.....	24.8	22.8	24.4
Total.....	\$212.6	\$240.9	\$275.0
	=====	=====	=====

Of the total backlog of unfilled orders at December 31, 1993, approximately 88% is expected to be shipped by December 31, 1994.

The Company believes that neither its business as a whole nor any of its business segments is subject to significant seasonal variations, although certain individual operations experience some seasonal variability.

RAW MATERIALS

The Company's business segments obtain raw materials and supplies from a variety of sources, generally from more than one supplier. However, in the Industrial Materials segment, certain items are only available from a limited number of suppliers. The Company believes that its sources and supply of raw materials are adequate for its needs.

RESEARCH AND DEVELOPMENT

Notwithstanding the recent economic recession, the Company continues to be committed to appropriate research and development activities designed to identify and develop potential new and improved products. Company-funded research and development costs during the past three years were: 1993--\$15.1 million, 1992--\$14.7 million, and 1991--\$12.1 million. Research activities are conducted by the various businesses of the Company in the areas in which they operate.

ENVIRONMENTAL COMPLIANCE

Information with respect to environmental compliance by the Company is set forth in Part II of this report on page 16 in the section of Management's Discussion and Analysis of Financial Condition and Results of Operations entitled "Environmental Matters."

PATENTS, LICENSES AND TRADEMARKS

The Company owns numerous unexpired United States patents, United States design patents and foreign patents, including counterparts of its more important United States patents, in the major industrial countries of the world. The Company is a licensor or licensee under patent agreements of various types and its products are marketed under various registered United States and foreign trademarks and trade names. However, the Company does not consider any single patent or trademark, or any group thereof, essential to its business as a whole, or to any of its business segments. The annual royalties received or paid under license agreements are not significant to any single business segment or to the Company's overall operations.

EMPLOYEES

At December 31, 1993, the Company employed approximately 6,000 individuals, of whom approximately 2,400 are covered by collective bargaining agreements.

WORKING CAPITAL PRACTICES

The Company does not have extraordinary working capital requirements in any of its business segments. Customers generally are billed at normal trade terms with no extended payment provisions. Inventories are closely controlled and maintained at levels related to production cycles and responsive to normal delivery requirements of customers.

ITEM 2. PROPERTIES

The Company has 32 plant facilities in 12 states and five foreign countries. Of these facilities, 26 are owned by the Company and six are leased. The properties owned by the Company consist of approximately 441 acres in total, of which approximately 3,447,000 square feet are under roof. Under lease is a total of approximately 413,000 square feet. The leases expire over a range of years from 1994 to 1999 with renewal options for varying terms contained in most of the leases. The Company also has an idle facility and certain parcels of land available for sale. The Company's executive offices in Paoli, Pennsylvania occupy approximately 32,000 square feet under a lease which will expire in 1997. Additional offices of the Company in New York City occupy approximately 4,000 square feet under a lease which will expire in 1996.

The Company's machinery, plants and offices are in satisfactory operating condition and are adequate for the uses to which they are put. The operating facilities of the Company by business segment are summarized in the following table:

	NUMBER OF FACILITIES		SQUARE FEET UNDER ROOF	
	OWNED	LEASED	OWNED	LEASED
Electro-mechanical.....	9	1	1,143,000	66,000
Precision Instruments....	8	5	856,000	347,000
Industrial Materials.....	9	-	1,448,000	--
Total.....	26	6	3,447,000	413,000

ITEM 3. LEGAL PROCEEDINGS.

Not applicable.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

No matters were submitted to a vote of the Company's security holders, through the solicitation of proxies or otherwise, during the last quarter of its fiscal year ended December 31, 1993.

EXECUTIVE OFFICERS OF THE REGISTRANT.

Officers are appointed by the Board of Directors to serve for the ensuing year and until their successors have been elected and qualified. Information on executive officers of the Company is shown below:

NAME	AGE	PRESENT POSITION WITH THE COMPANY
Walter E. Blankley.....	58	Chairman of the Board and Chief Executive Officer
Roger K. Derr*.....	62	Executive Vice President--Chief Operating Officer

Allan Kornfeld*.....	56	Executive Vice President--Chief Financial Officer
Murray A. Luftglass.....	62	Senior Vice President--Corporate Development
Peter A. Guercio*.....	65	Group Vice President
Frank S. Hermance*.....	45	Group Vice President
George E. Marsinek*.....	56	Group Vice President
John J. Molinelli.....	47	Vice President and Comptroller
Deirdre D. Saunders.....	46	Treasurer and Assistant Secretary
Robert W. Yannarell.....	60	Secretary

- - - - -

* Office of the President, formed March 1993.

WALTER E. BLANKLEY has been Chairman of the Board since April 1993. He was elected a Director and the President and Chief Executive Officer of the Company in April 1990. Mr. Blankley had served as a Senior Vice President since 1982.

ROGER K. DERR has been Executive Vice President--Chief Operating Officer since April 1990. He had served as a Senior Vice President of Ametek since 1982.

ALLAN KORNFELD has been Executive Vice President--Chief Financial Officer since April 1990. He has been Chief Financial Officer of Ametek since April 1986. Mr. Kornfeld was elected a Senior Vice President in 1984.

MURRAY A. LUFTGLASS has been Senior Vice President--Corporate Development since May 1984.

PETER A. GUERCIO has been a Group Vice President since April 1990. He was elected a Vice President of Ametek in 1989.

FRANK S. HERMANCE joined the Company as a Group Vice President in November 1990. Previously he was General Manager of several instruments divisions of Tektronix, Inc.

GEORGE E. MARSINEK has been a Group Vice President since April 1990. He was elected a Vice President in 1988.

JOHN J. MOLINELLI has served as a Vice President and Comptroller of Ametek since April 1993. He was elected Comptroller in 1991 and General Auditor in 1989.

DEIRDRE D. SAUNDERS has served as Treasurer and Assistant Secretary since April 1993. Ms. Saunders joined Ametek in 1987 as Assistant Treasurer.

ROBERT W. YANNARELL has served as Secretary of the Company since April 1993. He was elected Treasurer and Assistant Secretary in 1987.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

The principal market on which the Company's common stock is traded is the New York Stock Exchange. The Company's common stock is also listed on the Pacific Stock Exchange. On March 4, 1994, there were approximately 6,400 record holders of the Company's common stock.

The market price and dividend information with respect to the Company's common stock are set forth on page 33 of this report in the section of the Notes to Consolidated Financial Statements entitled "Quarterly Financial Data (Unaudited)". Future dividend payments by the Company will be dependent upon future earnings, financial requirements, contractual provisions of debt agreements and other relevant factors.

ITEM 6. SELECTED FINANCIAL DATA.

1993	1992	1991	1990	1989
-----	-----	-----	-----	-----
(DOLLARS AND SHARES IN MILLIONS, EXCEPT PER SHARE AMOUNTS)				

CONDENSED CONSOLIDATED STATEMENT
OF INCOME

(Years ended December 31)

Net sales.....	\$732.2	\$769.6	\$715.1	\$660.7	\$587.8
Costs and expenses(1).....	732.1	690.5	648.8	592.3	527.6
	-----	-----	-----	-----	-----
Operating income.....	0.1	79.1	66.3	68.4	60.2
Other (expense) income--net(1)....	(11.3)	(12.4)	(13.9)	(11.7)	0.5
	-----	-----	-----	-----	-----
Income (loss) before income taxes.	(11.2)	66.7	52.4	56.7	60.7
Provision for (benefit from) income taxes.....	(3.9)	22.3	14.4	19.4	22.4
	-----	-----	-----	-----	-----
Net income (loss) (1).....	\$ (7.3)	\$ 44.4	\$ 38.0	\$ 37.3	\$ 38.3
	=====	=====	=====	=====	=====
Earnings (loss) per share(1).....	\$(0.17)	\$ 1.01	\$ 0.87	\$ 0.85	\$ 0.87
	=====	=====	=====	=====	=====
Dividends declared and paid per share.....	\$ 0.57	\$ 0.68	\$ 0.66	\$ 0.64	\$ 0.62
	=====	=====	=====	=====	=====

CONSOLIDATED FINANCIAL POSITION

(At December 31)

Working capital.....	\$134.2	\$190.2(2)	\$181.4	\$184.4	\$215.1
Total assets.....	\$562.7	\$603.1(2)	\$612.5	\$615.2	\$563.3
Long-term debt (including current portion).....	\$187.0	\$206.9	\$220.9	\$242.5	\$226.1
Stockholders' equity.....	\$165.3	\$210.3	\$211.5	\$199.4	\$194.9
Number of shares outstanding.....	43.6	44.2	44.0	43.7	44.3

ADDITIONAL FINANCIAL DATA

Capital expenditures.....	\$ 38.3	\$ 24.0	\$ 18.8	\$ 35.7	\$ 25.7
Depreciation and amortization.....	\$ 35.9	\$ 37.3	\$ 36.5	\$ 33.5	\$ 25.3
Research and development expenses.	\$ 15.1	\$ 14.7	\$ 12.1	\$ 11.1	\$ 17.6
Ratio of earnings to fixed charges.....	-- (3)	4.0x	3.2x	3.3x	4.5x
EBITDA(4).....	\$ 92.4	\$117.6	\$103.5	\$100.7	\$ 91.2
Ratio of EBITDA to interest expense(4).....	5.2x	5.9x	4.7x	4.8x	5.9x
Ratio of debt to EBITDA(4).....	2.0x	1.8x	2.1x	2.5x	2.5x

(1) Amounts in 1993 include pre-tax charges totaling \$54.9 million (\$33.5 million after tax, or \$.77 per share) for restructuring and other unusual items. These charges were for costs related to work force reductions, asset write-downs, relocation and consolidation of certain product lines and operations, and for other unusual items.

(2) Restated to conform to 1993 presentation.

(3) Earnings were insufficient to cover fixed charges by approximately \$12.2 million in 1993.

(4) EBITDA represents income before interest, amortization of deferred financing costs, taxes, depreciation and amortization, and 1993 restructuring and other unusual charges. EBITDA is presented as additional information as to the Company's ability to service its debt.

10

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Management's discussion and analysis of the Company's financial condition and results of operations set forth below should be read in conjunction with the consolidated financial statements of the Company and the related notes shown in the index on page 17 of this report.

RECENT DEVELOPMENTS

Weakened market conditions in some of the markets in which the Company operates, particularly in the aerospace and process industries, have resulted in recent declines in sales and income.

In November 1993, the Company completed a broad strategic review and announced a plan intended to enhance shareholder value over the long term. From

an operational point of view, the Company will seek to increase the profitability of its existing businesses through (i) growth and reinvestment, particularly in its electro-mechanical, specialty metal and water filtration operations, (ii) continued emphasis on controlling costs and (iii) an increased focus on foreign sales, especially in the Pacific Rim and Europe, through a combination of direct selling efforts and joint ventures. The Company also intends to pursue strategic acquisitions on a selective basis.

From a financial point of view, the Company's plan, which takes advantage of the Company's historically strong cash flow, involves repurchasing outstanding shares of its common stock for an aggregate purchase price of up to \$150 million and refinancing existing debt with the net proceeds from the March 1994 \$150 million public offering of 9 3/4% senior debt securities, borrowings under a new bank credit agreement, and available cash. The resulting increased leverage will reduce the Company's financial and operating flexibility. Accordingly, the plan also called for a reduction in the quarterly per share dividend rate on the Company's Common Stock from \$.17 to \$.06 beginning with the dividend which was payable on December 24, 1993, and a decrease in the Company's leverage over time.

BUSINESS RESTRUCTURING AND OTHER UNUSUAL CHARGES

In 1993, the Company recorded pre-tax charges of \$54.9 million (\$33.5 million after tax, or \$.77 per share) for costs associated with resizing and restructuring several of its businesses and other unusual expenses. Of the \$54.9 million total charge, \$46.9 million (\$28.6 million after tax, or \$.66 per share), was recorded in the fourth quarter of 1993. The total charges, on a pre-tax basis, were for (1) work force reductions, both planned and those which occurred in 1993 (including certain pension-related costs) (\$21.4 million); (2) asset write-downs (\$15.0 million); (3) the relocation of certain product lines from a Precision Instruments facility in Sellersville, Pennsylvania and the overall consolidation of the Company's aerospace operations (\$14.2 million); and (4) other unusual expenses (\$4.3 million). The charges for resizing and restructuring are primarily related to the Company's Sellersville operations and result from actions taken or planned due to the unwillingness of the union at such facility to agree on wage and work rule concessions requested by the Company necessary to make that operation competitive. Also, the Company has reached an agreement regarding the prepayment premiums to be paid for early retirement of existing debt and will record an extraordinary charge, (estimated as of December 31, 1993), of approximately \$13 million (after tax), subject to an interest rate adjustment, in the first quarter of 1994 after completion of the sale of the senior public notes and the retirement of existing debt.

YEAR ENDED DECEMBER 31, 1993 COMPARED TO YEAR ENDED DECEMBER 31, 1992

Results of Operations

Sales for 1993 were \$732.2 million, a decrease of \$37.4 million or 4.9% from 1992. The sales decrease was attributable to reduced domestic and European demand for electric motor products and the negative effect of translating sales of the Company's Italian operations from the weaker Italian lire to U.S. dollars. Sales by the Precision Instruments Group also declined as a result of continued poor market conditions for aerospace products and process and analytical instruments. A sales improvement was reported by the

Industrial Materials Group due to the strength of demand for liquid filtration products, specialty metal products and compounded plastics. Sales by all business segments to foreign markets totalled \$202.9 million in 1993 compared to \$233.7 million in 1992, a decrease of 13.2%. Export shipments from the United States in 1993 were \$105.7 million, a decrease of 11.4% from 1992, primarily as a result of weak economic conditions in Europe.

New orders during 1993 were approximately \$703.9 million, a decrease of \$31.6 million or 4.3% from 1992. The backlog of orders was \$212.6 million at year-end, an 11.8% decrease from 1992, reflecting the lower level of business in the Electro-mechanical and Precision Instruments Groups.

Business segment operating profit before restructuring and other unusual operating charges was \$74.8 million in 1993, compared to \$100.1 million in 1992, a decrease of 25.3%. Along with the reduction due to the lower sales volume, this decline reflects operating inefficiencies (primarily within the Electro-mechanical and the Precision Instruments Groups) and higher expenses

caused by a plant start-up and plant rearrangements in the Electro-mechanical Group. In 1993, business segment results also reflect charges totalling \$52.1 million for resizing and restructuring certain operations and other unusual expenses. After reflecting these charges, business segment operating profit for 1993 was \$22.7 million.

Corporate expenses (including unallocated administrative expenses, interest expense and net other income) were \$33.9 million in 1993, substantially unchanged from \$33.3 million in 1992.

The effective rate of income tax benefit for 1993 of 34.5% reflects the new U.S. federal statutory income tax rate of 35% for all of 1993. The overall effective rate of the tax benefit was reduced somewhat by a tax provision on foreign pre-tax earnings.

After-tax earnings for 1993, before restructuring and other unusual charges, were \$26.2 million or \$.60 per share. This compares to net income of \$44.4 million or \$1.01 per share earned in 1992. After restructuring and other unusual charges totalling \$33.5 million (after tax), the Company reported a net loss of \$7.3 million, or \$.17 per share for 1993.

Business Segment Results

	YEARS ENDED DECEMBER 31,		
	1993	1992	1991
	(IN THOUSANDS)		
NET SALES (1):			
Electro-mechanical.....	\$280,732	\$309,556	\$249,763
Precision Instruments.....	275,351	297,025	309,901
Industrial Materials.....	176,112	162,969	155,435
	-----	-----	-----
Total net sales.....	\$732,195	\$769,550	\$715,099
	=====	=====	=====
INCOME (LOSS):			
Electro-mechanical.....	\$ 35,018	\$ 49,912	\$ 35,363
Precision Instruments.....	(30,643) (2)	28,045	32,914
Industrial Materials.....	18,284 (3)	22,096	20,332
	-----	-----	-----
Total segment operating profit (4).....	22,659	100,053	88,609
Corporate and other expenses (5).....	(33,856)	(33,334)	(36,231)
	-----	-----	-----
Income (loss) before taxes.....	\$(11,197)	\$ 66,719	\$ 52,378
	=====	=====	=====

- - - - -
- (1) After elimination of intersegment sales, which are not significant in amount.
 - (2) Reflects charges of \$47.8 million primarily for resizing and restructuring costs associated with planned work force reductions and those which occurred in 1993, asset write-downs, relocation of product lines and the overall consolidation of the Company's aerospace operations and other unusual charges.
 - (3) Reflects charge of \$3.9 million primarily for asset write-downs.
 - (4) Segment operating profit represents sales less all direct costs and expenses (including certain administrative and other expenses) applicable to each segment, but does not include interest expense.
 - (5) Includes unallocated administrative expenses, interest expense and net other income and, in 1993, \$2.8 million of restructuring and other unusual charges.

The Electro-mechanical Group's sales decreased \$28.8 million or 9.3% to \$280.7 million primarily because of Italian lire currency translation and because of reduced customer demand for domestically produced electric motor products during the year. Before currency translation, the Italian operations reported 2.6% higher sales over 1992. Operating profit of this group decreased 29.8% to \$35.0 million due to lower sales volume, higher costs related to new product introductions, a plant start-up and plant rearrangements, less

favorable product mix and negative foreign currency translation effects.

Precision Instruments Group sales in 1993 were \$275.4 million, a decrease of \$21.7 million or 7.3% from 1992. The sales decline reflects the continuing weakness in demand for aircraft instruments and engine sensors from commercial airlines and poor conditions in the aerospace industry and in process control markets. The sales decline was partially offset by increased sales of truck instruments, flight reference systems and sales by a new business acquired in the first quarter of 1993. Operating profit of this group before restructuring and other unusual charges was \$17.1 million in 1993 compared to \$28.0 million in 1992, a \$10.9 million or 39.0% decline. This decrease was due to the sales decline, production inefficiencies and changes in product mix. This group's profits were further reduced by restructuring and unusual operating charges of \$47.8 million in 1993, of which \$39.8 million was recorded in the fourth quarter, and resizing charges of \$8 million which were recorded in the first nine months of the year. These charges were primarily for work force reductions planned or which occurred in 1993 (including certain pension-related costs), asset write-downs, product line relocations of certain gauge manufacturing operations, and consolidation of the Company's aerospace businesses. Most of these actions were necessary due to the unwillingness of the union at the Company's Sellersville facility to agree to wage and work rule concessions requested by the Company necessary to make that operation competitive. After restructuring and other unusual operating charges, this group reported an operating loss of \$30.6 million for 1993.

Industrial Materials Group sales in 1993 were \$176.1 million, an increase of \$13.1 million or 8.1% from 1992 largely due to increased sales of liquid filtration products, compounded plastics and specialty metal products. Group operating profit before restructuring and other unusual charges was \$22.2 million, a slight improvement over operating profit of \$22.1 million reported for 1992. An increase in profits by the Specialty Metal Products Division was substantially offset by lower profits from the other businesses in this group due to operating inefficiencies and changes in product mix at certain divisions. After fourth quarter 1993 restructuring and other unusual charges of \$3.9 million, primarily for certain asset write-downs, the group operating profit was \$18.3 million for 1993. In February 1994, a warehouse attached to a plant in this group collapsed under the weight of heavy snow. The plant has returned to full operation and the damages and related losses are covered by insurance.

YEAR ENDED DECEMBER 31, 1992 COMPARED TO YEAR ENDED DECEMBER 31, 1991

Results of Operations

For 1992, Ametek achieved record sales of \$769.6 million, exceeding sales in 1991 by \$54.5 million or 7.6%. The increase occurred primarily in the Electro-mechanical Group and was the result of increased worldwide demand for electric motors, the introduction of new products and increased market penetration. Sales were also enhanced by the acquisition of an electric motor business in the first quarter of 1992. A sales increase by the Industrial Materials Group was more than offset by lower sales by the Precision Instruments Group, which suffered from a sharp decline in demand for aircraft instruments and engine sensors in the commercial and military markets. Sales by all business segments to foreign markets totalled \$233.7 million in 1992 compared to \$211.8 million in 1991, an increase of 10.3%. Export sales from the United States totalled \$119.3 million in 1992 compared to \$111.6 million in 1991, a 6.9% increase.

New orders during 1992 were approximately \$735.5 million, an increase of \$26.2 million, or 3.7% over 1991. The backlog of orders was approximately \$240.9 million at year-end, a 12.4% decrease from the end of 1991, reflecting the lower level of business in the Precision Instruments Group.

13

Business segment operating profit was \$100.1 million in 1992, an increase of \$11.5 million or 12.9% over last year's \$88.6 million. The improved operating results for 1992 came mainly from the overall higher sales volume in the Electro-mechanical and Industrial Materials Groups and improved performance by the Company's three Italian motor divisions.

Corporate expenses (including unallocated administrative expenses, interest expense and net other income) of \$33.3 million in 1992 were \$2.9 million lower than last year's \$36.2 million, primarily due to lower interest expense

resulting from the reduced level of debt.

The effective tax rate for 1992 was 33.5% compared to 1991's rate of 27.5%. Both periods benefitted from favorable income tax adjustments. The 1992 rate reflects a net favorable settlement of certain tax years for United States operations, while the 1991 rate included the recognition of tax benefits from combining certain foreign operations.

Net income was \$44.4 million or \$1.01 per share for 1992, compared to earnings of \$38.0 million or \$.87 per share for 1991.

Net income for the fourth quarter of 1992 was \$10.6 million, substantially unchanged from net income of \$10.4 million in the fourth quarter of 1991, yielding earnings per share of \$.24 for both periods. Lower 1992 fourth-quarter business segment operating profit in the Precision Instruments Group, and a higher effective corporate tax rate in 1992's fourth quarter due to a change in Italian tax law affecting all of 1992, were offset by lower interest expense and other nonoperating expenses. Sales in the fourth quarter of 1992 reached \$191.5 million, 4.4% ahead of the \$183.4 million shipped in the fourth quarter of 1991, reflecting continuing strong demand for electric motors.

Business Segment Results

Electro-mechanical Group sales in 1992 were \$309.6 million, an increase of \$59.8 million or 23.9% from 1991 largely due to improved demand and market penetration for electric motors aided somewhat by the acquisition of a new business in the first quarter of 1992. Group operating profit increased 41.1% to \$49.9 million due to the higher sales volume, a more favorable product mix, and improved operating performance by the Italian motor divisions.

In the Precision Instruments Group, sales were \$297.0 million for 1992, a decrease of \$12.9 million or 4.2% from 1991. The sales decline reflects continuing weak demand for aircraft and aerospace instruments, sensors and spare parts for commercial airlines and the military, caused by the deepening recession in this market. The overall sales decline was partially offset by increased sales of truck instruments. The group's operating profit of \$28.0 million fell 14.8% from \$32.9 million in 1991, largely because of the steep sales decline in some of the group's more profitable products.

The Industrial Materials Group's 1992 sales increased \$7.5 million or 4.8% to \$163.0 million, due to increased sales of water filtration products and metal powders. Operating profit of the group totalled \$22.1 million in 1992, compared to \$20.3 million in 1991, an 8.7% increase, reflecting the increase in the group's sales volume and lower operating expenses in the Company's plastics compounding and foam packaging businesses.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Working capital at December 31, 1993 amounted to \$134.2 million, a decrease of \$56.0 million from December 31, 1992, caused largely by the provisions for resizing, restructuring and other unusual items. The ratio of current assets to current liabilities at December 31, 1993 was 1.80 to 1, compared to 2.38 to 1 at December 31, 1992.

14

Cash generated by the Company's operating activities totalled \$65.3 million in 1993 compared to \$78.6 million in 1992. The decrease reflects the lower level of earnings, after adding back \$50.9 million of restructuring and other unusual charges not requiring the use of cash in 1993. Cash flows from operating activities, less cash used for investing and financing activities of \$83.9 million, resulted in a decrease in cash and cash equivalents of \$18.7 million since the beginning of 1993. Cash used in 1993 included \$38.3 million for the purchase of property, plant and equipment, \$25.1 million for the payment of dividends, \$19.4 million for the repayment of long-term debt, \$16.6 million for the purchase of a business and investments and \$8.9 million for the purchase of 683,400 shares of the Company's common stock in the second quarter of 1993. Cash and cash equivalents and short-term marketable securities totalled \$84.7 million at December 31, 1993, a decrease of \$31.0 million from December 31, 1992.

Of the \$54.9 million of resizing, restructuring and other unusual charges

recorded in 1993, certain items require cash expenditures which are expected to be funded by normal operations. Approximately \$4.0 million was expended in 1993, and the Company anticipates that approximately \$25.3 million will be expended over the next two years. After all the restructuring actions are in place, the Company expects to realize continuing benefits resulting from reduced labor costs, improved productivity and other lower operating costs which, the Company believes, should more than offset these cash expenditures over time. Certain asset write-downs, provisions for pension curtailments and other unusual items totaling \$25.6 million will not require the use of cash, or incremental cash, during the next five years.

The proceeds of the 9 3/4% senior notes, together with borrowings under the new bank credit agreement and available cash, will be used (a) to retire (i) \$106.8 million aggregate principal amount of 8.95% notes, (ii) \$75.0 million aggregate principal amount of 9.35% notes and (iii) \$3.6 million aggregate principal amount of 8.05% notes, (b) to repurchase outstanding shares of the Company's common stock for an aggregate purchase price of up to \$150 million and (c) to pay fees and expenses related to the offering of the senior notes and the credit agreement.

The Company's future interest costs are expected to increase because of the higher outstanding total debt. The Company's quarterly common stock dividend was recently reduced from \$.17 per share to \$.06 per share. This reduction, without giving effect to the intended repurchase of common stock, will result in an annual saving of approximately \$19.4 million. This saving, along with lower near-term required debt principal payments, should more than offset the higher interest cost.

The Company believes that the amounts to be available under its new bank credit agreement and the proceeds of the sale of the senior notes, together with cash on hand and cash flows generated from operations, will provide sufficient capital resources to service all debt obligations, fund the share repurchase program and finance working capital, the new lower dividend and capital expenditure requirements in the foreseeable future.

Capital Expenditures

Capital expenditures (excluding acquisitions) were \$38.3 million during 1993. The majority of the expenditures were for additional manufacturing equipment and an additional production facility in the Electro-mechanical Group to provide expanded production capacity. The 1993 capital spending level is approximately 60% higher than 1992. The Company expects to continue its high level of capital spending in 1994, with special emphasis on the Electro-mechanical Group. The projected 1994 capital expenditures are approximately \$37 million, of which \$10 million has been rescheduled from 1993.

Acquisitions

On March 31, 1993, the Company purchased certain assets of Revere Aerospace Inc., a United States subsidiary of Dobson Park Industries PLC, for approximately \$7 million in cash. Revere is a producer of thermocouple and fiber optic cable assemblies. In 1992, the Company acquired a producer of small electric

motors and injection-molded components, a United Kingdom industrial filtration business, an instrument manufacturer located in Germany, and two small product lines for a total of \$11.7 million in cash. The motor company acquisition was a factor in the Company's recent decision to form the Technical Motor Division in the Electro-mechanical Group. These acquisitions have complemented the Company's existing businesses and broadened its global marketing efforts.

ENVIRONMENTAL MATTERS

The Company is subject to environmental laws and regulations, as well as stringent clean-up requirements, and has also been named a potentially responsible party at several sites which are the subject of government-mandated clean-ups. Provisions for environmental clean-up at these sites and other sites were approximately \$4.9 million in 1993 (\$1.4 million in 1992). While it is not possible to accurately quantify the potential financial impact of actions regarding environmental matters, the Company believes that, based upon past experience and current evaluations, the outcome of these actions is not likely to have a material adverse effect on future results of operations of the

Company.

ACCOUNTING STANDARDS RECENTLY ADOPTED

In November 1992 the FASB issued Statement No. 112 relating to accounting for postemployment benefits. In March 1993, Statement No. 115 relating to accounting for marketable securities was issued. The Company has adopted both of these Statements effective as of January 1, 1994. Adoption of these accounting standards did not have a material effect on the Company's results of operations.

IMPACT OF INFLATION

The Company attempts to minimize the impact of inflation through cost reduction programs and by improving productivity. In addition, the Company uses the LIFO method of accounting for inventories (whereby the cost of products sold approximates current costs), and therefore, the impact of inflation is substantially reflected in operating costs. In general, the Company believes that programs are in place designed to monitor the impact of inflation and to take necessary steps to minimize its effect on operations.

OUTLOOK

The Company is subject to economic uncertainties in its key markets around the world. However, management believes that the Company will be strengthened by the restructuring actions taken in 1993 and will benefit from its strategic plan to build long-term shareholder value. Management believes that the Company's global businesses and historically strong cash flow combine to position the Company to deal effectively with these uncertainties.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

INDEX TO FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULES
(ITEM 14(A) 1 AND 2)

	PAGE

FINANCIAL STATEMENTS	
Report of Independent Auditors.....	18
Consolidated Statement of Income for the years ended December 31, 1993, 1992 and 1991.....	19
Consolidated Balance Sheet at December 31, 1993 and 1992.....	20
Consolidated Statement of Cash Flows for the years ended December 31, 1993, 1992 and 1991.....	21
Notes to Consolidated Financial Statements.....	22-33

FINANCIAL STATEMENT SCHEDULES

Schedules for each of the three years in the period ended December 31, 1993 (except where otherwise indicated):

I	Marketable securities--Other investments at December 31, 1993....	34
V	Property, plant and equipment.....	35-36
VI	Accumulated depreciation of property, plant and equipment.....	37
VIII	Allowance for possible losses.....	38
IX	Short-term borrowings.....	38
X	Supplementary income statement information.....	38

All other schedules have been omitted since the required information is not present or not present in amounts sufficient to require submission of the schedules, or because the information is included in the consolidated financial

statements or notes thereto.

REPORT OF INDEPENDENT AUDITORS

We have audited the accompanying consolidated balance sheets of AMETEK, Inc. as of December 31, 1993 and 1992, and the related consolidated statements of income and cash flows for each of the three years in the period ended December 31, 1993. Our audits also included the financial statement schedules listed in the Index at Item 8. These financial statements and schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of AMETEK, Inc. at December 31, 1993 and 1992, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 1993, in conformity with generally accepted accounting principles. Also, in our opinion, the related financial statement schedules, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

ERNST & YOUNG

Philadelphia, PA
February 9, 1994

AMETEK, INC.

CONSOLIDATED STATEMENT OF INCOME
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	YEAR ENDED DECEMBER 31,		
	1993	1992	1991
Net sales.....	\$ 732,195	\$ 769,550	\$ 715,099
Expenses:			
Cost of sales, excluding depreciation (Note 2).....	582,001	583,357	546,479
Selling, general and administrative...	76,759	77,690	74,038
Depreciation.....	28,277	29,360	28,277
Resizing and restructuring charges (Note 2).....	45,089	--	--
	732,126	690,407	648,794
Operating income.....	69	79,143	66,305
Other income (expenses):			
Interest expense.....	(17,603)	(19,721)	(22,079)
Other, net (Note 11).....	6,337	7,297	8,152
Income (loss) before income taxes.....	(11,197)	66,719	52,378
Provision for (benefit from) income taxes (Note 8).....	(3,865)	22,362	14,392

Net income (loss).....	\$ (7,332)	\$ 44,357	\$ 37,986
	=====	=====	=====
Earnings (loss) per share.....	\$ (.17)	\$ 1.01	\$.87
	=====	=====	=====
Average common shares outstanding.....	43,901,767	44,095,057	43,887,631
	=====	=====	=====

See accompanying notes.

19

AMETEK, INC.

CONSOLIDATED BALANCE SHEET
(DOLLARS IN THOUSANDS)

	DECEMBER 31,	
	1993	1992
	-----	-----
ASSETS		
Current assets:		
Cash and cash equivalents (Notes 1 and 10).....	\$ 40,468	\$ 59,138
Marketable securities (Notes 1 and 10).....	44,191	56,480
Receivables, less allowance for possible losses of \$2,399 in 1993 and \$2,392 in 1992.....	108,068	107,130
Inventories (Notes 1 and 4).....	91,894	91,043
Deferred income taxes (Note 8).....	13,346	8,350
Other current assets.....	4,100	5,684
	-----	-----
Total current assets.....	302,067	327,825
Property, plant and equipment, net (Note 4).....	184,809	185,997
Other assets (Notes 4, 9 and 10).....	75,787	89,267
	-----	-----
	\$562,663	\$603,089
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable.....	\$ 54,374	\$ 55,558
Income taxes (Note 8).....	11,136	8,333
Accrued liabilities (Note 4).....	87,851	53,980
Current portion of long-term debt.....	14,543	19,749
	-----	-----
Total current liabilities.....	167,904	137,620
Long-term debt (Notes 5, 10 and 12).....	172,429	187,173
Deferred income taxes and credits (Note 8).....	27,948	42,731
Other long-term liabilities (Note 9).....	29,056	25,293
Stockholders' equity: (Notes 6 and 12)		
Preferred stock, \$1.00 par value, authorized: 5,000,000 shares; none issued.....	--	--
Common stock, \$1.00 par value, authorized: 100,000,000 shares; issued: 1993 and 1992--46,414,317 shares.....	46,414	46,414
Capital in excess of par value.....	6,389	5,679
Retained earnings.....	161,297	193,724
	-----	-----
	214,100	245,817
Net unrealized losses.....	(21,632)	(16,429)
Less: Cost of shares held in treasury: 1993--2,774,672; 1992--2,199,672 shares.....	(27,142)	(19,116)
	-----	-----
Total stockholders' equity.....	165,326	210,272
	-----	-----
	\$562,663	\$603,089
	=====	=====

See accompanying notes.

20

AMETEK, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS
(DOLLARS IN THOUSANDS)

	YEAR ENDED DECEMBER 31,		
	1993	1992	1991
Cash provided by (used for):			
Operating activities:			
Net income (loss).....	\$ (7,332)	\$ 44,357	\$ 37,986
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization.....	35,907	37,263	36,455
Deferred income taxes and credits.....	(19,970)	1,814	2,850
Resizing, restructuring and other unusual charges.....	50,898	--	--
Changes in operating working capital:			
(Increase) decrease in receivables.....	(633)	2,940	(11,754)
(Increase) decrease in inventories and other current assets.....	(1,035)	2,969	10,310
Increase (decrease) in payables, accruals and income taxes.....	8,704	(5,228)	11,374
Other.....	(1,288)	(5,529)	(4,034)
Total operating activities.....	65,251	78,586	83,187
Investing activities:			
Additions to property, plant and equipment....	(38,324)	(23,990)	(18,808)
Purchase of businesses and investments.....	(16,585)	(16,992)	(25,526)
Decrease (increase) in marketable securities...	14,998	15,965	(40,118)
Proceeds from sale of investments.....	7,795	12,806	9,778
Other.....	244	781	(2,984)
Total investing activities.....	(31,872)	(11,430)	(77,658)
Financing activities:			
Cash dividends paid.....	(25,095)	(29,991)	(28,990)
Additional long-term borrowings.....	--	3,755	--
Repayment of long-term debt.....	(19,411)	(20,041)	(23,785)
Net change in short-term borrowings.....	--	--	(5,608)
Purchase of treasury stock.....	(8,878)	--	--
Proceeds from issuance of common stock.....	1,335	3,388	831
Total financing activities.....	(52,049)	(42,889)	(57,552)
(Decrease) increase in cash and cash equivalents.	(18,670)	24,267	(52,023)
Cash and cash equivalents:			
Beginning of year.....	59,138	34,871	86,894
End of year.....	\$ 40,468	\$ 59,138	\$ 34,871

See accompanying notes.

AMETEK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and subsidiaries, after elimination of all significant intercompany transactions in consolidation.

Cash Equivalents, Securities and Other Investments

All highly liquid investments with maturities of three months or less when purchased are cash equivalents. Cash equivalents and fixed income marketable securities (primarily U.S. Government securities), are carried at the lower of cost or market. Marketable equity investments of an insurance subsidiary are carried at market value, and unrealized gains and losses are recognized in stockholders' equity. Other fixed income investments are carried at cost, which approximates market.

Inventories

Inventories are stated at the lower of cost or market, cost being determined principally by the last-in, first-out (LIFO) method of inventory valuation, and market on the basis of the lower of replacement cost or estimated net proceeds from sales. The excess of the first-in, first-out (FIFO) method over the LIFO value was \$29.4 million and \$29.9 million at December 31, 1993 and 1992.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Expenditures for additions to plant facilities, or which extend their useful lives, are capitalized. The cost of tools, jigs and dies, and maintenance and repairs are charged to operations as incurred. Depreciation of plant and equipment is calculated principally on a straight-line basis over the estimated useful lives of the related assets.

Research and Development

Company-funded research and development costs are charged to operations as incurred and during the past three years were: 1993-\$15.1 million, 1992-\$14.7 million, and 1991-\$12.1 million.

Foreign Currency Translation

Assets and liabilities of foreign operations are translated using exchange rates in effect at the balance sheet date, and their operations are translated using average exchange rates for the period.

Some transactions of the Company and its subsidiaries are made in currencies other than their own. Gains and losses from these transactions (not material in amount) are included in operating results for the period. Additionally, foreign exchange contracts and foreign currency options are sometimes used to hedge firm commitments for certain export sales transactions. Gains and losses from these agreements are deferred and reflected as adjustments of the associated export sales.

Earnings Per Share

Earnings per share are based on the average number of common shares outstanding during the period. No material dilution of earnings per share would result for the periods if it were assumed that all outstanding stock options were exercised.

Reclassifications

Certain amounts in the prior years' financial statements and supporting footnote disclosures have been reclassified to conform to the current year's presentation.

2. BUSINESS RESTRUCTURING AND OTHER UNUSUAL CHARGES

Results of operations for 1993 include charges of \$45.1 million (\$27.5 million after tax, or \$.63 per share) for costs associated with resizing and restructuring several of the Company's businesses and a charge of \$9.8 million (\$6 million after tax, or \$.14 per share) for other unusual expenses. Most of the charges were recorded in the fourth quarter of 1993. These charges were for

planned work force reductions and those which occurred in 1993 (including certain pension-related costs) (\$21.4 million); asset write-downs (\$15.0 million); relocation of certain product lines and overall consolidation of the Company's aerospace operations (\$14.2 million); and other unusual expenses (\$4.3 million). The resizing and restructuring charges primarily relate to the unwillingness of the union at a Precision Instruments facility in Sellersville, Pennsylvania to agree on wage and work rule concessions requested by the Company necessary to make that operation competitive.

3. ACQUISITIONS

In March 1993, the Company purchased certain assets of Revere Aerospace Inc., a United States subsidiary of Dobson Park Industries PLC, United Kingdom, for approximately \$7 million in cash. Revere is a producer of thermocouple and fiber optic cable assemblies.

In February 1992, the Company purchased the Tencal operations of Cambridge-Lee Industries. Tencal is a producer of small electric motors and injection-molded plastic components. In August 1992, the Company purchased the industrial filtration operation of Eurofiltec, Ltd. Early in October 1992, the Company purchased Debros Messtechnik GmbH, an instrument manufacturer located in Germany. Also, during 1992, the Company acquired two product lines consisting of silica fiber technology, and consumer filtration products. The cost of these acquisitions was \$11.7 million and the Company assumed \$3.8 million in debt.

In April 1991, the Company purchased Jofra Instruments, a Danish producer of temperature calibration equipment, and acquired the remaining 38% interest in Elettromotori Crema, one of its Italian electric motor manufacturers. Also, during 1991, the Company purchased product lines of consumer drinking water filters and custom-shaped alloy wire. The aggregate cost of these acquisitions was \$10.5 million in cash and a two-year, 10% installment obligation of \$4.5 million.

All of the above acquisitions have been accounted for by the purchase method and, accordingly, the results of their operations are included from the respective acquisition dates. The above acquisitions would not have had a material effect on sales or earnings for 1993, 1992 or 1991 had they been made at the beginning of the year prior to their acquisition.

AMETEK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

4. BALANCE SHEET INFORMATION

	(IN THOUSANDS)	
	1993	1992
	-----	-----
INVENTORIES		
Finished goods and parts.....	\$ 32,410	\$ 35,064
Work in process.....	23,683	22,873
Raw materials and purchased parts.....	35,801	33,106
	-----	-----
	\$ 91,894	\$ 91,043
	=====	=====
PROPERTY, PLANT AND EQUIPMENT		
Land.....	\$ 7,926	\$ 7,799
Buildings.....	95,393	89,211
Machinery and equipment.....	281,116	269,189
	-----	-----
	384,435	366,199
Less accumulated depreciation.....	(199,626)	(180,202)
	-----	-----
	\$ 184,809	\$ 185,997
	=====	=====
OTHER ASSETS		
Intangibles, at cost:		
Patents.....	\$ 28,083	\$ 27,993

Excess of cost over net assets acquired.....	15,976	18,767
Other acquired intangibles.....	40,284	39,127
Less accumulated amortization.....	(46,358)	(38,980)
	-----	-----
	37,985	46,907
Investments.....	23,755	19,919
Other.....	14,047	22,441
	-----	-----
	\$ 75,787	\$ 89,267
	=====	=====

Patents are being amortized on a straight-line basis over 7 to 14 years. The excess of cost over net assets acquired is being amortized on a straight-line basis over 20 to 30 years. Other acquired intangibles are being amortized on a straight-line basis over 2 to 30 years.

ACCRUED LIABILITIES

Accrued employee compensation and benefits.....	\$ 19,109	\$ 19,657
Resizing and restructuring.....	24,471	--
Accrued interest.....	4,928	5,744
Other.....	39,343	28,579
	-----	-----
	\$ 87,851	\$ 53,980
	=====	=====

5. LONG-TERM DEBT

At December 31, 1993 and 1992, long-term debt consisted of:

	(IN THOUSANDS)	
	1993	1992
	-----	-----
8.95% notes payable due 1995 to 2001.....	\$ 93,500	\$ 106,750
9.35% notes payable due 1995 to 2004.....	75,000	75,000
Other, due in varying amounts to 2004.....	3,929	5,423
	-----	-----
	\$ 172,429	\$ 187,173
	=====	=====

AMETEK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

The annual future payments required by the terms of the long-term debt for the following years are: 1995-\$21.3 million; 1996-\$21.3 million; 1997-\$21.1 million; and 1998-\$21.1 million. The Company's debt agreements contain restrictions relating to total debt, working capital, dividends and capital stock repurchases. At December 31, 1993, the Company was in compliance with these restrictions. (See Note 12 "Other Matters.")

The Company has a revolving credit agreement with a group of banks providing for up to \$83 million effective until June 30, 1995. No borrowings are outstanding under this agreement. The agreement provides for various interest alternatives and a commitment fee on the unused portion of the credit line. (See Note 12 "Other Matters.") In addition, the Company maintains lines of credit in other currencies with various European banks in amounts equivalent to \$12.1 million, in the aggregate, at December 31, 1993.

At December 31, 1993, the Company was a party to a currency and interest rate swap agreement related to debt (not material in amount), which matures in 1997, of a European subsidiary.

6. STOCKHOLDERS' EQUITY

The Company has a Shareholder Rights Plan, under which the Board of Directors declared a dividend of one Right for each share of Company common stock owned. The Plan provides, under certain conditions involving acquisition of the Company's common stock, that holders of Rights, except for the acquiring entity, would be entitled (i) to purchase shares of preferred stock at a specified exercise price, or (ii) to purchase shares of common stock of the Company, or the acquiring company, having a value of twice the Rights exercise

price. The Rights under the Plan expire in 1999.

The Company provides, among other things, for restricted stock awards of common stock to eligible employees and nonemployee directors of the Company at such cost to the recipient as the Stock Incentive Plan Committee of the Board of Directors may determine. These shares are issued subject to certain conditions, and transfer and other restrictions as prescribed by the Plan. In 1993 and 1991, respectively, the Company awarded 20,000 shares and 100,000 shares of restricted common stock to certain directors under the Plan. No restricted stock was awarded during 1992. Also, in 1991, a total of 68,272 shares of restricted common stock was awarded to certain executives of the Company in accordance with a supplemental pension benefit arrangement. Upon issuance of restricted stock, unearned compensation, equivalent to the excess of the market value of the shares awarded over the price paid by the recipient at the date of the grant, is charged to stockholders' equity and is amortized to expense over the periods until the restrictions lapse. Amortization charged to expense in 1993, 1992, and 1991 was not significant.

At December 31, 1993, 4,732,053 (5,442,993 in 1992) shares of common stock were reserved under the Company's incentive and nonqualified stock option plans. The options are exercisable at prices not less than market value on dates of grant, and in installments over five- to seven-year periods from such dates.

Information on options for 1993 follows:

	PRICE RANGE	SHARES
	-----	-----
Outstanding at beginning of year.....	\$ 8.94-\$16.50	2,116,289
Granted.....	13.13- 14.94	93,000
Exercised.....	11.69- 14.06	(136,973)
Cancelled.....	11.69- 15.75	(26,091)

Outstanding at end of year (expiring from 1994 through 2000).....	\$ 8.94-\$16.50	2,046,225
	=====	=====
Exercisable at end of year.....	\$ 8.94-\$16.50	1,344,215
	=====	=====

AMETEK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

Options on 259,486 shares were exercised in 1992 and no options were exercised in 1991.

The Company also has outstanding 293,502 stock appreciation rights exercisable for cash and/or shares of the Company's common stock when the related option is exercised. Subject to certain limitations, each right relates to the excess of the market value of the Company's stock over the exercise price of the related option. Charges and credits, immaterial in amount, are made to income for these rights and certain related options.

Changes in stockholders' equity are summarized below (In thousands):

	COMMON STOCK, \$1 PAR VALUE	CAPITAL IN EXCESS OF PAR VALUE	RETAINED EARNINGS	NET UNREALIZED GAINS (LOSSES)	TREASURY STOCK
	-----	-----	-----	-----	-----
BALANCE, DECEMBER 31, 1990.....	\$46,414	\$3,598	\$170,362	\$ 1,498	\$(22,460)
Employee savings plan (59,000 shares).....		236			494
Net income.....			37,986		

Cash dividends paid (\$.66 per share).....			(28,990)		
Currency translation....				1,179	
Restricted stock awards (168,272 shares).....		594			379
Adjustment of pension liability in excess of unrecognized prior service cost, net of deferred taxes.....				189	
	-----	-----	-----	-----	-----
BALANCE, DECEMBER 31, 1991.....	46,414	4,428	179,358	2,866	(21,587)
Employee stock options and savings plan (255,151 shares).....		1,251			2,137
Net income.....			44,357		
Cash dividends paid (\$.68 per share).....			(29,991)		
Currency translation....				(16,127)	
Amortization of restricted stock awards.....					334
Adjustment of pension liability in excess of unrecognized prior service cost, net of deferred taxes.....				(3,168)	
	-----	-----	-----	-----	-----
BALANCE, DECEMBER 31, 1992.....	46,414	5,679	193,724	(16,429)	(19,116)
Employee stock options and savings plan (88,400 shares).....		571			744
Net loss.....			(7,332)		
Cash dividends paid (\$.57 per share).....			(25,095)		
Currency translation....				(7,958)	
Restricted stock awards (20,000 shares).....		139			(119)
Amortization of restricted stock awards.....					227
Purchase of treasury stock (683,400 shares).					(8,878)
Appreciation in marketable securities and other financial instruments, net of deferred taxes.....				3,262	
Adjustment of pension liability in excess of unrecognized prior service cost, net of deferred taxes.....				(507)	
	-----	-----	-----	-----	-----
BALANCE, DECEMBER 31, 1993.....	\$46,414	\$6,389	\$161,297	\$(21,632)	\$(27,142)
	=====	=====	=====	=====	=====

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

7. LEASES

Minimum aggregate rental commitments under noncancellable leases in effect at December 31, 1993 (principally for real property, office space and equipment) amounted to \$4.9 million consisting of annual payments of \$2.4 million due in 1994, \$1.8 million in 1995 and decreasing amounts thereafter. Rental expense of \$5 million, \$4 million and \$4.1 million was charged to income in 1993, 1992 and

1991.

8. INCOME TAXES

In 1993, income before income taxes from foreign operations amounted to \$6.7 million (\$9.1 million in 1992 and \$4.9 million in 1991).

The details of the provision for (benefit from) income taxes follow:

	(IN THOUSANDS)		
	1993	1992	1991
Federal.....	\$ (7,125)	\$16,357	\$13,288
State.....	(863)	1,327	2,547
Foreign.....	4,123	4,678	(1,443) *
	<u>\$ (3,865)</u>	<u>\$22,362</u>	<u>\$14,392</u>
	=====	=====	=====

- - - - -

*Includes the favorable tax effect of combining certain foreign operations.

The provision for (benefit from) income taxes shown above includes a current provision of \$14,791, \$20,435 and \$14,284 and a deferred provision (benefit) of \$(18,656), \$1,927 and \$108 for 1993, 1992 and 1991.

Prior to January 1, 1992, the Company followed the provisions of SFAS No. 96, Accounting for Income Taxes. Effective January 1, 1992, the Company adopted the provisions of a new accounting standard for income taxes (SFAS No. 109). The effect of adopting this standard was not material.

Significant components of the Company's deferred tax (asset) liability as of December 31 are as follows:

	(IN THOUSANDS)	
	1993	1992
Current deferred tax assets:		
Reserves not currently deductible.....	\$ (13,235)	\$ (8,142)
Other.....	(111)	(208)
Net current deferred tax asset.....	<u>(13,346)</u>	<u>(8,350)</u>
Long-term deferred tax (assets) liabilities:		
Differences in basis of property and accelerated depreciation.....	23,056	23,220
Purchased tax benefits.....	17,654	18,452
Reserves not currently deductible.....	(17,015)	(3,763)
Other.....	4,253	4,822
Net long-term deferred tax liability.....	<u>27,948</u>	<u>42,731</u>
Net deferred tax liability.....	<u>\$ 14,602</u>	<u>\$34,381</u>
	=====	=====

The effective rate of the provision for (benefit from) income taxes reconciles to the statutory rate as follows:

	1993	1992	1991
	-----	-----	-----
Statutory rate.....	(35.0)%	34.0%	34.0%
State income taxes, net of federal income tax benefit.....	(5.0)	2.2	2.8
Foreign Sales Corporation and other tax credits.....	(15.0)	(2.4)	(2.9)
Effect of foreign operations.....	15.0	1.1	(6.8)
Effect of U.S. federal statutory tax rate increase on prior years' deferred taxes.....	5.9	--	--
Other.....	(0.4)	(1.4)	0.4
	-----	-----	-----
	(34.5)%	33.5%	27.5%
	=====	=====	=====

9. RETIREMENT AND PENSION PLANS

The Company maintains noncontributory defined benefit retirement and pension plans, with benefits for eligible United States salaried and hourly employees funded through trusts established in conjunction with these plans. Employees of certain foreign operations participate in various local plans which in the aggregate are not significant.

The Company also has nonqualified unfunded retirement plans for its directors and certain retired employees, and contractual arrangements with certain executives that provide for supplemental pension benefits in excess of those provided by the Company's primary pension plan. Fifty percent of the projected benefit obligation of the supplemental pension benefit arrangements with the executives has been funded by grants of restricted shares of the Company's common stock. The remaining 50% is unfunded. The Company is providing for these arrangements by charges to earnings over the periods to age 65 of the participants.

The Company's funding policy with respect to its qualified plans is to contribute amounts determined annually on an actuarial basis that provides for current and future benefits in accordance with funding requirements of federal law and regulations. Assets of funded benefit plans are invested in a variety of equity and debt instruments and in pooled temporary funds.

Net pension expense, excluding plan administrative expenses, consists of the following components:

	(IN THOUSANDS)		
	1993	1992	1991
	-----	-----	-----
Service cost for benefits earned during the period.....	\$ 6,902	\$ 6,601	\$ 5,662
Interest cost on projected benefit obligation....	14,374	13,106	12,108
Actual return on plan assets.....	(15,605)	(14,452)	(26,254)
Net amortization and deferrals.....	652	673	15,025
	-----	-----	-----
Net pension expense.....	\$ 6,323	\$ 5,928	\$ 6,541
	=====	=====	=====

In addition to pension expense shown above, in 1993 the Company also recorded a charge for curtailments of \$7.6 million related to an hourly pension plan as part of the resizing and restructuring of its general gauge and aerospace operations (see Note 2).

The charge to income for all retirement and pension plans, including the 1993 curtailment provision, was \$14.4 million in 1993, \$6.7 million in 1992 and \$7.2 million in 1991.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

Net pension expense reflects an expected long-term rate of return on plan assets of 9 1/2% for 1993, 1992 and 1991. The actual return has been adjusted to defer gains or losses which differ from the expected return. The present value of projected benefit obligations was determined using an assumed discount rate of 7 1/4% for 1993, 8% for 1992 and 8 1/4% for 1991. The assumed rate of compensation increase used in determining the present value of projected benefit obligations was 5 1/2% for 1993 and 1992 and 6% for 1991.

For pension plans with accumulated benefits in excess of assets at December 31, 1993, the balance sheet reflects an additional long-term pension liability of \$11.0 million (\$17.2 million--1992), a long-term intangible asset of \$3.7 million (\$10.8 million--1992), and a charge to stockholders' equity of \$4.7 million (\$4.2 million--1992 and \$1.1 million--1991), net of a deferred tax benefit, representing the excess of the additional long-term liability over unrecognized prior service cost. No balance sheet recognition is given to pension plans with assets in excess of accumulated benefits.

The Company provides limited postretirement benefits other than pensions to certain retirees, and a small number of employees. These benefits are accounted for on the accrual basis, thereby meeting accounting requirements of the new accounting standard for postretirement benefits other than pensions.

The following table sets forth the funded status of the plans:

	(IN THOUSANDS)			
	DECEMBER 31, 1993		DECEMBER 31, 1992	
	ASSETS EXCEED ACCUMULATED BENEFITS	ACCUMULATED BENEFITS EXCEED ASSETS	ASSETS EXCEED ACCUMULATED BENEFITS	ACCUMULATED BENEFITS EXCEED ASSETS
Actuarial present value of benefit obligations:				
Vested benefit obligation....	\$113,823	\$ 72,070	\$ 95,563	\$ 63,872
Accumulated benefit obligation.....	\$117,875	\$ 76,147	\$ 98,433	\$ 67,379
Projected benefit obligation.	\$136,340	\$ 76,437	\$113,988	\$ 70,250
Plan assets at fair value.....	136,923	57,839	114,229	51,924
Plan assets in excess of (less than) projected benefit obligation.....	583	(18,598)	241	(18,326)
Unrecognized prior service cost.....	2,160	2,294	1,892	6,319
Unrecognized net loss.....	9,214	8,275	11,518	8,350
Unrecognized net transition (asset) obligation, net of amortization.....	(5,433)	781	(6,637)	4,538
Prepaid (accrued) pension expense.....	\$ 6,524	\$ (7,248)	\$ 7,014	\$ 881

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

The recorded amount of cash, cash equivalents and marketable securities, and a derivative equity instrument approximates fair value.

The estimated fair values of the Company's other financial instruments are compared below to the recorded amounts at December 31:

	ASSET (LIABILITY) (IN THOUSANDS)			
	DECEMBER 31, 1993		DECEMBER 31, 1992	
	RECORDED AMOUNT	ESTIMATED FAIR VALUE	RECORDED AMOUNT	ESTIMATED FAIR VALUE
Other investments.....	\$ 23,755	\$ 28,000	\$ 19,919	\$ 23,000
Long-term debt (including current portion).....	(186,972)	(208,000)	(206,922)	(212,000)
Forward currency and commodity contracts.....	--	1,600	--	11,000

The fair values of securities and other investments are based on quoted market value. The fair value of long-term debt is estimated based on borrowing rates currently available to the Company for loans with similar terms and maturities. The fair value of forward currency and commodity contracts (used for hedging purposes) is based on quotes from brokers for comparable contracts. See also Note 12.

11. ADDITIONAL INCOME STATEMENT AND CASH FLOW INFORMATION

Included in other income, net, is interest and other investment income of \$8.4 million, \$8.6 million and \$11.2 million for 1993, 1992 and 1991. Income taxes paid in 1993, 1992 and 1991 were \$13.8 million, \$21.8 million, and \$13.0 million. Cash paid for interest for each of the three years approximated interest expense.

12. OTHER MATTERS

The Company is in the process of implementing a plan intended to enhance shareholder value, announced in November 1993. The financial elements of the plan involve the Company 1) completing an offering of \$150 million in principal amount of senior notes to the public, 2) borrowing \$175 million under a proposed \$250 million secured credit agreement with a group of banks which will replace an existing revolving credit agreement, 3) retiring existing debt aggregating \$185.4 million in principal amount for a payment equal to the principal amount thereof plus a prepayment premium of approximately \$13 million (after tax), 4) repurchasing outstanding shares of its common stock for an aggregate purchase price of up to \$150 million and 5) reducing its quarterly dividend rate on its common stock from \$.17 per share to \$.06 per share.

In contemplation of its repurchase of common stock, the Company has, from time to time, entered into derivative instruments with a third party. Under the terms of the derivative instruments, for a specific number of shares, the Company is at risk for a decline in the market price of the Company's common stock from the inception to the expiration date, at which time the instruments will be settled in cash. As of December 31, 1993, the Company had entered into derivative instruments which were measured by the movement in market value of 3,184,500 shares of common stock. At December 31, 1993, the Company has recorded, in its equity, the effect of marking the derivative instruments to market.

In February 1994, the Company settled all open derivative instruments for approximately \$330,000 (including those entered into in January 1994) and entered into a new derivative instrument which will expire on May 31, 1994. Under the new derivative instrument, the Company, prior to April 5, 1994, may exercise an option to purchase 3,924,200 shares of its common stock from the counterparty for \$12.125 per share plus certain costs. If the option is not exercised, the Company is at risk for a decline in the average market price, as defined, of its common stock based upon 3,924,200 shares of common stock.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

13. SEGMENT AND GEOGRAPHIC INFORMATION

The Company classifies its operations into three business segments: Electro-mechanical, Precision Instruments and Industrial Materials.

The Electro-mechanical Group produces motor-blower systems and injection-molded components for manufacturers of floor care appliances, and fractional horsepower motors and motor-blowers for computer, business machine, medical equipment and high-efficiency heating equipment producers. Sales of fractional horsepower electric motors and blowers represented 38% in 1993 (39% in 1992 and 35% in 1991) of the Company's consolidated net sales.

The Precision Instruments Group produces aircraft cockpit instruments and displays, and pressure, temperature, flow and liquid level sensors for aircraft and jet engine manufacturers and for airlines, as well as airborne electronics systems to monitor and record flight and engine data. The group also produces instruments and complete instrument panels for heavy truck builders, process monitoring and display systems, combustion, gas analysis, moisture and emissions monitoring systems, force and speed measuring instruments, air and noise monitors, pressure and temperature calibrators and pressure-indicating and digital manometers. The Precision Instruments Group has for many years been a leading producer of the widely used mechanical pressure gauge.

The Industrial Materials Group produces high-temperature-resistant materials and textiles, corrosion-resistant heat exchangers, tanks and piping for process systems; ultralightweight foam sheet packaging material; drinking water filter and treatment systems; industrial and commercial filters for other liquids; replacement filter cartridges, liquid bag filters and multiple cartridge filter housings, high-purity metals and alloys in powder, strip and wire form for high-performance aircraft, automotive and electronics requirements; and thermoplastic compounds and concentrates for automotive, appliance and telecommunication applications.

31

AMETEK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

13. SEGMENT AND GEOGRAPHIC FINANCIAL INFORMATION

Business Segments

(IN THOUSANDS)

		ELECTRO- MECHANICAL	PRECISION INSTRUMENTS	INDUSTRIAL MATERIALS	CORPORATE	TOTAL CONSOLIDATED
Net sales(1)	1993	\$280,732	\$275,351	\$176,112		\$732,195
	1992	309,556	297,025	162,969		769,550
	1991	249,763	309,901	155,435		715,099
Segment operating profit (loss) and consolidated income (loss) before income taxes(2)	1993	35,018	(30,643) (3)	18,284 (4)	\$(33,856) (5)	(11,197)
	1992	49,912	28,045	22,096	(33,334) (5)	66,719
	1991	35,363	32,914	20,332	(36,231) (5)	52,378
Identifiable assets	1993	164,826	150,122	103,941	143,774	562,663
	1992	157,158	177,143	102,385	166,403	603,089
	1991	169,173	189,164	101,240	152,896	612,473
Additions to property, plant and equipment(6)	1993	25,343	6,513	9,048	218	41,122
	1992	20,706	7,417	5,170	236	33,529
	1991	11,735	6,917	5,969	82	24,703
Depreciation and amortization	1993	11,582	15,432	8,726	167	35,907
	1992	12,107	15,979	8,976	201	37,263
	1991	11,169	15,705	9,399	182	36,455

Geographic Areas

INTERNATIONAL

		UNITED STATES	EUROPE	CANADA, ASIA AND OTHER	CORPORATE	TOTAL CONSOLIDATED
Net sales(1)	1993	\$634,935	\$ 96,030	\$ 1,230		\$732,195
	1992	655,114	113,111	1,325		769,550
	1991	614,890	98,378	1,831		715,099
Income (loss) before income taxes	1993	15,473	7,357	(171)	\$(33,856)	(11,197)
	1992	87,665	12,601	(213)	(33,334)	66,719
	1991	81,531	6,855	223	(36,231)	52,378
Identifiable assets	1993	334,538	83,774	577	143,774	562,663
	1992	342,226	93,580	880	166,403	603,089
	1991	337,171	121,170	1,236	152,896	612,473
United States export sales(7)	1993		51,179	54,500		105,679
	1992		65,132	54,171		119,303
	1991		59,612	52,023		111,635

- (1) After elimination of intersegment sales and intercompany sales between geographic areas, which are not significant in amount. Such sales are generally priced based on prevailing market prices.
- (2) Segment operating profit represents sales less all direct costs and expenses (including certain administrative and other expenses) applicable to each segment, but does not include interest expense.
- (3) Reflects charges of \$47.8 million for resizing and restructuring costs associated with planned work force reductions and those which occurred in 1993, asset write-downs, relocation of product lines and the overall consolidation of the Company's aerospace operations, and other unusual charges.
- (4) Reflects charge of \$3.9 million primarily for asset write-downs.

32

AMETEK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

- (5) Includes unallocated administrative expenses, interest expense and net other income and, in 1993, \$2.8 million of restructuring and other unusual charges.
- (6) Includes \$2.8 million in 1993, \$9.5 million in 1992, and \$5.9 million in 1991 from acquired businesses.
- (7) Included in total United States sales above.

14. QUARTERLY FINANCIAL DATA (UNAUDITED)

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	TOTAL YEAR
1993					
Net sales.....	\$187,114	\$186,820	\$175,003	\$183,258	\$732,195
Operating income (loss)....	\$ 12,514	\$ 12,629	\$ 6,490	\$(31,564) (a)	\$ 69
Net income (loss).....	\$ 6,096	\$ 6,222	\$ 1,980	\$(21,630) (a)	\$(7,332)
Earnings (loss) per share..	\$ 0.14	\$ 0.14	\$ 0.05	\$(0.50) (a)	\$(0.17)
Dividends paid per share...	\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.06	\$ 0.57
Common stock trading range: (b)					
High.....	17 1/2	17 1/2	14 1/8	14 1/8	17 1/2
Low.....	14 1/4	12 7/8	12 5/8	10 5/8	10 5/8
1992					
Net sales.....	\$196,759	\$195,323	\$185,996	\$191,472	\$769,550
Operating income.....	\$ 21,460	\$ 20,618	\$ 18,017	\$ 19,048	\$ 79,143
Net income.....	\$ 11,261	\$ 11,808	\$ 10,708	\$ 10,580	\$ 44,357
Earnings per share.....	\$ 0.26	\$ 0.26	\$ 0.25	\$ 0.24	\$ 1.01

Dividends paid per share...	\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.68
Common stock trading range: (b)					
High.....	17 3/8	18 1/8	16	16 3/8	18 1/8
Low.....	13 1/8	15 1/8	14 5/8	13 7/8	13 1/8

-
- (a) Includes pre-tax charges of \$46.9 million (\$28.6 million after tax or \$.66 per share) for restructuring and other unusual items.
- (b) Trading ranges are based on the New York Stock Exchange composite tape.

33

AMETEK, INC.

SCHEDULE I--MARKETABLE SECURITIES--OTHER INVESTMENTS

DECEMBER 31, 1993

(IN THOUSANDS)

	PRINCIPAL AMOUNT	COST	AMOUNT AT WHICH CARRIED IN BALANCE SHEET
	-----	-----	-----
MARKETABLE SECURITIES:			
United States Government.....	\$27,750	\$27,454	\$27,778
Common Stock Held by Captive Insurance Subsidiary.....		13,640	16,413
		-----	-----
		\$41,094	\$44,191 (A)
		=====	=====
OTHER INVESTMENTS:			
U.S. and Eurodollar Bonds and Debentures..	\$10,154	\$ 9,640	\$ 9,808 (B)
Equity Investments.....		13,947	13,947 (C)
		-----	-----
		\$23,587	\$23,755
		=====	=====

-
- (A) Market value approximates carrying value.
- (B) Market value approximates \$10.9 million.
- (C) Market value approximates \$17.5 million.

34

AMETEK, INC.

SCHEDULE V--PROPERTY, PLANT AND EQUIPMENT

YEARS ENDED DECEMBER 31, 1993, 1992 AND 1991

(IN THOUSANDS)

CLASSIFICATION	BALANCE AT BEGINNING OF YEAR	ADDITIONS	SALES OR RETIREMENTS AND OTHER (A)	BALANCE AT END OF YEAR
-----	-----	-----	-----	-----
1993:				
Buildings:				
Buildings.....	\$ 78,427	\$ 6,069	\$ 3,566	\$ 80,930
Improvements on land and leasehold.....	9,481	790	63	10,208
Construction in process.....	1,303	2,952	--	4,255
	-----	-----	-----	-----

	89,211	9,811	3,629	95,393
	-----	-----	-----	-----
Machinery and equipment:				
Machinery and equipment.....	230,023	20,024	13,847	236,200
Delivery equipment and automobiles.....	1,087	446	494	1,039
Furniture and fixtures.....	26,047	3,729	2,770	27,006
Construction in process.....	12,032	6,778	1,939	16,871
	-----	-----	-----	-----
	269,189	30,977	19,050	281,116
	-----	-----	-----	-----
Land.....	7,799	334	207	7,926
	-----	-----	-----	-----
	\$366,199	\$41,122 (B)	\$22,886	\$384,435
	=====	=====	=====	=====
1992:				
Buildings:				
Buildings.....	\$ 75,791	\$ 6,272	\$ 3,636	\$ 78,427
Improvements on land and leasehold.....	8,788	711	18	9,481
Construction in process.....	261	1,044	2	1,303
	-----	-----	-----	-----
	84,840	8,027	3,656	89,211
	-----	-----	-----	-----
Machinery and equipment:				
Machinery and equipment.....	227,117	16,312	13,406	230,023
Delivery equipment and automobiles.....	826	393	132	1,087
Furniture and fixtures.....	22,828	4,748	1,529	26,047
Construction in process.....	9,458	2,595	21	12,032
	-----	-----	-----	-----
	260,229	24,048	15,088	269,189
	-----	-----	-----	-----
Land.....	6,793	1,454	448	7,799
	-----	-----	-----	-----
	\$351,862	\$33,529 (B)	\$19,192	\$366,199
	=====	=====	=====	=====

Schedule V continues on next page.

- - - - -
See notes to Schedule V and VI on next page.

35

AMETEK, INC.

SCHEDULE V--PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

YEARS ENDED DECEMBER 31, 1993, 1992 AND 1991

(IN THOUSANDS)

CLASSIFICATION	BALANCE AT BEGINNING OF YEAR	ADDITIONS	SALES OR RETIREMENTS AND OTHER (A)	BALANCE AT END OF YEAR
-----	-----	-----	-----	-----
1991:				
Buildings:				
Buildings.....	\$ 67,877	\$ 8,603	\$ 689	\$ 75,791
Improvements on land				

and leasehold.....	7,424	1,408	44	8,788
Construction in process.....	4,255	(3,993)	1	261
	-----	-----	-----	-----
	79,556	6,018	734	84,840
	-----	-----	-----	-----
Machinery and equipment:				
Machinery and equipment.....	215,913	14,766	3,562	227,117
Delivery equipment and automobiles.....	537	425	136	826
Furniture and fixtures.....	18,789	4,200	161	22,828
Construction in process.....	10,242	(766)	18	9,458
	-----	-----	-----	-----
	245,481	18,625	3,877	260,229
	-----	-----	-----	-----
Land.....	7,140	60	407	6,793
	-----	-----	-----	-----
	\$332,177	\$24,703 (B)	\$5,018	\$351,862
	=====	=====	=====	=====

Depreciation of property, plant and equipment is determined principally on a straight-line basis over the estimated useful lives of the assets.

The annual ranges of depreciation rates for the above periods were:

Buildings and improvements..... 2 1/2% to 15%
Machinery and equipment..... 10% to 33 1/3%

- - - - -

Notes to Schedules V and VI

(A) Other includes foreign currency translation gains (losses) for 1993, 1992 and 1991 of \$(8,063), \$(16,659) and \$(516) for property, plant and equipment, and \$(3,059), \$(4,583) and \$399 for accumulated depreciation of property, plant and equipment. Also in 1993, includes \$7,782 for asset write-downs in connection with restructuring and other unusual operating activities.

(B) Includes \$2,798, \$9,539 and \$5,895 in connection with businesses acquired in 1993, 1992 and 1991, respectively.

36

AMETEK, INC.

SCHEDULE VI--ACCUMULATED DEPRECIATION OF
PROPERTY, PLANT AND EQUIPMENT
YEARS ENDED DECEMBER 31, 1993, 1992 AND 1991
(IN THOUSANDS)

CLASSIFICATION	BALANCE AT BEGINNING OF YEAR	PROVISIONS CHARGED TO INCOME	SALES OR RETIREMENTS AND OTHER (A)	BALANCE AT END OF YEAR
-----	-----	-----	-----	-----
1993:				
Buildings:				
Buildings.....	\$ 27,131	\$ 2,434	\$ 508	\$ 29,057
Improvements on land and leasehold.....	4,087	945	45	4,987
	-----	-----	-----	-----
	31,218	3,379	553	34,044

	-----	-----	-----	-----
Machinery and equip- ment:				
Machinery and equip- ment.....	132,367	21,140	5,633	147,874
Delivery equipment and automobiles.....	640	135	208	567
Furniture and fix- tures.....	15,977	3,623	2,459	17,141
	-----	-----	-----	-----
	148,984	24,898	8,300	165,582
	-----	-----	-----	-----
	\$180,202	\$28,277	\$8,853	\$199,626
	=====	=====	=====	=====
1992:				
Buildings:				
Buildings.....	\$ 24,603	\$ 2,881	\$ 353	\$ 27,131
Improvements on land and leasehold.....	3,221	878	12	4,087
	-----	-----	-----	-----
	27,824	3,759	365	31,218
	-----	-----	-----	-----
Machinery and equip- ment:				
Machinery and equip- ment.....	116,638	20,891	5,162	132,367
Delivery equipment and automobiles.....	507	351	218	640
Furniture and fix- tures.....	12,781	4,359	1,163	15,977
	-----	-----	-----	-----
	129,926	25,601	6,543	148,984
	-----	-----	-----	-----
	\$157,750	\$29,360	\$6,908	\$180,202
	=====	=====	=====	=====
1991:				
Buildings:				
Buildings.....	\$ 22,124	\$ 2,610	\$ 131	\$ 24,603
Improvements on land and leasehold.....	2,388	880	47	3,221
	-----	-----	-----	-----
	24,512	3,490	178	27,824
	-----	-----	-----	-----
Machinery and equip- ment:				
Machinery and equip- ment.....	97,576	20,807	1,745	116,638
Delivery equipment and automobiles.....	276	250	19	507
Furniture and fix- tures.....	9,108	3,730	57	12,781
	-----	-----	-----	-----
	106,960	24,787	1,821	129,926
	-----	-----	-----	-----
	\$131,472	\$28,277	\$1,999	\$157,750
	=====	=====	=====	=====

See notes to Schedules V and VI on prior page.

37

AMETEK, INC.

SCHEDULE VIII--ALLOWANCE FOR POSSIBLE LOSSES

YEARS ENDED DECEMBER 31, 1993, 1992 AND 1991

(IN THOUSANDS)

	1993	1992	1991
	-----	-----	-----

Allowance for possible losses on accounts and notes receivable:				
Balance at beginning of year.....	\$ 2,392	\$ 2,451	\$ 2,079	
Additions charged to expense.....	1,320	1,308	908	
Recoveries credited to allowance.....	113	25	158	
Write-offs.....	(1,337)	(888)	(716)	
Currency translation adjustment.....	(89)	(504)	22	
	-----	-----	-----	
Balance at end of year.....	\$ 2,399	\$ 2,392	\$ 2,451	
	=====	=====	=====	

SCHEDULE IX--SHORT-TERM BORROWINGS

YEARS ENDED DECEMBER 31, 1993, 1992, AND 1991

(DOLLARS IN THOUSANDS)

	1993	1992	1991
	-----	-----	-----
Notes payable to banks at December 31..	--	--	--
Weighted average interest rate at December 31.....	--	--	--
Maximum amount outstanding at any month-end.....	--	--	\$ 5,333
Average amount outstanding during the year (A).....	--	--	\$ 2,990
Weighted average interest rate for the year (B).....	--	--	12.97%

- - - - -
- (A) Computed by dividing the total of the daily balances outstanding by 360.
(B) Computed by dividing the interest expense on short-term borrowings by the average amount outstanding during the year.

SCHEDULE X--SUPPLEMENTARY INCOME STATEMENT INFORMATION

YEARS ENDED DECEMBER 31, 1993, 1992 AND 1991

(IN THOUSANDS)

	CHARGED TO COSTS AND EXPENSES (A)		
	1993	1992	1991
	-----	-----	-----
Maintenance and repairs.....	\$ 15,865	\$ 15,455	\$ 14,490
	=====	=====	=====

- - - - -
- (A) Royalties, advertising expenses and taxes other than payroll and income taxes do not exceed one percent of consolidated net sales and, accordingly, are not included herein.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

Information with respect to Directors of the Company is incorporated herein by reference to the Company's definitive Proxy Statement to be filed with the Securities and Exchange Commission (the "Commission") not later than 120 days after the close of the fiscal year ended December 31, 1993, under the caption "Information as to Nominees for Election of Directors". Information with respect to Executive Officers of the Company appears under Part I hereof.

ITEMS 11, 12 AND 13.

The information required by Item 11, Executive Compensation, by Item 12, Security Ownership of Certain Beneficial Owners and Management, and by Item 13, Certain Relationships and Related Transactions, is incorporated herein by reference to the Company's definitive Proxy Statement to be filed with the Commission not later than 120 days after the close of the fiscal year ended December 31, 1993, under the headings "Executive Compensation", "Stock Ownership" and "Certain Relationships and Related Transactions".

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

(a) Financial Statements, Financial Statement Schedules and Exhibits filed.

1. and 2.

Financial statements and schedules are shown in the index on page 17 of this report.

3. Exhibits

Exhibits are shown in the index on page 41 of this report.

(b) Reports on Form 8-K

During the quarter ended December 31, 1993 and through the date of this report, the following reports on Form 8-K were filed:

- . Report dated November 17, 1993, under Item 5 regarding the Company's announcement of its strategic plan to restructure certain businesses, refinance existing debt, and reduce its common stock dividend.
- . Report dated February 10, 1994, under Item 5 regarding the Company's announcement of its 1993 results of operations.

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934, THE REGISTRANT HAS DULY CAUSED THIS REPORT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED.

Ametek, Inc.

Dated: March 24, 1994

By /s/ Walter E. Blankley

WALTER E. BLANKLEY, CHAIRMAN OF
THE BOARD AND CHIEF EXECUTIVE
OFFICER

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, THIS REPORT HAS BEEN SIGNED BELOW BY THE FOLLOWING PERSONS ON BEHALF OF THE REGISTRANT AND IN THE CAPACITIES AND ON THE DATES INDICATED.

SIGNATURE -----	TITLE -----	DATE ----
/s/ Walter E. Blankley ----- WALTER E. BLANKLEY	Chairman of the ----- Board and Chief Executive Officer (Principal Executive Officer)	March 24, 1994
/s/ Roger K. Derr ----- ROGER K. DERR	Executive Vice ----- President--Chief Operating Officer	March 24, 1994
/s/ Allan Kornfeld -----	Executive Vice ----- President-- Chief	March 24, 1994

ALLAN KORNFELD	Financial Officer (Principal Financial Officer)	
/s/ John J. Molinelli	Vice President and Comptroller	March 24, 1994
----- JOHN J. MOLINELLI	(Principal Accounting Officer)	
/s/ Lewis G. Cole	Director	March 24, 1994
----- LEWIS G. COLE		
/s/ Helmut N. Friedlaender	Director	March 24, 1994
----- HELMUT N. FRIEDLAENDER		
/s/ Sheldon S. Gordon	Director	March 24, 1994
----- SHELDON S. GORDON		
/s/ Charles D. Klein	Director	March 24, 1994
----- CHARLES D. KLEIN		
/s/ David P. Steinmann	Director	March 24, 1994
----- DAVID P. STEINMANN		
/s/ Elizabeth R. Varet	Director	March 24, 1994
----- ELIZABETH R. VARET		

40

INDEX TO EXHIBITS
(ITEM 14(A) 3)

EXHIBIT NUMBER	DESCRIPTION	INCORPORATED HEREIN BY REFERENCE TO	FILED WITH ELECTRONIC SUBMISSION
-----	-----	-----	-----
3.1	Composite Certificate of Incorporation of AMETEK, Inc.	Exhibit (3)a) to 1987 10-K, SEC File No. 1-168.	
3.2	By-laws of the Company.	Exhibit (3)b) to 1987 10-K.	
4.1	Revolving Credit and Term Loan Agreement, as restated and amended to July 1, 1991, between the Company and the Banks named in Exhibit A thereto.	Exhibit 4.6 to 1991 10-K, SEC File No. 1-168.	
4.2	Note Purchase Agreement, dated as of September 1, 1986, between the Company and the Purchasers named in Schedule I thereto.	Exhibit (4)a) to September 30, 1986 10-Q, SEC File No. 1-168.	
4.3	Amendment to September 1, 1986 Note Purchase Agreement between the Company and the Purchasers named in Schedule I thereto.	Exhibit (4)b) to September 30, 1989 10-Q, SEC File No. 1-168.	
4.4	Rights Agreement, dated July 26, 1989, between the Company and the Chase Manhattan Bank, N.A. (the "Rights Agreement").	Exhibit 4 to Form 8-K dated July 28, 1989, SEC File No. 1-168.	
4.5	Amendment No. 1 to the Rights Agreement.	Exhibit 4.5 to 1992 10-K, SEC File No. 1-168.	
4.6	Certificate of Designation,	Exhibit (4b) to June	

	Preferences and Rights of Series A Junior Participating Preferred Stock.	30, 1989 10-Q, SEC File No. 1-168.	
4.7	Note Purchase Agreement, dated as of September 1, 1989, between the Company and the Purchasers named in Schedule I thereto.	Exhibit (4)a) to September 30, 1989 10-Q.	
10.1	The 1991 Stock Incentive Plan of AMETEK, Inc. (the "1991 Plan").*	Annex A to 1991 Proxy Statement, SEC File No. 1-168.	
10.2	Amendment No. 1 to the 1991 Plan.*		X
10.3	The 1987 Employees' Non-Qualified Stock Option and Stock Appreciation Rights Plan (the "1987 Plan").*	Annex B to 1991 Proxy Statement.	
10.4	Amendment No. 1 to the 1987 Plan.*		X
10.5	The 1983 Employees' Incentive Stock Option Plan (the "1983 Plan").*		X
10.6	Amendment No. 1 to the 1983 Plan.*	Exhibit (19)a) to September 30, 1987 10-Q, SEC File No. 1-168.	

INDEX TO EXHIBITS
(ITEM 14(A)3)

EXHIBIT NUMBER -----	DESCRIPTION -----	INCORPORATED HEREIN BY REFERENCE TO -----	FILED WITH ELECTRONIC SUBMISSION -----
10.7	Amendment No. 2 to the 1983 Plan.*	Exhibit (10)e) to 1987 10-K.	
10.8	Amendment No. 3 to the 1983 Plan.*	Exhibit (10)h) to 1989 10-K, SEC File No. 1-168.	
10.9	Amendment No. 4 to the 1983 Plan.*		X
10.10	The 1981 Employees' Non-Qualified Stock Option and Stock Appreciation Rights Plan (the "1981 Plan").*	Exhibit 10.7 to 1991 10-K.	
10.11	Amendment No. 1 to the 1981 Plan.*	Exhibit (10)g) to 1987 10-K.	
10.12	Amendment No. 2 to the 1981 Plan.*	Exhibit (10)k) to 1989 10-K.	
10.13	Amendment No. 3 to the 1981 Plan.*	Exhibit (10)i) to 1988 10-K, SEC File No. 1-168.	
10.14	Amendment No. 4 to the 1981 Plan.*		X
10.15	Employees' Retirement Plan of AMETEK, Inc., as restated January 1, 1989 and amended to December 31, 1993.*		X
10.16	AMETEK, Inc. Retirement Plan for Directors, dated April 28, 1983 (the "Directors Plan").*		X
10.17	Amendment to the Directors Plan.*	Exhibit (10)o) to 1984 10-K, SEC File No. 1-168.	
10.18	Second Amendment to the Directors Plan.*	Exhibit (10)m) to 1986 10-K, SEC File No. 1-168.	
10.19	Third Amendment to the Directors Plan.*	Exhibit (10)v) to 1987 10-K.	
10.20	AMETEK, Inc. Death Benefit Program for Directors, pursuant to which	Exhibit (10)y) to 1987 10-K.	

the Company has entered into agreements, restated January 1, 1987, with certain directors and one former director of the Company (the "Directors Program").*

10.21	Amendment No. 1 to the Directors Program.*	Exhibit (10)z) to 1987 10-K.	
10.22	The AMETEK Savings and Investment Plan, as restated and amended to October 1, 1992 (the "Savings Plan").*	Exhibit 10.31 to 1992 10-K.	
10.23	Amendment No. 1 to the Savings Plan.*		X
10.24	Reorganization and Distribution Agreement by and between the Company and Ketema, Inc. (the "Reorganization and Distribution Agreement").	Exhibit (2) to Form 8-K dated November 30, 1988, SEC File No 1-168.	

INDEX TO EXHIBITS
(ITEM 14 (A) 3)

EXHIBIT NUMBER -----	DESCRIPTION -----	INCORPORATED HEREIN BY REFERENCE TO -----	FILED WITH ELECTRONIC SUBMISSION -----
10.25	Agreements between the Company and Ketema, Inc. amending certain provisions of the Reorganization and Distribution Agreement.	Exhibit 10.56 to 1991 10-K.	
10.26	Benefits Agreement by and between the Company and Ketema, Inc.	Exhibit (10)ss) to 1988 10-K.	
10.27	Tax Agreement by and between the Company and Ketema, Inc.	Exhibit (10)tt) to 1988 10-K.	
10.28	Support Services Agreement by and between the Company and Ketema, Inc.	Exhibit (10)uu) to 1988 10-K.	
10.29	Form of Severance Benefit Agreement between the Company and certain executives of the Company.*	Exhibit (10)ww) to 1989 10-K.	
10.30	Form of Restricted Stock Agreement between the Company and certain directors of the Company, dated as of February 27, 1991.*	Exhibit 10.59 to 1991 10-K.	
10.31	Form of Restricted Stock Agreement between the Company and certain executives of the Company, dated as of May 21, 1991.*	Exhibit 10.60 to 1991 10-K.	
10.32	Form of Supplemental Retirement Benefit Agreement between the Company and certain executives of the Company, dated as of May 21, 1991.*	Exhibit 10.61 to 1991 10-K.	
10.33	Supplemental Senior Executive Death Benefit Plan, effective as of January 1, 1992 (the "Senior Executive Plan").*	Exhibit 10.41 to 1992 10-K.	
10.34	Amendment No. 1 to the Senior Executive Plan.*	Exhibit 10.42 to 1992 10-K.	
10.35	Senior Executive Split Dollar Death Benefit Plan, dated as of December 15, 1992.*	Exhibit 10.43 to 1992 10-K.	
10.36	Credit Agreement among the Company, Various Lending Institutions, Bank of Montreal, Corestates Bank, N.A., and PNC		X

Bank, National Association, as Co-Agents, and the Chase Manhattan Bank, N.A., as Administrative Agent.

- 21 Subsidiaries of the Registrant. X
(See page 44 of this report.)
- 23 Consent of Independent Auditors. X
(See page 45 of this report.)
- 99 Letter to the holders of the Exhibit (21) to June
Company's Common Stock, dated July 30, 1989 10-Q.
31, 1989 (including Summary of
Rights).

* Management contract or compensatory plan required to be filed pursuant to Item 601 of Regulation S-K.

EXHIBIT 21

SUBSIDIARIES OF AMETEK, INC.

NAME OF SUBSIDIARY AND NAME UNDER WHICH IT DOES BUSINESS	STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION	PERCENTAGE OF VOTING SECURITIES OWNED BY ITS IMMEDIATE PARENT*
AmeSpace, Inc.	Delaware	100%
AMETEK Aerospace Products Inc.	Delaware	100%
AMETEK (Bermuda) Ltd.	Bermuda	100%
AMETEK (Canada) Inc.	Canada	100%
AMETEK Denmark A/S.....	Denmark	100%
AMETEK (FSC), Inc.	U.S. Virgin Islands	100%
AMETEK, G.m.b.H.	Germany	100%
AMETEK Debro Messtechnik, G.m.b.H.	Germany	100%
AMETEK IMTSA, S.A. de C.V.	Mexico	100%
AMETEK (Italia) S.r.l.	Italy	100%
AMETEK (Japan) Ltd.	Delaware	100%
AMETEK Mexicana, S.A.	Mexico	100%
EMA Corp.	Delaware	100%
AMETEK Holdings B.V.	Netherlands	100%
AMETEK Hong Kong.....	Hong Kong	99%
AMETEK Singapore Private Ltd.	Singapore	100%
WEBAK B.V.	Netherlands	100%
Panalarm Ltd.	England	100%
AMETEK Filters Ltd.	England	100%

* Exclusive of directors' qualifying shares and shares held by nominees as required by the laws of the jurisdiction of incorporation.

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statements (Forms S-8 Registration Nos. 33-40223 and 2-97434) pertaining to the Stock Incentive Plan, Employees' Stock Incentive Plan, Employees' Incentive Stock Option Plan, and Employees' Non-Qualified Stock Option and Stock Appreciation Rights Plan of AMETEK, Inc., and to The AMETEK Savings and Investment Plan, respectively, and in the related Prospectuses, of our report dated February 9, 1994, with respect to the financial statements and schedules of AMETEK, Inc. included in the Annual Report (Form 10-K) for the year ended December 31, 1993.

Ernst & Young

Philadelphia, PA

March 24, 1994

45

Amendment No. 1 to the
1991 Stock Incentive Plan
of
AMETEK, Inc.

WHEREAS, AMETEK, Inc. (the "Corporation") has adopted the 1991 Stock Incentive Plan of AMETEK, Inc. (the "Plan"); and

WHEREAS, Section 19 of the Plan permits the Corporation to amend the Plan; and

WHEREAS; the Corporation now desires to amend the Plan's definition of "Committee" to be the Compensation Committee of AMETEK, Inc. (the "Compensation Committee"); provided, however, that any member of the Compensation Committee, not a "disinterested person" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, be excluded from administering the Plan;

NOW, THEREFORE, the Plan is hereby amended as follows:

1. Subsection (f) of Section 2 of the Plan is hereby amended, in its entirety, to read as follows:

"(f) 'Committee' shall mean the Compensation Committee of AMETEK, Inc. (the 'Compensation Committee') hereinafter described in Section 4; provided, however, that any member of the Compensation Committee, not a "disinterested person" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, shall be excluded from administering the Plan and such member's authority as a member of the Compensation Committee shall not extend to the administration of the Plan."

2. Except to the extent hereinabove, set forth, the Plan shall remain in full force and effect.

IN WITNESS WHEREOF, the Corporation has caused this Amendment to be duly executed, effective as of the 29th day of April 1993.

AMETEK, Inc.

By: /s/ Robert W. Yannarell

ATTEST:

/s/ Dorothy M. Misetich

(Seal)

Amendment No. 1 to the
1987 Employees' Stock Incentive Plan
of
AMETEK, Inc.

WHEREAS, AMETEK, Inc. (the "Corporation") has adopted the 1987 Employees' Stock Incentive Plan of AMETEK, Inc. (the "Plan"); and

WHEREAS, Section 19 of the Plan permits the Corporation to amend the Plan; and

WHEREAS; the Corporation now desires to amend the Plan's definition of "Committee" to be the Compensation Committee of AMETEK, Inc. (the "Compensation Committee"); provided, however, that any member of the Compensation Committee, not a "disinterested person" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, be excluded from administering the Plan;

NOW, THEREFORE, the Plan is hereby amended as follows:

1. Subsection (f) of Section 2 of the Plan is hereby amended, in its entirety, to read as follows:

"(f) 'Committee' shall mean the Compensation Committee of AMETEK, Inc. (the 'Compensation Committee') hereinafter described in Section 4; provided, however, that any member of the Compensation Committee, not a "disinterested person" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, shall be excluded from administering the Plan and such member's authority as a member of the Compensation Committee shall not extend to the administration of the Plan."

2. Except to the extent hereinabove set forth, the Plan shall remain in full force and effect.

IN WITNESS WHEREOF, the Corporation has caused this Amendment to be duly executed, effective as of the 29th day of April 1993.

AMETEK, Inc.

By: /s/ Robert W. Yannarell

ATTEST:

/s/ Dorothy M. Misetich

(Seal)

1983 Employees' Incentive Stock Option Plan

of

AMETEK, INC.

1. Purpose. The purpose of this Stock Option 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 of the Corporation and its subsidiaries upon whose judgment and keen interest the Corporation is largely dependent for the successful conduct of its operations. It is anticipated that the acquisition of such proprietary interest in the Corporation will stimulate the efforts of such key employees on behalf of the Corporation and strengthen their desire to remain with the Corporation and its subsidiaries as well as that the opportunity to acquire such a proprietary interest will enable the Corporation to attract desirable personnel.

2. Definitions. When used in this Plan, unless the context otherwise requires:

(a) "Board of Directors" shall mean the Board of Directors of the Corporation as constituted at any time.

(b) "Chairman of the Board" shall mean the person who at the time shall be Chairman of the Board of the Corporation.

(c) "Committee" shall mean the Stock Option Plan Committee hereinafter in Section 3 described.

(d) "Corporation" shall mean AMETEK, INC.

(e) "Fair Market Value" on a specified date shall mean the average of the highest and lowest quoted selling price at which Stock is traded on the New York Stock Exchange (or any other national stock exchange on which the Stock of the Corporation is principally listed), or on the over-the-counter market if Stock is principally traded in such market, but if no Stock was traded on such date, then on the last previous date on which Stock was so traded, or if none of the above are applicable the value established for such date using any reasonable method of valuation chosen by the Committee.

(f) "Options" shall mean the Stock Options issued pursuant to the Plan.

(g) "Plan" shall mean the 1983 Employees' Incentive Stock Option Plan of AMETEK, INC. authorized by the Board of Directors at its meeting held on January 27, 1983 as such Plan from time to time may be amended as herein provided.

(h) "President" shall mean the person who at the time shall be the President of the Corporation.

(i) "Share" shall mean a share of common stock of the Corporation.

(j) "Stock" shall mean the common stock of the Corporation.

(k) "Subsidiary" shall mean any corporation more than 50% of whose stock having general voting power is owned by the Corporation or by a subsidiary, as herein defined, of the Corporation.

3. Committee. The Plan shall be administered by a Committee which shall consist of three Directors of the Corporation, none of whom shall be eligible for Options under

the Plan. The members of the Committee shall be selected by the Board of Directors. The Chairman of the Board and the President shall ex officio meet with the Committee and act as advisors to the Committee. 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 any two 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, telegram or cablegram. At all meetings of the Committee, two 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.

4. Participants. Except as hereinafter provided, all key employees shall be eligible to receive Options under this Plan. The employees to whom Options are to be offered under this Plan and the number of Shares to be optioned to each such employee shall be determined by the Committee in its sole discretion, subject, however, to the terms and conditions of this Plan. Employees to whom Stock may be optioned may include officers who are also Directors of the Corporation and/or its Subsidiaries but not Directors who are not also officers. No Option may, however, be granted under this Plan to any employee who would, after the granting of such Option, own (within the meaning of Section 422A(b)(6) of the Internal Revenue Code of 1954, as amended) Stock possessing more than 10% of the total combined voting power or value of all classes of Stock of the Corporation or a Subsidiary.

5. The Stock. The Committee may, but shall not be required to, allocate in accordance with this Plan, Options to purchase an aggregate of not more than 300,000 Shares, which may be either Treasury Stock or authorized but unissued Stock. The number of Shares issuable shall be computed prior to any adjustment for any stock dividends, split-ups, reorganizations, or other substitutions of securities for the Stock of the Corporation. The number of Shares to be optioned to any eligible person shall be determined by the Committee in its sole discretion.

Notwithstanding any other provision of this Plan to the contrary, the aggregate Fair Market Value (determined as of the date an Option is granted) of the Shares with respect to which an employee may be granted Options in any one calendar year (under this Plan, and all other stock option plans maintained by the Corporation or its Subsidiaries that meet the requirements of Section 422A of the Internal Revenue Code of 1954, as amended) after December 31, 1980 shall not exceed \$100,000, increased by the amount allowable as an unused limit carryover from any prior calendar year which may be taken into account in accordance with the paragraph below.

If \$100,000 exceeds the aggregate Fair Market Value (determined as of the date an Option is granted) of the Shares with respect to which an employee was granted incentive stock options in any one calendar year (under this Plan, and all other incentive stock option plans that meet the requirements of Section 422A of the Internal

2

Revenue Code of 1954, as amended) after December 31, 1980, then one-half of such excess shall be deemed to be an unused limit carryover to be available in any or all of the three succeeding calendar years. The amount of the unused limit carryover from any calendar year which may be taken into account in any succeeding calendar year shall be the amount of such carryover reduced by the amount of such carryover which was used in prior calendar years. For the purposes of this computation, in any calendar year the Fair Market Value of Shares with respect to which an employee is granted Options shall first be applied against the \$100,000 limitation, and then applied against carryovers to such calendar year from previous calendar years in the chronological order of the previous calendar years in which such carryovers arose.

If any Option shall expire or terminate for any reason, without having been exercised in full, the unpurchased Shares subject thereto may again be issued under the Plan.

Nothing herein contained shall be construed to prohibit the issuance 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 Secretary or an Assistant Secretary of the Corporation and having the seal of the Corporation affixed thereto, shall be issued to each person to whom an Option is granted.

6. Price. The price of the Shares to be purchased pursuant to the exercise of any Option shall be fixed by the Committee in any manner permitted by Section 422A(b)(4) of the Internal Revenue Code of 1954, as amended, for "Incentive

Stock Options" as therein defined.

7. Duration of Option. The duration of any Option granted under this 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 ten years from the date on which it is granted.

8. Consideration for Options. As consideration for the issuance of the Option, the Corporation shall obtain in each case either (a) from any recipient who at the time of the issuance of the Option shall not have been under a contract of employment, an option to have the services of such recipient for such period, up to one year, as the Corporation shall determine, or (b) from any recipient who is under an employment contract at the time the Option is issued, an option to extend the term of his contract for a period of not less than one year upon such terms and conditions as the Corporation and the employee may agree, but if they are unable to agree, then upon the same terms and conditions of such contract.

9. Non-transferability of Options. Options and all rights thereunder shall be non-transferable and non-assignable by the holder except to the extent that the estate of a deceased holder may be permitted to exercise them.

10. Exercise of Options. An Option, after the issuance thereof, shall be exercisable by the holder at such rate and times as may be fixed by the Committee, but not more

3

than 20% of the total number of Shares optioned may be purchased during each twelve month period during the five years following the date of issuance of the Option. Such optioned Shares as may be but are not purchased during any one twelve month period may be purchased during any one or more succeeding twelve month periods, provided, however, that all or any part of remaining unexercised Options issued to any person may be exercised (a) immediately upon or at any time after (but prior to the expiration of the term of the Option) the attainment by the holder of the age of sixty-five years, provided the holder is still in the employ of the Corporation or a Subsidiary thereof, or (b) upon his death, or (c) upon the occurrence of such special circumstance or event as in the opinion of the Committee merits special consideration. Notwithstanding the foregoing, (i) no Option shall be exercisable prior to the approval of the Plan by the stockholders of the Corporation in accordance with Section 15 hereof, and (ii) any Option granted to an employee to whom an option that qualifies as an incentive stock option under the provisions of Section 422A of the Internal Revenue Code of 1954, as amended, was previously granted under this Plan, or any other option plan maintained by the Corporation or any Subsidiary, shall not be exercisable while such previously granted option is outstanding. For the purposes of this Section 10, an option shall be deemed to be outstanding until such option is exercised in full or expires by reason of lapse of time, within the meaning of Section 422A(c)(7) of the Internal Revenue Code of 1954, as amended.

An Option shall be exercised by the delivery of a duly signed notice in writing to such effect, together with the option certificate, and either cash, a certified check payable to the order of the Corporation, or Shares duly endorsed over to the Corporation (which Shares shall be valued at their Fair Market Value as of the day preceding the day of such exercise), or any combination of such methods of payment, which together amount to the full purchase price of the Shares purchased pursuant to the exercise of the Option, to the Chairman of the Board or an officer of the Corporation appointed by the Chairman of the Board for the purpose of receiving the same; provided, however, that no Option issued pursuant to the Plan may be exercised at any time when the Option or the granting or exercise thereof violates any law or governmental order or regulation.

Within a reasonable time after exercise of an Option, the Corporation shall cause to be delivered to the person entitled thereto, a certificate for the Shares purchased pursuant to the exercise of the Option and an Option certificate for a number of Shares equivalent to the difference between the number of Shares of the option certificate surrendered at the time of the exercise of the Option and the number of Shares with respect to which the Option was so exercised, or the original option certificate shall be endorsed to give effect to the partial exercise thereof.

11. Termination of Employment. If a holder shall voluntarily or involuntarily leave the employ of the Corporation and its Subsidiaries, the Option of such

holder shall terminate forthwith except the holder shall have until the end of the third business day following the cessation of the holder's employment with the Corporation and its Subsidiaries, and no longer, to exercise any unexercised Option the holder could have exercised on the day on which he left the employ of the Corporation and its Subsidiaries. Notwithstanding the foregoing, if the cessation of employment is due to retirement on or after attaining the age of sixty-five years, or to death, the holder or the

4

representatives of the estate of the holder shall have the privilege of exercising the unexercised Options 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 either within three months of the holder's retirement or within six months after the death of the holder, as the case may be. If the employment of any holder with the Corporation or a Subsidiary thereof shall be terminated because of the holder's violation of the duties of such employment in the Corporation or its Subsidiaries 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 of such holder shall terminate immediately upon the termination of the holder's employment with the Corporation or a Subsidiary thereof, and a holder whose employment with the Corporation or a Subsidiary thereof is so terminated, shall have no right after such termination to exercise any unexercised Option he might have exercised prior to the termination of his employment with the Corporation or a Subsidiary thereof.

12. Adjustment of Optioned Shares. If prior to the complete exercise of any Option there shall be declared and paid a stock dividend upon the Stock or if the Stock shall be split up, converted, exchanged, reclassified, or in any way substituted for, the Option, to the extent that it has not been exercised, shall entitle the holder upon the future exercise of the Option to such number and kind of securities or other property subject to the terms of the Option to which he would be 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 originally optioned Shares were being purchased thereunder. If any such event should occur, the number of Shares with respect to which Options remain to be issued, or with respect to which Options may be reissued, shall be similarly adjusted.

13. Issuance of Shares and Compliances with Securities Act. The Corporation may postpone the issuance and delivery of Shares upon any exercise of an Option 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. Any person exercising an Option shall make such representations and furnish such information as may, in the opinion of counsel for the Corporation, be appropriate to permit the Corporation, in the 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.

14. 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 Options not theretofore issued, and the Board of Directors or the Committee, with the consent of the affected holder of an Option, may at any time withdraw or from time to time amend the Plan and the terms and conditions of such Option as has been theretofore granted.

5

Notwithstanding the foregoing, any amendment by the Board of Directors or Committee, which would increase the number of Shares issuable under Options or change the class of employees to whom Options may be granted shall be subject to the approval of the stockholders of the Corporation within one year of such amendment.

Determination of the Committee as to any question which may arise with respect to the interpretation of the provisions of the Plan and Options shall be final.

The Committee may authorize and establish such rules, regulations and revisions thereof not inconsistent with the provisions of the Plan, as it may determine advisable to make the Plan and Options effective or provide for their administration, and may take such other action with regard to the Plan and Options as it shall deem desirable to effectuate their purpose.

15. Effective Date of the Plan. This Plan is effective and in full force and effect as of January 27, 1983 subject to its approval by the holders of a majority of the outstanding Stock at any special or annual meeting of the stockholders of the Corporation held on or before January 26, 1984.

16. Final Issuance Date. No Option shall be issuable under the Plan after January 26, 1993.

Amendment No. 4 to the
1983 Employees' Incentive Stock Option Plan
of
AMETEK, Inc.

WHEREAS, AMETEK, Inc. (the "Corporation") has adopted the 1983 Employees' Incentive Stock Option Plan of AMETEK, Inc. (the "Plan"); and

WHEREAS, Section 16 of the Plan permits the Corporation to amend the Plan; and

WHEREAS; the Corporation now desires to amend the Plan's definition of "Committee" to be the Compensation Committee of AMETEK, Inc. (the "Compensation Committee"); provided, however, that any member of the Compensation Committee, not a "disinterested person" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, be excluded from administering the Plan;

NOW, THEREFORE, the Plan is hereby amended as follows:

1. Subsection (c) of Section 2 of the Plan is hereby amended, in its entirety, to read as follows:

"(c) 'Committee' shall mean the Compensation Committee of AMETEK, Inc. (the 'Compensation Committee') hereinafter described in Section 3; provided, however, that any member of the Compensation Committee, not a "disinterested person" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, shall be excluded from administering the Plan and such member's authority as a member of the Compensation Committee shall not extend to the administration of the Plan."

2. Except to the extent hereinabove, set forth, the Plan shall remain in full force and effect.

IN WITNESS WHEREOF, the Corporation has caused this Amendment to be duly executed, effective as of the 29th day of April 1993.

AMETEK, Inc.

By: /s/ Robert W. Yannarell

ATTEST:

/s/ Dorothy M. Misetich

(Seal)

Amendment No. 4
to the
AMETEK, Inc. 1981 Employees' Nonqualified
Stock Option and Stock Appreciation Rights Plan

WHEREAS, AMETEK, Inc. (the "Corporation") has adopted the AMETEK, Inc. 1981 Employees' Nonqualified Stock Option and Stock Appreciation Rights Plan (the "Plan"); and

WHEREAS, Section 16 of the Plan permits the Corporation to amend the Plan; and

WHEREAS; the Corporation now desires to amend the Plan's definition of "Committee" to be the Compensation Committee of AMETEK, Inc. (the "Compensation Committee"); provided, however, that any member of the Compensation Committee, not a "disinterested person" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, be excluded from administering the Plan;

NOW, THEREFORE, the Plan is hereby amended as follows:

1. Subsection (d) of Section 2 of the Plan is hereby amended, in its entirety, to read as follows:

"(d) 'Committee' shall mean the Compensation Committee of AMETEK, Inc. (the 'Compensation Committee' hereinafter described in Section 3; provided, however, that any member of the Compensation Committee, not a "disinterested person" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, shall be excluded from administering the Plan and such member's authority as a member of the Compensation Committee shall not extend to the administration of the Plan."

2. Except to the extent hereinabove set forth, the Plan shall remain in full force and effect.

IN WITNESS WHEREOF, the Corporation has caused this Amendment to be duly executed, effective as of the 29th day of April 1993.

AMETEK, Inc.

By: /s/ Robert W. Yannarell

ATTEST:

/s/ Dorothy M. Misetic

(Seal)

EMPLOYEES' RETIREMENT PLAN
OF
AMETEK, INC.

(Restated as of January 1, 1989 and
amended to December 31, 1993)

WHEREAS, there was adopted the Employees' Retirement Plan of AMETEK, Inc. (hereinafter referred to as the "Plan"), effective December 29, 1942; and

WHEREAS, the Plan was amended and restated, in its entirety, effective January 1, 1976 and again, effective January 1, 1985, and has been amended from time to time thereafter; and

WHEREAS, Section 9.2 of the Plan provides that AMETEK, Inc. (hereinafter referred to the "Company") may amend the Plan at any time, or from time to time; and

WHEREAS, the Company now desires to amend and restate the Plan in its entirety;

NOW, THEREFORE, the Plan is hereby amended as follows:

FIRST: The Plan is hereby amended and restated to read in its

entirety as set forth herein, effective January 1, 1989, except as otherwise specified herein. To the extent than an earlier effective date of a Plan provision is required by applicable law, the provision shall be effective as of such earlier date. Otherwise, the provisions of the Plan, as amended and restated, shall apply only to an Employee who performs an hour of service on or after January 1, 1989.

SECOND: The provisions of the Plan as heretofore in effect shall

continue to be applicable to all persons who retired or otherwise terminated their employment prior to January 1, 1989.

TABLE OF CONTENTS

	Page

ARTICLE I - Definitions And Construction.....	1
ARTICLE II - Participation	
2.1 Participation as of January 1, 1989.....	9
2.2 Other Employees.....	9
2.3 Employees Not Eligible to Participate.....	9
2.4 Participation - One Year of Service.....	9
2.5 Transfer of Employment.....	10
2.6 Termination of Participation.....	10
2.7 Participant Information.....	10
ARTICLE III - Service	
3.1 Credited Service.....	11
3.2 Severance From Service Date.....	11
3.3 Absence From Service Date.....	12
3.4 Absence of More than Twelve Months.....	12
3.5 One Year Period of Severance.....	12
3.6 Credited Service for Certain Absences.....	12
ARTICLE IV - Benefits	

4.1	Normal Retirement Pension.....	14
4.2	Early Retirement Pension.....	14
4.3	Disability Retirement Pension.....	15
4.4	Deferred Vested Pension.....	16
4.5	Death Benefits.....	17
4.6	Limitation on Benefits.....	20
4.7	Participant Information.....	25
4.8	Qualified Domestic Relations Order.....	25

ARTICLE V - Payment Of Benefits

5.1	Married Participants.....	26
5.2	Unmarried Participants.....	27
5.3	Optional Forms of Payment.....	28
5.4	Suspension of Benefits.....	29
5.5	Accruals While Benefits Are In Pay Status.....	31
5.6	Direct Rollovers.....	32
5.7	Application for Benefits.....	33
5.8	Beneficiary Designation.....	33
5.9	Incapacity.....	34
5.10	Assignment and Alienation.....	34
5.11	Limitations on Commencement and Duration of Benefits.....	35

TABLE OF CONTENTS

Page

ARTICLE VI - Transfer of Employment

6.1	Definitions.....	36
6.2	Transfer of Employment.....	36
6.3	Subsequent Service as Employee.....	37
6.4	Additional Limitations.....	37

ARTICLE VII - Contributions and Funding

7.1	Contributions.....	39
7.2	Assets Held in Trust.....	39
7.3	No Reversion of Trust Assets.....	39
7.4	Benefits Payable from Trust Fund.....	39
7.5	Forfeitures.....	39
7.6	Administrative Expenses.....	39
7.7	Appointment of Trustee, Actuary and Investment Manager.....	39
7.8	Funding Policy.....	40

ARTICLE VIII - Administrative Committee And Plan Administrator

8.1	Administrative Committee.....	41
8.2	Appointment of Committee.....	41
8.3	Removal of Member.....	41
8.4	Acceptance of Appointment.....	41
8.5	Action by Committee.....	41
8.6	Employment of Agents.....	42
8.7	Compensation and Expenses of Committee.....	42
8.8	Committee Powers.....	42
8.9	Claims for Benefits.....	43
8.10	Liability for Contributions	44
8.11	Plan Administrator.....	44
8.12	Compensation and Expenses of Plan Administrator.....	44
8.13	Allocation of Duties.....	45
8.14	Participation of Committee Members and Plan Administrator.....	45
8.15	Books and Records.....	45

8.16	Fiduciary Standard.....	45
8.17	Indemnification.....	45
8.18	Dispute as to Duties.....	46

TABLE OF CONTENTS

	Page

ARTICLE IX - Adoption, Amendment, Termination Or Transfer of Assets	
9.1 Adoption by Other Companies.....	47
9.2 Amendment or Termination.....	47
9.3 Termination of Plan.....	47
9.4 Withdrawal by Participating Employer.....	48
9.5 Distribution of Benefits Upon Termination.....	48
9.6 Limitation on Benefits.....	49
9.7 Amendment to Vesting Schedule.....	49
9.8 Merger of Plan.....	50
ARTICLE X - Top Heavy Plans	
10.1 Definitions.....	51
10.2 Top-Heavy Vesting.....	54
10.3 Minimum Benefits.....	55
10.4 Maximum Benefits.....	55
10.5 Aggregation of Employers.....	56
10.6 No Suspension of Benefits.....	56
ARTICLE XI - Miscellaneous	
11.1 No Rights Implied.....	57
11.2 Exclusive Benefits Rule.....	57
11.3 Exclusive Benefit.....	58
11.4 No Employment Contract.....	58
11.5 More than One Fiduciary Capacity.....	58
11.6 Governing Law.....	58
11.7 Statutory References.....	58

EMPLOYEES' RETIREMENT PLAN
OF
AMETEK, INC.

ARTICLE I

DEFINITIONS AND CONSTRUCTION

The following words and phrases shall have the meanings set forth below unless the context clearly indicates otherwise:

1.1. "Accrued Annual Pension" at Normal Retirement Date (or projected to Normal Retirement Date) shall mean, with respect to any Participant or Former Participant, an amount equal to 102% of the sum of:

(a) Thirty-two percent (32%) of the Participant's or Former Participant's Average Annual Compensation not in excess of his Covered Compensation, plus forty percent (40%) of his Average Annual Compensation in excess of his Covered Compensation, with such sum multiplied in the case of a Participant or Former Participant whose Credited Service is less than 15 years at Normal Retirement Date (or whose Credited Service at his Normal Retirement Date will be less than 15 years if he continues to be an Employee to such date) by the ratio that the number of years of Credited Service at his Normal Retirement Date (or the number of years of Credited Service which he would have at his Normal Retirement Date if he continues to be an Employee until such date) bears to 15 (but in no event more than one); and

(b) For retirements on and after January 1, 1990, one-half of one percent (0.5%) of such Participant's or Former Participant's Average Annual Compensation multiplied by the number of years of Credited Service at Normal Retirement Date (or the number of years of Credited Service he will have at his Normal Retirement Date if he continues to be an Employee until such date) which are in excess of 15 years but not in excess of 25 years.

If a Participant continues to be an Employee past his Normal Retirement Date, his Accrued Annual Pension as of his Deferred Retirement Date or Mandatory Distribution Date shall be recomputed under the preceding sentence (i) by substituting his Deferred Retirement Date or Mandatory Distribution Date, as the case may be, for his Normal Retirement Date and (ii) by taking into account all years of Credited Service through his Deferred Retirement Date or Mandatory Distribution Date.

If a Participant's or Former Participant's Accrued Annual Pension is being computed as of a date prior to his Normal Retirement Date, the Accrued Annual Pension shall be that portion of the amount determined under the first sentence of this Section 1.1 as the number of years of the Participant's or Former Participant's Credited Service on his Severance From Service Date bears to the Credited Service which he will have had at his Normal Retirement

-1-

Date if he continues to be an Employee until such date. In no event shall the Accrued Annual Pension of any Participant or Former Participant be less than 102% of the product of \$192 multiplied by the number of his years of Credited Service. For purposes of this Section 1.1 a Participant's or Former Participant's years of Credited Service shall include whole years and fractions thereof, as determined in accordance with Article III.

1.2. "Actuarial Equivalent" shall mean equality in value of the aggregate -----
sums to be received under different forms of payment or at different times, or both, under the Plan, determined using the UP-1984 Mortality Table, unrated for the Pensioner and set back three years for any co-pensioner, and 8% interest, compounded annually. Notwithstanding the foregoing, solely for the purposes of Option 3 of Subsection 5.3(a), the Actuarial Equivalent reduced pension shall be equal to the pension benefit payable pursuant to Article IV divided by 1.02.

1.3. "Actuary" shall mean the actuarial firm appointed by the Company -----
pursuant to Subsection 7.7(b).

1.4. "Adjustment Factor" shall mean the cost-of-living adjustment factor -----
prescribed by the Secretary of the Treasury under Section 415(d) of the Code, as applied for years beginning after December 31, 1987 and as applied to such items and in such manner as the Secretary shall provide; provided, however, that such adjusted dollar limit shall not become effective, for purposes of this Plan, for years ending prior to the calendar year for which such adjustment is announced.

1.5. "Affiliated Company" shall mean any other corporation that is, along -----
with the Company, a member of a controlled group of corporations (as defined in Section 414(b) of the Code); any other trade or business (whether or not incorporated) which, along with the Company, is under common control (as defined in Section 414(c) of the Code), or any other trade or business which is a member of an "affiliated service group" (as such term is defined in Section 414(m) of the Code or in regulations under Section 414(o) of the Code) of which the Company is also a member.

1.6. "Average Annual Compensation" shall mean the highest average annual

Compensation paid a Participant by the Employer in any five consecutive Plan
Years during the last ten consecutive Plan Years immediately prior to his actual
date of retirement (in the event of retirement pursuant to Section 4.1 or
Section 4.2), the date of his becoming disabled (in the event of retirement
pursuant to Section 4.3), or the date his service terminates (in the case of a
Participant entitled to a deferred vested pension benefit pursuant to Section
4.4 or 10.2), as the case may be. For purposes of determining Average Annual
Compensation, (i) the year in which a Participant retires, becomes disabled or
terminates, as the case may be, shall be included among the last ten consecutive
Plan Years, and (ii) any Plan Year in which the Participant is paid or entitled
to payment of Compensation for less than nine full calendar months shall be
disregarded and the Plan Years immediately

-2-

preceding or subsequent to any Plan Year or series of years which is so
disregarded shall be deemed to be consecutive to each other.

1.7. "Beneficiary" shall mean the person or persons designated by a

Participant or Former Participant in accordance with Section 5.8, as the person
or persons entitled to receive upon his death any benefit under the provisions
of this Plan.

1.8. "Code" shall mean the Internal Revenue Code of 1986, as amended

from time to time.

1.9. "Committee" shall mean the Employees' Retirement Plan of AMETEK,

Inc. Administrative Committee as appointed and serving pursuant to Article VIII.

1.10. "Company" shall mean AMETEK, Inc., a Delaware corporation, and any

successor corporation or corporations.

1.11. "Compensation" shall mean an Employee's fixed salary, base pay, and

commissions paid, severance benefits paid (except if paid in lump sum), bonuses
accrued (whether or not paid), overtime paid to the Employee during the Plan
Year in consideration for his personal services actually rendered to the
Employer and settlement awards classified as back pay. Compensation shall not
include awards, gifts, loans, fees, insurance and pension benefits, imputed
income (resulting from the purchase of more than \$50,000 of group term life
insurance), personal use of company care, amounts included received by an
Employee in lieu of benefits under the Company's flexible benefits program,
stock or stock options, stock appreciation rights whether distributed in stock
or cash or in kind, lump sum severance benefits and any and all other forms of
deferred benefits; provided, however, that any amount which the Employer may
contribute on behalf of any Employee who is also a participant in The AMETEK
Savings and Investment Plan or the AMETEK, Inc. Flexible Benefits Plan pursuant
to such Employee's election to reduce his salary shall be deemed to be a part of
such Employee's Compensation for purposes of this Plan. Notwithstanding the
preceding, Compensation for a Plan Year shall not include any amounts in excess
of the limit prescribed in Section 401(a)(17) of the Code, as adjusted for years
beginning after December 31, 1988 by the Adjustment Factor. In determining the
"Compensation" of an Employee for purposes of this limitation, the aggregation
rules of Section 414(q)(6) of the Code shall apply to any Employee who is a
member of a family of a 5% owner (within the meaning of Section 416(i) of the
Code) or a Highly Compensated Employee in the group consisting of the 10
employees paid the highest compensation. However, in applying these rules the
term "family" shall include only the spouse of the Employee and any lineal
descendants of the Employee who have not attained age 19 before the close of the
Plan Year. If as a result of the application of such rules the adjusted
\$200,000 limitation is exceeded, then the limitation shall be prorated among the
affected individuals in proportion to each such individual's Compensation as
determined under this section prior to the application of this limitation.

-3-

1.12. "Covered Compensation" for a Plan Year, with respect to any

Participant or Former Participant, shall mean the average (without indexing subsequent to his last Severance From Service Date) of the taxable wage bases in effect for each calendar year during the 35-year period ending with the last day of the calendar year in which such Participant or Former Participant attains (or will attain) Social Security Retirement Age, rounded to the nearest whole multiple of \$600.

1.13. "Credited Service" shall have the meaning set forth in Section 3.1.

1.14. "Deferred Retirement Date" shall have the meaning set forth in

Subsection 4.1(a).

1.15. "Disability Retirement Date" shall have the meaning set forth in

Subsection 4.3(a).

1.16. "Early Retirement Date" shall have the meaning set forth in

Subsection 4.2(a).

1.17. "Eligible Spouse" shall mean the spouse of a Participant or Former

Participant to whom such Participant or Former Participant is married at his Pension Commencement Date. However, if such Participant or Former Participant dies prior to his Pension Commencement Date, his "Eligible Spouse" shall mean the spouse to whom he is married for at least one year at the date of his death. A former spouse shall be treated as an Eligible Spouse to the extent required under a Qualified Domestic Relations Order.

1.18. "Employee" shall mean each person who is included on a salaried

payroll of the Employer and who receives Compensation from the Employer, which is subject to withholding for United States federal income tax purposes; provided, however, that the term "Employee" shall in no event include any person who is a leased employee with respect to the Employer within the meaning of Section 414(n) or 414(o) of the Code or an Employee classified as an hourly employee of the Technical Motor Division's plant in Simi Valley, California.

1.19. "Employer" shall mean the Company and any Affiliated Company that

adopts this Plan and joins in the corresponding Trust with the consent of the Board of Directors of the Company. An Affiliated Company shall be considered an Employer only with respect to such period as the Affiliated Company participates in the Plan for the benefit of its Employees.

1.20. "Employment Commencement Date" shall mean the date on which an

Employee first performs an Hour of Service, or the date following a One Year Period of Severance which is treated as the Employee's new Employment Commencement Date pursuant to Section 2.4, as the case may be.

1.21. "ERISA" shall mean the Employee Retirement Income Security Act of

1974, as amended from time to time.

-4-

1.22. "Former Participant" shall mean a person who has ceased to be a

Participant, but who is entitled to immediate or deferred benefits under this Plan.

1.23. "Hour of Service" shall mean:

(a) Each hour for which the Employee is directly or indirectly paid, or entitled to payment, by the Employer or an Affiliated Company for the performance of duties, such hours to be credited to him for the calendar month in which the duties were performed;

(b) Each hour for which back pay, irrespective of mitigation of

damages, has been either awarded or agreed to by the Employer or an Affiliated Company, with such hours to be credited to the Employee for the calendar month or months to which the award or agreement pertains rather than the calendar month in which the award, agreement or payment is made; and

(c) Each hour for which the Employee is directly or indirectly paid, or entitled to payment, by the Employer or an Affiliated Company on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), jury duty, or any other cause.

Notwithstanding anything to the contrary contained in this Section 1.23, an Employee shall not be credited with Hours of Service on account of payments made or due under a plan maintained solely for the purpose of complying with applicable worker's compensation or unemployment compensation or disability insurance laws or which solely reimburse an Employee for medical or medically related expenses incurred by the Employee.

1.24. "Investment Manager" shall mean the investment manager or managers,

if any, appointed by the Company pursuant to Subsection 7.7(c).

1.25. "Limitation Year" shall mean the calendar year.

1.26. "Mandatory Distribution Date" shall mean the April 1st of the

calendar year following the later of (a) the calendar year in which the Participant or Former Participant attains age 70-1/2, or (b) in the case of a Participant or Former Participant who attained age 70-1/2 before January 1, 1988, and who is not a 5% owner (within the meaning of Section 416(i) of the Code) at any time during the 5-Plan-Year period ending in the calendar year in which the Participant or Former Participant attains age 70-1/2, the calendar year in which the Participant or Former Participant terminates employment with the Employer and all Affiliated Companies. If a Participant or Former Participant described in clause (b) becomes a 5% owner at any time after such 5-Plan-Year period, his Mandatory Distribution Date shall be April 1 of the calendar year following the calendar year in which the Plan Year in which he becomes a 5% owner ends. Notwithstanding the foregoing,

-5-

in the case of a Participant or Former Participant who attained age 70-1/2 on or after January 1, 1988, but before January 1, 1989, is not a 5% owner, and has not terminated employment with the Employer and all Affiliated Companies before January 1, 1989, Mandatory Distribution Date shall mean April 1, 1990.

1.27. "Normal Retirement Age" shall mean the later of a Participant's or

Former Participant's 65th birthday or the date an Employee completes at least 5 years of Credited Service.

1.28. "Normal Retirement Date" shall mean the first day of the month

following or coincident with the Participant's or Former Participant's attainment of Normal Retirement Age.

1.29. "One Year Period of Severance" shall mean a period occurring when an

Employee does not complete an Hour of Service within the twelve consecutive month period beginning on his Severance From Service Date, or any anniversary thereof.

1.30. "Participant" shall mean an Employee eligible to participate in the

Plan in accordance with Article II.

1.31. "Pension Commencement Date" shall mean, effective March 24, 1993,

the first day of the first period for which a pension is payable as an annuity pursuant to the provisions of Article IV and, in the case of any benefit not payable in the form of an annuity, the first day on which all events have occurred entitling the Participant, Former Participant or Eligible Spouse to

such benefit; provided, however, that in the case of a Pensioner who is receiving a disability retirement pension which pension ceases prior to the Participant's Normal Retirement Date, his Disability Retirement Date shall be disregarded in determining his Pension Commencement Date.

1.32. "Pensioner" shall mean a Former Participant who is receiving

benefits under the provisions of this Plan.

1.33. "Period of Severance" shall mean the period commencing on an

Employee's Severance from Service Date and ending on the date he first again performs an Hour of Service.

1.34. "Plan" shall mean this Employees' Retirement Plan of AMETEK, Inc.,

as embodied herein and as amended from time to time.

1.35. "Plan Administrator" shall mean the person, group of persons, firm

or corporation serving as plan administrator pursuant to Section 8.11.

1.36. "Plan Year" shall mean the calendar year.

1.37. "Qualified Domestic Relations Order" shall mean a judgment, decree

or order (including approval of a property settlement agreement) made pursuant to a state domestic relations law (including a community property law) which:

-6-

(a) Relates to the provision of child support, alimony payments or marital property rights to a spouse, former spouse, child or other dependent of a Participant or Former Participant (the "Alternate Payee");

(b) Creates or recognizes the existence of the Alternate Payee's right to, or assigns to the Alternate Payee the right to receive all or a portion of the benefits payable to a Participant or Former Participant under this Plan;

(c) Specifies (i) the name and last known mailing address (if any) of the Participant or Former Participant and each Alternate Payee covered by the order, (ii) the amount or percentage of the Participant's or Former Participant's Plan benefits to be paid to the Alternate Payee, or the manner in which such amount or percentage is to be determined, and (iii) the number of payments or the period to which the order applies and each plan to which the order relates; and

(d) Does not require the Plan to (i) provide any type or form of benefit, or any option not otherwise provided under the Plan, (ii) provide increased benefits, or (iii) pay benefits to the Alternate Payee that are payable under a prior Qualified Domestic Relations Order. Notwithstanding the foregoing, a Qualified Domestic Relations Order may provide that distribution commence as soon as administratively practicable following its determination as a Qualified Domestic Relations Order regardless of whether the Participant or Former Participant has incurred a Severance From Service Date, if the Order directs (A) that the payment of the benefits be determined as if the Participant or Former Participant had retired on the date on which payment is to begin under such Order, taking into account only the Participant's or Former Participant's Accrued Annual Pension as of such date, and (B) that the payment be made in a form in which such benefits may be paid under the Plan to the Participant or Former Participant other than in the form of a joint and survivor annuity with respect to the Alternate Payee and his subsequent spouse, subject to any restrictions that may be prescribed by Treasury regulations issued under Section 401(a)(9) of the Code.

1.38. "Qualified Joint and Survivor Annuity" shall mean a reduced pension

for the life of the Participant or Former Participant with a survivor annuity for the life of his Eligible Spouse which is one-half of the amount of the annuity payable during their joint lives and shall be the Actuarial Equivalent of the pension benefit payable to him pursuant to Article IV; provided, however, that, if the Participant or Former Participant dies prior to his Pension

Commencement Date but after electing a 100% joint and survivor annuity with his Eligible Spouse pursuant to Section 5.3, such 100% joint and survivor annuity shall be substituted for the 50% joint and survivor annuity described above for purposes of determining death benefits payable pursuant to Subsections 4.5(a), (b) or (c).

-7-

1.39. "Severance From Service Date" shall have the meaning set forth in

Section 3.2.

1.40. "Social Security Retirement Age" shall mean (a) age 65 if the

Participant or Former Participant attains age 62 before January 1, 2000, (b) age 66 if the Participant or Former Participant attains age 62 after December 31, 1999 and before January 1, 2017 and (c) age 67 if the Participant or Former Participant attains age 62 after December 31, 2016.

1.41. "Survivor Annuity Election Period" shall mean, with respect to each

Participant or Former Participant, the 90-day period ending on his Pension Commencement Date.

1.42. "Trust" shall mean the agreement of trust entered into between the

Company and the Trustee, together with all amendments thereto and agreements in substitution therefor.

1.43. "Trust Fund" shall mean the assets held by the Trustee for the

benefit of Participants, Former Participants entitled to benefits, Pensioners and Beneficiaries under this Plan.

1.44. "Trustee" shall mean the trustee or trustees appointed by the

Company pursuant to Subsection 7.7(a), and any successor Trustee.

1.45. "Vesting Date" shall mean the date on which an Employee completes

five years of Credited Service, taking into account the provisions of Article VI.

Except when otherwise indicated by the context, any masculine terminology used herein also includes the feminine and neuter, and vice versa, and the definition of any term herein in the singular shall also include the plural, and vice versa. The words "hereof," "herein," "hereunder," and other similar compounds of the word "here" shall mean and refer to the entire Plan and not to any particular provision or section. All references to Articles and Sections shall mean and refer to Articles and Sections contained in this Plan, unless otherwise indicated.

In determining time periods within which an event or action is to take place for purposes of the Plan, no fraction of a day shall be considered and any act, the performance of which would fall on a Saturday, Sunday, holiday or other non-business day, may be performed on the next following business day.

It is the intention of the Employer that the Plan be qualified under the provisions of Sections 401(a) and 501(a) of the Code and under ERISA, and all provisions of this Plan shall be construed and interpreted in light of that intention.

The titles and headings of Articles and Sections are intended for convenience of reference only and are not to be considered in construction of the provisions hereof.

-8-

ARTICLE II

PARTICIPATION

2.1. Participation as of January 1, 1989. Subject to Section 2.3, each

Employee who was eligible to participate in the Plan as of December 31, 1988 shall be a Participant in the Plan as of January 1, 1989, provided he is still an Employee as of such date.

2.2. Other Employees. Subject to Section 2.3, any Employee not referred

to in Section 2.1 shall become a Participant on the January 1st or July 1st next following the date on which:

(a) the Employee has attained age 21, and

(b) completed one year of Credited Service taking into consideration the provisions of Article VI;

provided, that such person is an Employee as of such January 1st or July 1st, as the case may be. Except as otherwise provided in Section 2.3 or 2.4, if an individual is not an Employee on the date on which he would otherwise become a Participant pursuant to this Section 2.2, he shall become a Participant on the first date thereafter on which he is an Employee.

2.3. Employees Not Eligible to Participate. Notwithstanding any other

provision of the Plan to the contrary, an Employee shall not be eligible to participate in the Plan if he is a participant in, eligible to participate in, or covered by any other pension, stock bonus or profit sharing plan (other than The AMETEK Savings and Investment Plan) which is qualified under the provisions of Section 401(a) of the Code and which is maintained by the Employer or to which the Employer contributes.

2.4. Participation - One Year Period of Severance. If an individual is

reemployed as an Employee after he incurs a One Year Period of Severance and:

(a) the Credited Service earned by the individual prior to his Severance from Service Date is disregarded pursuant to Section 3.6, he shall be deemed a new Employee for purposes of again participating in this Plan and shall qualify for participation in this Plan once he again meets the eligibility requirements set forth in Section 2.2.

(b) the Credited Service earned by the individual prior to his Severance from Service Date is restored pursuant to Section 3.6, he shall qualify for participation in this Plan on the date he again becomes an Employee (subject to Section 2.3), provided that he completes a year of Credited Service after he is reemployed.

-9-

The new Employment Commencement Date for all purposes for an individual described in clause (a), or for purposes of determining whether a year of Credited Service is completed after reemployment for an individual described in clause (b), shall be the first date following his Severance from Service Date on which he completes an Hour of Service.

2.5. Transfer of Employment. If an Employee would be a Participant but

for his being a participant in, eligible to participate in, or covered by, any other pension, stock bonus or profit-sharing plan qualified under the provision of Section 401(a) of the Code which is maintained by the Employer, or to which the Employer contributes, he shall immediately become a Participant in this Plan on the first day he ceases being a participant in, eligible to participate in, or covered by such other qualified plan, provided he is still an Employee on such date.

2.6. Termination of Participation. A Participant shall cease to be a

Participant as of the earliest of (a) the date he ceases to be an Employee, (b) the date he becomes a participant in, eligible to participate in, or covered by, any other pension, stock bonus or profit-sharing plan (other than The AMETEK Savings and Investment Plan) which is qualified under the provisions of Section 401(a) of the Code and which is maintained by the Employer or to which the Employer contributes, or (c) his Severance From Service Date, and he shall be

entitled to such benefits, if any, as he is entitled to under this Plan based upon his Credited Service and Accrued Annual Pension as of the date he ceases to be a Participant.

2.7. Participant Information. The Employer shall from time to time

furnish the Committee with relevant information with regard to the Employees eligible for participation in this Plan, including, without limitation, information as to their names, dates of birth, Employment Commencement Dates, compensation and periods of service. The Committee shall rely upon such information and shall be under no obligation to make inquiry with regard to the accuracy thereof.

-10-

ARTICLE III

SERVICE

3.1. Credited Service. A Participant's Credited Service shall equal the

total number of years of service and fractions thereof, rendered as an Employee (other than an Employee who is ineligible to participate pursuant to Section 2.3) during the period between his Employment Commencement Date and his last Severance From Service Date, subject to the other provisions of this Article III and Article VI.

3.2. Severance From Service Date.

(a) Severance From Service Date - Defined. An Employee's service

with the Employer and all Affiliated Companies shall be deemed severed on the earlier of:

- (i) the date the Employee quits, retires, is discharged or dies;
or
- (ii) the later of
 - (A) the first anniversary of the first date of a period during which the Employee remains absent from service with the Employer and all Affiliated Companies, either with or without pay, for any reason other than those set forth in clause (i) of this Subsection (a); or
 - (B) the second anniversary of the first date of a period of absence from service with the Employer and all Affiliated Companies, for reasons of (1) the pregnancy of the Employee, (2) the birth of the Employee's child, (3) the placement of a child with the Employee in connection with the adoption of such child by such Employee or (4) caring for such child for a period beginning immediately following such birth or placement;

which date shall be known as his Severance From Service Date. In order for an absence to be considered as on account of the reasons described in Subsection (a)(ii)(B), an Employee shall provide the Plan Administrator information establishing (I) that the absence from work is for reasons set forth in Subsection (a)(ii)(B), and (II) the number of days for which there was such an absence. Nothing in this Section 3.2 shall be construed as expanding or amending any maternity or paternity leave policy of the Employer or an Affiliated Company.

-11-

(b) Special Rule for Maternity Leave. Notwithstanding anything to

the contrary contained in this Section 3.2, if an Employee is continuously

absent from service with the Employer and all Affiliated Companies for more than one year for a reason described in Subsection (a) (ii) (B), the period between the first and second anniversaries of the Employee's first date of absence shall not be a One Year Period of Severance but shall not be treated as Credited Service for any purpose under this Plan.

3.3. Absence of Less than Twelve Months.

(a) Return Within Twelve Months - General. If a Participant's or

Former Participant's service with the Employer and all Affiliated Companies is severed pursuant to Subsection 3.2(a) (i) but he again performs an Hour of Service within twelve months of his Severance From Service Date, the intervening Period of Severance shall be deemed Credited Service.

(b) Special Rule. Notwithstanding Subsection (a), if during an

absence from service of twelve months or less, a Participant's or Former Participant's service with the Employer and all Affiliated Companies is severed pursuant to Subsection 3.2(a) (i) the Period of Severance beginning on his Severance From Service Date shall be deemed Credited Service only if he again performs an Hour of Service within twelve months from the date he was first absent from service.

3.4. Absence of More than Twelve Months. A Participant shall not be

granted Credited Service for any purpose under this Plan, from his Severance From Service Date to the first date, if any, on which he again completes an Hour of Service, except as provided under Section 3.3.

3.5. One Year Period of Severance - Credit for Prior Service. If an

Employee, who is not vested in his Accrued Annual Pension upon his Severance From Service Date which occurs on or after January 1, 1989, incurs five consecutive One Year Periods of Severance, his Credited Service accumulated prior to such Period of Severance shall be disregarded for all purposes under this Plan. If an Employee, who is vested in his Accrued Annual Pension upon his Severance From Service Date which occurs on or after January 1, 1989, incurs a One Year Period of Severance and subsequently resumes service with the Employer or an Affiliated Company, his Credited Service accumulated prior to such Period of Severance shall be restored to him for all purposes under this Plan.

3.6. Credited Service for Certain Absences. Notwithstanding anything

to the contrary contained in this Article III, periods of absence of a Participant or Former Participant on or after January 1, 1976 due to (a) an authorized leave of absence in excess of twelve months but not in excess of twenty-four months, either with or without pay, or (b) voluntary or involuntary service in the Armed Forces of the United States in excess of twelve months, shall be deemed to be Credited Service (and no Severance From Service Date shall be deemed to have occurred), provided that the

-12-

Participant or Former Participant returns to service with the Employer or an Affiliated Company immediately after such authorized leave of absence or within the time after his discharge from the Armed Forces in which, as a matter of law, he has re-employment rights, as the case may be. Failure of the Participant or Former Participant to return to service with the Employer or an Affiliated Company within the time specified in this Section 3.7 shall cause such period of absence to be treated as if the Participant's service was severed pursuant to Subsection 3.2(a) (ii).

-13-

ARTICLE IV

BENEFITS

4.1. Normal Retirement Pension.

(a) Eligibility. A Participant or Former Participant who is

employed by an Employer or an Affiliated Company at his Normal Retirement Age shall have a nonforfeitable right to a normal retirement pension. Such a Participant or Former Participant shall be entitled to receive his normal retirement pension commencing on (i) his Normal Retirement Date, or (ii) if he continues in the employ of the Employer or an Affiliated Company past his Normal Retirement Age, on the earlier of (A) the first day of the month following his actual retirement (unless payment must commence earlier pursuant to Section 5.4), which date shall be known as his Deferred Retirement Date, or (B) his Mandatory Distribution Date.

(b) Time and Amount of Benefit. A Participant's or Former

Participant's normal retirement pension shall be in an annual amount equal to the greater of (i) his Accrued Annual Pension at his Pension Commencement Date or (ii) the largest annual early retirement pension which could have been payable to the Participant under Section 4.2. The normal retirement pension shall commence on the Participant's Normal Retirement Date, Deferred Retirement Date, or Mandatory Distribution Date as the case may be, and shall continue for his life.

4.2. Early Retirement Pension.

(a) Eligibility. A Participant or Former Participant who has not

attained his Normal Retirement Age, but whose Severance From Service Date occurs after he has attained his 55th birthday and completed ten years of Credited Service (which date shall be known as his Early Retirement Date), shall, if he is not entitled to a disability retirement pension, be entitled to apply, prior to his Normal Retirement Date, for an early retirement pension. A Participant or Former Participant described in the preceding sentence shall be entitled to receive his early retirement pension beginning, at his election, on the first day of the month next following his Early Retirement Date or on the first day of any subsequent month which is not later than his Normal Retirement Date. A Participant's or Former Participant's election of a Pension Commencement Date which is prior to his Normal Retirement Date must be made in writing, on such form and at such time in advance as may be prescribed by the Committee, but no earlier than 90 days prior to his Pension Commencement Date and in no event earlier than the date he receives the notice described in Section 5.1(d).

(b) Time and Amount of Benefit. A Participant's or Former

Participant's early retirement pension shall be in an annual amount equal to his Accrued Annual Pension determined at his Early Retirement Date, reduced by 5/9ths of 1% for each month between his

-14-

Pension Commencement Date and his Normal Retirement Date. The early retirement pension shall commence on the Pension Commencement Date elected by the Participant or Former Participant and shall continue for his life.

4.3. Disability Retirement Pension.

(a) Eligibility. A Participant or Former Participant who has not

attained his Normal Retirement Age, but who has completed ten years of Credited Service and is entitled to a disability pension under the Federal Social Security Act, shall be entitled to apply for a disability retirement pension commencing as of the first day of the month following or coincident with the date his disability pension from Social Security commences, which date shall be known as his Disability Retirement Date; provided, however, that the Participant's or Former Participant's disability occurs while he is employed by the Employer or an Affiliated Company.

(b) Time and Amount of Benefit. A Participant's or Former

Participant's disability retirement pension shall be in an annual amount equal to his Accrued Annual Pension determined at his Severance From Service Date.

Effective March 24, 1993, the disability retirement pension shall commence, at the election of the Participant or Former Participant, on the Participant's or Former Participant's Disability Retirement Date, or on the first day of any month thereafter (on which he remains disabled) but not later than his Normal Retirement Date, and shall continue only during his period of disability under the rules of the Social Security Administration. A Participant's or Former Participant's election of a Pension Commencement Date must be made in writing, on such form and at such time in advance as may be prescribed by the Committee, but no earlier than 90 days prior to his Pension Commencement Date and in no event earlier than the date he receives the notice described in Section 5.1(d). In the event the disability retirement pension continues to be paid after he attains age 65, the actual monthly pension amount payable shall be reduced by \$1.00, without regard to the form of benefit elected.

(c) Recovery Prior to Age 65. If a Pensioner who is receiving a

disability retirement pension recovers from his disability under the rules of the Social Security Administration prior to attaining age 65, then:

- (i) If such Pensioner again becomes an Employee, his entitlement to benefits from this Plan and his Accrued Annual Pension when he later ceases to be an Employee shall be determined on the basis of his Credited Service to his prior Severance From Service Date and from his return to Employee status until his last Severance From Service Date, but the actual monthly pension amount payable shall be reduced by \$1.00, without regard to the form of benefit elected.

-15-

- (ii) If such Pensioner does not again become an Employee, his entitlement to benefits from this Plan, if any, and the amount thereof, shall be based on his Accrued Annual Pension and his Credited Service determined at his Severance From Service Date, but the actual monthly pension amount payable shall be reduced by \$1.00, without regard to the form of benefit elected.

(d) Proof of Continuing Disability. Once a year the Committee may

request any Pensioner receiving a disability retirement pension who has not attained age 65 to furnish evidence that he continues to be entitled to a disability pension from the Social Security Administration. Should any Pensioner refuse or be unable to submit such evidence within 60 days of such request, his disability retirement pension shall be discontinued as of the 60th day following the request and shall not again commence until he furnishes the evidence, and should he fail to furnish the evidence within one year of such request, he shall be deemed to have recovered from his disability.

4.4. Deferred Vested Pension.

(a) Eligibility. A Participant or Former Participant who is not

currently qualified for or is not receiving a normal retirement pension, early retirement pension or disability retirement pension, but who ceases to be an employee of the Employer and all Affiliated Companies (other than by reason of death) after his Vesting Date, shall have a nonforfeitable right to apply for and receive a deferred vested pension commencing at his Normal Retirement Date.

(b) Time and Amount of Benefit - General. A terminated

Participant's or Former Participant's deferred vested pension shall be in an annual amount equal to his Accrued Annual Pension determined as of his Severance From Service Date. The deferred vested pension shall commence on his Normal Retirement Date, except as provided in Subsection (c) and shall continue for his life.

(c) Time and Amount of Benefit - Early Commencement. A terminated

Participant or Former Participant who has completed at least ten years of Credited Service and is entitled to a deferred vested pension may, on any date on or after his 55th birthday but prior to his 65th birthday, apply for a reduced retirement pension which shall be in annual amount equal to his Accrued

Annual Pension determined at his Severance From Service Date, reduced by 5/9ths of 1% for each month between his Pension Commencement Date and his Normal Retirement Date. The reduced deferred pension shall be in lieu of the deferred vested pension described in Subsection (b) and shall commence, as elected by the Participant or Former Participant, on the first day of the month following his 55th birthday or the first day of any month thereafter and shall continue for his life; provided, that no deferred vested pension

-16-

shall commence later than his Normal Retirement Date. A Participant's or Former Participant's election of a Pension Commencement Date which is prior to his Normal Retirement Date must be made in writing, on such form and at such time in advance as may be prescribed by the Committee, but no earlier than 90 days prior to his Pension Commencement Date and in no event earlier than the date he receives the notice described in Section 5.1(d).

(d) Nonvested Former Employees. If the present value of a

Participant's or Former Participant's vested Accrued Annual Pension at the time of his termination of employment with the Employer and all Affiliated Companies is zero, the Participant or Former Participant shall be deemed to have received a lump sum payment of his entire vested Accrued Annual Pension as of the date of his termination of employment.

4.5. Death Benefits. -----

(a) Participants Eligible for Normal or Early Retirement. If a

Participant or Former Participant:

- (i) Completes ten or more years of Credited Service and attains age 55 but continues in the employ of the Employer or an Affiliated Company;
- (ii) Attains his Normal Retirement Age but continues in the employ of the Employer or an Affiliated Company; or
- (iii) Retires pursuant to Section 4.2;

and thereafter dies prior to his Pension Commencement Date and leaves a surviving Eligible Spouse, his Eligible Spouse shall receive for the remainder of her lifetime an annual pension equal to the annual pension which would have been payable to her had the Participant or Former Participant retired described in clause (i) or (ii) of this Subsection (a) on the date of his death, or in the case of a Former Participant described in clause (iii) of this Subsection (a) on the date of his actual retirement, and survived and elected to commence receiving his benefits on the Pension Commencement Date elected by the Eligible Spouse in the form of a Qualified Joint and Survivor Annuity and died on the following day. Benefits payable under this Subsection (a) shall commence, as elected in writing by the Eligible Spouse within 90 days of the Pension Commencement Date, on the first day of any month following the Participant's or Former Participant's death but not later than the Participant's or Former Participant's Normal Retirement Date, unless death occurs after such date in which case benefits shall commence on the first day of the month following death. Benefits shall be payable commencing on the Pension Commencement Date elected by the Eligible Spouse and shall continue for the lifetime of the surviving Eligible Spouse.

(b) Vested Participants. If a Participant or Former Participant who is vested in any portion of his Accrued Annual

-17-

Pension pursuant to Section 4.4 (or Section 10.2) ceases to be an employee of the Employer and all Affiliated Companies by reason of death prior to the earliest age at which he would have been eligible to retire and receive a pension pursuant to Sections 4.1 or 4.2, his surviving Eligible Spouse, if any, shall receive the annual pension which would have been payable to her if the Participant or Former Participant had:

- (i) Separated from service on the date of death;

- (ii) Survived to the Pension Commencement Date elected by the Eligible Spouse;
- (iii) Commenced receiving his benefit in the form of a Qualified Joint and Survivor Annuity at that date, and
- (iv) Died on the following day.

Any benefit payable to a surviving Eligible Spouse under this Subsection (b) shall commence, as elected in writing by the Eligible Spouse within 90 days of the Pension Commencement Date, on the earliest date on which the Participant would have been eligible to receive a pension had he survived or the first day of any month thereafter, but not later than the Participant's Normal Retirement Date. Benefits shall be payable commencing on the Pension Commencement Date elected by the Eligible Spouse and shall continue for lifetime of the surviving Eligible Spouse.

(c) Vested Former Participants. If a Former Participant who ceased

to be an employee of the Employer and all Affiliated Companies is entitled to a deferred vested pension pursuant to Section 4.4 (or Section 10.2) but subsequently dies prior to his Pension Commencement Date, his surviving Eligible Spouse, if any, shall receive the annual pension which would have been payable to her if the Former Participant had:

- (i) Survived to the Pension Commencement Date elected by the Eligible Spouse;
- (ii) Commenced receiving his benefit in the form of a Qualified Joint and Survivor Annuity at that date; and
- (iii) Died on the following day.

Any benefit payable to a surviving Eligible Spouse pursuant to this Subsection (c) shall commence, as elected in writing by the Eligible Spouse within 90 days of the Pension Commencement Date, on the earliest date on which the Former Participant would have been eligible to receive a pension had he survived or the first day of any month thereafter, but not later than the Former Participant's Normal Retirement Date. Benefits shall be payable commencing on the Pension Commencement Date elected by the Eligible Spouse and shall continue for the lifetime of the surviving Eligible Spouse.

-18-

(d) Cash-Outs. Notwithstanding anything to the contrary

contained in this Plan, if an annuity benefit which is payable to the surviving Eligible Spouse of a deceased Participant or Former Participant pursuant to Subsections (b) or (c):

- (i) Has a present value of \$3,500 or less, or
- (ii) Has a present value of more than \$3,500 and the surviving Eligible Spouse requests a lump sum distribution, in writing immediately following the death of the Participant or Former Participant;

the Committee shall make an immediate lump sum distribution of the present value of such annuity. Any such lump sum distribution shall be in complete discharge of the Plan's obligation with respect to such benefit. The present value of a survivor annuity payable pursuant to Subsections (b) or (c) shall be determined as of the date of distribution, by using an interest rate equal to the lesser of (i) the interest rate specified in Section 1.2 or (ii) the interest rate which would be used by the Pension Benefit Guaranty Corporation to determine the present value of a lump sum distribution, upon a plan termination in effect on the last date of the preceding calendar quarter.

(e) Participant Eligible for Deferred Early Retirement Benefit.

If a Participant is eligible for early retirement pursuant to Section 4.2 or a Former Participant, ceases to be an Employee after being entitled to an early retirement pension pursuant to Section 4.2, dies prior his Pension Commencement Date, and does not have a surviving Eligible Spouse, his

Beneficiary shall receive a single sum death benefit equal to 60 times the monthly pension amount the Participant or Former Participant would have been entitled to receive had the payment of his early retirement pension commenced immediately prior to the Participant's or Former Participant's death in the payment form set forth in Option 3 of Subsection 5.4(a). Such payment shall be made as soon as administratively practicable following the Participant's or Former Participant's death, but no later than December 31 of the calendar year containing the fifth anniversary of the Participant's or Former Participant's death.

(f) Lump Sum Death Benefit. In addition to any other death

benefits payable under this Section 4.5, upon receipt of proof satisfactory to the Committee of the death of a Pensioner who is receiving:

- (i) A pension benefit under this Plan other than a deferred vested pension; or
- (ii) A disability pension due to a disability which commenced prior to the disabled former Employee's 60th birthday,

-19-

a single sum death benefit in the amount \$5,000, for retirement occurring on and after January 1, 1990, will be paid to his Beneficiary.

4.6. Limitation on Benefits. The following limitations shall apply to the

Accrued Annual Pensions of Participants and Former Participants who complete an Hour of Service at any time on or after the first day of the first Limitation Year beginning on or after January 1, 1987.

(a) General. Notwithstanding any other provision contained in this

Plan, a Participant's or Former Participant's projected annual benefit attributable to employer contributions shall not, in any Limitation Year, exceed the lesser of:

- (i) \$90,000, as adjusted by the Adjustment Factor for each Limitation Year; or
- (ii) 100% of the Participant's or Former Participant's average compensation for the three consecutive calendar years of participation during which he received the greatest aggregate compensation from the Employer or any Related Employer.

(b) Form of Payment. If the annual benefit is paid in a form other

than a straight life annuity or a Qualified Joint and Survivor Annuity, the limitations of this Section 4.6 shall apply to the annual benefit by adjusting it so that it is the Actuarial Equivalent of a straight life annuity.

(c) Adjustment of Limitation. If payment of the annual benefit

begins before the Participant or Former Participant attains his Social Security Retirement Age, the \$90,000 limit contained in Subsection (a)(i) shall be adjusted so that it is the Actuarial Equivalent of an annual benefit of \$90,000, multiplied by the Adjustment Factor, beginning at the Participant's or Former Participant's Social Security Retirement Age. The adjustment provided for in the preceding sentence shall be consistent with the reduction for old-age insurance benefits commencing before the Social Security Retirement Age under the Social Security Act for benefits that begin to be paid on or after age 62, and the interest rate assumption used in adjusting the benefit for years prior to age 62 shall not be less than 5%. If payment of the annual benefit of a Participant or Former Participant begins after the Participant or Former Participant attains his Social Security Retirement Age, the \$90,000 limit contained in Subsection (a)(i) shall be adjusted so that it is the Actuarial Equivalent of a benefit of \$90,000, multiplied by the Adjustment Factor, beginning at his Social Security Retirement Age; provided, that the interest rate assumption used for such calculation shall not be greater than 5%.

(d) Exceptions to the General Limitation. No benefit shall be

deemed in violation of the limitation expressed in this

-20-

Section 4.6 if the amount of the benefit does not exceed \$10,000 for the current Plan Year or any prior Plan Year, and the Employer or a Related Employer has not at any time maintained a defined contribution plan in which the Participant or Former Participant participated.

(e) Less than Ten Years of Credited Service.

- (i) For a Participant or Former Participant who has fewer than ten years of participation in the Plan, the limitation set forth in Subsection (a)(i) (as adjusted by Subsection (c)) shall be reduced by multiplying such limit by a fraction, the numerator of which is the number of the Participant's or Former Participant's years of participation in the Plan and the denominator of which is ten.
- (ii) For a Participant or Former Participant who has completed less than ten years of Credited Service with the Employer (or Related Employer), the limitations set forth in Subsection (a)(ii) and Subsection (d) shall be adjusted by multiplying such amounts by a fraction, the numerator of which is the Participant's or Former Participant's years of Credited Service, and the denominator of which is ten.

(f) Limitation on Reductions. In no event shall Subsection (e)

reduce the limitations set forth in Subsections (a) and (d) to an amount that is less than 1/10th of the applicable limitation (determined without regard to Subsection (e)).

(g) Application to Changes in Benefit Structure. To the extent

provided by the Secretary of the Treasury, Subsections (e) and (f) shall be applied separately with respect to each change in the benefit structure of the Plan.

(h) Coordination with Defined Contribution Plan. If a Participant or Former Participant in this Plan is also a participant in a defined contribution plan maintained by the Employer or a Related Employer, the sum of the Defined Benefit Plan Fraction and the Defined Contribution Plan Fraction shall not exceed 1.0. To the extent that the sum of the fractions would otherwise exceed 1.0, the Participant's or Former Participant's allocations and benefits shall be reduced in the following order:

- (i) Any "after-tax" employee contribution made to any qualified plan maintained by the Employer or a Related Employer shall be returned to the Participant, in the order last contributed to the respective plans;
- (ii) The Accrued Annual Pension under this Plan shall be reduced to the extent necessary to comply with the limitation requirements of this Section 4.6; and
- (iii) Employer contributions, if applicable, to any defined contribution plan (within the meaning of Section 414(i) of the Code) shall be adjusted in accordance with the terms of that defined contribution plan.

-21-

Notwithstanding anything in this Section 4.6 to the contrary, if the Plan satisfied Section 415 of the Code as in effect for the last Limitation Year beginning prior to January 1, 1987, an amount shall be subtracted permanently from the numerator of the Defined Contribution Plan Fraction (not exceeding such numerator) as prescribed by the Secretary of the Treasury so that the sum of the Defined Benefit Plan and Defined Contribution Plan Fractions computed under Section 415(e)(1) of the Code as amended effective January 1, 1987 does not exceed 1.0 for such Limitation Year.

- (i) Combining Plans. For purposes of applying the limitations of

this Section 4.6, all defined benefit plans maintained by the Employer or a Related Employer (whether or not terminated) are to be treated as one defined benefit plan, and all defined contribution plans maintained by the Employer or a Related Employer (whether or not terminated) are to be treated as one defined contribution plan. Any contributions to a defined benefit plan made by an Employee shall be deemed to be made under a separate defined contribution plan.

- (j) Defined Benefit Plan Fraction - Defined. For purposes of this

Section 4.6, the term "Defined Benefit Plan Fraction" shall mean, for any Limitation Year, with respect to a defined benefit pension plan (whether or not terminated) maintained by the Employer or a Related Employer, including this Plan, a fraction:

- (i) the numerator of which is the Participant's or Former Participant's projected annual benefit under all such plans (determined as of the close of such year); and
- (ii) the denominator of which is the lesser of (A) the product of 1.25 times \$90,000 (multiplied by the Adjustment Factor and adjusted as described in Subsections (c) and (e)(ii)), or (B) the product of 1.4 times 100% of the Participant's or Former Participant's average compensation for the three consecutive calendar years of participation in such defined benefit pension plan during which he received the greatest aggregate compensation from the Employer and any Related Employer, adjusted as described in Subsection (e)(ii).

-22-

- (k) Defined Contribution Plan Fraction - Defined. For purposes of

this Section 4.6, the term "Defined Contribution Plan Fraction" shall mean, for any Limitation Year, with respect to a defined contribution plan (whether or not terminated) maintained by the Employer or a Related Employer, a fraction:

- (i) the numerator of which is the sum of the Annual Additions allocated to the Participant's or Former Participant's accounts under all such plans in such Limitation Year and for all prior Limitation Years; and
- (ii) the denominator of which is the sum of the lesser of the following amounts determined for such Limitation Year and for each prior Limitation Year: (A) the product of 1.25 times \$30,000 (adjusted in accordance with Section 415(c)(1)(A) of the Code), provided, however, that such adjusted dollar limit shall not become effective, for purposes of this Plan, for Limitation Years ending prior to the January 1st of the calendar year for which such adjustment is announced, or (B) 35% of the Participant's or Former Participant's compensation for such year.

- (l) Annual Additions Defined. For purposes of this Section 4.6,

the term "Annual Addition" shall mean, for each Limitation Year, with respect to any defined contribution plan maintained by the Employer or a Related Employer, the sum of:

- (i) The portion of the contribution made by the Employer (or a Related Employer) which is allocated to the Participant's or Former Participant's account, including the contribution, if any, made by the Employer pursuant to the Participant's or Former Participant's deferral election made under The AMETEK Savings and Investment Plan;
- (ii) The portion of the forfeitures, if any, allocated to the Participant's or Former Participant's account;
- (iii) The Participant's or Former Participant's non-deductible contributions; plus

- (iv) Amounts described in Sections 415(l)(1) and 419A(d)(2) of the Code.

The term "Annual Addition" shall not include any tax free rollover or plan-to-plan transfer made to such defined contribution plan nor any earnings allocable to any account thereunder.

-23-

- (m) Compensation - Defined. For purposes of this Section 4.6 the

term "compensation" shall mean a Participant's or Former Participant's wages, salary, fees for professional services and other amounts received for personal services actually rendered in the course of employment with the Employer or a Related Employer (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips and bonuses); provided, however, that the term "compensation" shall not include contributions made by the Employer or a Related Employer on behalf of the Participant or Former Participant to this Plan or any other plan of deferred compensation, to the extent that, before the application of the limitations of Section 415 of the Code, such contributions are not includible in the gross income of the Participant or Former Participant for the taxable year in which contributed, nor contributions made by the Employer or a Related Employer to a Simplified Employee Pension described in Section 408(k) of the Code, to the extent such contributions are deductible by the Participant under Section 219 of the Code, nor any amounts realized on the exercise of a non-qualified or incentive stock option, or when restricted stock (or property) held by a Participant or Former Participant either becomes freely transferable or is no longer subject to a substantial risk of forfeiture, nor amounts realized from the sale, exchange, or other disposition of stock acquired under an incentive stock option, nor any amounts which receive special tax benefits, such as premiums for group term life insurance, to the extent not includible in the gross income of the Participant or Former Participant for Federal income tax purposes.

- (n) Related Employer - Defined. For purposes of this Section 4.6,

the term "Related Employer" shall mean any other corporation that is, along with the Employer, a member of a controlled group of corporations (as defined in Section 414(b) of the Code, as modified by Section 415(h) thereof) or any other trade or business (whether or not incorporated) which, along with the Employer, is under common control (as defined in Section 414(c) of the Code, as modified by Section 415(h) thereof) or any other employer which is a member of an "affiliated service group" (as such term is defined in Section 414(m) of the Code or in regulations under Section 414(o) of which the Employer is also a member.

- (o) Determination of Survivor Benefits. If a Participant's or

Former Participant's benefit is otherwise limited by this Section 4.6, the benefit payable to the Participant's or Former Participant's Eligible Spouse under Section 4.5(a), (b) or (c) or under a Qualified Joint and Survivor Annuity or a joint and survivor annuity described in Option 1 of Section 5.3 shall be based upon the Participant's or Former Participant's benefit without regard to this Section and the limitations of this Section shall apply to the resulting benefit payable to the Eligible Spouse.

-24-

- (p) Effective Date. The limitations described in this Section 4.6

shall become effective with respect to the Plan and Participants and Former Participants as is required to comply with Section 415 of the Code as amended by the Tax Reform Act of 1986 and subsequent legislation, but shall not reduce any benefit which was accrued by an individual under the Plan prior to the first day of the Limitation Year beginning in 1987, using the applicable maximum dollar limitations then in effect; provided, however, that this sentence shall not apply to any individual who was not a Participant or Former Participant as of the first day of the first Limitation Year that began in 1987. For purposes of this Subsection (p), no change in the Plan after May 5, 1986 and no cost of living adjustment after May 5, 1986 shall be taken into account.

4.7. Participant Information.

(a) From Employer. The Employer shall from time to time furnish

the Committee with relevant information with regard to Participants, former Participants, Pensioners and Beneficiaries, including, without limitation, information as to their retirement, death or other cause for severance of employment. The Committee shall rely upon such information and shall be under no obligation to make inquiry with regard to the accuracy thereof.

(b) From Participants. Each Participant, Former Participant,

Pensioner, Eligible Spouse, Beneficiary or other person who is entitled to a pension or other benefit under this Plan shall file with the Committee such information as the Committee may reasonably require to establish his eligibility for such pension or other benefit before he shall be entitled to such pension or other benefit.

4.8. Qualified Domestic Relations Orders. If the Committee has

determined that a domestic relations order which pertains to the benefits under this Plan of a Participant or Former Participant is a Qualified Domestic Relations Order, then the amount of benefits otherwise payable under this Plan, to such Participant or Former Participant, or his Beneficiary, as the case may be, shall be reduced by the actuarial value of any amounts paid or payable pursuant to such Order, as determined at the time of payment under the terms of the Order to the Alternate Payee.

-25-

ARTICLE V

PAYMENT OF BENEFITS

5.1. Married Participants.

(a) Benefits Paid as Qualified Joint and Survivor Annuity. If a

Participant or Former Participant has an Eligible Spouse on his Pension Commencement Date, his pension benefits shall be paid in the form of a Qualified Joint and Survivor Annuity, unless the Participant or Former Participant has elected another form of benefit payment pursuant to the provisions of Subsection (c) of this Section 5.1.

If a Participant's or Former Participant's pension, commences after January 1, 1991, and is paid in the form of either a Qualified Joint and Survivor Annuity or in accordance with Option 1 of Section 5.3 providing a 100% survivor annuity to his Eligible Spouse and the Eligible Spouse of such Participant or Former Participant dies prior to the date which is ten years after the Participant's or Former Participant's Pension Commencement Date, the monthly amount of the benefit to which the Participant or Former Participant is entitled shall be increased, effective with the first monthly pension payment following the death of the Eligible Spouse, to a monthly payment equal to the single life annuity to which he was entitled pursuant to the applicable provisions of Article IV at his Pension Commencement Date.

(b) Payment of Qualified Joint and Survivor Annuity. A Qualified

Joint and Survivor Annuity shall be paid in monthly installments and shall be payable on the first day of each month commencing with the Participant's or Former Participant's Pension Commencement Date, and shall continue to, and include, the month in which he or his Eligible Spouse dies, whichever is later.

(c) Election of Optional Forms. A Participant or Former

Participant referred to in Subsection (a) shall have the right to elect, during the Survivor Annuity Election Period, to receive all his benefits under this Plan in a form other than that of a Qualified Joint and Survivor Annuity, pursuant to one of the Options set forth in Section 5.3; provided, however, that

except in the case of a Joint and 100% Survivor Annuity with his Eligible Spouse as beneficiary such election shall not take effect unless:

- (i) His Eligible Spouse (or the Eligible Spouse's legal guardian if the Eligible Spouse is legally incompetent) has signed a written waiver form, which has been notarized or witnessed by a Plan representative, consenting to the Participant's or Former Participant's election and to the specific form of payment and/or alternate Beneficiary elected; or

-26-

- (ii) The Participant or Former Participant demonstrates, to the satisfaction of the Committee, that his Eligible Spouse cannot be located.

Any election or revocation made pursuant to this Subsection (c) shall be in writing in a form satisfactory to the Committee. Notwithstanding anything to the contrary contained in this Subsection (c), post-retirement death benefits shall be payable in accordance with Subsection 4.5(f).

- (d) Information to Participant. During the Survivor Annuity

Election Period, but not less than 30 days prior to his Pension Commencement Date, the Plan Administrator shall furnish the Participant or Former Participant with a written notification (hereinafter referred to as the "Notification"), setting forth, in non-technical language the following:

- (i) The terms and conditions of all available forms of payment, including information explaining the relative values of each form of payment;
- (ii) The right to make an election to waive the automatic form of payment applicable to the Participant or the Former Participant and the financial effect of such an election;
- (iii) The rights of a Participant's or Former Participant's Eligible Spouse;
- (iv) The right to revoke a previous election to waive the automatic form of payment and the financial effect of such a revocation; and
- (v) If the Participant or Former Participant has not attained Normal Retirement Age, the Participant's or Former Participant's right to defer commencement of his benefit until Normal Retirement Age.

- 5.2. Unmarried Participants. If a Participant or Former Participant does

not have an Eligible Spouse at his Pension Commencement Date, he shall receive his pension as an annuity payable for life in accordance with the provisions of Article IV, unless he elects, during the Survivor Annuity Election Period, to receive all of his pension benefits under this Plan in a form other than a single life annuity, pursuant to one of the Options set forth in Section 5.3. A pension benefit under this Section 5.1 shall be payable to the Pensioner on the first day of each month, commencing with his Pension Commencement Date and continuing to, and including, the month in which his death occurs. During the Survivor Annuity Election Period, but not less than 30 days prior to his Pension Commencement Date, the Plan Administrator shall provide an unmarried Participant or Former Participant with written

-27-

information similar to the information described in Section 5.1(d) that is provided to married Participants.

- 5.3. Optional Forms of Payment.

- (a) Types of Options. Subject to the provisions of Sections 5.1

and 5.2, any Participant or Former Participant may, by written notice in a form

satisfactory to the Committee, during the Survivor Annuity Election Period, elect to receive his benefit in accordance with one of the following Options:

Option 1.

A reduced pension, which is the Actuarial Equivalent of the pension benefit payable to him pursuant to Article IV, payable during the Pensioner's life, with the provision that after his death a pension in a monthly amount of either 100% or 50% of the pension payable during such Pensioner's life shall be paid during the life of, and to, a contingent annuitant designated by him at the time of his election of this Option, with no other amounts payable under this Plan other than the lump sum death benefit described in 4.5(f), if applicable.

Option 2.

A reduced pension, which is the Actuarial Equivalent of the pension benefit payable to him pursuant to Article IV, payable during the Pensioner's life, provided, that if the Pensioner dies before having received 120 monthly payments, such payments shall continue to be paid to his Beneficiary until a total of 120 such payments have been made, with no other amounts payable under this Plan other than the lump sum death benefit described in 4.5(f), if applicable.

Option 3.

A reduced pension, which is the Actuarial Equivalent of the pension benefit payable to him pursuant to Article IV, payable during the Pensioner's life, provided, that if the Pensioner dies before having received 60 monthly payments, such payments shall continue to be paid to his Beneficiary until a total of 60 such payments have been made, with no other amounts payable under this Plan other than the lump sum death benefit described in 4.5(f), if applicable.

Option 4.

A pension, as provided under Section 4.2 hereof, payable during the life of the Pensioner, with no other amounts payable under this Plan other than the lump sum death benefit described in 4.5(f), if applicable.

-28-

If a Participant or Former Participant has designated a contingent annuitant under Option 1 of this Subsection (a) who is other than his spouse, the percentage payable to the contingent annuitant after the Participant's or Former Participant's death may not exceed the applicable percentage from the table set forth in Schedule I. If a Participant or Former Participant has designated a Beneficiary under Option 2 or Option 3 of this Subsection (a), the number of monthly payments guaranteed shall be calculated so that the number of guaranteed monthly payments remaining as of the beginning of the calendar year preceding the Participant's or Former Participant's Mandatory Distribution Date does not exceed the joint life expectancy of the Participant or Former Participant and his Beneficiary, or if less, and the Beneficiary is not the spouse, the applicable number from the table set forth in Schedule II. The payment of benefits pursuant to Options 1, 2, 3 or 4 shall be in monthly installments payable on the first day of the month. Notwithstanding anything to the contrary contained in this Subsection (a), post-retirement death benefits shall be payable in accordance with Subsection 4.5(f).

(b) Death of Beneficiary. If a Beneficiary designated under one

of the foregoing Options dies prior to the Participant's or Former Participant's Pension Commencement Date, the election of that Option shall automatically be nullified and the Participant or Former Participant may make a new election, subject to the provisions of Sections 5.1 and 5.2 and this Section 5.3. If the Participant or Former Participant fails to make a new election and he has an Eligible Spouse, his benefits shall be paid in the form of a Qualified Joint and Survivor Annuity and if the Participant or Former Participant does not have an Eligible Spouse, he shall be deemed to have elected Option 4 of Subsection (a) and the payment of benefits under this Plan shall be made accordingly. If a

Beneficiary designated under Option 2 or Option 3 dies after commencing to receive benefits under such Option but prior to the time the 120th monthly payment or 60th monthly payment, as the case may be, has been made under such Option, the actuarial value of the remaining monthly payments to be made under such Option shall be paid in a single sum to the Beneficiary's estate.

5.4. Suspension of Benefits.

(a) Suspensions After Normal Retirement Date. No benefit shall be

paid to any Participant or Former Participant under the Plan during any period of employment or reemployment after a Participant's or Former Participant's Normal Retirement Date and prior to his Mandatory Distribution Date with respect to any month in which the Participant or Former Participant has any Suspension Service, as described in Subsection 5.4(a)(i) hereof.

(i) Suspension Service. A Participant or Former Participant

shall be deemed to have Suspension Service in any month which is after his Normal Retirement Date, but prior to his Mandatory Distribution Date, and, effective January 1, 1991, in which he completes 100 or more Hours of Service.

-29-

(ii) Commencement or Recommencement of Benefits. Benefits

suspended under this Subsection (a) shall commence or recommence no later than the earliest of (A) the first day of the month next following the Participant's or Former Participant's termination of employment with the Employer and all Affiliated Companies, (B) the Participant's or Former Participant's Mandatory Distribution Date, or (C) the first day of the month following the month in which he first fails to have Suspension Service. The resumed benefit payments shall be recalculated on the basis of Compensation earned and years of Credited Service (if any) credited during such period of Suspension Service, and no actuarial or other adjustment shall be made to the Participant's or Former Participant's benefit to reflect payments suspended with respect to those months during which such Participant or Former Participant had Suspension Service. In addition, such resumed payment shall be offset by (1) any benefit paid with respect to a month in which the Participant had Suspension Service where the amount so paid has not been returned or repaid to the Plan as described in Subsection 5.4(a)(iii) and (2) any payment described in Subsection 5.4(b).

(iii) Offset. To the extent that the Plan has paid benefits

to a Participant or Former Participant with respect to any month in which he has Suspension Service which amounts have not previously been recovered by the Plan, the Plan shall defer commencement or recommencement of benefits under Subsection 5.4(a)(ii) hereof for a period of two (2) calendar months, or until the amounts paid with respect to months in which the Participant or Former Participant has Suspension Service have been recovered (without interest), whichever is the first to occur. If, at the end of the said two-month period there remains an unrecovered amount which was paid to the Participant or Former Participant during or with respect to a period of Suspension Service, such amount shall be recovered (without interest) by the Plan by reducing each benefit payment due the Participant or Former Participant or his Eligible Spouse or Beneficiary after benefit commencement or recommencement by the lesser of:

(A) the excess of the amount of the benefits paid to the Participant or Former Participant with respect to months in which he had Suspension Service over the amount of such benefits which have been restored to, or recovered by the Plan, or

(B) 25% of the Participant's or Former Participant's monthly (or periodic) benefit payments.

(iv) Notifications. No payment shall be withheld or

suspended by the Plan pursuant to this Subsection (a) until the Plan has notified the Participant or Former Participant by personal delivery or first class mail of the fact that such withholding or suspension is occurring or will occur. Such notification will contain a detailed description of the specific reasons why benefit payments are being suspended or withheld, a

general description of the Plan provisions relating to the suspension of benefit payments, a copy of such provisions, and a

-30-

statement that the applicable Department of Labor regulations governing suspensions of benefits may be found at Title 29, Code of Federal Regulations,

(S)2530.203-3. The notification shall also advise the Participant, Former Participant, Eligible Spouse or other Beneficiary to whom directed of the Plan's procedure for affording a review of the suspension of benefits.

(b) Suspensions Prior to Normal Retirement Date. If a Pensioner is

reemployed by the Employer or an Affiliated Company after his Pension Commencement Date and prior to his Normal Retirement Date, benefits otherwise payable to the Pensioner shall be suspended under this Subsection 5.4(b) during each month of the Pensioner's period of reemployment prior to his Normal Retirement Date in which he completes 100 or more Hours of Service. If the reemployed Pensioner continues in employment beyond his Normal Retirement Date, his benefits shall continue to be suspended in accordance with Subsection (a) and shall recommence as described in that Subsection. If the reemployed Pensioner again has a termination of employment with the Employer and all Affiliated Companies prior to his Normal Retirement Date, the Pensioner's benefits, recalculated on the basis of Compensation and years of Credited Service (if any) earned during the period of suspension, shall commence to be paid pursuant to Section 4.2 or 4.4, whichever applies, as if the Pensioner had not previously elected a Pension Commencement Date. In either event, the Pensioner's benefits upon recommencement shall be reduced by the Actuarial Equivalent of the benefits paid prior to the Pensioner's Normal Retirement Date.

(c) Form of Payment of Recommended Benefits. A Pensioner whose

benefits have been suspended during a period of reemployment after a Pension Commencement Date which occurred prior to his Normal Retirement Date shall be entitled to elect the form of payment for his entire benefit, including amounts accrued both before and during reemployment, in accordance with Article V. A Pensioner whose benefits have been suspended during a period of reemployment after a Pension Commencement Date which occurred on or after his Normal Retirement Date shall have his entire benefit, including amounts accrued both before and during reemployment, paid in the form elected by the Pensioner on his prior Pension Commencement Date.

5.5. Accruals While Benefits Are In Pay Status.

(a) In the event that a Participant is credited with a benefit accrual during and/or after the Plan Year in which the Participant attains Normal Retirement Age and after the distribution of benefits has commenced hereunder, the amount of pension payable to the Participant as determined as of his Pension Commencement Date shall be adjusted annually as of each January 1 following his Pension Commencement Date, up to and including the January 1 next following the date the Participant ceases to accrue benefits under the Plan. Such annual adjustment shall include any increase (but not any decrease) in the Participant's Accrued Annual Pension as a result of additional years of Credited Service and Compensation (including, for any period that would not constitute

-31-

Suspension Service under Subsection 5.4(a) (i), an Actuarial Equivalent adjustment to such increase to reflect payment commencing after Normal Retirement Age) since the Participant's Pension Commencement Date or the last such annual adjustment, whichever applies. In addition, such annual adjustment shall be reduced (but not below zero) by the Actuarial Equivalent of any benefits paid to the Participant since his Pension Commencement Date during any period that would have constituted Suspension Service under Subsection 5.4(a) (i) had the Participant not reached his Mandatory Distribution Date, to the extent not previously taken into account under this Section; provided, however, that the amount, if any, of the benefits paid to the Participant which exceeds the amount the Participant would have received if distribution had been made in the automatic form of benefits described in Section 5.1 or 5.2, whichever applies, for such Participant shall be disregarded in determining the Actuarial Equivalent of such benefits for purposes of the reduction described in this

sentence.

(b) If a Participant is reemployed as an Employee after his Pension Commencement Payment Date and prior to his Normal Retirement Date under circumstances in which his benefit is not suspended under Section 5.4(b), he shall continue to receive the same benefit during the period of reemployment as he was receiving immediately prior to reemployment until the earlier of:

(i) the date the Participant again terminates employment with the Employer and all Affiliated Companies; or

(ii) his Normal Retirement Date,

when the Participant's benefit shall be adjusted to reflect the results of recalculation of his benefit taking into account the Participant's age on such date and Compensation and years of Credited Service (if any) earned during the period of reemployment. Such recalculated benefit shall be reduced by the Actuarial Equivalent of the benefits paid prior to the Participant's Normal Retirement Date.

5.6. Direct Rollovers. Effective January 1, 1993, in the event any

payment or payments to be made to a person pursuant to the Plan (other than any portion not includible in gross income) would constitute an "eligible rollover distribution" within the meaning of Section 401(a)(31)(C) of the Code and regulations thereunder, such person may request that, in lieu of payment to the person, all or part of such eligible rollover distribution be rolled over directly to the trustee or custodian of an "eligible retirement plan" within the meaning of Section 401(a)(31)(D) of the Code and regulations thereunder. Any such request shall be made in writing, on the form and subject to such requirements and restrictions as may be prescribed by the Committee for such purpose pursuant to Treasury regulations, at such time in advance of the date payment would otherwise be made as may be prescribed by the Committee. For purposes of this Section, a "person" shall include an Employee or former Employee or his Eligible Spouse or his spouse

-32-

or former spouse who is an alternate payee under a Qualified Domestic Relations Order.

5.7. Application for Benefits. Benefit payments shall commence when

properly written application for same is received by the Committee. In the event that a Participant or Former Participant, or the Eligible Spouse or Beneficiary of a deceased Participant or Former Participant entitled to benefits under Section 4.5 fails to apply to the Committee by the earlier of (a) the Participant's or Former Participant's Normal Retirement Date or the date of his termination of employment with the Employer and all Affiliated Companies, if later, or (b) the end of the calendar year in which the Participant or Former Participant attains age 70-1/2, the Committee shall make diligent efforts to locate such individual and obtain such application. In the event the individual fails to make application by the Participant's or Former Participant's Mandatory Distribution Date, the Committee shall commence distribution as of the Mandatory Distribution Date without such application. No payments shall be made for the period in which benefits would have been payable if the individual had made timely application therefor; provided, however, that, if the Pension Commencement Date has been delayed until after the Participant's or Former Participant's Normal Retirement Date solely by reason of failure to make application, and not by reason of Suspension Service as described in Subsection 5.4(a)(i), the benefit payable (a) to the Participant or Former Participant on and after his Pension Commencement Date, or (b) to his Eligible Spouse pursuant to Section 4.5 on and after the Eligible Spouse's Pension Commencement Date, shall be equal to the Actuarial Equivalent of the benefit the Participant or Former Participant or the Eligible Spouse would have received had benefits commenced on the Normal Retirement Date, as determined to reflect the deferral of benefit commencement.

5.8. Beneficiary Designation. If a Participant or Former Participant has

an Eligible Spouse, his Eligible Spouse shall be his Beneficiary unless the Participant or Former Participant designates someone other than his Eligible Spouse as his Beneficiary (other than a contingent Beneficiary) and the Eligible Spouse consents to such designation. If the Participant or Former Participant

does not have an Eligible Spouse, or if his Eligible Spouse consents, the Participant or Former Participant shall have the right to designate someone else as a Beneficiary, which term shall include a contingent annuitant under Option 1 of Subsection 5.3(a), to receive the amount, if any, payable pursuant to this Plan upon his death and may from time to time change any such designation in accordance with procedures established by the Committee. Notwithstanding anything in this Plan to the contrary, the consent of the Eligible Spouse shall not be required in the event a Participant or Former Participant designates someone other than the Eligible Spouse as Beneficiary only with respect to benefits payable pursuant to Subsection 4.5(f). Each such designation shall be in a written instrument filed with the Committee, and shall be in such form as may be required by the Committee. In the event that a Participant or Former Participant

-33-

designates someone other than his Eligible Spouse as his Beneficiary (other than as a contingent Beneficiary or for purposes of Subsection 4.5(f)), such Beneficiary designation shall not be effective unless (A) the Eligible Spouse consents to such Beneficiary designation in writing, in a form acceptable to the Committee, and such consent is witnessed by a Plan representative or a notary public and acknowledges the specific alternate Beneficiary designated or (B) the Participant or Former Participant provides the Committee with sufficient evidence to show that the Participant or Former Participant does not have an Eligible Spouse or that his Eligible Spouse cannot be located. The Committee shall decide which Beneficiary, if any, shall have been validly designated. If no Beneficiary has been designated or if the Committee has determined that the designation is not effective, if the Participant or Former Participant has a surviving Eligible Spouse, the Eligible Spouse shall conclusively be determined to be the Beneficiary and if the Participant or Former Participant does not have an Eligible Spouse or the Eligible Spouse cannot be located, the executor of the will or the administrator of the estate of the deceased Participant or Former Participant shall be conclusively determined to be the designated Beneficiary.

5.9. Incapacity. In the event that the Committee shall find that any

Pensioner or other person entitled to a benefit under this Plan is unable to care for his affairs due to illness or accident, any payments due such Pensioner or other person may be made to his duly appointed legal representative, and in the absence of a duly appointed legal representative, the Committee may, in its discretion, make such payments to a child, parent or spouse of such Pensioner or other person, or to any other person with whom he resides or who is charged with his care. Any payment or payments so made shall be in complete discharge of the liability under this Plan to make such payments.

5.10. Assignment and Alienation.

(a) General. No pension or other benefit shall be subject in any

manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and in the event of any attempt to so anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any benefit under this Plan, such benefit, in the discretion of the Committee, shall terminate, and in such event, the Committee shall hold or apply the same to or for the benefit of such Participant, Former Participant, Pensioner or other person entitled to the benefit, his spouse, children, parents or other dependents, or any of them, in such manner and in such proportion as the Committee may deem proper. Notwithstanding the foregoing, benefits shall be paid in accordance with the applicable requirements of any Qualified Domestic Relations Order or federal tax levy pursuant to Section 6331 of the Code.

(b) Welfare Benefits. Notwithstanding the provisions of

Subsection (a), a Pensioner or Beneficiary may make a voluntary assignment of any benefit payment for the purpose of paying premiums, in part or in full, under any life, health,

-34-

hospitalization or similar insurance policy or program under which he previously participated by reason of the employment with the Employer of such Pensioner or of the person who designated such Beneficiary, if the assignee acknowledges in

writing to the Pensioner or Beneficiary and to the Plan Administrator, within 90 days after the date the assignment is made, that the assignee has no enforceable right in, or to, any benefit payment or portion thereof, except to the extent of payments actually received pursuant to the terms of the assignment. Any assignment made under this Subsection 5.10(b) shall be revocable by the Pensioner or Beneficiary, as the case may be, at any time.

5.11. Limitations on Commencement and Duration of Benefit Payments.

(a) Benefits payable by reason of a Participant's or Former Participant's retirement (including deferred vested benefits) shall normally be paid as provided in applicable Sections of this Article and Article IV, whichever applies. Unless the Participant or Former Participant elects otherwise, retirement benefits shall commence not later than the 60th day after the latest of the close of the Plan Year in which (i) occurs the date on which he attains age 65, (ii) occurs the tenth anniversary of the year in which he commenced participation in the Plan, or (iii) he terminates employment with the Employer and all Affiliated Companies. The failure of a Participant or Former Participant to apply for his benefit pursuant to Section 5.7 by the date prescribed in the preceding sentence shall be deemed an election to defer payment to a later date. Notwithstanding the foregoing, a Participant's or Former Participant's Pension Commencement Date shall in no event be later than his Mandatory Distribution Date.

(b) Minimum Distribution Requirements. Notwithstanding anything in

the Plan to the contrary, effective on and after January 1, 1985, the form and timing of all distributions under the Plan shall be in accordance with Treasury regulations under Section 401(a)(9) of the Code, including the incidental death benefit requirements of Section 401(a)(9)(G) of the Code.

-35-

ARTICLE VI

TRANSFER OF EMPLOYMENT

6.1. Definitions. As used in this Article VI:

(a) "Companion Plan" shall mean each pension, stock bonus or

profit-sharing plan (other than this Plan and The AMETEK Savings and Investment Plan) maintained by the Employer or any Affiliated Company, or to which the Employer or any Affiliated Company makes contributions and which is a qualified plan pursuant to the provisions of Section 401(a) of the Code.

(b) "Covered Employment" shall mean employment as an Employee,

other than employment while covered, or in a category of Employees eligible for coverage, under any Companion Plan.

(c) "Non-Covered Employment" shall mean employment with the

Employer or any Affiliated Company, including employment as a leased employee within the meaning of Section 414(n) or 414(o) of the Code, other than Covered Employment.

(d) "Non-Covered Service" shall mean periods of Non-Covered

Employment, which if they had been served in Covered Employment would have constituted Credited Service under this Plan.

6.2. Transfer of Employment.

(a) Credited Service. If a Participant transfers to Non-Covered

Employment, upon his subsequent severance from service with the Employer or any Affiliated Company, his Credited Service for all purposes under this Plan,

except for determining his Accrued Annual Pension, shall equal the sum of (i) his Credited Service in Covered Employment (as determined under Article III of this Plan) and (ii) his Non-Covered Service, subject to the provisions of Subsection 6.4(a).

(b) Accrued Annual Pension. If a Former Participant whose

employment status has changed from Covered Employment to Non-Covered Employment is entitled to benefits under this Plan, the amount of his benefits under this Plan shall be determined solely on the basis of his Accrued Annual Pension as of the date his employment status changed to Non-Covered Employment, subject to the provisions of Subsection 6.4(a).

(c) Form of Payment. The type of benefits payable to a Former

Participant whose employment status has changed to Non-Covered Employment and who is entitled to benefits under this Plan shall be determined under Article IV of this Plan as if he had continued as a Participant for the subsequent period of his Non-Covered Employment.

(d) Payment of Lump Sum Death Benefits. If an individual is

entitled to benefits from one or more Companion Plans

-36-

in which he participated subsequent to his last period of Covered Employment, and if such Companion Plan benefits include a single sum death benefit, he shall not be entitled to receive death benefits under Subsection 4.5(f) of this Plan.

6.3. Subsequent Service as Employee.

(a) Credited Service. If the employment status of an individual

changes from Non-Covered Employment to Covered Employment, upon his subsequent severance from service with the Employer and all Affiliated Companies, his Credited Service for all purposes under this Plan, except for determining his Accrued Annual Pension, shall equal the sum of (i) his Non-Covered Service, and (ii) his Credited Service in Covered Employment (as determined under Article III of this Plan). For purposes of this Subsection 6.3(a) only, service with an employer other than the Company or a Subsidiary that is credited under a Companion Plan shall be considered Non-Covered Service.

For purposes of this Subsection 6.3(a) only, service with an employer other than the Company or a Subsidiary that is credited under a Companion Plan shall be considered Non-Covered Service.

(b) Accrued Annual Pension. If an individual whose employment

status has changed from Non-Covered Employment to Covered Employment is entitled to benefits under this Plan, the actuarial value of the "benefits" to which he shall be entitled under this Plan upon his severance from service with the Employer and all Affiliated Companies shall be equal to the excess of (i) the actuarial value of the "benefits" which he would have been entitled to receive under this Plan if his Accrued Annual Pension were computed by including as Credited Service both his Credited Service in Covered Employment (as determined under Article III of this Plan) and his Non-Covered Service while covered by any Companion Plan in which the Employee previously participated, over (ii) the actuarial value of the "benefits," if any, attributable to contributions made by the Employer or any Affiliated Company, to which he may be entitled from any Companion Plan in which he previously participated. For purposes of this Subsection (b), actuarial value shall be determined using the factors described in Section 1.2 and the term "benefits" shall refer to benefits payable in the form of a single life annuity commencing at the individual's Normal Retirement Date.

6.4. Additional Limitations. In determining benefits under this Article

VI, the following rules shall apply:

(a) If an Employee has made transfers both to and from Non-Covered Employment, in determining the benefits to which he is entitled under this Plan, the provisions of Section 6.3 shall first be applied with respect to all periods

of service with the Employer or any Affiliated Company prior to the last date on which such individual performed service in Covered Employment, and the

-37-

provisions of Section 6.2 shall be applied only to subsequent periods of service;

(b) If an individual who has made a transfer to or from Non-Covered Employment then in order to compute which individuals Average Annual Compensation, Compensation shall include Compensation paid by the Employer or an Affiliated Company for periods of Covered Employment and Non-Covered Employment (except employment as a lease employee within the meaning of Section 414(n) or 414(o) of the Code. In such case, the term Compensation shall be expanded to include wages computed on an hourly or daily basis, a piecework basis, or other comparable basis paid by the Employer or any Affiliated Company.

-38-

ARTICLE VII

CONTRIBUTIONS AND FUNDING

7.1. Contributions. The Employer shall make contributions under this

Plan in amounts not less than the minimum amounts required to comply with the provisions of the Code regarding qualified pension trusts. Such amounts shall be determined from time to time by the Employer after consultation with the Actuary. All such contributions shall be paid to the Trustee. No contributions shall be made by Participants.

7.2. Assets Held in Trust. The Trustee shall hold, invest, re-invest and

distribute the Trust Fund and shall have exclusive authority and discretion to manage and control the assets of this Plan in accordance with the provisions of this Plan and of the Trust; provided, however, that if the Company has appointed an Investment Manager to manage all or part of the assets of this Plan, the authority or discretion delegated to the Investment Manager shall, to the extent granted, and for the period of the appointment, supersede the authority and discretion of the Trustee to manage and control the assets of this Plan.

7.3. No Reversion of Trust Assets. Except as provided in Subsection

9.5(c), none of the contributions made by the Employer shall ever be recouped by or returned to them until all liabilities under this Plan are satisfied.

7.4. Benefits Payable from Trust Fund. Benefits pursuant to this Plan

shall be payable only from the Trust Fund and only to the extent that the Trust Fund shall be sufficient.

7.5. Forfeitures. Any forfeitures arising in the operation of this Plan

shall be applied in reduction of the Employer's contributions, and may not be applied toward an increase in benefits under this Plan.

7.6. Administrative Expenses. The expenses of administering this Plan

and the Trust shall be paid from the Trust Fund unless they are paid by the Employer.

7.7. Appointment of Trustee, Actuary and Investment Manager.

(a) Appointment of Trustee. The Company shall appoint one or more

persons, firms or corporations to act as Trustee or Trustees of the assets of this Plan and to hold the assets as provided for by Section 7.2.

(b) Appointment of Actuary. The Company shall appoint a

consulting actuarial firm whose staff includes at least one actuary enrolled by the Joint Board for the Enrollment of Actuaries to provide actuarial data and calculations with respect to this Plan.

-39-

(c) Appointment of Investment Manager. The Company may, from

time to time, appoint one or more investment managers, who satisfy the requirements of Section 3(38) of ERISA, to manage, acquire and dispose of the assets of this Plan, or such part of the assets as is specified in such appointment.

(d) Revocation of Appointment. Any appointment made under this

Section 7.7 may be revoked or modified by the Company at any time and a new appointment made hereunder.

7.8. Funding Policy. The Company shall periodically determine this

Plan's short and long-run financial needs, and it shall communicate such requirements to the Trustee or the Investment Manager, if one has been appointed, or to both, as the case may be.

-40-

ARTICLE VIII -----

ADMINISTRATIVE COMMITTEE AND PLAN ADMINISTRATOR -----

8.1. Administrative Committee. The Committee shall have the authority to

control and manage the operation and administration of this Plan (other than the authority to manage and control the assets of this Plan), except to the extent such powers have been assigned or allocated to a Plan Administrator pursuant to Sections 8.11 or 8.13, or delegated to any other person pursuant to Section 8.13. The Committee and the Plan Administrator shall be "named fiduciaries" within the meaning of Section 402 of ERISA.

8.2. Appointment of Committee. The Committee shall consist of at least

three persons, all of whom shall be appointed by the Company to serve at its pleasure. The members may, but need not be, officers or directors of the Company. If at any time there shall be fewer than three members of the Committee, the Company shall appoint one or more new members so that there shall be at least three members; provided, however, that pending the filling of any vacancy, the remaining members of the Committee shall have authority to act. The appointment of a member to the Committee shall become effective upon delivery of his written acceptance of such appointment to the Company and to each other member of the Committee then acting.

8.3. Removal of Member. A member of the Committee shall cease to be such

upon his death, resignation, removal by the Company or being declared legally incompetent. Any member of the Committee may resign, and such resignation shall become effective upon delivery of his written notice of resignation to the Company and to each other member of the Committee then acting. The Company may remove any or all of the members of the Committee, with or without cause, by delivery to the affected member or members, with copies to each other member then acting of an instrument executed by the Company evidencing such action.

8.4. Acceptance of Appointment. A copy of any instrument evidencing the

acceptance of appointment, resignation, or removal of a member of the Committee shall be filed with the records of this Plan and shall be deemed a part of this Plan.

8.5. Action by Committee. Any and all acts may be taken and decisions may

be made under this Plan by a majority of the members of the Committee then

acting, but if at any time there shall be only one acting member of the Committee, actions may be taken and decisions made by the sole member. The Committee may make any decision or take any action at a meeting duly called and held or by a written document signed by the minimum number of Committee members empowered to take action or make decisions at that time, as hereinabove provided. The Company shall designate a Chairman, Vice Chairman and Secretary of the Committee, and may designate one or more of the remaining members to serve in such other offices as it shall deem appropriate. Each such officer is authorized to sign

-41-

any document on behalf of the Committee, and a document so signed shall be conclusively presumed to be the action of the Committee. The Committee may also delegate to each or any one of their number authority to sign documents or to perform ministerial acts on behalf of the Committee.

8.6. Employment of Agents. The Committee may enlist the services of such

agents, representatives and advisers as it may deem appropriate to assist it in the performance of its duties under this Plan, including, but not limited to, custodial agents for the Trust Fund, actuaries, attorneys and accountants. The reasonable fees and expenses of such agents, representatives and advisers shall be paid from the Trust Fund, unless they are paid by the Company.

8.7. Compensation and Expenses of Committee. The members of the Committee

shall serve without compensation as such, but their reasonable expenses incurred in connection with this Plan shall be paid from the Trust Fund, unless the Employer, in its sole discretion, determines to pay them.

8.8. Committee Powers. The Committee shall have the specific powers

elsewhere herein granted to it and shall have such other powers as may be necessary in order to enable it to discharge its responsibilities with respect to this Plan, including, but not by way of limitation, the following:

(a) To interpret and construe this Plan and to determine all questions arising under this Plan, other than those specifically reserved elsewhere herein for determination by the Company, and to correct any defect or supply any omission or reconcile any inconsistency in this Plan in such manner and to such extent as it shall deem expedient to effectuate the purposes and intent of this Plan;

(b) To determine all questions of eligibility and status and rights of Participants and others under this Plan, either directly or on appeal. The Committee shall have the exclusive discretionary authority to determine eligibility for benefits under the Plan, to construe the terms of the Plan, to make factual determinations and to determine any question which may arise in connection with the operation or the administration of the Plan. The actions and the decisions of the Committee shall be conclusive and binding upon the Employer and any and all Participants, Former Participants, Eligible Spouses, Beneficiaries, Alternate Payees and their respective heirs, distributees, executors, administrators, or assignees; subject, however, to the right of Participants, Former Participants, Eligible Spouses, Beneficiaries, Alternate Payees and their respective heirs, distributees, executors, administrators, or assignees to file a written claim under the Claims Procedure as set forth in Section 8.9;

(c) To request and obtain from the Actuary such recommendations as to methods, factors and assumptions for

-42-

determining the costs of this Plan and such reports, actuarial valuations and actuarial certifications as are necessary for the determination of normal, early and disability retirement benefits, deferred vested benefits and pre-retirement death benefits, and optional payments thereof, payable under this Plan;

(d) To make or cause to be made payment of all benefits and expenses payable under this Plan;

(e) To establish reasonable procedures to determine whether a

domestic relations order is a Qualified Domestic Relations Order for making payments pursuant to such Order; and

(f) To adopt and to amend from time to time such by-laws and rules and regulations as it shall deem appropriate for the administration of this Plan, which are not inconsistent with the terms and provisions of this Plan.

8.9. Claims for Benefits. A Participant, Former Participant, Alternate

Payee or Beneficiary ("Claimant") shall file a claim for benefits with the Committee at the time and in the manner prescribed by it. The Committee shall provide adequate notice in writing to any Claimant whose claim for benefits under the Plan has been denied. Such notice must be sent within 90 days of the date the claim is received by the Committee, unless special circumstances warrant an extension of time for processing the claim. Such extension shall not exceed 90 days and no extension shall be allowed unless, within the initial 90 day period, the Claimant is sent a notice of extension indicating the special circumstances requiring the extension and specifying a date by which the Committee expects to render its final decision. The Committee's notice of denial to the Claimant shall set forth:

(a) The specific reason or reasons for the denial;

(b) Specific references to pertinent Plan provisions on which the Committee based its denial;

(c) A description of any additional material and information needed for the Claimant to perfect his claim and an explanation of why the material or information is needed;

(d) A statement that the Claimant may:

(i) Request a review upon written application to the Committee;

(ii) Review pertinent Plan documents; and

(iii) Submit issues and comments in writing; and

(e) The name and address of the Committee's delegate to whom the Claimant may forward his appeal.

-43-

Any appeal that the Claimant wishes to make from the adverse determination must be made, in writing, to the Committee, within 60 days after receipt of the Committee's notice of denial of benefits. The Committee's notice must further advise the Claimant that his failure to appeal the action to the Committee in writing within the 60-day period will render the Committee's determination final, binding, and conclusive. If the Claimant should appeal to the Committee, he or his duly authorized representative may submit, in writing, whatever issues and comments he or his duly authorized representative feel are pertinent. The Committee shall re-examine all facts related to the appeal and make a final determination as to whether the denial of benefits is justified under the circumstances. The Committee shall advise the Claimant, in writing, of its decision on his appeal, the specific reasons for the decision, and the specific Plan provisions on which the decision is based. The notice of the decision shall be given within 60 days of the Claimant's written request for review, unless special circumstances (such as a hearing) would make the rendering of a decision within the 60-day period unfeasible, but in no event shall the Committee render a decision on an appeal from the denial of a claim for benefits later than 120 days after receipt of a request for review. If an extension of time for review is required because of special circumstances, written notice of the extension shall be furnished to the Claimant prior to the date the extension period commences.

8.10. Liability for Contributions. The Committee shall not be responsible

for the determination or collection of any contributions payable under this Plan.

8.11. Plan Administrator. The Company may designate in writing either the

Committee, a person who may but need not be a member of the Committee, or a firm or a corporation to act as the Plan Administrator under this Plan. The

appointment of a Plan Administrator shall be effective upon delivery of written acceptance of such appointment to the Company and the Committee. The Company may from time to time revoke such designation by notice in writing mailed or delivered to the Company. A copy of any instrument evidencing the designation, acceptance, resignation or removal of the Plan Administrator shall be filed with the records of this Plan and shall be deemed part of this Plan. For any period in which a Plan Administrator has not been appointed under this Section 8.11, the Company shall be the Plan Administrator. The Plan Administrator shall have those responsibilities assigned to the "plan administrator" by ERISA, the Code, any other applicable law, any regulations issued pursuant to any of the foregoing, and the provisions of this Plan.

8.12. Compensation and Expenses of Plan Administrator. Unless the Plan

Administrator is a firm or corporation, the Plan Administrator shall serve without compensation; provided, however, that the reasonable expenses incurred by the Plan Administrator under this Plan shall be paid from the Trust Fund, unless the Employer, in its sole discretion, determines to pay them. If the Plan Administrator is a firm or corporation, its compensation shall

-44-

be determined by agreement between it and the Company and shall be paid from the Trust Fund, unless the Employer, in its sole discretion, determines to pay it. If the Company is the Plan Administrator, it shall serve without compensation and shall bear its own expenses.

8.13. Allocation of Duties. The Committee and the Plan Administrator may

further allocate their fiduciary responsibilities with respect to this Plan among themselves, and may designate any other person or persons to carry out their fiduciary responsibilities under this Plan. Any allocation or designation pursuant to this Section 8.13 shall be in writing and shall constitute a part of this Plan.

8.14. Participation of Committee Members and Plan Administrator. Nothing

contained in this Plan shall preclude any member of the Committee or any Plan Administrator from becoming a Participant in this Plan, if he is otherwise eligible, but he shall not be entitled to vote, act upon or sign any document relating to his own participation in, or benefits under, this Plan.

8.15. Books and Records. The Committee and the Plan Administrator shall

maintain appropriate records of all actions taken. The Committee and the Plan Administrator shall submit, make available or deliver on request to governmental agencies or instrumentalities, the Company, Participants, Former Participants entitled to benefits under this Plan, Pensioners, Alternate Payees, Beneficiaries and other persons entitled thereto such reports, documents or records as may be required by law, or as they may otherwise deem appropriate. The Company may at any time inspect the records of the Committee and the Plan Administrator.

8.16. Fiduciary Standard. The Committee and the Plan Administrator shall

exercise their powers in accordance with rules applicable alike to all similar cases, and they shall discharge all their powers and duties under this Plan in accordance with the terms of this Plan, solely in the interest of Participants, Former Participants entitled to benefits under this Plan, Pensioners, Alternate Payees and Beneficiaries and for the exclusive purpose of providing benefits to Participants, Former Participants entitled to benefits under this Plan, Pensioners, Alternate Payees and Beneficiaries, with the care, skill prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims.

8.17. Indemnification. To the extent permitted by law, the Company shall

indemnify and save each of the members of the Committee and each former member of the Committee, and the Plan Administrator and each former Plan Administrator, if, while serving as a member of the Committee or as Plan Administrator, such person is or was an employee of any of the Company or a member of the Committee (hereinbelow referred to as an "Indemnitee"), and their respective heirs and legal representatives, harmless from and against any loss, cost or expense,

including reasonable attorney's

fees (collectively referred to as "Liability"), which any such person may incur individually, or jointly, or jointly and severally, arising out of or in connection with this Plan, unless such Liability is determined to be due to a willful breach of the Indemnitee's responsibilities under this Plan, ERISA, or other applicable law.

8.18. Dispute as to Duties. In the event that any dispute shall

arise as to any act to be performed by the Committee or the Plan Administrator, the Committee or the Plan Administrator, as the case may be, may postpone the performance of such act until final adjudication of such dispute shall have been made in a court of competent jurisdiction.

ARTICLE IX

ADOPTION, AMENDMENT, TERMINATION
OR TRANSFER OF ASSETS

9.1. Adoption by Other Companies. Subject to the approval of the Board of

Directors of the Company, any Affiliated Company may adopt and become a party to this Plan by resolution of the Board of Directors of such corporation, a certified copy of which shall be delivered to the Committee. The effective date of any such adoption shall be the first day of a calendar month as is fixed in the resolution of adoption.

9.2. Amendment or Termination. The Company may amend, terminate or

suspend this Plan at any time or from time to time by a duly executed written instrument delivered to the Committee evidencing such action; provided, however, that:

(a) No amendment shall provide for the use of the Trust Fund or any part thereof other than for the benefit of any Participant, Former Participant entitled to benefits under this Plan, Pensioner, Alternate Payee or Beneficiary;

(b) No amendment shall deprive any Participant, Former Participant entitled to benefits under this Plan, Pensioner, Alternate Payee or Beneficiary of any of the benefits which are vested in him or to which he is entitled under this Plan by reason of the prior death, disability or severance of covered employment of the Participant, Former Participant or Pensioner; and

(c) Without limiting the generality of the foregoing and notwithstanding any provision contained in this Plan to the contrary, this Plan may be amended at any time and from time to time in any respect so as to maintain the qualification and exemption of the Plan and the Trust under Sections 401(a) and 501(a) of the Code, and to comply with the provisions of ERISA, regardless of whether any such amendment may change, alter or amend the relative benefits under this Plan of any Participant, Former Participant entitled to benefits under this Plan, Pensioner, Alternate Payee or Beneficiary.

9.3. Termination of Plan. This Plan shall terminate, although the Trust

Fund shall continue to be held by the Trustee for distribution in accordance with Section 9.5, if and when:

(a) It is declared terminated by a written instrument duly executed in the name of the Company and delivered to the Committee and the Trustee;

(b) The Company is dissolved or liquidated or disposes of substantially all of its assets without provision for continuation of this Plan by any successor person, firm or corporation; or

(c) No amendment shall eliminate or reduce an early retirement benefit, a retirement-type subsidy or eliminate any optional form of benefit to which any Participant, Former Participant, Pensioner, Alternate Payee or Beneficiary is entitled under this Plan

9.4. Withdrawal by Participating Employer. Any Employer shall be entitled

to withdraw from this Plan with the consent of its board of directors. Any Employer shall be deemed to withdraw from this Plan in the event that it is judicially declared bankrupt or insolvent by a court of competent jurisdiction, or in the event it loses its corporate existence by dissolution or merger, unless, in any said event, its obligations under this Plan continue for any one or more Employer, it shall be deemed that this Plan has been terminated with respect to such withdrawing Employer and in such event the Trustee shall perform the acts set forth in Section 9.5, with respect to the part of the Trust Fund representing the contributions made by the withdrawing Employer. However, if any Employee of the withdrawing Employer is immediately employed by any other remaining Employer, then such Employee shall continue as a Participant in the Plan with the same force and effect as though he had always been employed by the new Employer and such Employee's benefits shall not be transferred to him but shall be continued under this Plan by the new Employer.

9.5. Distribution of Benefits Upon Termination.

(a) Vesting and Allocation of Benefits. Upon termination or

partial termination of this Plan, the right of each affected Participant or Former Participant to the benefits accrued to him to the date of such termination or partial termination shall become nonforfeitable. In the event the Plan is terminated in full, the benefits payable to each Participant and Former Participant, and their Eligible Spouses, Beneficiaries and Alternate Payees under this Plan shall be provided for and paid from the Trust Fund in accordance with the order of priority set forth in Section 4044 of ERISA and the regulations and rulings from time to time promulgated thereunder.

(b) Method of Payment. The Committee may, in its discretion,

provide for the satisfaction of benefits under this Section 9.5 by the purchase of annuities, by the continuation of the Trust and making provision for the payment therefrom of retirement pensions, by cash distributions from the Trust, or by any combination thereof.

(c) Reversion of Excess Assets. If any of the assets of the Trust

Fund shall remain after all liabilities under this Plan have been satisfied, such assets shall be paid to the Company.

(d) Non-Discrimination Requirement. If the Commissioner of

Internal Revenue determines that the allocation made pursuant to this Section 9.5 results in discrimination prohibited by Section 401(a)(4) of the Code, then if required to prevent disqualification of this Plan and the Trust under the

-48-

provision of Section 401(a) of the Code, the assets allocated under Subsection (a) shall be re-allocated to the extent necessary to avoid such discrimination.

9.6. Limitation on Benefits. The following provisions shall be effective

with respect to distributions made on or after May 14, 1990; distributions made prior to May 14, 1990 shall be subject to the restrictions described in Treas. Reg. (S)1.401-4(c).

(a) In the event of Plan termination, the benefit payable to any highly compensated employee or any highly compensated former employee (as defined in Section 414(q) of the Code) shall be limited to a benefit that is nondiscriminatory under Section 401(a)(4) of the Code. If payment of benefits is restricted in accordance with this Subsection (a), assets in excess of the amount required to provide such restricted benefits shall become a part of the assets available under Section 9.5 for allocation among Participants, Former

Participants, Eligible Spouses, Beneficiaries and Alternate Payees whose benefits are not restricted under this Subsection (a).

(b) The restrictions of this Subsection (b) shall apply prior to termination of the Plan to any Participant or Former Participant who is a highly compensated employee or highly compensated former employee and who is one of the 25 highest paid employees or former employees of the Employer or an Affiliated Company for any Plan Year. The annual payments to or on behalf of any such Participant or Former Participant shall be limited to an amount equal to (i) the payments that would have been made under a single life annuity that is the Actuarial Equivalent of the sum of the Participant's or Former Participant's Accrued Annual Pension and any other benefits under the Plan (other than a social security supplement) plus (ii) the payments that the Participant or Former Participant is entitled to receive under a social security supplement.

(c) The restrictions in Subsection (b) shall not apply:

(i) if, after the payment of benefits to or on behalf of such Participant or Former Participant, the value of the Plan assets equals or exceeds 110% of the value of the current liabilities (within the meaning of section 412(1)(7) of the Code);

(ii) if the value of the benefits payable to or on behalf of the Participant or Former Participant is less than 1% of the value of current liabilities before distribution; or

(iii) if the value of the benefits payable to or on behalf of the Participant or Former Participant does not exceed \$3,500.

9.7. Amendment to Vesting Schedule. If any amendment changes the rate at -----
which benefits under this Plan become vested, the Plan Administrator shall give written notice thereof, within 60 days of the later of the date on which such amendment was adopted or became

-49-

effective, to each Participant who has completed three or more years of Credited Service prior to the sixtieth day following the latest of (i) the date he receives notice of such amendment, (ii) the date the amendment is adopted, or (iii) the date the amendment becomes effective. Such Participant may elect to have the rate at which his benefits under this Plan vest determined without regard to the amendment by filing a written election with the Plan Administrator within 60 days of the latest of the dates specified in clauses (i), (ii) and (iii) of the preceding sentence, and such election shall be irrevocable.

9.8. Merger of Plan. In the event of any merger or consolidation with, or -----
transfer of assets or liabilities to, any other plan, each Participant shall have a benefit in the surviving or transferee plan if such plan were then terminated immediately after such merger, consolidation or transfer that is equal to or greater than the benefit he would have had immediately before such merger, consolidation or transfer in the plan in which he was then a participant had such plan been terminated at that time. For the purposes hereof, former Participants, Beneficiaries and Alternate Payees shall be considered Participants.

-50-

ARTICLE X

TOP HEAVY PLANS

10.1. Definitions. For purposes of this Article X, the following -----
definitions shall apply unless the context clearly indicates otherwise:

(a) "Aggregation Group" shall mean a group of plans consisting of -----
all plans of the Employer or any Related Employer in which one or more Key

Employees are participants, and all other plans maintained by the Employer or any Related Employer that enable any plan in which a Key Employee is a participant to comply with the coverage and non-discrimination requirements of Sections 401(a)(4) or 410 of the Code; and all plans of the Employer or any Related Employer which the Employer designates as part of the Aggregation Group, provided the resulting Aggregation Group meets the coverage and non-discrimination requirements of Sections 401(a)(4) and 410 of the Code.

(b) "Determination Date" shall mean the last day of the preceding

Plan Year.

(c) "Five Percent Owner" shall mean:

- (i) Any person who owns, or is considered as owning, within the meaning of Section 318 of the Code, as modified by Section 416 thereof, more than five percent (5%) of the outstanding stock of the Employer or any Related Employer or more than five percent (5%) of the total combined voting power of all of the stock of the Employer or any Related Employer; or
- (ii) If the Related Employer is not a corporation, any person who owns, or is considered as owning, within the meaning of Section 416 of the Code, more than five percent (5%) of the capital or profits of the Related Employer.

For purposes of this Subsection (c) the Employer and each Related Employer shall not be treated as a single employer, and a person's ownership interest in the Employer or any such Related Employer shall not be aggregated.

(d) "Key Employee" shall mean any individual who is, or was at any

time during the Plan Year ending with the Determination Date or any of the four (4) preceding Plan Years:

- (i) An Officer, but only if the individual's Total Compensation exceeds 50% of the dollar limit set forth in Section 415(b)(1)(A) of the Code, as adjusted for increases in the cost-of-living:

-51-

(ii) A Top Ten Owner, but only if the individual's Total Compensation exceeds the dollar limit set forth in Section 415(c)(1)(A) of the Code, as adjusted for increases in the cost-of-living;

(iii) A Five Percent Owner;

(iv) A One Percent Owner whose Total Compensation exceeds \$150,000; or

(v) The Beneficiary of any individual described in clauses (i) through (iv) of this Subsection (d).

(e) "Non-Key Employee" shall mean each individual who is an

employee of the Employer or a Related Employer but who is not a Key Employee.

(f) "Officer" shall mean an individual who is an executive in the

regular and continued service of the Employer or a Related Employer; provided, however, that the number of employees who are considered Officers for purposes of this Section 10.1 shall not exceed:

- (i) Three (3), if the number of employees of the Employer and Related Employers does not exceed thirty (30);
- (ii) Ten percent (10%) of the number of employees of the Employer and Related Employers, if the number of employees is more than thirty (30) but less than 500; and
- (iii) Fifty (50), if the number of employees of the Employer and Related Employers is 500 or more.

If the number of Officers exceeds the limits set forth in this Sub-section (f), then the Officers having the highest annual Total Compensation among all Officers, during the Plan Year ending with the Determination Date and the four (4) preceding Plan Years, shall be considered Key Employees.

(g) "One Percent Owner" shall have the same meaning as Five

Percent Owner, except that "one percent (1%)" shall be substituted for "five percent (5%)", wherever the latter term appears in Subsection (c).

(h) "Related Employer" shall have the same meaning as defined in

Subsection 4.6(n), except that the modifications of Section 415(h) of the Code shall not apply for purposes of this Article X.

(i) "Super Top-Heavy Plan" shall have the same meaning as

"Top-Heavy Plan", except that the phrase "ninety percent

-52-

(90%)" shall be substituted for the phrase "sixty percent (60%)" wherever the latter phrase appears in Subsection (j).

(j) "Top-Heavy Plan" This Plan shall be considered a Top-Heavy

Plan for any Plan Year beginning after December 31, 1983, if, as of the Determination Date,

- (i) The Plan is not part of an Aggregation Group and the present value of the accrued benefits (as determined using the interest rate and mortality basis set forth in Section 1.2) of Key Employees participating in the Plan exceeds sixty percent (60%) of the present value of the cumulative accrued benefits of all Participants in the Plan, or
- (ii) The Plan is part of an Aggregation Group and the present value of the account balances and accrued benefits (as determined using the interest rate and mortality basis set forth in Section 1.2) of Key Employees participating in the Aggregation Group exceeds sixty percent (60%) of the present value of the cumulative account balances and accrued benefits of all participating employees in the Aggregation Group,

as computed in each case in accordance with Section 416 of the Code. For purposes of this Subsection (j), a Participant's accrued benefit or account balance shall not include any tax free rollover (as described in Section 402(a)(5)(A) or Section 408(d)(3) of the Code) or plan-to-plan transfer which (1) is made from the Plan (or, if applicable, plans which are part of the Aggregation Group) if the plan to which the tax free rollover or plan-to-plan transfer is made is an employee benefit plan which is maintained by the Employer and the tax free rollover or plan-to-plan transfer is not initiated by the Participant or (2) is made to any plan which is part of Aggregation Group if the plan from which the tax free rollover or plan-to-plan transfer is made is an employee benefit plan which is not maintained by the Employer or a Related Employer and the tax free rollover or plan-to-plan transfer is initiated by the Participant. The present value of the cumulative account balances or accrued benefit of any Participant or Former Participant shall also include any distributions from the Plan (or, if applicable, from any plan in the Aggregation Group) made to the Participant or Former Participant or his Beneficiary during the Plan Year ending with the Determination Date and any of the four (4) preceding Plan Years. Solely for purposes of determining if the Plan, or any other plans included in a required Aggregation Group of which this Plan is a part, is Top-Heavy, the accrued benefit of a Non-Key Employee shall be determined under the method, if any, that uniformly applies for accrual purposes under all plans maintained by the Employer and all Related Employers, or if there is no such method, as if such benefit accrued not more rapidly than

-53-

the shortest accrual rate permitted under the fractional accrual rule of Section

411(b)(1)(C) of the Code.

(k) "Top Ten Owner" shall mean one of the ten employees owning, or

considered as owning, within the meaning of Section 318 of the Code, the
greatest interest in the Employer or a Related Employer, but only if such
employee owns at least a 0.5% interest in the Employer or the Related Employer.
For purposes of this Subsection (k), if two employees have the same ownership
interest in the Employer or the Related Employer, the employee with the greater
Total Compensation shall be considered as owning the larger interest in the
Employer or the Related Employer.

(l) "Total Compensation" shall mean the Employee's "compensation"

as defined in Subsection 4.6(m), but including, for purposes of Subsections
10.1(d), (f) and (k), amounts excluded from gross income under Sections 125,
402(e)(3), 402(h) or 403(b) of the Code.

10.2. Top-Heavy Vesting.

(a) Top-Heavy Vesting Schedule. For any Plan Year in which the

Plan is a Top-Heavy Plan, if a Participant is credited with service after the
Plan becomes a Top-Heavy Plan, then the non-forfeitable percentage of his
Accrued Annual Pension (whether or not attributable to Plan Years in which the
Plan is a Top-Heavy Plan) shall not be less than the percentage determined in
accordance with the following schedule:

Years of Credited Service -----	Percentage -----
Less than 2 years	0%
2 years but less than 3	20%
3 years but less than 4	40%
4 years but less than 5	60%
More than 5 years	100%

If the Plan ceases to be a Top-Heavy Plan, then the Participant's non-
forfeitable percentage of his Accrued Annual Pension shall subsequently be
determined in accordance with Section 4.4; provided, however, that any portion
of the Participant's Accrued Annual Pension that was non-forfeitable on the day
the Plan ceases to be a Top-Heavy Plan shall remain non-forfeitable. If a
Participant has at least three years of Credited Service when the Plan ceases to
be a Top-Heavy Plan, then the foregoing shall be subject to the provisions of
Section 9.7.

(b) Deferred Vested Pension. If, pursuant to this Section 10.2, a

Participant has a non-forfeitable interest in his Accrued Annual Pension, and
such Participant subsequently ceases to be an employee of the Employer and all
Affiliated Companies (other than by reason of death) before he qualifies for or
is receiving a normal retirement pension, early retirement pension or disability
retirement pension, he shall be entitled to receive a deferred

-54-

vested pension pursuant to Section 4.4, notwithstanding the fact that he has not
met the service requirements of Subsection 4.4(a).

10.3. Minimum Benefits.

(a) General. At any time when the Plan is a Top-Heavy Plan, the

Accrued Annual Pension of any Participant who is a Non-Key Employee shall not be
less than the lesser of:

(i) Two percent (2%) of the Participant's compensation,
multiplied by the Participant's years of Credited Service

completed during a Plan Year in which the Plan is a Top-Heavy Plan; or

(ii) Twenty percent (20%) of the Participant's compensation.

For purposes of this Section 10.3, a Participant's "compensation" shall mean the average of the Total Compensation for the five consecutive Plan Years when his Total Compensation was highest; provided, that "compensation" shall not include any compensation paid in Plan Years prior to January 1, 1984 or in any Plan Year after the close of the last Plan Year in which the Plan is a Top-Heavy Plan and shall be limited as described in the last three sentences of Section 1.11. The amount accrued by each Non-Key Employee under this Section 10.3 shall be reduced by any benefits accrued by such Non-Key Employee under any other defined benefit plan which is qualified under Section 401(a) of the Code and to which the Employer or a Related Employer contributes.

(b) Coordination With Other Plans. Notwithstanding the

provisions of Subsection (a), in the event that a Non-Key Employee who is entitled to receive a minimum benefit pursuant to Subsection (a) is also a participant in a defined contribution plan maintained by the Employer or a Related Employer and the amount of employer contributions allocated to the account of such Non-Key Employee exceeds 7-1/2% of the Non-Key Employee's Total Compensation for the Plan Year (limited as described in the last three sentences of Section 1.11), then the provisions of Subsection (a) shall not apply to such Non-Key Employee for such Plan Year.

10.4. Maximum Benefits. If, in any Plan Year in which the Plan is a Top-

Heavy Plan, a Participant also participates in one or more defined contribution plans maintained by the Employer or a Related Employer, then for purposes of Subsections 4.6(j) and 4.6(k), respectively, the phrase "1.0" shall be substituted for the phrase "1.25" wherever the latter phrase appears. Notwithstanding the preceding, the provisions of this Section 10.4 shall not apply if the Plan is not a Super Top-Heavy Plan and the Employer contributes to one more defined contribution plans on behalf of each Non-Key Employee who is entitled to receive a contribution thereunder, an amount at least equal to one percent (1%) of the Participant's Total Compensation for the Plan Year (limited as described in the last three sentences of Section 1.11), in addition

-55-

to any other contribution made on his behalf in order to satisfy the top-heavy provisions of such plan or plans.

10.5. Aggregation of Employers. Except as provided in Subsection 10.1(c),

"Related Employers" shall be treated as if they were the Employer.

10.6. No Suspension of Benefits. Notwithstanding any other provision

of the Plan, the payment of a Participant's or Former Participant's benefits shall not be suspended during the Participant's or Former Participant's Suspension Service (as defined in Subsection 5.4(a)(i)) during any period in which the Plan is a Top-Heavy Plan or a Super Top-Heavy Plan.

-56-

ARTICLE XI

MISCELLANEOUS

11.1. No Rights Implied. Neither the establishment of this Plan nor any

modification thereof, nor the creation of the Trust Fund, nor the payment of any benefit shall be construed as giving any Participant, Former Participant, Pensioner, Beneficiary, Alternate Payee or any other person whosoever, any interest in or title to any specific property in the Trust Fund or any interest whatsoever in this Plan or the Trust Fund other than the right to receive payment solely from said Trust Fund in accordance with the provisions of this

Plan, nor shall the same be construed as giving such Participant, Former Participant, Pensioner, Beneficiary, Alternate Payee or any person whosoever, any legal or equitable rights against the Employer, the Company, the Committee, the Plan Administrator or the Trustee, unless the same shall be specifically provided for or conferred in accordance with the terms and provisions of this Plan or of ERISA.

11.2. Exclusive Benefit Rule.

(a) No Diversion of Trust Assets. Notwithstanding anything

contained in this Plan or the Trust to the contrary, it shall be impossible at any time for any part of the corpus or income of the Trust Fund to be used for or diverted to purposes other than for the exclusive benefit of Participants, Former Participants entitled to benefits under this Plan, Pensioners or their Beneficiaries and Alternate Payees, and no part thereof shall ever revert to the Employer, except as specifically provided for in Subsection (b) and in Subsection 9.5(c).

(b) Exceptions. Notwithstanding the provisions of Subsection (a),

a contribution made by the Employer may be returned to the Employer if:

- (i) The contribution is made by reason of a mistake of fact; or
- (ii) The contribution is conditioned on its deductibility for Federal income tax purposes and such deduction is disallowed (but only to the extent the deduction for such contribution is disallowed);

provided, however, that such contribution may be returned only within one year of the discovery of the mistake of fact or the disallowance of the deduction for Federal income tax purposes, as the case may be. Effective July 16, 1990, for purposes of this Subsection (b), unless otherwise indicated at the time a contribution is made, all contributions shall be deemed to be conditioned on deductibility for Federal income tax purposes.

-57-

11.3. Exclusive Benefit. This Plan and the Trust are created for the

exclusive benefit of Employees of the Employer and shall be interpreted in a manner consistent with being qualified under Section 401(a) and exempt under Section 501(a) of the Code.

11.4. No Employment Contract. This Plan and the Trust shall not be

construed as creating any contract of employment between the Employer and any Employee; and the Employer shall have the same control over its Employees as though this Plan and the Trust had never been executed.

11.5. More than One Fiduciary Capacity. Any person, firm, corporation or

other entity may serve in more than one fiduciary capacity with respect to this Plan.

11.6. Governing Law. This Plan shall be construed according to the laws

of the Commonwealth of Pennsylvania, where it is made and where it shall be enforced, except to the extent such laws may have been superseded by ERISA.

11.7. Statutory References. Any reference to the Code or to ERISA or to

any provisions thereof or regulations thereunder shall apply as well to any successor statutory or regulatory provision of any Revenue Act or Pension Act of general application.

IN WITNESS WHEREOF, and as evidence of the adoption of this Restated Plan by the Company, AMETEK, Inc. has executed the same this 1st

day of March, 1994.

AMETEK, Inc.

By: /s/ Robert W. Yannarell

A T T E S T

By: /s/ Dorothy M. Misetic

(SEAL)

-58-

SCHEDULE I

Excess of Age of Participant over Age of Contingent Annuitant -----	Applicable Percentage -----
10 years or less	100%
11	96%
12	93%
13	90%
14	87%
15	84%
16	82%
17	79%
18	77%
19	75%
20	73%
21	72%
22	70%
23	68%
24	67%
25	66%
26	64%
27	63%
28	62%
29	61%
30	60%
31	59%
32	59%
33	58%
34	57%
35	56%
36	56%
37	55%
38	55%
39	54%
40	54%
41	53%
42	53%
43	53%
44 and greater	52%

-59-

SCHEDULE II

Age of Participant in calendar year preceding Mandatory Distribution Date -----	Maximum Years Remaining -----
------------------------------------------------------------------------------------------	----------------------------------

70	26.2
71	25.3
72	24.4
73	23.5
74	22.7
75	21.8
76	20.9
77	20.1
78	19.2
79	18.4
80	17.6
81	16.8
82	16.0
83	15.3
84	14.5
85	13.8
86	13.1
87	12.4
88	11.8
89	11.1
90	10.5
91	9.9
92	9.4
93	8.8
94	8.3
95	7.8
96	7.3
97	6.9
98	6.5
99	6.1
100	5.7
101	5.3
102	5.0
103	4.7
104	4.4
105	4.1
106	3.8
107	3.6
108	3.4
109	3.2
110	2.8
111	2.6
112	2.4
113	2.0
114	2.0
115 and older	1.8

APPENDIX I

SPECIAL PROVISIONS RELATING TO CERTAIN EMPLOYEES
OF LAMB ELECTRIC DIVISION OF AMETEK, INC.

1. The Lamb Electric Company Pension Trust (the "Lamb Trust") heretofore maintained by Lamb Electric, a Division of AMETEK, Inc. ("Lamb") shall, insofar as it affects salaried employees, be combined with and merged into and continued as part of this Plan effective as of April 1, 1969 (the "Effective Date"), with the provisions of this Plan, as from time to time amended, fully replacing the provisions of the Lamb Trust at the Effective Date as to such salaried employees.

2. Notwithstanding any provisions of this Plan to the contrary, each salaried employee of Lamb who on the Effective Date was a participant under the Lamb Trust shall become a Participant under this Trust as of the Effective Date, subject to all of the terms, conditions and provisions hereof. For the purpose of computing benefits to be provided under this Plan to salaried employees of Lamb who become Participants under this Plan as of the Effective Date, the Credited Service of each such person shall be deemed to commence on

the date his latest period of service with Lamb or any predecessor of Lamb began, and to the extent required to obtain five years of Compensation in order to compute Average Annual Compensation for any such person, his compensation received from Lamb shall be considered as having been received from AMETEK.

3. Upon transfer and delivery to the Trustee referred to in Section 1.44 of this Plan (the "AMETEK Trustee") of all of the proceeds of any insurance policies relating to salaried employees issued to the Trustee under the Lamb Trust (the "Lamb Trustee") other than the portion thereof which constitutes such employees' contributions to the Lamb Trust plus interest thereon at the rate of 2% per annum, together with all other assets delivered to the AMETEK Trustee by the Lamb Trustee, shall be deemed assets of the Trust to be held, invested, reinvested or disposed of in accordance with and subject to the provisions of the Trust, as from time to time amended.

4. Determinations, elections, designations and directions made or effected by participants under the Lamb Trust or by the Lamb Trustee shall remain in effect under this Plan and the Trust until changed, modified or otherwise revoked in accordance with the provisions of this Plan or the provisions of the Trust.

5. The extension of coverage under this Plan for eligible salaried employees of Lamb shall constitute the continuation of the Lamb Trust insofar as it affects the salaried employees of Lamb.

6. All salaried employees of Lamb who as of the Effective Date were not participants under the Lamb Trust shall be eligible to become Participants under this Plan in accordance with and subject to the provisions of this Plan.

7. Notwithstanding anything contained herein to the contrary, no employee of Lamb who pursuant to this Appendix I becomes a Participant under this Plan as of the Effective Date shall receive benefits hereunder of a value less than the benefits to which he would have been entitled under the Lamb Trust (other than the portion of such benefits that would have been attributable to the employee's contributions to the Lamb Trust plus interest thereon at the rate of 2% per annum) if his employment with Lamb had terminated on the Effective Date to become a Participant under this Plan.

8. Defined terms used in Appendix I shall have the same meaning as the identical defined terms as used in the Employees' Retirement Plan of AMETEK, Inc.

-61-

APPENDIX II

SPECIAL PROVISIONS RELATING TO CERTAIN SALARIED EMPLOYEES OF CALMEC, A DIVISION OF AMETEK, INC.

1. The Trust (the "Calmec Trust") heretofore maintained by Calmec, a Division of AMETEK, Inc. ("Calmec") shall, insofar as it affects salaried employees, be continued as part of this Plan effective as of September 1, 1969 (the "Effective Date"), with the provisions of this Plan, as from time to time amended, fully replacing the provisions of the Calmec Trust at the Effective Date as to such salaried employees.

2. Notwithstanding any provisions of the Plan to the contrary, each salaried employee of Calmec who on the Effective Date was a participant under the Calmec Trust, and who on such date had not attained his normal retirement age, shall become a Participant under this Trust as of the Effective Date, subject to all of the terms, conditions and provisions hereof. For the purpose of computing benefits to be provided under this Plan to salaried employees of Calmec who become Participants under this Plan as of the Effective Date, the Credited Service of each such person shall be deemed to commence on the date his earliest period of service with Calmec or any predecessor of Calmec began, and to the extent required to obtain five years of Compensation in order to compute Average Annual Compensation for any such person, his compensation received from Calmec shall be considered as having been received from AMETEK.

3. The assets of the Calmec Trust relating to the salaried employees of Calmec who became participants in this Trust as of the Effective Date shall be held in accordance with the provisions of the Calmec Trust, as

amended; provided that the "pension value" (as hereinafter defined) as of the Effective Date of each such employee's benefits under the Calmec Trust resulting from such employer contributions shall be applied in reduction of the benefits payable under this Plan, provided that the maximum amount of such reduction shall be an amount equal to the benefits accrued for each such employee under this Plan to the Effective Date. The "pension value" of employer contributions to the Calmec Trust is the amount of annuity on a fixed income basis purchasable for each such employee by the employer portion of his account balance under the Calmec Trust as of the Effective Date.

4. Determinations, elections, designations and directions made or effected by participants under the Calmec Trust or by the Calmec Trustee shall remain in effect under this Plan and the Trust until changed, modified or otherwise revoked in accordance with the provisions of this Plan.

5. The extension of coverage under this Plan for eligible salaried employees of Calmec shall constitute the continuation of the Trust insofar as it affects the salaried employees of Calmec.

6. All salaried employees of Calmec who as of the Effective Date were not participants under the Calmec Trust shall be eligible to become Participants under this Plan in accordance with and subject to the provisions of this Plan.

7. Defined terms used in this Appendix II shall have the same meaning as the identical defined terms as used in the Employees' Retirement Plan of AMETEK, Inc.

-62-

APPENDIX III

SPECIAL PROVISIONS RELATING TO CERTAIN SALARIED EMPLOYEES OF WESTCHESTER PLASTICS A DIVISION OF AMETEK, INC.

1. All salaried employees of Westchester Plastics, a Division of AMETEK, Inc. ("Westchester Plastics") as of January 1, 1970 (the "Effective Date") shall be eligible to become Participants under this Plan in accordance with and subject to the provisions of this Plan.

2. For the purpose of computing benefits to be provided under this Plan to salaried employees of Westchester Plastics who become Participants under this Plan as of the Effective Date, the Credited Service of each such person shall be deemed to commence on the date his most recent period of continuous service with Westchester Plastics began, and to the extent required to obtain five years of Compensation in order to compute Average Annual Compensation for any such person, his compensation received from Westchester Plastics shall be considered as having been received from AMETEK.

3. The benefits payable under this Plan to each salaried employee of Westchester Plastics who was a participant under the Westchester Plastics, Inc. Pension Trust (the "Westchester Trust") shall be reduced by an amount equal to the pension value of the lump sum cash distribution made to each such employee with respect to the termination of the Westchester Trust as set forth in Schedule A annexed below.

4. Defined terms used in this Appendix III shall have the same meaning as the identical defined terms as used in the Employees' Retirement Plan of AMETEK, Inc.

SCHEDULE A

MONTHLY PENSION EQUIVALENT OF LUMP SUM DISTRIBUTION MADE UNDER FORMER PENSION PLAN

Name	Amount
----	-----

R. R. Kobak	\$346.05
W. E. Thogersen	125.13
A. Marino	64.24
F. Jehle	103.24
J. Lauria	86.41
V. C. Rigano	67.87
J. H. Lanza	80.59
C. F. Rigano	65.79
J. Boucher	29.69
R. Mann	9.52

-63-

APPENDIX IV

SPECIAL PROVISIONS RELATING TO CERTAIN SALARIED EMPLOYEES OF PACIFIC EXTRUSIONS, A DIVISION OF AMETEK, INC.

1. The Trust (the "Pacific Extrusion Trust") heretofore maintained by Pacific Extrusions, a Division of AMETEK, Inc. ("Pacific Extrusions") shall be continued as part of this Plan effective as of July 1, 1970 (the "Effective Date"), with the provisions of this Plan, as from time to time amended, fully replacing the provisions of the Pacific Extrusions Trust at the Effective Date.

2. Notwithstanding any provisions of this Plan to the contrary, each salaried employee of Pacific Extrusions who on the Effective Date was a participant under the Pacific Extrusions Trust, and who on such date had not attained his normal retirement age, shall become a Participant under this Plan as of the Effective Date, subject to all of the terms, conditions and provisions hereof. For the purpose of computing benefits to be provided under this Plan to salaried employees under this Plan as of the Effective Date, the Credited Service of each such person shall be deemed to commence on the date his most recent period of continuous service with Pacific Extrusions began, and to the extent required to obtain five years of Compensation in order to compute Average Annual Compensation for any such person, his compensation received from Pacific Extrusions or any predecessor or subsidiary of Pacific Extrusions shall be considered as having been received from AMETEK.

3. The assets of the Pacific Extrusions Trust relating to the salaried employees of Pacific Extrusions who became Participants in this Plan as of the Effective Date shall be held in accordance with the provisions of the Pacific Extrusions Trust, as amended; provided that the "pension value" (as hereinafter defined) as of the Effective Date of each such employee's benefits under the Pacific Extrusions Trust resulting from employer contributions shall be applied in reductions of the benefits payable under this Plan, and further provided that the maximum amount of such reduction shall be an amount equal to the benefits accrued for each such employee under this Plan to the Effective Date. The "pension value" of employer contributions to the Pacific Extrusions Trust is the amount of annuity on a fixed income basis purchasable for each such employee by the employer portion of his account balance under the Pacific Extrusions Trust as of the Effective Date.

4. Determinations, elections, designations and directions made or effected by participants under the Pacific Extrusions Trust or by the Pacific Extrusions Trustee shall remain in effect under this Plan and the Trust until changed, modified or otherwise revoked in accordance with the provisions of this Plan.

5. The extension of coverage under this Plan for eligible salaried employees of Pacific Extrusions shall constitute the continuance of the Pacific Extrusions Trust insofar as it affects the salaried employees of Pacific Extrusions.

6. All salaried employees of Pacific Extrusions who as of the Effective Date were not participants under the Pacific Extrusions Trust shall be eligible to become Participants under this Plan in accordance with and subject to the provisions of this Plan. For the purpose of determining the eligibility of such salaried employees to become Participants under this Plan and for the purpose of computing benefits to be provided under this Plan to such salaried employees, the Credited Service of each such person shall be deemed to commence

on the date his most recent period of continuous service with Pacific Extrusions or any predecessor or subsidiary of Pacific Extrusions began, and to the extent required to obtain five years of Compensation in order to compute Average Annual Compensation for any such person, his compensation received from Pacific Extrusions or any predecessor or subsidiary of Pacific Extrusions shall be considered as having been received from AMETEK.

7. Defined terms used in the Appendix IV shall have the same meaning as the identical defined terms as used in the Employees' Retirement Plan of AMETEK, Inc.

-64-

APPENDIX V

SPECIAL PROVISIONS RELATING TO CERTAIN SALARIED EMPLOYEES OF
LOS ANGELES DIE CASTING, A DIVISION OF AMETEK, INC.

1. Effective as of January 1, 1971 (the "Effective Date"), all salaried employees of Los Angeles Die Casting, a Division of AMETEK, Inc. ("L.A. Die") who have not attained age 65 shall be eligible to become Participants under this Plan in accordance with and subject to the provisions of this Plan.

2. For the purpose of determining eligibility and computing benefits to be provided under this Plan to salaried employees of L.A. Die as of the Effective Date, the Credited Service of each such person shall be deemed to commence on the date his most recent period of continuous service in a salaried status with L.A. Die or with any predecessor corporations began, and to the extent required to obtain five years of Compensation in order to compute Average Annual Compensation for any such person, his compensation received from L.A. Die or any predecessor corporations shall be considered as having been received from AMETEK.

3. The benefits payable under this Plan to each salaried employee of L.A. Die who was a participant under the Los Angeles Die Casting Employees Pension Plan shall be reduced by an amount equal to the "pension value" of the benefits received by each such employee with respect to the termination of the Trust maintained under the Los Angeles Die Casting Company Pension Plan as set forth in Schedule A below. The "pension value" of the benefits received by each such employee is the amount of monthly income on a fixed income basis provided by such benefit as of the Effective Date.

4. Defined terms used in this Appendix V shall have the same meaning as the identical defined terms as used in the Employees' Retirement Plan of AMETEK, Inc.

SCHEDULE A

MONTHLY PENSION EQUIVALENT OF
LUMP SUM DISTRIBUTION MADE
UNDER FORMER PENSION PLAN

Name	Amount
----	-----
Jim Crownover	\$ 84.40
Melvin Hand	293.61
Doreen Shimabuku	72.24

-65-

APPENDIX VI

SPECIAL PROVISIONS RELATING TO CERTAIN SALARIED EMPLOYEES OF
MANSFIELD & GREEN, A DIVISION OF AMETEK, INC.

1. The Plan (the "Mansfield & Green Plan") and the Trust (the "Mansfield & Green Trust") heretofore maintained by Mansfield & Green, a Division of AMETEK, Inc. ("Mansfield & Green") shall, insofar as it affects salaried employees, be combined with and merged into and continued as part of this Plan effective as of June 1, 1971 (the "Effective Date") with the provisions of this Plan, as from time to time amended, fully replacing the provisions of the Mansfield & Green Plan and the Mansfield & Green Trust at the Effective Date as to such salaried employees.

2. Notwithstanding any provisions of this Plan to the contrary, each salaried employee of Mansfield & Green who on the Effective Date was a participant under the Mansfield & Green Plan, and who on such date had not attained his normal retirement age, shall become a Participant under this Plan as of the Effective Date, subject to all of the terms, conditions and provisions hereof. For the purpose of computing benefits to be provided under this Plan to salaried employees of Mansfield & Green who become Participants under this Plan as of the Effective Date, the Credited Service of each such person shall be deemed to commence on the date his most recent period of continuous service with Mansfield & Green or any predecessor began, and to the extent required to obtain five years of Compensation in order to compute Average Annual Compensation for any such person, his compensation received from Mansfield & Green or any predecessor shall be considered as having been received from AMETEK.

3. Upon transfer and delivery to the Trustee referred to in Section 1.44 of this Plan (the "AMETEK Trustee") of all of the proceeds of any insurance policies relating to salaried employees issued to the Trustee under the Mansfield & Green Trust (the "Mansfield & Green Trustee"), other than the portion thereof which constituted such employees' contributions to the Mansfield & Green Trust together with interest thereon at the rate of 3% per annum which is being paid to the applicable employees, together with all other assets delivered to the AMETEK Trustee by the Mansfield & Green Trustee, shall be deemed assets of the Trust to be held, invested, reinvested or disposed of in accordance with and subject to the provisions of the Trust, as from time to time amended.

4. Determinations, elections, designations and directions made or effected by participants under the Mansfield & Green Plan or by the Mansfield & Green Trustee shall remain in effect under this Plan and the Trust until changed, modified or otherwise revoked in accordance with the provisions of this Plan.

5. The extension of coverage under this Plan for eligible salaried employees of Mansfield & Green shall constitute the continuation of the Mansfield & Green Plan and the Mansfield & Green Trust insofar as it affects the salaried employees of Mansfield & Green.

6. All salaried employees of Mansfield & Green who as of the Effective Date were not participants under the Mansfield & Green Plan and who had not attained their normal retirement date under the Mansfield & Green Plan on or prior to the Effective Date shall be eligible to become Participants under this Plan in accordance with and subject to the provisions of this Plan. For the purpose of determining the eligibility of such salaried employees to become Participants under this Plan and for the purpose of computing benefits to be provided under this Plan to such salaried employees, the Credited Service of each such person shall be deemed to commence on the date his most recent period of continuous service with Mansfield & Green or any predecessor began, and to the extent required to obtain five years of Compensation in order to compute Average Annual Compensation for any such person, his compensation received from Mansfield & Green or any predecessor of Mansfield & Green shall be considered as having been received from AMETEK.

7. Notwithstanding anything contained herein to the contrary, an employee of Mansfield & Green who pursuant to this Appendix VI becomes a Participant under this Plan as of the Effective Date may at the time of his retirement elect in lieu of the benefits to which he is entitled hereunder

(i) a lump sum benefit in an amount equal to the portion of the cash surrender value of the individual insurance policy held in his name under the Mansfield & Green Trust on the Effective Date deemed to be attributable to employer contributions and (ii) the pension benefit to which such employee is entitled under this Plan reduced by the "pension value" of the lump sum benefit referred

to in subsection (i) as of the Effective Date. The "pension value" of an employee's lump sum benefit is the amount of annuity on a fixed income basis purchasable with such lump sum benefit as of the Effective Date.

8. Notwithstanding anything to the contrary herein contained, no employee of Mansfield & Green who pursuant to this Appendix VI becomes a Participant under this Plan as of the Effective Date shall receive benefits hereunder of a value less than that portion of the cash surrender value of the individual insurance policy held in his name under the Mansfield & Green Trust deemed to be attributable to employer contributions.

9. Defined terms used in the Appendix VI shall have the same meanings as the identical defined terms as used in the Employees' Retirement Plan of AMETEK, Inc.

-67-

APPENDIX VII

SPECIAL PROVISIONS RELATING TO CERTAIN SALARIED EMPLOYEES OF VALLEY FOUNDRY AND MACHINE WORKS DIVISION OF AMETEK, INC.

1. The Pension Plan of Valley Foundry and Machine Works, a Division of AMETEK, Inc. (the "Valley Foundry Plan") and the Trust adopted in connection therewith (the "Valley Foundry Trust") heretofore maintained by the Valley Foundry and Machine Works Division of AMETEK, Inc. ("Valley Foundry") shall, insofar as it affects salaried employees who have not attained their 65th birthday, be combined with and merged into and continued as part of this Plan effective as of January 1, 1972 (the "Effective Date"), with the provisions of this Plan, as from time to time amended, fully replacing the provisions of the Valley Foundry Plan and the Valley Foundry Trust at the Effective Date as to such salaried employees.

2. Notwithstanding any provisions of this Plan to the contrary, each salaried employee of Valley Foundry who on the Effective Date was a participant under the Valley Foundry Plan shall become a Participant under this Plan as of the Effective Date, subject to all of the terms, conditions and provisions hereof. For the purpose of computing benefits to be provided under this Plan to salaried employees of Valley Foundry who become Participants under this Plan as of the Effective Date, the Credited Service of each such person shall be deemed to commence on the date his latest period of service with Valley Foundry or any predecessor of Valley Foundry began, and to the extent required to obtain five years of Compensation in order to compute Average Annual Compensation for any such person, his compensation received from Valley Foundry shall be considered as having been received from AMETEK.

3. Upon transfer and delivery to the Trustee referred to in Section 1.44 of this Plan (the "AMETEK Trustee") of all of the proceeds of any insurance policies relating to salaried employees issued to the Trustee under the Valley Foundry Trust (the "Valley Foundry Trustee"), other than the portion thereof which constitutes such employees' contributions to the Valley Foundry Trust, together with all other assets delivered to the AMETEK Trustee by the Valley Foundry Trustee, such assets shall be deemed assets of the Trust to be held, invested, reinvested or disposed of in accordance with and subject to the provisions of the Trust, as from time to time amended.

4. Determinations, elections, designations and directions made or effected by participants under the Valley Foundry Plan or by the Valley Foundry Trustee shall remain in effect under this Plan and the Trust until changed, modified or otherwise revoked in accordance with the provisions of this Plan or the provisions of the Trust.

5. The extension of coverage under this Plan for eligible salaried employees of Valley Foundry shall constitute the continuation of the Valley Foundry Plan insofar as it affects the salaried employees of Valley Foundry.

6. All salaried employees of Valley Foundry who as of the Effective Date were not participants under the Valley Foundry Plan shall be eligible to become Participants under this Plan in accordance with and subject to the provisions of this Plan.

7. Notwithstanding anything to the contrary herein contained, no employee of Valley Foundry who pursuant to this Appendix VII becomes a Participant under this Plan as of the Effective Date shall receive benefits hereunder of a value less than the benefits to which he would have been entitled under the Valley foundry Plan (other than the portion of such benefits that would have been attributable to the employees' contributions to the Valley Foundry Plan) if his employment with Valley Foundry had terminated on the Effective Date, nor shall the provisions of this Appendix VII entitle any employee of Valley Foundry who attained his 65th birthday on or prior to the Effective Date to become a Participant under this Plan.

8. Defined terms used in this Appendix VII shall have the same meaning as the identical defined terms as used in the Employees' Retirement Plan of AMETEK, Inc.

-68-

APPENDIX VIII

SPECIAL PROVISIONS RELATING TO CERTAIN SALARIED EMPLOYEES OF SCHUTTE AND KOERTING COMPANY

1. The Schutte and Koerting Company Retirement Income Plan (the "Retirement Income Plan") and the Schutte and Koerting Company Retirement Income Trust (the "Retirement Income Trust"), heretofore maintained by Schutte and Koerting Company ("Schutte and Koerting") shall, insofar as they affect salaried employees, be combined with and merged into and continued as part of this Plan effective as of January 1, 1972 (the "Effective Date") with the provisions of this Plan, as from time to time amended, fully replacing the provisions of the Retirement Income Plan and the Retirement Income Trust at the Effective Date as to such salaried employees.

2. Notwithstanding any provisions of this Plan to the contrary, each salaried employee of Schutte and Koerting who on the Effective Date was a participant under the Retirement Income Plan and who on such date had not attained his sixty-fifth (65th) birthday, shall become a Participant under this Plan as of the Effective Date, subject to all of the terms conditions and provisions hereof. For the purpose of computing benefits to be provided under this Plan to salaried employees of Schutte and Koerting who become Participants under this Plan as of the Effective Date, the Credited Service of each such person shall be deemed to commence on the date his most recent period of continuous service with Schutte and Koerting or any predecessor began, and to the extent required to obtain five years of Compensation in order to compute Average Annual Compensation for such person, his compensation received from Schutte and Koerting or any predecessor shall be considered as having been received from AMETEK.

3. Upon transfer and delivery to the Trustee referred to in Section 1.44 of this Plan (the "AMETEK Trustee") of all of the assets of the Retirement Income Trust, such assets as are transferred and delivered shall be deemed assets of the Trust to be held, invested, reinvested or disposed of in accordance with and subject to the provisions of the Trust, as from time to time amended.

4. Determinations, elections, designations and directions made or effected by participants under the Schutte and Koerting Plan or by the Schutte and Koerting Trustee shall remain in effect under this Plan and the Trust until changed, modified or otherwise revoked in accordance with the provisions of this Plan.

5. The extension of coverage under this Plan for eligible salaried employees of Schutte and Koerting shall constitute the continuation of the Retirement Income Plan and the Retirement Income Trust, insofar as they affect the salaried employees of Schutte and Koerting.

6. Each salaried employee of Schutte and Koerting who as of the Effective Date was not a participant under the Retirement Income Plan and who had not attained his sixty-fifth (65th) birthday on or prior to the Effective Date shall be eligible to become a Participant under this Plan in accordance with and subject to the provisions of this Plan. For the purpose of determining the eligibility of such salaried employee to become a Participant under this Plan and for the purpose of computing benefits to be provided under this Plan to such salaried employee, the Credited Service of each such person shall

be deemed to commence on the date his most recent period of continuous service with Schutte and Koerting or any predecessor began, and to the extent required to obtain five years of Compensation in order to compute Average Annual Compensation for such employee, his compensation received from Schutte and Koerting or any predecessor of Schutte and Koerting shall be considered as having been received from AMETEK.

7. The benefits payable under this Plan to each employee of Schutte and Koerting who becomes a participant under this Plan on the Effective Date shall be reduced by (i) the amount of the annuity payable to such employee under the group annuity contract acquired with the assets held pursuant to the Schutte and Koerting Company Deferred Profit Sharing Plan (the "Profit Sharing Plan"), and (ii) the pension value of any amounts distributed to such employee

-69-

from the Profit Sharing Plan. The "pension value" of an amount distributed to the employee from the Profit Sharing Plan is the amount of monthly income actuarially equivalent in value to the amount so distributed.

8. Benefits payable pursuant to the Retirement Income Plan to former employees of Schutte and Koerting as of December 31, 1971, shall be paid from the Trust in the same manner and at the same time as if paid pursuant to the Retirement Income Plan.

9. Notwithstanding anything to the contrary herein contained, no employee of Schutte and Koerting who pursuant to this Appendix VIII becomes a Participant under this Plan as of the Effective Date shall receive benefits hereunder of a value less than his accrued benefit on December 31, 1971 under the Retirement Income Plan. In the event of the death prior to retirement of a former participant under the Retirement Income Plan, his beneficiary shall be entitled to receive from the Trust, an amount equal to the accumulated contributions made by such deceased participant to the Retirement Income Plan at December 31, 1971, plus interest thereon at the rate of 4% from December 31, 1971 to the date of death. In the event of termination of employment other than by death of a former participant under the Retirement Income Plan, he may elect in lieu of the benefits otherwise payable pursuant to this Plan, an amount equal to his accumulated employee contributions under the Retirement Income Plan at December 31, 1971 plus interest thereon at the rate of 4% from December 31, 1971 to his date of termination of employment. In the event of the death of a former participant under the Retirement Income Plan who terminated his employment with Schutte and Koerting prior to January 1, 1972, prior to the receipt of pension benefits under this Plan plus pension benefits under the Retirement Income plan at least equal to the amount of his contributions to the Retirement Income Plan, the beneficiary of such former participant shall be entitled to receive an amount equal to the contributions of such employee at his retirement date less the sum of the pension benefits received by said former participant under this Plan and under the Retirement Income Plan.

10. In the case of each salaried employee of Schutte and Koerting who on the Effective Date becomes a participant in this Plan and who was eligible for participation in the Retirement Income Plan but who did not participate therein, or who did not apply for participation at the earliest date he was eligible to enter said Retirement Income Plan, or who withdrew from the Plan any monies, whether said monies represented the full amount standing to his credit or only a portion thereof, the benefit otherwise payable to said employee under this Plan shall be reduced by multiplying said benefit by a fraction the numerator of which is the potential number of years that said employee would have been eligible to make contributions under the Retirement Income Plan if he had commenced making contributions when first eligible to do so and continued to make contributions to his sixty-fifth (65th) birthday less the number of years in which contributions were either not made or were made but later withdrawn, and the denominator of which is the potential number of years that said employee would have been eligible to make contributions under the Retirement Income Plan if he had commenced making contributions when first eligible to do so and continued to make contributions to his sixty-fifth (65th) birthday.

11. Defined terms used in this Appendix VIII shall have the same meaning as the identical defined terms as used in the Employees' Retirement Plan of AMETEK, Inc.

-70-

APPENDIX IX

SPECIAL PROVISIONS RELATING TO CERTAIN SALARIED EMPLOYEES OF
THE WHITLOCK MANUFACTURING COMPANY

1. The Whitlock Manufacturing Company Pension Plan (the "Whitlock Pension Plan") and The Whitlock Manufacturing Company Pension Trust (the "Whitlock Pension Trust"), heretofore maintained by The Whitlock Manufacturing Company ("Whitlock") shall, insofar as they affect salaried employees, be combined with and merged into and continued as part of this Plan effective as of January 1, 1973 (the "Effective Date") with the provisions of this Plan, as from time to time amended, fully replacing the provisions of the Whitlock Pension Plan and the Whitlock Pension Trust at the Effective Date as to such salaried employees.

2. Upon transfer and delivery to the Trustee referred to in Section 1.44 of this Plan (the "AMETEK Trustee") of all of the assets of the Whitlock Pension Trust, such assets as are transferred and delivered shall be deemed assets of the Trust to be held, invested, reinvested or disposed of in accordance with and subject to the provisions of the Trust, as from time to time amended.

3. The extension of coverage under this Plan for eligible salaried employees of Whitlock shall constitute the continuation of the Whitlock Pension Plan and the Whitlock Pension Trust, insofar as they affect the salaried employees of Whitlock.

4. Notwithstanding any provisions of this Plan to the contrary, each salaried employee of Whitlock who on the Effective Date was a participant under the Whitlock Pension Plan shall become a Participant under this Plan as of the Effective Date, subject to all of the terms, conditions and provisions hereof. For the purpose of computing benefits to be provided under this Plan to salaried employees of Whitlock who become Participants under this Plan as of the Effective Date, the Credited Service of each such person shall be deemed to commence on the date his most recent period of continuous service with Whitlock or any predecessor of Whitlock began, and to the extent required to obtain five years of Compensation in order to compute Average Annual Compensation for such person, his compensation received from Whitlock shall be considered as having been received from AMETEK.

5. Determinations, elections, designations and directions made or effected by participants under the Whitlock Pension Plan or by the trustee under the Whitlock Pension Trust shall remain in effect under this Plan and Trust until changed, modified or otherwise revoked in accordance with the provisions of this Plan.

6. Each salaried employee of Whitlock who as of the Effective Date was not a participant under the Whitlock Pension Plan and who had not attained his sixty-fifth (65th) birthday on or prior to the Effective Date shall be eligible to become a Participant under this Plan in accordance with and subject to the provisions of this Plan. For the purpose of determining the eligibility of such salaried employee to become a Participant under this Plan and for the purpose of computing benefits to be provided under this Plan to such salaried employee, the Credited Service of each such person shall be deemed to commence on the date his most recent period of continuous service with Whitlock began, and to the extent required to obtain five years of Compensation in order to compute Average Annual Compensation for such Employee, his compensation received from Whitlock shall be considered as having been received from AMETEK.

7. The benefits payable under this Plan to each employee of Whitlock who becomes a Participant under this Plan on the Effective Date shall be reduced by (i) the amount of the annuity payable to such employee under the group annuity contract acquired with the assets held pursuant to The Whitlock Manufacturing Company Employees' Retirement Plan (the "Profit Sharing Plan"), and (ii) the pension value of any amounts distributed in cash to such employee from the Profit Sharing Plan. The "pension value" of an amount distributed to the employee from the Profit Sharing Plan is the amount of monthly income actuarially equivalent in value to the amount so distributed.

8. Benefits payable under the Whitlock Pension Plan to eligible former participants under the Whitlock Pension Plan who retired under that Plan

prior to January 1, 1973 or whose employment with Whitlock terminated prior to January 1, 1973 and who have vested rights under the Whitlock Pension Plan shall be paid from the Trust in the same manner and amount and at the same time as if paid pursuant to the Whitlock Pension Plan.

9. Notwithstanding anything contained herein to the contrary, no employee of Whitlock who pursuant to this Appendix IX becomes a Participant under this Plan as of the Effective Date shall receive benefits hereunder of a value less than his accrued vested benefit on December 31, 1972 under this Whitlock Pension Plan.

10. Salaried employees of AMETEK who were Participants in the Whitlock Pension Plan and whose employment was transferred from Whitlock to AMETEK prior to January 1, 1973 as set in Schedule A below (hereinafter referred to as "Transferred Whitlock Participants") shall become Participants under this Plan in accordance with the provisions of Article II of the Plan. For the purpose of determining the eligibility of a Transferred Whitlock Participant, for purposes of Article III of this Plan his service shall be deemed to commence on the date his employment was transferred from Whitlock to AMETEK. For the purpose of computing benefits to be provided under this Plan to Transferred Whitlock Participants who become Participants under this Plan, the Credited Service of each such person shall be deemed to commence on the date his most recent period of continuous service with Whitlock began. The benefits payable under this Plan to each Transferred Whitlock Participant who becomes a Participant under this Plan shall not be reduced by any amount distributed or payable to him from the Profit Sharing Plan. In the event a Transferred Whitlock Participant who has not become a Participant under the Plan terminates his employment with the Companies, Committee shall direct the AMETEK Trustee to distribute to such transferred Whitlock Participant, at such time and in such manner as the Committee shall determine, an amount equal to the value of such Transferred Whitlock Participant's accrued vested benefit, if any, under the Whitlock Pension Plan as of the date of his transfer of employment to AMETEK. In no event shall a Transferred Whitlock Participant who, pursuant to this Section 10 of this Appendix IX, becomes a Participant under this Plan receive benefits hereunder of a value less than his accrued vested benefit, if any, on December 31, 1972 under the Whitlock Pension Plan.

11. Defined terms used in this Appendix IX shall have the same meaning as the identical defined terms as used in the Employees' Retirement Plan of AMETEK, Inc.

Schedule A

Transferred Whitlock Participants

Name ----	Amount -----
A. D. Boettger	\$35.00
K. C. Clute	25.00
L. G. Dettehburh	38.00
R. W. Eberly	14.00
D. H. Hill	28.00
L. J. McKinley	7.00
A. M. Major	38.00

-72-

APPENDIX X

SPECIAL PROVISIONS RELATING TO CERTAIN SALARIED EMPLOYEES OF
THE STRAZA DIVISION OF AMETEK, INC.

1. The Straza Division of AMETEK, Inc. Profit-Sharing and Retirement Plan and Trust Agreement (the "Straza Profit-Sharing Plan and Trust"), heretofore maintained by the Straza Division of AMETEK, Inc. ("Straza") shall, insofar as it effects salaried employees, be combined with and merged into and continued as part of this Plan effective as of January 1, 1975 (the

"Effective Date"), with the provisions of this Plan, as from time to time amended, fully replacing the provisions of the Straza Profit-Sharing Plan and Trust at the Effective Date as to such salaried employees.

2. Such assets as are transferred and delivered to the Trustee referred to in Section 1.44 of this Plan (the "AMETEK Trustee") shall be deemed assets of the Trust to be held, invested, reinvested or disposed of in accordance with and subject to the provisions of the Trust, as from time to time amended.

3. The extension of coverage under this Plan to eligible salaried employees of Straza shall constitute the continuation of the Straza Profit-Sharing Plan and Trust, insofar as it affects the salaried employees of Straza.

4. Notwithstanding any provisions of this Plan to the contrary, each salaried employee of Straza who on the Effective Date was a participant under the Straza Profit-Sharing Plan and Trust shall become a Participant under this Plan as of the Effective Date, subject to all of the terms, conditions and provisions hereof. For the purposes of computing benefits to be provided under this Plan to salaried employees of Straza who become Participants under this Plan as of the Effective Date, the Credited Service of each such person shall be deemed to commence on the date his most recent period of continuous service with Straza began, and to the extent required to obtain five years of Compensation in order to compute Average Annual Compensation for such person, his compensation received from Straza shall be considered as having been received from AMETEK.

5. Determinations, elections, designations and directions made or effected by participants or by the trustee under the Straza Profit-Sharing Plan and Trust shall remain in effect under this Plan and the Trust until changed, modified or otherwise revoked in accordance with the provisions of this Plan.

6. Each salaried employee of Straza who as of the Effective Date was not a participant under the Straza Profit-Sharing Plan and Trust and who had not attained his sixty-fifth (65th) birthday on or prior to the Effective Date shall be eligible to become a Participant under this Plan in accordance with and subject to the provisions of this Plan. For the purpose of determining the eligibility of any such salaried employee to become a Participant under this Plan and for the purpose of computing benefits to be provided under this Plan to any such salaried employee, the Credited Service of each such person shall be deemed to commence on the date his most recent period of continuous service with Straza began, and to the extent required to obtain five years of Compensation in order to compute Average Annual Compensation for such Employee, his compensation received from Straza shall be considered as having been received from AMETEK.

7. The benefits payable under this Plan to each employee of Straza who becomes a Participant under this Plan on the Effective Date shall be reduced by the pension value of any amounts distributed from the Straza Profit-Sharing Plan and Trust to such employee or held in trust for the benefit of such employee and his beneficiaries. The "pension value" of an amount so distributed or so held for the benefit of the employee and his beneficiary shall be the amount of monthly income actuarially equivalent in value to the amount so distributed.

8. Notwithstanding anything contained herein to the contrary, no employee of Straza who pursuant to this Appendix X becomes a Participant under this Plan as of the Effective Date shall receive benefits hereunder of a value less than his accrued vested benefit on December 31, 1974 under the Straza Profit-Sharing Plan and Trust, reduced by the pension value of any amounts

-73-

distributed directly from the Straza Profit-Sharing Plan and Trust to or for the benefit of such employee or his beneficiaries.

9. Notwithstanding anything to the contrary herein contained, service with the Marquardt Division of CCI Aerospace Corporation shall not be considered service with Straza for any purpose herein.

10. Defined terms used in this Appendix X shall have the same meaning as the identical defined terms as used in the Employees' Retirement Plan of AMETEK, Inc.

-74-

APPENDIX XI

SPECIAL PROVISIONS RELATING TO CERTAIN SALARIED EMPLOYEES OF
THE SPECIAL FILAMENTS DIVISION OF AMETEK, INC.

1. The Special Filaments Division of AMETEK, Inc. Salaried Employees' Pension Plan (the "Special Filaments Plan"), heretofore maintained by the Special Filaments Division of AMETEK, Inc. ("Special Filaments"), and the assets held under the Special Filaments Division of AMETEK, Inc. Salaried Employees' Pension Trust ("Special Filaments Trust") shall be combined with and merged into and continued as part of this Plan and the Trust, effective as of January 1, 1978 (the "Effective Date"), with the provisions of this Plan and the Trust, as they may be from time to time amended, fully replacing the provisions of the Special Filaments Plan and the Special Filaments Trust at the Effective Date as to salaried employees of Special filaments.

2. Such assets as are transferred and delivered by the trustee of the Special Filaments Trust to the Trustee shall be deemed assets of the Trust Fund to be held, invested, reinvested or disposed of in accordance with and subject to the provision of the Trust, as from time to time amended.

3. The extension of coverage under this Plan and the Trust to salaried employees of Special Filaments shall constitute the continuation of the Special Filaments Trust insofar as they affect the salaried employees of Special Filaments.

4. Notwithstanding any provisions of this Plan to the contrary, each salaried employee of Special Filaments who on the Effective Date was a participant under the Special Filaments Plan shall become a Participant under this Plan as of the Effective Date, subject to all of the terms, conditions and provisions hereof. For the purpose of computing benefits to be provided under this Plan to salaried employees of Special Filaments who become Participants under this Plan as of the Effective Date, the Credited Service of each such person shall be deemed to commence on the date his most recent period of continuous service with Special Filaments began and, to the extent required to obtain five years of Compensation in order to compute Average Annual Compensation for such person, his compensation received from Special Filaments shall be considered as having been received from AMETEK.

5. Determinations, elections, designations and directions made or effected by participants or by the trustee under the Special Filaments Plan and the Special Filaments Trust shall remain in effect under this Plan and the Trust until changed, modified or otherwise revoked in accordance with the provisions of this Plan or the Trust.

6. Each salaried employee of Special Filaments who as of the Effective Date was not a participant under the Special Filaments Plan and who had not attained his sixtieth (60) birthday on or prior to the date he was first employed by Special Filaments shall be eligible to become a Participant under this Plan in accordance with and subject to the provisions of this Plan. For the purpose of determining the eligibility of any such salaried employee to become a Participant under this Plan and for the purpose of computing benefits to be provided under this Plan to any such salaried employee, the Credited Service of each such person shall be deemed to commence on the date his most recent period of continuous service with Special Filaments began and, to the extent required to obtain five years of Compensation in order to compute Average Annual Compensation for such person, his compensation received from Special Filaments shall be considered as having been received from AMETEK.

7. Benefits payable under the Special Filaments Plan to eligible former participants of the Special Filaments Plan who retired under the Special Filaments Plan prior to January 1, 1978, or whose employment with Special Filaments terminated prior to January 1, 1978, and who have vested rights under the Special Filaments Plan, shall be paid from the Trust in the same manner and amount and at the same time as if paid from the Special Filaments Trust.

8. Notwithstanding anything to the contrary herein contained, no employee of Special Filaments who pursuant to this Appendix XI becomes a Participant under this Plan shall receive a benefit hereunder of a value less

than his accrued vested benefit determined under the Special Filaments Plan immediately prior to the merger of the Special Filaments Plan into this Plan.

9. For the purpose of determining an employee's Average Annual Compensation, Compensation and Credited Service, compensation received from any predecessor of Special Filaments and service with any predecessor of Special Filaments shall be deemed to be compensation received from Special Filaments and service with Special Filaments. Predecessors of Special Filaments shall include, but shall not be limited to, AMETEK, Inc. a Delaware corporation.

10. Defined terms used in this Appendix XI shall have the same meaning as the identical defined terms as used in the Employees' Retirement Plan of AMETEK, Inc.

-76-

APPENDIX XII

SPECIAL PROVISIONS RELATING TO CERTAIN SALARIED EMPLOYEES OF THE McCROMETER DIVISION OF AMETEK, INC.

1. Each Employee of AMETEK's McCrometer Division on January 1, 1979 who had attained age 25 and completed one year of Credited Service, regardless of whether or not such Employee had attained age 60, shall become a Participant under this Plan as of January 1, 1979, in accordance with and subject to all of the terms, conditions and provisions hereof.

2. Any Employee of the AMETEK's McCrometer Division not referred to in Section 1 of the Appendix XII shall become a Participant under this Plan on January 1st or July 1st next following the date such Employee first satisfies the eligibility requirements set forth in Article II of this Plan.

3. For the purpose of determining the eligibility of any Employee of AMETEK's McCrometer Division to become a Participant under this Plan pursuant to Section 1 or Section 2 of this Appendix XII, and for the purpose of computing benefits to be provided under this Plan to any Employee who was formerly an employee of the McCrometer Corporation, the Credited Service of each such Employee shall be deemed to have commenced on the first date of his most recent period of continuous service with the McCrometer Corporation, and to the extent required to obtain five years of Compensation in order to compute Average Annual Compensation shall be considered as having been received from AMETEK.

4. Notwithstanding any provisions of this Plan (including this Appendix XII) to the contrary, for the purpose of computing benefits to be provided under this Plan to Mildred Crom, Lloyd McCall and Floyd McCall, the Credited Service of each such person shall be deemed to have commenced on August 17, 1978, and to the extent required to obtain five years of Compensation in order to compute Average Annual Compensation, compensation received from the McCrometer Corporation shall be considered as having been received from AMETEK.

5. Defined terms used in this Appendix XII shall have the same meaning as the identical defined terms as used in the Employees' Retirement Plan of AMETEK, Inc.

-77-

APPENDIX XIII

SPECIAL PROVISIONS RELATING TO CERTAIN SALARIED EMPLOYEES OF THE THERMOX DIVISION OF AMETEK, INC.

1. The provisions of this Appendix XIII shall apply to each salaried employee of AMETEK's Thermo Division who (i) was an employee of Thermo-Lab Instruments, Inc. (the "Predecessor Corporation") immediately prior to its acquisition by AMETEK, Inc. (ii) directly transferred employment from the Predecessor Corporation to AMETEK's Thermo Division in connection with the acquisition of the Predecessor Corporation by AMETEK, and (iii) was not a production worker immediately after the acquisition of the Predecessor Corporation by AMETEK. Such persons shall hereinbelow be referred to as "Covered Employees" for purposes of this Appendix XIII.

2. Each Covered Employee who had attained age 25 and completed one year of Credited Service on April 18, 1979 (the "Effective Date"), regardless of whether or not such Covered Employee had attained age 60 at such date, shall become a Participant under this Plan as of the Effective Date, in accordance with and subject to all of the terms, conditions and provisions hereof.

3. Any Covered Employee not referred to in Section 2 of this Appendix XIII shall become a Participant under this Plan on January 1st or July 1st next following the date such Covered Employee first satisfies the eligibility requirements set forth in Article II of this Plan.

4. For the purpose of determining the eligibility of any Covered Employee to become a Participant under this Plan pursuant to Section 2 or Section 3 of this Appendix XIII, and for the purpose of computing benefits to be provided under this Plan to any Covered Employee, the Credited Service of each such Covered Employee shall be deemed to have commenced on the first day of his most recent period of continuous service with the Predecessor Corporation, and to the extent required to obtain five years of Compensation in order to compute Average Annual Compensation, compensation received from the Predecessor Corporation shall be considered as having been received from the Company.

5. Notwithstanding any provisions of this Plan (including this Appendix XIII) to the contrary, the Accrued Annual Pension of each Covered Employee who becomes a Participant under this Plan shall be reduced by the lesser of (i) the "Pension value" of such Covered Employee's interest in the Thermox Profit Sharing Plan, or (ii) such Covered Employee's Accrued Annual Pension under this Plan at the Effective Date computed as if his service with and compensation from the Predecessor Corporation from his most recent date of hire with the Predecessor Corporation to the Effective Date had been service with and compensation from AMETEK. The pension value of a Covered Employee's interest in Thermox Profit Sharing Plan shall be the single life annual annuity payable to the Covered Employee at his Normal Retirement Date under an annuity contract purchased with the assets of the Thermox Profit Sharing Plan, or, if such annuity contract has not been purchased, the single life annual annuity payable to the Covered Employee at his Normal Retirement Date which is actuarially equivalent to any amounts distributed from the Thermox Profit Sharing Plan to such Covered Employee, or to any amounts held for the Covered Employee and his beneficiaries, in trust or otherwise, which represents his interest in the Thermox Profit Sharing Plan.

6. Defined terms used in this Appendix XIII shall have the same meaning as the identical defined terms as used in the Employees' Retirement Plan of AMETEK, Inc.

-78-

APPENDIX XIV

SPECIAL PROVISIONS RELATING TO CERTAIN SALARIED EMPLOYEES OF THE MICROFOAM DIVISION OF AMETEK, INC.

1. The provisions of this Appendix XIV shall apply to each salaried employee of AMETEK's Microfoam Division who (i) was an employee of E.I. DuPont De Nemours and Company (the "Predecessor Employer") immediately prior to the acquisition by AMETEK from the Predecessor Employer of the assets and business which comprise AMETEK's Microfoam Division, (ii) directly transferred employment from the Predecessor Employer to AMETEK's Microfoam Division in connection with such acquisition, and (iii) was eligible for optional retirement under Section IV(D) of the Pension and Retirement Plan of E. I. DuPont De Nemours and Company ("Predecessor Employer's Plan") at the time of such acquisition. Such persons shall hereinbelow be referred to as "Covered Employees" for purposes of this Appendix XIV.

2. Each Covered Employee shall become a Participant under this Plan as of July 26, 1983 (the "Effective Date"), regardless of whether or not such Covered employee had attained age 60 at such date, in accordance with and subject to all of the terms, conditions and provisions hereof.

3. Subject to Section 4 of this Appendix XIV for purposes of the Plan, including specifically for the purpose of determining when and whether a Covered Employee is entitled to an early retirement pension, disability retirement pension or deferred vested pension and whether, upon the death of such Covered Employee, his surviving Eligible Spouse, if any, shall be entitled

to certain death benefits, a Covered Employee's Credited Service shall be the sum of

- (i) with respect to the period prior to the Effective Date, the number of years of service, and fractions thereof, which were credited to such Covered Employee under Section IX-A(3) (a) of the Predecessor Employer's Plan, and
- (ii) with respect to the period after the Effective Date, the amount of Credited Service to which such Covered Employee is entitled pursuant to the terms and conditions of Article III of this Plan.

Notwithstanding anything to the contrary herein contained, a Covered Employee shall not be credited with more than one year of Credited Service with respect to the 1983 calendar year or any other 12 month period.

4. Notwithstanding anything to the contrary herein contained, solely for the purposes of determining the amount of a Covered Employee's Accrued Annual Pension under this Plan, each Covered Employee's Credited Service shall be determined solely under the provisions of Article III of this Plan and no Credited Service shall be granted or recognized with respect to any period of employment with the Predecessor Employer; provided, however, to the extent required to obtain 5 years of compensation in order to compute covered annual compensation, compensation received from the Predecessor Employer shall be considered received from the Company.

5. Defined terms used in this Appendix XIV shall have the same meaning as the identical defined terms as used in the Employees' Retirement Plan of AMETEK, Inc.

-79-

APPENDIX XV

SPECIAL PROVISIONS RELATING TO CERTAIN SALARIED EMPLOYEES OF EASTPORT INTERNATIONAL, INC.

1. The provisions of this Appendix XV shall apply to (i) each salaried employee of Eastport International, Inc. ("Eastport"), a wholly-owned subsidiary of AMETEK, and (ii) each person who was a salaried employee of Eastport or of the Eastport Corporation immediately prior to the acquisition of Eastport by AMETEK and who directly transferred employment from Eastport or Eastport Corporation to the Company in connection with the acquisition of Eastport by AMETEK. Such persons shall hereinbelow be referred to as "Covered Employees" for purposes of this Appendix XV.

2. Each Covered Employee who had attained age 25 and completed one year of Credited Service on April 1, 1984, (the "Effective Date"), regardless of whether or not such Covered Employee had attained age 60 at such date, shall become a Participant under this Plan as of the Effective Date, in accordance with and subject to all of the terms, conditions and provisions hereof.

3. Any Covered Employee not referred to in Section 2 of this Appendix XV shall become a Participant under this Plan on the January 1 or July 1 which next follows the date such Covered Employee first satisfies the eligibility requirements set forth in Article II of this Plan.

4. For the purpose of determining the eligibility of any Covered Employee to become a Participant under this Plan pursuant to Section 2 or Section 3 of this Appendix XV, and for purposes of determining the Covered Employee's nonforfeitable right to his Accrued Annual Pension (but not the amount of his Accrued Annual Pension), the Credited Service of each such Covered Employee shall be deemed to have commenced on the later of July 1, 1980 or the first day of his most recent period of continuous service with Eastport or Eastport Corporation, and to the extent required to obtain five years of Compensation in order to compute Average Annual Compensation, compensation received from Eastport or Eastport Corporation shall be considered as having been received from the Company.

5. Defined terms used in this Appendix XV shall have the same meaning as the identical defined terms as used in the Employees' Retirement Plan

APPENDIX XVI

SPECIAL PROVISIONS RELATING TO CERTAIN SALARIED EMPLOYEES OF
ACME DIVISION OF GULF & WESTERN MANUFACTURING COMPANY

1. The provisions of this Appendix XVI shall apply only to the two following employees of the Acme Division of Gulf & Western Manufacturing Company ("Acme"), Majid Rizvi and Thomas Frantzen, who directly transferred their employment from Acme to the Company upon the Company's acquisition of Acme. Such persons shall hereinbelow be referred to as "Covered Employees" for the purposes of this Appendix XVI.

2. For the purpose of determining the eligibility of the Covered Employees to become Participants under this Plan and for purposes of computing benefits to be provided under this Plan, the Credited Service of each such Covered Employee shall be deemed to have commenced on their most recent dates of hire with Acme: December 1, 1975, with respect to Majid Rizvi, and May 1, 1982, with respect to Thomas Frantzen.

3. Defined terms used in this Appendix XVI shall have the same meaning as the identical defined terms as used in the Employees' Retirement Plan of AMETEK, Inc.

APPENDIX XVII

SPECIAL PROVISIONS RELATING TO CERTAIN SALARIED EMPLOYEES OF
THE CARSONITE DIVISION OF AMETEK, INC.

1. The provisions of this Appendix XVII shall apply to each salaried employee of AMETEK's Carsonite Division who (i) was an employee of Carsonite International Corporation (the "Predecessor Employer") immediately prior to the acquisition by AMETEK from the Predecessor Employer of the assets and business which comprise AMETEK's Carsonite Division, and (ii) directly transferred employment from the Predecessor Employer to AMETEK's Carsonite Division in connection with such acquisition, Such persons shall hereinafter be referred to as "Covered Employees" for purposes of this Appendix XVII.

2. Each Covered Employee who had attained age 21 and completed one year of Credited Service on June 1, 1985 shall be eligible to participate in the Plan as of June 1, 1985, in accordance with, and subject to, all of the terms, conditions and provisions of the Plan.

3. Any Covered Employee not referred to in Section 2 of this Appendix XVII shall be eligible to participate in the Plan on the January 1st or July 1st coincident with or next following the date such Covered Employee first satisfies the eligibility requirements set forth in Article II of the Plan.

4. For the purpose of determining the eligibility of any Covered Employee to become a Participant under the Plan pursuant to Section 2 or Section 3 of this Appendix XVII, and for the purpose of computing the nonforfeitable percentage of the Accrued Annual Pension of any Covered Employee the Credited Service of each such Covered Employee shall be deemed to have commenced on the first day of his most recent period of continuous service with the Predecessor Employer.

5. Notwithstanding any provisions of this Plan (including this Appendix XVII) to the contrary, if a Covered Employee had more than 15 years to Normal Retirement Age as of June 1, 1985, then, for purposes of determining the amount of his Accrued Annual Pension, the Credited Service of such Covered Employee shall be deemed to have commenced on June 1, 1985.

6. Notwithstanding any provision of this Plan (including this Appendix XVII) to the contrary, if a Covered Employee has less than 15 years to Normal Retirement Age as of June 1, 1985, then, for purposes of determining the amount of his Accrued Annual Pension, the Credited Service of such Covered

Employee shall be deemed to have commenced on the first day of his most recent period of continuous service with the Predecessor Employer; provided, that the Accrued Annual Pension of each such Covered Employee shall be reduced by the lesser of (i) the "Pension Value" of such Covered Employee's interest in the Carsonite Money Purchase Pension Plan, or (ii) such Covered Employee's Accrued Annual Pension under this Plan as of June 1, 1985, computed as if his service with and compensation from the Predecessor Employer to June 1, 1985 had been service with and compensation from AMETEK. The Pension Value of a Covered Employee's interest in the Carsonite Money Purchase Pension Plan shall be the single life annuity payable to the Covered Employee at his Normal Retirement Date under an annuity contract purchased with the assets of the Carsonite Money Purchase Pension Plan, or, if such annuity contract has not been purchased, the single life annual annuity payable to the Covered Employee at his Normal Retirement Date which is the actuarial equivalent of any amounts distributed from the Carsonite Money Purchase Pension Plan to such Covered Employee, or to any amounts held for the Covered Employee and his beneficiaries, in trust or otherwise, which represents his interest in the Carsonite Money Purchase Pension Plan.

7. To the extent required to obtain five years of Compensation in order to compute the Average Annual Compensation of a Covered Employee, compensation received from the Predecessor Employer shall be considered as having been received from AMETEK.

8. Defined terms used in this Appendix XVII shall have the same meaning as the identical defined terms as used in the Employees' Retirement Plan of AMETEK, Inc.

-82-

APPENDIX XVIII

SPECIAL PROVISIONS RELATING TO CERTAIN SALARIED EMPLOYEES OF THE PANALARM DIVISION OF AMETEK, INC. AND OF THE PANELLIT SERVICE CORPORATION

1. The provisions of this Appendix XVIII shall apply to each salaried employee of AMETEK's Panalarm Division who (i) was an employee of United States Riley Corporation, Panalarm International, Inc. or Panellit Service Corporation (such corporations being hereinafter collectively referred to as the "Predecessor Employer") immediately prior to the acquisition by AMETEK from the Predecessor Employer (and any affiliate thereof) of the assets and business which comprise AMETEK's Panalarm Division (including the stock of Panellit Service Corporation), and (ii) directly transferred employment from the Predecessor Employer to AMETEK's Panalarm Division in connection with such acquisition (or, in the case of a salaried employee of Panellit Service Corporation, remained employed by such Corporation following the acquisition). Such persons shall hereinafter be referred to as "Covered Employees" for purposes of this Appendix XVIII.

2. Each Employee of the Company's Panalarm Division (including the Panellit Service Corporation) on August 27, 1985 (the "Effective Date"), who had attained age 21 and completed one year of Credited Service shall be eligible to participate in the Plan as of the Effective Date, in accordance with, and subject to, all of the terms, conditions and provisions of the Plan.

3. Any Covered Employee not referred to in Section 2 of this Appendix XVIII shall be eligible to participate in the Plan on the January 1st or July 1st coincident with or next following the date such Covered Employee first satisfies the eligibility requirements set forth in Article II of this Plan.

4. For all purposes under the Plan, the Credited Service of a Covered Employee shall be deemed to have commenced on the first day of his most recent period of continuous service with the Predecessor Employer.

5. Notwithstanding any other provision of this Plan (including this Appendix XVIII) to the contrary, the Accrued Annual Pension for each Covered Employee who becomes a Participant in the Plan pursuant to Section 2 of this Appendix XVIII shall be reduced by the lesser of (i) the annual pension benefit which he accrued as of the Effective Date under the United States Riley Corporation Pension Plan, and which he is entitled to receive in the form of an annuity for his life only, as of his Normal Retirement Date under such plan, or

(ii) his Accrued Annual Pension under this Plan, computed as of the Effective Date, as if his service with and compensation from the Predecessor Employer from the first day of his most recent period of continuous service with the Predecessor Employer to the Effective Date had been service with and compensation from the Company.

6. To the extent required to obtain five years of Compensation in order to compute the Average Annual Compensation of a Covered Employee, compensation received from the Predecessor Employer shall be considered as having been received from AMETEK.

7. Defined terms used in this Appendix XVIII shall have the same meaning as the identical defined terms as used in the Employees' Retirement Plan of AMETEK, Inc.

-83-

APPENDIX XIX

SPECIAL PROVISIONS RELATING TO CERTAIN EMPLOYEES OF THE HAVEG DIVISION OF AMETEK, INC.

1. The provisions of this Appendix XIX shall apply to each employee of the Haveg Division of AMETEK, Inc. who (i) was an employee of E.I. DuPont de Nemours & Company (the "Predecessor Employer") immediately prior to the acquisition by AMETEK from the Predecessor Employer of the assets and business of the Predecessor Employer related to the manufacture and sale of certain heat exchangers, which assets and business now comprise a portion of AMETEK's Haveg Division, and (ii) directly transferred employment from the Predecessor Employer to AMETEK's Haveg Division, in connection with such acquisition. Such persons shall hereinafter be referred to as "Covered Employees" for purposes of this Appendix XIX.

2. Each Covered Employee who had attained age 21 and completed one year of Credited Service on July 1, 1986 shall be eligible to participate in the Plan as of July 1, 1986 in accordance with, and subject to, all of the terms, conditions and provisions of the Plan.

3. Any Covered Employee not referred to in Section 2 of this Appendix XIX shall be eligible to participate in the Plan on the January 1st or July 1st coincident with or next following the date such Covered Employee first satisfies the eligibility requirements set forth in Article II of the Plan.

4. For the purpose of determining the eligibility of any Covered Employee to become a Participant under the Plan pursuant to Section 2 or Section 3 of this Appendix XIX, and for the purpose of computing the nonforfeitable percentage of the Accrued Annual Pension of any Covered Employee, the Credited Service of each such Covered Employee shall be deemed to have commenced on the first day of his most recent period of continuous service with the Predecessor Employer and to the extent required to obtain five years of compensation in order to compute average annual compensation, compensation received from the Predecessor Employer shall be considered as having been received from the Company.

-84-

APPENDIX XX

SPECIAL PROVISIONS RELATING TO CERTAIN EMPLOYEES TRANSFERRING TO KETEMA, INC.

1. The provisions of this Appendix XX shall apply to each Former Participant in the Plan who (i) was an Employee of the Company immediately prior to December 1, 1988, and (ii) became employed by Ketema, Inc. or any of its subsidiaries ("Ketema") on or immediately after December 1, 1988 (the "Transfer Date"), or within a reasonable time thereafter in connection with the distribution of Ketema stock, all as set forth in the Benefits Agreement between AMETEK and Ketema, dated November 30, 1988 (the "Benefits Agreement") and Schedule II to such agreement. Such persons shall herein be referred to as "Covered Employees" for purposes of this Appendix XX.

2. The amount of the Accrued Annual Pension of any Covered Employee earned under the Plan shall be equal to the lesser of (i) or (ii) as follows:

(i) a benefit calculated in accordance with Section of the Plan based on such individual's service with the Company as of the Transfer Date and such individual's estimated final five year average monthly compensation for the period of service (including actual service with the Company and expected service with Ketema or any of its subsidiaries) ending on the date such individual shall have attained age 65, assuming that, during the period of such Ketema service after the Transfer Date, such individual's compensation as of the Transfer Date shall increase at the rate of 6% per annum, compounded annually. Such benefit amounts are reflected on Schedule II to the Benefits Agreement; or

(ii) the amount of the pension benefit payable at age 65 to such Covered Employee under the pension plan sponsored by Ketema, as in effect on the Transfer Date, and as it may be amended from time to time (other than to reduce pension benefits payable to Ketema employees and Ketema subsidiary employees), determined without giving effect to the offset for the amount otherwise payable hereunder.

3. In the event that the payment of a pension benefit (or a pre-retirement survivor benefit) under the Ketema Plan with respect to any Covered Employee commences prior to the time such individual attains age 65, the amount payable under the Plan shall be reduced in accordance with provisions of the Plan applicable to the circumstances of such payment prior to age 65 as in effect on the Transfer Date.

4. In the event that the Ketema Plan is amended to reduce the pension benefits payable to Ketema employees and Ketema subsidiary employees, determined without giving effect to the offset for the amount payable under the Plan, the amount otherwise payable under the Plan shall be reduced in the same proportion as the pension benefit amount that becomes payable under the Ketema Plan bears to the amount that would have been payable under the Plan, as in effect on the Transfer Date, if the Covered Employee had continued service with the Company to the date of such individual's termination of service with Ketema.

5. Solely for purposes of computing the nonforfeitable percentage of the Accrued Annual Pension of any Covered Employee earned prior to the Transfer Date, and the minimum service requirements for early retirement benefits, disability retirement benefits and pre-retirement death benefits, such Covered Employee shall receive credit for services performed as an employee of Ketema or any of its subsidiaries on or after the Transfer Date.

6. Any Covered Employee who had attained age 65 prior to the Transfer Date may elect to treat his or her transfer of employment to Ketema or its subsidiaries as a termination of employment for purposes of enabling such Covered Employee to commence receiving the payment of his or her retirement benefit.

7. Notwithstanding any provisions of this Appendix XX to the contrary, in the event that any Covered Employee is reemployed by the Company and again becomes a Participant hereunder, upon such individual's subsequent termination of employment, the amount of his benefit earned under the Plan shall

-85-

be equal to the greater of (i) or (ii) as follows:

(i) the benefit calculated under the provisions of this Appendix XX;
or

(ii) the benefit calculated under the provisions of the Plan determined without regard to the provisions of this Appendix XXI except for this Section 7.

8. Notwithstanding the foregoing, the amount payable to each Covered Employee under the Plan shall in no event be less than the individual's Accrued Annual Pension, determined as of the Transfer Date, without regard to the provisions of this Appendix XX.

9. Defined terms used in the Appendix XX shall have the same meaning as the identical defined terms as used in the Plan.

-86-

APPENDIX XXI

SPECIAL PROVISIONS RELATING TO CERTAIN EMPLOYEES OF THE
PROCESS DIVISION OF AMETEK, INC.

1. The provisions of this Appendix XXI shall apply to each employee of the Process Division of AMETEK, Inc. who (i) was an employee of E.I. DuPont de Nemours & Company (the "Predecessor Employer") immediately prior to the acquisition by AMETEK from the Predecessor Employer of the assets and businesses of the Predecessor Employer which compromised its businesses known as Process Instruments and Air and Noise Monitoring Instruments, and (ii) either directly transferred employment from the Predecessor Employer to AMETEK's Process Division or within a reasonable period of time after the acquisition transferred employment from the Predecessor Employer to AMETEK's Process Division in connection with such acquisition. Such persons shall hereinbelow be referred to as "Covered Employees" for purposes of this Appendix XXI.

2. Each Covered Employee who had attained age 21 and completed one year of credited service with the Predecessor Employer on July 1, 1990 shall be eligible to participate in the Plan as of July 1, 1990; provided, however, that in the case of an Employee not transferring directly to employment with AMETEK, such Covered Employee shall be eligible to participate in the Plan as of the first day of the month coincident with or following that Employee's commencement of employment with AMETEK.

3. Any Covered Employee not referred to in Section 2 of this Appendix XXI shall be eligible to participate in the Plan on the January 1st or July 1st coincident with or next following the date such Covered Employee first satisfies the eligibility requirement set forth in Article II of the Plan.

4. For the purpose of determining the eligibility of any Covered Employee to become a Participant under the Plan pursuant to Section 2 or Section 3 of this Appendix XXI, and for the purpose of computing the nonforfeitable percentage of the Accrued Annual Pension of any Covered Employee, the Credited Service of such Covered Employee shall be deemed to have commenced on the first day of the most recent period of continuous service with the Predecessor Employer, and to the extent required to obtain five years of Compensation in order to compute Average Annual Compensation, compensation received from the Predecessor Employer shall be considered as having been received from the Company."

5. Defined terms used in this Appendix XXI shall have the same meaning as the identical defined terms as used in the Employees' Retirement Plan of AMETEK, Inc.

-87-

APPENDIX XXII

SPECIAL PROVISIONS RELATING TO THE MERGER
WITH THE HAVEG DIVISION OF AMETEK, INC.
SALARIED EMPLOYEES' PENSION PLAN

1. The Haveg Division of AMETEK, Inc. Salaried Employees' Pension Plan (the 'Haveg Plan') shall be merged into, and continued as part of, this Employees' Retirement Plan of AMETEK, Inc. (the 'Plan'), effective as of the close of business, August 1, 1991 (the 'Effective Date'), and the assets under the AMETEK, Inc. Employees' Master Retirement Trust allocable to the Haveg Plan shall be transferred to the Plan as of the Effective Date, and shall be subject to the provisions of this Plan.

2. The provisions of this Appendix XXII to the Plan shall apply to each 'Participant' (as defined in the Haveg Plan) and former Participant in the Haveg Plan and each such person shall hereinbelow be referred to as a 'Haveg Participant' for purposes of this Appendix XXII.

3. Any Haveg Participant, former Haveg Participant or beneficiary of a Haveg Participant who is receiving benefits under the Plan or who has

satisfied all of the requirements for receiving such benefits as of the Effective Date, shall receive such benefits at the same times and in the same amounts as provided in the Haveg Plan, but payable from the Plan.

4. Any Haveg Participant, former Haveg Participant or beneficiary of a Haveg Participant or former Haveg Participant who is not currently receiving benefits under the Plan shall, as of his Pension Commencement Date, be entitled to his benefit determined pursuant to the terms of the Haveg Plan as in effect on the date of merger, but payable from the Plan.

5. Notwithstanding any other provision of this Plan (including this Appendix XXII) to the contrary, in addition to such early retirement benefits and optional forms of payment as are available under this Plan, any Haveg Participant or former Haveg Participant shall be entitled to elect any early retirement benefits and optional forms of payment which were available under the Haveg Plan as in effect on the date of the merger.

6. Except to the extent set forth above, defined terms used in this Appendix XXII shall have the same meaning as used in the Plan."

-88-

APPENDIX XXIII

SPECIAL PROVISIONS RELATING TO THE MERGER WITH THE HOUSTON INSTRUMENT DIVISION OF AMETEK, INC.

1. The Houston Instrument Division of AMETEK, Inc. Pension Plan (the "Houston Plan") shall be merged into, and continued as part of, this Employees' Retirement Plan of AMETEK, Inc. (the "Plan"), effective as of the close of business, November 1, 1990, (the "Effective Date"), and the assets under the AMETEK, Inc. Employees' Master Retirement Trust allocable to the Houston Plan shall be transferred to the Plan as of the Effective Date, and shall be subject to the provisions of this Plan.

2. The provisions of this Appendix XXIII to the Plan shall apply to each "Participant" (as defined in the Houston Plan) and former Participant in the Houston Plan and each such person shall hereinbelow be referred to as a "Houston Participant" for purposes of this Appendix XXIII.

3. Any Houston Participant or former Houston Participant or Beneficiary who is receiving benefits under the Houston Plan or who has satisfied all of the requirements for receiving such benefits as of the Effective Date, or who becomes entitled to received such benefits after the Effective Date, shall receive such benefits at the same times and in the same amounts as provided in the Houston Plan, as in effect on the date of the merger, but payable from this Plan.

4. Notwithstanding any other provision of this Plan (including this Appendix XXIII) to the contrary, in addition to such early retirement benefits and optional forms of payment as are available under this Plan, any Houston Participant or former Houston Participant shall be entitled to elect any early retirement benefits and optional forms of payment which were available under the Houston Plan as in effect on the date of the merger with respect to such benefits.

5. Except to the extent set forth above, defined terms used in this Appendix XXIII shall have the same meaning as used in the Plan.

-89-

APPENDIX XXIV

SPECIAL PROVISIONS RELATING TO CERTAIN EMPLOYEES OF THE HAVEG DIVISION OF AMETEK, INC.

1. The Haveg Division of AMETEK, Inc. Salaried Employees' Pension Plan (the "Haveg Plan") shall be merged into, and continued as part of the Plan, effective as of the close of business, August 1, 1991 (January 1, 1989 for Code Section 401(a)(26) purposes) (the "Effective Date"), and the assets under the AMETEK, Inc. Employees' Master Retirement Trust allocable to the Haveg Plan

shall be transferred to the Plan as of August 1, 1991, and shall be subject to the provisions of this Plan.

2. The provisions of this Appendix XXIV shall apply to each active employee of the Haveg Division of AMETEK, Inc. ("Haveg Division") who is a "Participant" as defined in the Haveg Plan on the Effective Date and who becomes a Participant in the Plan on the Effective Date as a result of the merger of the Haveg Plan with and into the Plan. Each such person shall be referred to as a "Haveg Participant" for purposes of this Appendix XXIV.

3. Any former employee of the Haveg Division who separated from service entitled to a deferred vested pension benefit as determined under the terms of the Haveg Plan or who is receiving a pension benefit as determined under the terms of the Haveg Plan prior to the Effective Date (each a "Former Haveg Participant") or beneficiary of a Former Haveg Participant who is receiving benefits under the Haveg Plan shall receive such benefits at the same times and in the same amounts as provided in the Haveg Plan, but payable from the Plan. Any pension benefit payable to a Former Haveg Participant or beneficiary of a Former Haveg Participant shall be in an amount and form determined under the terms of the Haveg Plan as of the date the Former Haveg Participant separated from service with the Haveg Division, but payable from the Plan. Determinations, elections, designations and directions made by Former Haveg Participants under the terms of the Haveg Plan shall remain in effect under the Plan, unless changed, modified or otherwise revoked under the terms of the Plan.

4. For purposes of Section 1.1, a Haveg Participant's Accrued Annual Pension shall be determined as a monthly amount equal to the sum of (a) 1.15% of Average Monthly Earnings up to Covered Compensation, plus 1.35% of Average Monthly Earnings in excess of Covered Compensation, multiplied by full years and fractions of a year of Credited Service not in excess of 35 years and (b) 1.35% of Average Monthly Earnings multiplied by Credited Service in excess of 35 years. Any partial year of earnings shall be adjusted to a full year by using the Average Monthly Earnings for the year preceding the 5 years used in the computation. A Haveg Participant's, Average Monthly Earnings shall mean the monthly average of Compensation for the highest five consecutive calendar years during the last ten calendar years prior to retirement or termination of employment. A Haveg Participant's, Covered Compensation shall mean, a monthly amount as determined for a Plan Year, Covered Compensation as defined under Section 401(l) of the Code for a Haveg Participant attaining the Social Security Retirement Age in that Plan Year. For a Haveg Participant over the Social Security Retirement Age in any Plan Year, adjustments shall be made as needed to meet the requirements of Section 401(l) of the Code.

5. For purposes of Section 4.05(e), a Haveg Participant's lump sum death benefit shall be in an amount equal to the lesser of (a) \$5,000 or (b) the greater of \$2,000 and the retiree's Accrued Annual Pension at retirement.

6. Notwithstanding any other provision of this Plan (including this Appendix XXIV) to the contrary, any Haveg Participant or former Haveg Participant shall be entitled to elect any early retirement benefits and optional forms of payment which were available under the Haveg Plan as in effect on the Effective Date, in addition to the such early retirement benefits and optional forms of payment available under this Plan, but not including the benefit enhancement referenced in Section 5.1.

7. Except to the extent set forth above, defined terms used in this Appendix XXIV shall have the same meaning as used in the Plan.

-90-

APPENDIX XXV

SPECIAL PROVISIONS RELATING TO CERTAIN SALARIED EMPLOYEES OF JOFRA, INC.

1. The provisions of this Appendix XXV shall apply only to the salaried employees of Jofra, Inc. ("Jofra"), who directly transferred employment from Jofra to the Company upon the Company's acquisition of Jofra. Such persons shall hereinbelow be referred to as "Covered Employees" for purposes of this Appendix XXV.

2. For the sole purpose of determining any Covered Employee's nonforfeitable right to his Accrued Annual Pension (but not the amount of his Accrued Annual Pension), the Credited Service of such Covered Employee shall be deemed to have commenced on the first day of the most recent period of continuous service with Jofra, and to the extent required to obtain five years of Compensation in order to compute Average Annual Compensation, compensation received from Jofra shall be considered as having been received from the Company.

3. Defined terms used in this Appendix XXV shall have the same meaning as the identical defined terms used in the Employees' Retirement Plan of AMETEK, Inc.

-91-

APPENDIX XXVI

SPECIAL PROVISIONS RELATING TO CERTAIN SALARIED EMPLOYEES OF COMMERCIAL FILTERS DIVISION OF PARKER HANNIFIN CORPORATION

1. The provisions of this Appendix XXVI shall apply only to the following employee of the Commercial Filters Division of Parker Hannifin Corporation ("Commercial Filters"), Joseph J. Dluzyn, who directly transferred his employment from Commercial Filters to the Company upon the Company's acquisition of Commercial Filters. Such person shall be hereinbelow referred to as the "Covered Employee" for purposes of this Appendix XXVI.

2. For the sole purpose of determining the Covered Employee's nonforfeitable right to his Accrued Annual Pension (but not the amount of his Accrued Annual Pension), the Credited Service of such Covered Employee shall be deemed to have commenced on October 16, 1989.

3. Defined terms used in this Appendix XXVI shall have the same meaning as the identical defined terms used in the Employees' Retirement Plan of AMETEK, Inc.

-92-

APPENDIX XXVII

SPECIAL PROVISIONS RELATING TO CERTAIN EMPLOYEES OF THE TECHNICAL MOTORS DIVISION OF AMETEK, INC.

1. The provisions of this Appendix XXVII shall apply only to each salaried employee of the Lamb Technical Motors Division of AMETEK, Inc. ("Lamb Technical Motors"), who (i) was an employee of Cambridge-Lee Industries, Inc. (the "Predecessor Employer") immediately prior to the acquisition by AMETEK from the Predecessor Employer of the assets and business of the Predecessor Employer which comprised its Tencal operations, and (ii) directly transferred employment to the Lamb Technical Motors in connection with the acquisition. Such persons shall hereinafter be referred to as "Covered Employees" for purposes of this Appendix XII.

2. Each Covered Employee who attained age 21 and completed one year of Credited Service with the Predecessor Employer shall be eligible to participate in the Plan, effective February 21, 1992, in accordance with, and subject to, all of the terms, conditions and provisions of the Plan.

3. Any Covered Employee not referred to in Section 2 of this Appendix XXVII shall be eligible to participate in the Plan on the January 1st or July 1st coincident with or next following the date such Covered Employee first satisfies the eligibility requirements set forth in Article II of the Plan.

4. For the sole purpose of determining any Covered Employee's nonforfeitable right to his Accrued Annual Pension (but not the amount of his Accrued Annual Pension), the Credited Service of such Covered Employee shall be deemed to have commenced on the first day of the most recent period of continuous service with the Predecessor Employer, and to the extent required to obtain five years of Compensation in order to compute Average Annual Compensation, compensation received from the Predecessor Employer shall be

considered as having been received from the Company.

5. Defined terms used in this Appendix XXVII shall have the same meaning as the identical defined terms as used in the Employees' Retirement Plan of AMETEK, Inc.

-93-

APPENDIX XXVIII

SPECIAL PROVISIONS RELATING TO CERTAIN EMPLOYEES OF THE MICROFOAM DIVISION OF AMETEK, INC.

1. The Microfoam Division of AMETEK, Inc. Salaried Employees' Pension Plan (the "Microfoam Plan") shall be merged into, and continued as part of the Plan, effective as of the close of business, July 1, 1992, (January 1, 1989 for Code Section 401(a)(26) purposes) (the "Effective Date"), and the assets under the AMETEK, Inc. Employees' Master Retirement Trust allocable to the Microfoam Plan shall be transferred to the Plan as of July 1, 1992, and shall be subject to the provisions of this Plan.

2. The provisions of this Appendix XXVIII shall apply to each active employee of the Microfoam Division of AMETEK, Inc. ("Microfoam Division") who is a "Participant" as defined in the Microfoam Plan on the Effective Date and who becomes a Participant in the Plan on the Effective Date as a result of the merger of the Microfoam Plan with and into the Plan. Each such person shall be referred to as a "Microfoam Participant" for purposes of this Appendix XXVIII.

3. Any former employee of the Microfoam Division who separated from service entitled to a deferred vested pension benefit as determined under the terms of the Microfoam Plan or who is receiving a pension benefit as determined under the terms of the Microfoam Plan prior to the Effective Date (each a "Former Microfoam Participant") or beneficiary of a Former Microfoam Participant who is receiving benefits under the Microfoam Plan shall receive such benefits at the same times and in the same amounts as provided in the Microfoam Plan, but payable from the Plan. Any pension benefit payable to a Former Microfoam Participant or beneficiary of a Former Microfoam Participant shall be in an amount and form determined under the terms of the Microfoam Plan as of the date the Former Microfoam Participant separated from service with the Microfoam Division, but payable from the Plan. Determinations, elections, designations and directions made by Former Microfoam Participants under the terms of the Microfoam Plan shall remain in effect under the Plan, unless changed, modified or otherwise revoked under the terms of the Plan.

4. For purposes of Section 1.1, a Microfoam Participant's Accrued Annual Pension shall be determined as a monthly amount equal to the greater of (a) 1.2% of Average Monthly Compensation multiplied by years of Credited Service or (b) the sum of (i) years of Credited Service, not in excess of 35 years, multiplied by the sum of 1.08% of Average Monthly Compensation plus .35% of Average Monthly Compensation in excess of Covered Compensation, plus (ii) years of Credited Service, in excess of 35 years, multiplied by 1.35%. For Microfoam Participants, Average Monthly Compensation shall mean the higher of (a) total Compensation for the 36 consecutive calendar months for which Compensation is highest or (b) average pay per month based on total Compensation over a number of calendar years, and a fraction of total Compensation for a calendar year if necessary, sufficient to obtain an aggregate amount of service equivalent to three full years. Such calendar years shall be selected beginning with the calendar year in which the average pay per month was the highest and taking in turn calendar years of successively lower average pay per month. A fraction of total pay for a calendar year shall be calculated by multiplying average pay per month for that year by the number of months needed to yield an aggregate amount of service equivalent to three full years. The sum of (a) 1.15% of Average Monthly Earnings up to Covered Compensation, plus 1.35% of Average Monthly Earnings in excess of Covered Compensation, multiplied by full years and fractions of a year of Credited Service not in excess of 35 years and (b) 1.35% of Average Monthly Earnings multiplied by Credited Service in excess of 35 years. Any partial year of earnings shall be adjusted to a full year by using the Average Monthly Earnings for the year preceding the 5 years used in the computation. A Microfoam Participant's, Average Monthly Earnings shall mean the monthly average of Compensation for the highest five consecutive calendar years during the last ten calendar years prior to

retirement or termination of employment. A Microfoam Participant's, Covered Compensation shall mean, a monthly amount as determined for a Plan Year, Covered Compensation as defined under Section 401(l) of the Code for a Microfoam Participant attaining the Social Security Retirement Age in that Plan Year. For a Microfoam Participant over the Social Security Retirement Age in any Plan Year, adjustments shall be made as needed to meet the requirements of Section 401(l) of the Code.

5. For purposes of Section 4.05(e), a Microfoam Participant's lump sum death benefit shall be \$5,000.

6. Notwithstanding any other provision of this Plan (including this Appendix XXVIII) to the contrary, any Microfoam Participant or former Microfoam Participant shall be entitled to elect any early retirement benefits and optional forms of payment which were available under the Microfoam Plan as in effect on the Effective Date, in addition to the such early retirement benefits and optional forms of payment available under this Plan, but not including the benefit enhancement referenced in Section 5.1.

7. Except to the extent set forth above, defined terms used in this Appendix XXVIII shall have the same meaning as used in the Plan.

AMETEK, INC. RETIREMENT PLAN FOR DIRECTORS

WHEREAS, Ametek, Inc. (the "Company") desires, as an inducement for the continued service of certain current and future Directors of the Company, as well as to reward certain former Directors of the Company, to provide such Directors with retirement benefits; and

WHEREAS, in order to effectuate this purpose, the Company wishes to establish a plan for the benefit of eligible Directors;

NOW, THEREFORE, the Company hereby establishes the AMETEK, INC. RETIREMENT PLAN FOR DIRECTORS (the "Plan").

1. Definitions. Wherever they appear in the Plan, the following words and -----
phrases shall have the meanings set forth below unless the context clearly requires otherwise:

(a) "Annual Fees" shall mean the fees and other remuneration paid to a -----
Member in consideration for attending either regularly scheduled or special meetings of the Board of Directors of the Company and any committees thereof. The term "Annual Fees" shall not include any amounts received as reimbursement of expenses incurred by a Member or any amounts received from the Company for rendering services to the Company in a capacity other than as a Member of the Board.

(b) "Member" shall mean a member of the Company's Board of Directors other -----
than an individual who is, or has been, covered by the Employees' Retirement Plan of Ametek, Inc., and who has accrued or received benefits under such plan.

(c) "Participant" shall mean a Member who has satisfied the eligibility -----
requirements of Section 2 hereof.

(d) "Plan" shall mean the AMETEK, INC. RETIREMENT PLAN FOR DIRECTORS as -----
embodied herein and as amended from time to time.

(e) "Year of Service". For purposes of determining a Member's initial -----
eligibility to participate in the Plan and the amount of the Participant's benefit under Section 3 hereof, a Participant shall be credited with a Year of Service for each consecutive twelve-month period following the earlier of the date of his election to the Board of Directors of the Company or his appointment or election as an officer of the Company, and each anniversary thereof, during which the Participant serves or has served as either a Member of the Board of Directors of the Company or as an officer of the Company who is not covered by, or is not accruing benefits under, the Employees' Retirement Plan of Ametek, Inc. Notwithstanding the foregoing, a Participant shall not be credited with more than one Year of Service for any one calendar year, notwithstanding the fact that he serves as both a Member of the Board and as an officer of the Company during such year.

2. Eligibility. A Member shall be a Participant in the Plan if he has -----

1

completed three (3) Years of Service.

3. Amount of Benefit. The amount of the Participant's monthly benefit -----
under the Plan shall equal one-twelfth (1/12) of the greater of:

(a) 100 percent (100%) of the Annual Fees paid to the Participant during

the last complete calendar year preceding his cessation of services as a Member;
or

(b) \$25,000.

Notwithstanding the foregoing, a Participant's monthly benefit shall be reduced one-tenth (1/10) for each Year of Service less than ten (10).

4. Payment of Benefit. (a) Payment of a Participant's monthly benefit

shall commence as of the first day of the month coincident with or next following the later of the date on which the Participant ceases to serve as a Director of the Company or his 60th birthday. If the Participant is not married as of the date his payments are scheduled to commence, his benefit shall be paid to him for his life only, with no benefits payable upon his death. If the Participant is married on the date his payments are scheduled to commence, he may elect that his benefit be paid to him in the form of a joint and 50% survivor annuity. Under a joint and 50% survivor annuity, the Participant will receive a reduced monthly benefit and upon his death, his spouse, if then alive, shall receive a monthly benefit for the remainder of her lifetime, in an amount equal to fifty percent (50%) of the monthly benefit payable during their joint lives. The amount of the joint and 50% survivor annuity shall be the actuarial equivalent of the single life annuity to which the Participant would otherwise be entitled under this Section 4, and shall be determined by an actuary selected by the Company, on the basis of the actuarial assumptions then being used for the purpose of determining actuarial equivalence under the Employees' Retirement Plan of Ametek, Inc. A Participant's election to receive his benefits as a joint and 50% survivor annuity may be made, or revoked, on a form prescribed by the Company, at any time prior to the date such benefits are to commence. Such an election shall be (i) automatically revoked at the time the Participant's benefits are to commence, if, at that time, the Participant is unmarried; or (ii) irrevocable at the time the Participant's benefits are to commence if, at that time, the Participant is married.

(b) In the event that a Participant dies after he has attained age 55 and completed 10 Years of Service but before payment of his benefits has commenced, and the Participant was married on the date of his death, his surviving spouse shall receive a monthly benefit for the remainder of her lifetime equal to the benefit the surviving spouse would have received if payment of the Participant's benefit had commenced on the day before his death in the form of a joint and 50% survivor annuity pursuant to Section 4(a) of the Plan. If a Participant dies (i) prior to attaining age 55 and completing 10 Years of Service; (ii) who was not married on the date of his death or, (iii) after payment of his benefits has commenced, and such benefits are being paid for his life only, all benefit payments shall cease and no death or additional benefits shall be provided under the Plan.

2

5. Funding. Nothing in the Plan or otherwise shall be construed as

obligating the Company to establish a trust fund or otherwise set aside or designate any Company funds for the purpose of providing a benefit for which it becomes obligated by having established the Plan. Any obligation of the Company arising from the Plan shall be satisfied exclusively from the general assets of the Company and neither the Participant nor his surviving spouse shall have any rights under the terms of the Plan greater (or lesser) than the rights of a creditor of the Company.

6. Non-Assignability. No benefit payable under the Plan shall be subject

in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and in the event of any attempt to so anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any benefit under this Plan, payments of such benefit, in the discretion of the Board, shall terminate and in such event, the Board shall hold or apply the same to or for the benefit of such Participant or such other person entitled to the benefit, his spouse, children, parents or other dependents, or any of them, in such manner and in such proportion as the Board may deem appropriate.

7. Amendment and Termination. The Company reserves the right to amend or

terminate this Plan at any time so as not to admit new Members, it being understood that neither the termination of the Plan nor any amendment thereto

shall diminish the rights of any individual who, at the date of such amendment or termination, is a Participant or former Participant or the rights of the spouse of such Participant or former Participant, and with respect to such Participant or former Participant, or his spouse, the provisions of the Plan shall continue in full force and effect notwithstanding such amendment or termination.

8. Forfeiture for Cause. Notwithstanding any other provision of the Plan

to the contrary, if a Participant engages in conduct directed against the Company which could have a substantial adverse effect upon the Company's business, then, upon written notice to the Participant, (or to his surviving spouse if the Participant has died) his right and the right of his spouse to receive benefits under the Plan shall be forfeited, and any and all obligations of the Company hereunder shall cease.

9. Miscellaneous. (a) If for any reason arising in connection with the

Plan the Company shall be required to withhold amounts under applicable federal, state or local tax laws, rules or regulations, the Company shall be entitled to deduct and withhold such amounts from any cash payment, whether made pursuant to the Plan or otherwise, to be made by the Company to the person with respect to whom such withholding arises.

(b) The Plan shall inure to the benefit of, and be binding upon, the Company, and its successors and assigns, including any company into, or with, which the Company may be merged or consolidated, and shall inure to the benefit of, and be binding upon, the Member and his heirs, executors, administrators, and legal representatives.

(c) This Plan shall be subject to, and construed in accordance with, the laws of the State of New York, without giving effect to principles of

3

conflicts of law.

10. Effective Date. This Plan shall be effective with respect to those

individuals who are, or become, Members on or after January 1, 1983, and shall also be effective, as of April 1, 1983, with respect to W. Joseph Straus, a former Member who ceased to serve as a Director of the Company.

IN WITNESS WHEREOF, the Company has executed this agreement on this, the 28th day of April, 1983.

AMETEK, INC.

By: /s/ John H. Lux

John H. Lux, Chairman of the Board

By: /s/ Robert L. Noland

Robert L. Noland, President

4

AMENDMENT

to the

THE AMETEK SAVINGS AND INVESTMENT PLAN

Amendment No. 1

WHEREAS, there was adopted and made effective as of October 1, 1984, The AMETEK Savings and Investment Plan (the "Plan"); and

WHEREAS, the Plan was amended and restated in its entirety, effective October 1, 1992; and

WHEREAS, Section 10.1 of the Plan provides that AMETEK, Inc. ("AMETEK") may amend the Plan at any time, and from time to time; and

WHEREAS, AMETEK now desires to amend the Plan in certain respects;

NOW, THEREFORE, the Plan is hereby amended as follows:

FIRST: Section 1.14 of the Plan is hereby amended to read, in its entirety, as follows:

"1.14. 'Compensation' shall mean an Employee's fixed salary, base pay, commissions, bonuses and overtime paid or made available to the Employee during the Plan Year in consideration for his personal services actually rendered to the Employer, unreduced by any amounts contributed to the Plan on behalf of a Participant pursuant to the Participant's Deferral Election under Section 4.1 hereof. Compensation shall not include merit awards, gifts, loans, fees, insurance and pension benefits, severance benefits (paid in any form), stock or stock options, stock appreciation rights, or lump sum severance benefits. Notwithstanding the preceding, Compensation shall not include any amounts in excess of \$200,000, as adjusted for years beginning after December 31, 1988 by the Adjustment Factor. In determining the "Compensation" of an Employee for purposes of this limitation, the aggregation rules of Section 414(q)(6) of the Code shall apply to any Employee who is a member of a family of a Highly Compensated Employee in the group

consisting of the 10 employees paid the highest compensation. However, in applying these rules the term "family" shall include only the spouse of the Employee and any living descendants of the Employee who have not attained age 19 before the close of the Plan Year. If as a result of the application of such rules the adjusted \$200,000 limitation is exceeded, then the limitation shall be prorated among the affected individuals in proportion to each such individual's compensation as determined under this section prior to the application of this limitation."

SECOND: A new Appendix VIII is hereby added to the Plan, to read in its entirety as follows:

"APPENDIX VIII
SPECIAL PROVISIONS RELATING TO CERTAIN
EMPLOYEES OF AMETEK AEROSPACE PRODUCTS, INC.

1. The provisions of this Appendix VIII shall apply to each employee of AMETEK Aerospace Products, Inc. ("AMETEK Aerospace"), who (i) was an employee of Revere Aerospace, Inc. (the "Predecessor Employer") immediately prior to the acquisition by the Company of certain assets of the

Predecessor Employer and (ii) transferred employment to AMETEK Aerospace in connection with the purchase of certain assets of Revere, within a reasonable period of time after the acquisition. Such persons shall hereinafter be referred to as "Covered Employees" for purposes of this Appendix VIII.

2. Each Covered Employee who has attained age 21 shall be eligible to participate in the Plan, effective August 1, 1993, in accordance with, and subject to, all of the terms, conditions and provisions of the Plan.

3. Any Covered Employee who has attained age 21 and who directly transfers employment to AMETEK Aerospace after August 1, 1993, but prior to December 31, 1993, shall be eligible to participate in the Savings Plan as of the first day of the month following completion of 30 days employment with AMETEK Aerospace.

4. Any Covered Employee not referred to in Section 2 or 3 of this Appendix VIII shall be eligible to participate in the Plan on the January 1st coincident with or next following the date such Covered Employee first satisfies the eligibility requirements set forth in Article III of the Plan.

5. For purposes of determining any Covered Employee's nonforfeitable right to his Employer Contribution Account pursuant to Section 6.1 of the Plan, the Years of Service of such Covered Employee shall be

-2-

deemed to have commenced on the first day of the most recent period of continuous service with Predecessor Employer.

6. Defined terms used in this Appendix VIII shall have the same meaning as the identical defined terms as used in The AMETEK, Inc. Savings and Investment Plan."

THIRD: The provisions of this Amendment No. 1 shall be effective as

of August 1, 1993.

IN WITNESS WHEREOF, AMETEK has caused these presents to be executed, in its corporate name, by its duly authorized officer, and its corporate seal to be affixed on this 28th day of July, 1993.

AMETEK, Inc.

By: /s/ Robert W. Yannarell

Attest:

/s/ Dorothy M. Misetich

(Seal)

-3-

=====

\$250,000,000

CREDIT AGREEMENT

among

AMETEK, INC.,

VARIOUS LENDING INSTITUTIONS,

BANK OF MONTREAL,

CORESTATES BANK, N.A.,

and

PNC BANK, NATIONAL ASSOCIATION,
as CO-AGENTS,

and

THE CHASE MANHATTAN BANK, N.A.,
AS ADMINISTRATIVE AGENT

Dated as of March 11, 1994

=====

TABLE OF CONTENTS

	Page

SECTION 1. Amount and Terms of Credit.....	1
1.01 Loan Commitments.....	1
1.02 Minimum Borrowing Amounts, etc.....	2
1.03 Notice of Borrowing.....	3
1.04 Disbursement of Funds.....	4
1.05 Notes.....	5
1.06 Conversions.....	6
1.07 Pro Rata Borrowings.....	6
1.08 Interest.....	6
1.09 Interest Periods.....	7
1.10 Increased Costs, Illegality, etc.....	9
1.11 Compensation.....	12
1.12 Change of Lending Office.....	13
1.13 Replacement of Banks.....	13
1.14 Limitation on Additional Amounts, etc.....	14
SECTION 2. Letters of Credit.....	15
2.01 Letters of Credit.....	15
2.02 Letter of Credit Participations.....	18
2.03 Letter of Credit Requests; Notices of Issu-	

	ance.....	21
2.04	Agreement to Repay Letter of Credit Drawings.....	21
2.05	Increased Costs.....	22
2.06	Indemnification.....	23
SECTION 3.	Fees; Commitments.....	23
3.01	Fees.....	24
3.02	Voluntary Reduction of Commitments.....	25
3.03	Mandatory Adjustments of Commitments.....	25
SECTION 4.	Payments.....	26
4.01	Voluntary Prepayments.....	26
4.02	Mandatory Prepayments.....	27
	(A) Requirements.....	27
	(B) Application.....	30
4.03	Method	
	and Place of Payment.....	30
4.04	Net Payments.....	31
SECTION 5.	Conditions Precedent.....	33
5.01	Conditions Precedent to Initial Borrowing Date.....	33
	(a) Effectiveness; Notes.....	33
	(b) Officer's Certificate.....	33

(i)

		Page

	(c) Corporate Documents; Proceedings; Officers' Certificates.....	33
	(d) Opinions of Counsel.....	34
	(e) Existing Indebtedness.....	34
	(f) Approvals.....	36
	(g) Pledge Agreement.....	36
	(h) Subsidiary Guaranty.....	36
	(i) Security Agreement.....	36
	(j) Mortgages; Title Insurance; Surveys; etc.....	37
	(k) Solvency Certificate.....	39
	(l) Insurance Policies.....	39
	(m) Plans; etc.....	39
	(n) Environmental Surveys.....	40
	(o) Payment of Fees.....	40
	(p) Adverse Change.....	40
	(q) Litigation.....	41
	(r) Accounts Receivable and Inventory Report.....	41
	(s) Borrowing Base Certificate.....	41
	(t) Issuance of Senior Notes.....	41
5.02	Conditions Precedent to All Credit Events...	42
SECTION 6.	Representations, Warranties and Agreements.....	42
6.01	Corporate Status.....	43
6.02	Corporate Power and Authority.....	43
6.03	No Violation.....	43
6.04	Litigation.....	44
6.05	Use of Proceeds.....	44
6.06	Governmental Approvals.....	45
6.07	Investment Company Act.....	45
6.08	Public Utility Holding Company Act.....	45

6.09	True and Complete Disclosure.....	45
6.10	Representations and Warranties in Other Agreements.....	46
6.11	Financial Condition; Financial Statements...	46
6.12	Security Interests.....	48
6.13	Tax Returns and Payments.....	49
6.14	Compliance with ERISA.....	49
6.15	Subsidiaries.....	51
6.16	Patents, etc.....	51
6.17	Compliance with Statutes; Environmental Matters, etc.....	51
6.18	Properties.....	52
6.19	Labor Relations; Collective Bargaining Agreements.....	52

(ii)

		Page

6.20	Indebtedness.....	53
6.21	Restrictions on Subsidiaries.....	53
6.22	Transaction.....	54
6.23	Insurance.....	54
SECTION 7.	Affirmative Covenants.....	54
7.01	Information Covenants.....	54
	(a) Annual Financial Statements.....	55
	(b) Quarterly Financial Statements.....	55
	(c) Budgets; etc.....	56
	(d) Officer's Certificates.....	57
	(e) Notice of Default or Litigation.....	57
	(f) Auditors' Reports.....	57
	(g) Environmental Matters.....	58
	(h) Other Information.....	59
	(i) Borrowing Base Certificates.....	59
7.02	Books, Records and Inspections.....	60
7.03	Payment of Taxes.....	60
7.04	Corporate Franchises.....	61
7.05	Compliance with Statutes, Environmental Laws, etc.....	61
7.06	ERISA.....	62
7.07	Good Repair.....	63
7.08	End of Fiscal Years; Fiscal Quarters.....	64
7.09	Interest Rate Protection.....	64
7.10	Maintenance of Property; Insurance.....	64
7.11	Additional Security; Further Assurances.....	65
7.12	Performance of Obligations.....	66
7.13	Use of Proceeds.....	66
7.14	Ownership of Subsidiaries.....	66
7.15	Common Stock Repurchase.....	67
7.16	Foreign Subsidiaries Security.....	67
7.17	Senior Notes Change of Control.....	68
SECTION 8.	Negative Covenants.....	68
8.01	Consolidation, Merger, Sale or Purchase of Assets, etc.....	68
8.02	Liens.....	74
8.03	Indebtedness.....	76
8.04	Capital Expenditures.....	79
8.05	Advances, Investments and Loans.....	80
8.06	Dividends, etc.....	83
8.07	Transactions with Affiliates.....	84
8.08	Changes in Business.....	85
8.09	Fixed Charge Coverage Ratio.....	85
8.10	Leverage Ratio.....	85
8.11	Interest Coverage Ratio.....	86

	Page	

8.12	Limitation on Voluntary Payments and Modifications of Indebtedness; Modification of Certificate of Incorporation.....	86
8.13	Limitations on Issuance of Capital Stock....	87
8.14	Limitation on Restrictions Affecting Sub- sidiaries.....	87
8.15	Limitation on the Creation of Subsidiaries.....	88
SECTION 9.	Events of Default.....	89
9.01	Payments.....	89
9.02	Representations, etc.....	89
9.03	Covenants.....	89
9.04	Default Under Other Agreements.....	89
9.05	Bankruptcy, etc.....	90
9.06	ERISA.....	90
9.07	Security Documents.....	91
9.08	Subsidiary Guaranty.....	91
9.09	Judgments.....	92
9.10	Change of Control.....	92
SECTION 10.	Definitions.....	93
SECTION 11.	The Administrative Agent, Co-Agents, etc.....	131
11.01	Appointment.....	131
11.02	Delegation of Duties.....	132
11.03	Exculpatory Provisions.....	132
11.04	Reliance by Administrative Agent, Co-Agents, etc.....	133
11.05	Notice of Default.....	134
11.06	Non-Reliance on Administrative Agent, Co-Agents and Other Banks.....	134
11.07	Indemnification.....	135
11.08	Individual Capacity.....	135
11.09	Resignation; Successors.....	136
11.10	Holder.....	136
SECTION 12.	Miscellaneous.....	137
12.01	Payment of Expenses, etc.....	137
12.02	Right of Setoff.....	138
12.03	Notices.....	139
12.04	Benefit of Agreement.....	139
12.05	No Waiver; Remedies Cumulative.....	141
12.06	Payments Pro Rata.....	142
12.07	Calculations; Computations.....	142

	Page	

12.08	GOVERNING LAW; SUBMISSION TO JURISDICTION; VENUE; TRIAL BY JURY.....	143
12.09	Counterparts.....	144
12.10	Effectiveness.....	145
12.11	Headings Descriptive.....	145

12.12	Amendment or Waiver.....	145
12.13	Survival.....	147
12.14	Domicile of Loans.....	147
12.15	Confidentiality.....	147
12.16	Collateral Release.....	148

- SCHEDULE I - Commitments
- SCHEDULE II - Real Property
- SCHEDULE III - Insurance
- SCHEDULE IV - Existing Letters of Credit
- SCHEDULE V - Projections
- SCHEDULE VI - Subsidiaries
- SCHEDULE VII - Collective Bargaining Agreements
- SCHEDULE VIII - Permitted Existing Indebtedness
- SCHEDULE IX - Permitted Liens
- SCHEDULE X - Permitted Existing Investments
- SCHEDULE XI - Environmental Matters

- EXHIBIT A-1 - Notice of Borrowing
- EXHIBIT A-2 - Notice of Prepayment
- EXHIBIT B-1 - Term Note
- EXHIBIT B-2 - Revolving Note
- EXHIBIT C - Officers' Certificate
- EXHIBIT D-1 - Opinion of Stroock & Stroock & Lavan
- EXHIBIT D-2 - Opinion of White & Case
- EXHIBIT E - Pledge Agreement
- EXHIBIT F - Subsidiary Guaranty
- EXHIBIT G - Security Agreement
- EXHIBIT H - Solvency Certificate
- EXHIBIT I - Borrowing Base Certificate
- EXHIBIT J - Intercompany Note
- EXHIBIT K - Subordination Provisions
- EXHIBIT L - Assignment Agreement

(v)

CREDIT AGREEMENT, dated as of March 11, 1994, among AMETEK, INC., a Delaware corporation (the "Borrower"), the lending institutions listed from time to time on Schedule I hereto (each a "Bank" and, collectively, the "Banks"), BANK OF MONTREAL, CORESTATES BANK, N.A. and PNC BANK, NATIONAL ASSOCIATION, as Co-Agents (each a "Co-Agent" and, collectively, the "Co-Agents"), and THE CHASE MANHATTAN BANK, N.A., as administrative agent (in such capacity, and together with its successors in such capacity, the "Administrative Agent") for the Banks. Unless otherwise defined herein, all capitalized terms used herein and defined in Section 10 are used herein as so defined.

W I T N E S S E T H :
 - - - - -

WHEREAS, subject to and upon the terms and conditions set forth herein, the Banks are willing to make available to the Borrower the credit facilities provided for herein.

NOW, THEREFORE, IT IS AGREED:

SECTION 1. Amount and Terms of Credit.

1.01 Loan Commitments. Subject to and upon the terms and conditions

 herein set forth, each Bank severally agrees to make a loan or loans to the Borrower, which loans shall be drawn, to the extent such Bank has a commitment under such Facility, under the Term Loan Facility and the Revolving Credit Facility, as set forth below:

(a) Loans under the Term Loan Facility (each a "Term Loan" and, collectively, the "Term Loans") (i) may be incurred by the Borrower pursuant to not more than three drawings, which may occur at any time and

from time to time on and after the Initial Borrowing Date and prior to the Term Loan Availability Termination Date, (ii) except as hereinafter provided, may, at the option of the Borrower, be incurred and maintained as, and/or converted into, Base Rate Loans or Eurodollar Loans, provided

that (x) no Eurodollar Loans may be incurred (including as a result of a conversion) prior to the Syndication Date and (y) all Term Loans made by all Banks pursuant to the same Borrowing shall, unless otherwise specifically provided herein, consist entirely

of Term Loans of the same Type and (iii) shall not exceed in aggregate principal amount for any Bank at the time of incurrence thereof the remaining Term Loan Commitment, if any, of such Bank at such time (before giving effect to any reductions on such date pursuant to Section 3.03(c) (i) or (ii)). Once repaid, Term Loans borrowed hereunder may not be reborrowed.

(b) Loans under the Revolving Credit Facility (each a "Revolving Loan" and, collectively, the "Revolving Loans") (i) may be incurred by the Borrower at any time and from time to time on and after the Initial Borrowing Date and prior to the Revolving Credit Facility Maturity Date, (ii) except as hereinafter provided, may, at the option of the Borrower, be incurred and maintained as, and/or converted into, Base Rate Loans or Eurodollar Loans, provided that (x) all Revolving Loans made by all Banks

pursuant to the same Borrowing shall, unless otherwise specifically provided herein, consist entirely of Revolving Loans of the same Type and (y) no Eurodollar Loans may be incurred prior to the Syndication Date, (iii) may be repaid and reborrowed in accordance with the provisions hereof, (iv) shall not exceed in aggregate principal amount for any Bank at any time outstanding the amount which, when combined with such Bank's Percentage of the Letter of Credit Outstandings at such time, equals the Revolving Commitment of such Bank at such time and (v) shall not exceed in aggregate principal amount for all Banks at any time outstanding the amount which, when added to the aggregate amount of Letter of Credit Outstandings at such time, equals the lesser of (x) the Borrowing Base then in effect and (y) the Total Revolving Commitment at such time. Notwithstanding anything to the contrary contained herein, no Revolving Loan may be incurred by the Borrower the proceeds of which shall be used to finance all or any portion of any Common Stock Repurchase prior to the date on which the Total Term Loan Commitment is terminated in its entirety in accordance with Section 3.03(c).

1.02 Minimum Borrowing Amounts, etc. The aggregate principal amount

of each Borrowing under a Facility shall not be less than the Minimum Borrowing Amount for such Facility. More than one Borrowing may be incurred on any day, provided that at no time shall there be outstanding more than 12 Borrowings of

Eurodollar Loans in the aggregate.

-2-

1.03 Notice of Borrowing. (a) The Loans to be incurred by the

Borrower on the Initial Borrowing Date shall be set forth in a written notice (or telephonic notice promptly confirmed in writing) delivered by the Borrower to the Administrative Agent at its Notice Office no later than 12:00 Noon (New York time) on the Business Day immediately prior to the Initial Borrowing Date. Whenever the Borrower desires to incur Loans after the Initial Borrowing Date, it shall give the Administrative Agent at its Notice Office, written notice (or telephonic notice promptly confirmed in writing) of each Borrowing of Eurodollar Loans prior to 12:00 Noon (New York time) on the third Business Day preceding the date of the proposed Borrowing and written notice (or telephonic notice promptly confirmed in writing) of each Borrowing of Base Rate Loans to be made hereunder prior to 10:00 A.M. (New York time) on the date of the proposed Borrowing. Each of the foregoing notices (each a "Notice of Borrowing") shall be irrevocable, and, in the case of each written notice and each confirmation of telephonic notice, shall be in the form of Exhibit A-1, appropriately completed to specify (i) the Facility pursuant to which Loans are to be incurred, (ii) the aggregate principal amount of the Loans to be incurred, (iii) the date of incurrence (which shall be a Business Day), (iv) whether the respective incurrence shall consist of Base Rate Loans or, to the extent otherwise

permitted, Eurodollar Loans and, if Eurodollar Loans, the Interest Period to be initially applicable thereto and (v) if Revolving Loans are to be incurred, the aggregate principal amount of such Revolving Loans, if any, to be used to finance a Common Stock Repurchase. The Administrative Agent shall promptly give each Bank written notice (or telephonic notice promptly confirmed in writing) of each proposed Borrowing, of the proportionate share thereof of each Bank and of the other matters covered by the Notice of Borrowing.

(b) Without in any way limiting the obligation of the Borrower to confirm in writing any notice it may give hereunder by telephone, the Administrative Agent or the respective Letter of Credit Issuer (in the case of the issuance of Letters of Credit), as the case may be, may act prior to receipt of written confirmation without liability upon the basis of such telephonic notice, reasonably believed by the Administrative Agent or such Letter of Credit Issuer, as the case may be, in good faith to be from an Authorized Officer of the Borrower as a person entitled to give telephonic notices under this Agreement on behalf of such Borrower. In each such case the Borrower hereby waives the right to dispute the Administrative Agent's record of the terms of any such telephonic notice.

-3-

(b) Nothing herein shall be deemed to relieve any Bank from its obligation to fulfill its commitments hereunder to make Loans or to prejudice any rights which the Borrower may have against any Bank as a result of any default by such Bank hereunder.

1.05 Notes. (a) The Borrower's obligation to pay the principal of,

and interest on, the Loans made to it by each Bank shall be evidenced (i) if Term Loans, by a promissory note duly executed and delivered by the Borrower substantially in the form of Exhibit B-1 with blanks appropriately completed in conformity herewith (each a "Term Note" and collectively the "Term Notes") and (ii) if Revolving Loans, by a promissory note duly executed and delivered by the Borrower substantially in the form of Exhibit B-2, with blanks appropriately completed in conformity herewith (each a "Revolving Note" and collectively the "Revolving Notes").

(b) The Term Note, if any, issued to each Bank shall (i) be payable to the order of such Bank and be dated the Initial Borrowing Date, (ii) be in a stated principal amount equal to the Term Loan Commitment of such Bank and be payable in the principal amount of the Term Loans evidenced thereby, (iii) mature on the Final Maturity Date, (iv) bear interest as provided in the appropriate clause of Section 1.08 in respect of the Base Rate Loans and Eurodollar Loans, as the case may be, evidenced thereby, (v) be subject to mandatory repayment as provided in Section 4.02 and (vi) be entitled to the benefits of this Agreement and the other Credit Documents.

(c) The Revolving Note, if any, issued to each Bank shall (i) be payable to the order of such Bank and be dated the Initial Borrowing Date, (ii) be in a stated principal amount equal to the Revolving Commitment of such Bank and be payable in the principal amount of the Revolving Loans evidenced thereby, (iii) mature on the Revolving Credit Facility Maturity Date, (iv) bear interest as provided in the appropriate clause of Section 1.08 in respect of the Base Rate Loans and Eurodollar Loans, as the case may be, evidenced thereby, (v) be subject to mandatory repayment as provided in Section 4.02 and (vi) be entitled to the benefits of this Agreement and the other Credit Documents.

(d) Each Bank will note on its internal records the amount of each Loan made by it and each payment in respect thereof and will, prior to any transfer of any of its Notes, endorse on the reverse side thereof the outstanding principal amount of Loans evidenced thereby and the last date

-5-

(b) Nothing herein shall be deemed to relieve any Bank from its obligation to fulfill its commitments hereunder to make Loans or to prejudice any rights which the Borrower may have against any Bank as a result of any default by such Bank hereunder.

1.05 Notes. (a) The Borrower's obligation to pay the principal of,

and interest on, the Loans made to it by each Bank shall be evidenced (i) if

Term Loans, by a promissory note duly executed and delivered by the Borrower substantially in the form of Exhibit B-1 with blanks appropriately completed in conformity herewith (each a "Term Note" and collectively the "Term Notes") and (ii) if Revolving Loans, by a promissory note duly executed and delivered by the Borrower substantially in the form of Exhibit B-2, with blanks appropriately completed in conformity herewith (each a "Revolving Note" and collectively the "Revolving Notes").

(b) The Term Note, if any, issued to each Bank shall (i) be payable to the order of such Bank and be dated the Initial Borrowing Date, (ii) be in a stated principal amount equal to the Term Loan Commitment of such Bank and be payable in the principal amount of the Term Loans evidenced thereby, (iii) mature on the Final Maturity Date, (iv) bear interest as provided in the appropriate clause of Section 1.08 in respect of the Base Rate Loans and Eurodollar Loans, as the case may be, evidenced thereby, (v) be subject to mandatory repayment as provided in Section 4.02 and (vi) be entitled to the benefits of this Agreement and the other Credit Documents.

(c) The Revolving Note, if any, issued to each Bank shall (i) be payable to the order of such Bank and be dated the Initial Borrowing Date, (ii) be in a stated principal amount equal to the Revolving Commitment of such Bank and be payable in the principal amount of the Revolving Loans evidenced thereby, (iii) mature on the Revolving Credit Facility Maturity Date, (iv) bear interest as provided in the appropriate clause of Section 1.08 in respect of the Base Rate Loans and Eurodollar Loans, as the case may be, evidenced thereby, (v) be subject to mandatory repayment as provided in Section 4.02 and (vi) be entitled to the benefits of this Agreement and the other Credit Documents.

(d) Each Bank will note on its internal records the amount of each Loan made by it and each payment in respect thereof and will, prior to any transfer of any of its Notes, endorse on the reverse side thereof the outstanding principal amount of Loans evidenced thereby and the last date

-5-

or dates on which interest has been paid in respect of the Loans evidenced thereby. Failure to make any such notation shall not affect the Borrower's obligations in respect of such Loans, or affect the validity of such transfer by any Bank of such Note.

1.06 Conversions. The Borrower shall have the option to convert on

any Business Day occurring on and after the Syndication Date, all or a portion at least equal to the applicable Minimum Borrowing Amount of the outstanding principal amount of the Loans owing pursuant to a single Facility into a Borrowing or Borrowings pursuant to such Facility of another Type of Loan, provided that (i) except as provided in Section 1.10(b), Eurodollar Loans may be

converted into Loans of another Type only on the last day of an Interest Period applicable thereto and no partial conversion of a Borrowing of Eurodollar Loans shall reduce the outstanding principal amount of the Loans pursuant to such Borrowing to less than the Minimum Borrowing Amount applicable thereto, (ii) Loans may only be converted into Eurodollar Loans if no Default or Event of Default is in existence on the date of the conversion and (iii) Borrowings of Eurodollar Loans resulting from this Section 1.06 shall be limited in number as provided in Section 1.02. Each such conversion shall be effected by the Borrower by giving the Administrative Agent at its Notice Office, prior to 12:00 Noon (New York time), at least three Business Days or, in the case of a conversion into Base Rate Loans, prior to 10:00 A.M. (New York time) on the same Business Day, prior written notice (or telephonic notice promptly confirmed in writing) (each a "Notice of Conversion") specifying the Loans to be so converted, the Type of Loans to be converted into and, if to be converted into a Borrowing of Eurodollar Loans, the Interest Period to be initially applicable thereto. The Administrative Agent shall give each Bank prompt notice of any such proposed conversion affecting any of its Loans.

1.07 Pro Rata Borrowings. All Borrowings of Loans shall be made from

the Banks pro rata on the basis of their Term Loan Commitments or Revolving
--- ---
Commitments, as the case may be. It is understood that no Bank shall be responsible for any default by any other Bank in its obligation to make Loans hereunder and that each Bank shall be obligated to make the Loans provided to be made by it hereunder, regardless of the failure of any other Bank to fulfill its

commitments hereunder.

1.08 Interest. (a) The unpaid principal amount of each Base Rate

Loan shall bear interest from and including

-6-

the date of the Borrowing thereof until maturity (whether by acceleration or otherwise) at a rate per annum which shall at all times be the Base Rate in effect from time to time plus the Applicable Base Rate Margin.

(b) The unpaid principal amount of each Eurodollar Loan shall bear interest from and including the date of the Borrowing thereof until maturity (whether by acceleration or otherwise) at a rate per annum which shall at all times be the relevant Eurodollar Rate plus the Applicable Eurodollar Margin.

(c) Overdue principal and, to the extent permitted by law, overdue interest in respect of each Loan shall bear interest at a rate per annum equal to the Base Rate in effect from time to time plus the sum of (i) 2% and (ii) the Applicable Base Rate Margin, provided that no Loan shall bear interest after

maturity (whether by acceleration or otherwise) at a rate per annum less than 2% plus the rate of interest applicable thereto at maturity.

(d) Interest shall accrue from and including the date of any Borrowing to but excluding the date of any repayment thereof and shall be payable in arrears (i) in respect of each Base Rate Loan, quarterly on the last Business Day of each calendar quarter, (ii) in respect of each Eurodollar Loan, on the last day of each Interest Period applicable thereto and, in the case of an Interest Period of six months, on the date occurring three months after the first day of such Interest Period and (iii) in respect of each Loan, on any prepayment (on the amount prepaid), at maturity (whether by acceleration or otherwise) and, after such maturity, on demand.

(e) All computations of interest hereunder shall be made in accordance with Section 12.07(b).

(f) The Administrative Agent, upon determining the interest rate for any Borrowing of Eurodollar Loans for any Interest Period, shall promptly notify the Borrower and the Banks thereof.

1.09 Interest Periods. At the time the Borrower gives a Notice of

Borrowing or Notice of Conversion in respect of the making of, or conversion into, a Borrowing of Eurodollar Loans (in the case of the initial Interest Period applicable thereto) or prior to 12:00 Noon (New York time) on the third Business Day prior to the expiration of an Interest Period applicable to a Borrowing of Eurodollar Loans (in the

-7-

case of any subsequent Interest Period), it shall have the right to elect by giving the Administrative Agent written notice (or telephonic notice promptly confirmed in writing) of the Interest Period applicable to such Borrowing, which Interest Period shall, at the option of the Borrower, be a one, two, three or six month period. Notwithstanding anything to the contrary contained above:

(i) the initial Interest Period for any Borrowing of Eurodollar Loans shall commence on the date of such Borrowing (including the date of any conversion from a Borrowing of Base Rate Loans) and each Interest Period occurring thereafter in respect of such Borrowing shall commence on the day on which the next preceding Interest Period expires;

(ii) if any Interest Period applicable to a Borrowing of Eurodollar Loans begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period, such Interest Period shall end on the last Business Day of such calendar month;

(iii) if any Interest Period would otherwise expire on a day which is not a Business Day, such Interest Period shall expire on the next succeeding Business Day, provided that if any Interest Period applicable to

a Borrowing of Eurodollar Loans would otherwise expire on a day which is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day;

(iv) no Interest Period in respect of any Borrowing of Loans under any Facility shall extend beyond the respective Maturity Date for such Loans under such Facility;

(v) no Interest Period may be elected at any time when a Default or Event of Default is then in existence;

(vi) no Interest Period with respect to any Borrowing of Term Loans shall extend beyond any date upon which a Scheduled Repayment is required to be made, if, after giving effect to the selection of such Interest Period, the aggregate principal amount of Term Loans maintained as Eurodollar Loans with Interest Periods ending after such date would exceed the aggregate

-8-

principal amount of Term Loans permitted to be outstanding after such Scheduled Repayment; and

(vii) all Eurodollar Loans comprising a Borrowing shall at all times have the same Interest Period.

If upon the expiration of any Interest Period, the Borrower has failed to elect a new Interest Period to be applicable to the respective Borrowing of Eurodollar Loans as provided above, or is unable to elect a new Interest Period as a result of clause (v) above, the Borrower shall be deemed to have elected to convert such Borrowing into a Borrowing of Base Rate Loans effective as of the expiration date of such current Interest Period.

1.10 Increased Costs, Illegality, etc. (a) In the event that (x) in -----

the case of clause (i) below, the Administrative Agent or (y) in the case of clauses (ii) and (iii) below, any Bank shall have determined (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto):

(i) on any date for determining the Eurodollar Rate for any Interest Period that, by reason of any changes arising after the date of this Agreement affecting the London interbank Eurodollar market, adequate and fair means do not exist for ascertaining generally the applicable interest rate on the basis provided for in the definition of Eurodollar Rate; or

(ii) at any time, that such Bank shall incur increased costs or reductions in the amounts received or receivable hereunder with respect to any Eurodollar Loans (other than any increased cost or reduction in the amount received or receivable resulting from the imposition of or a change in the rate of taxes or similar charges) because of (x) any change since the date of this Agreement in any applicable law, governmental rule, regulation, guideline, order or request (whether or not having the force of law) or in the interpretation or administration thereof and including the introduction of any new law or governmental rule, regulation, guideline, order or request (such as, for example, but not limited to, a change in official reserve requirements, but, in all events, excluding reserves referred to in Section 1.10(d)) and/or (y) other circumstances adversely affecting the London interbank Eurodollar market or the position of such Bank in such market; or

-9-

(iii) at any time, that the making or continuance of any Eurodollar Loan has become unlawful by compliance by such Bank in good faith with any law, governmental rule, regulation, guideline or order (or would conflict with any such governmental rule, regulation, guideline or order not having the force of law but with which such Bank customarily complies even though the failure to comply therewith would not be unlawful), or has become impracticable as a result of a contingency occurring after the date of this Agreement which adversely affects the London interbank Eurodollar market;

then, and in any such event, such Bank (or the Administrative Agent in the case of clause (i) above) shall promptly give notice (by telephone confirmed in writing) to the Borrower and (except in the case of clause (i)) to the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each of the other Banks). Thereafter (x) in the case of clause (i) above, Eurodollar Loans shall no longer be available until such time as the Administrative Agent notifies the Borrower and the Banks that the circumstances giving rise to such notice by the Administrative Agent no longer exist, and any Notice of Borrowing or Notice of Conversion given by the Borrower with respect to Eurodollar Loans which have not yet been incurred shall be deemed rescinded by such Borrower, (y) in the case of clause (ii) above, the Borrower shall, subject to the provisions of Section 1.14 (to the extent applicable), pay to such Bank, upon written demand therefor, such additional amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Bank in its reasonable discretion shall determine) as shall be required to compensate such Bank for such increased costs or reductions in amounts receivable hereunder and (z) in the case of clause (iii) above, the Borrower shall take one of the actions specified in Section 1.10(b) as promptly as possible and, in any event, within the time period required by law.

(b) At any time that any Eurodollar Loan is affected by the circumstances described in Section 1.10(a)(ii) or (iii), the Borrower may (and in the case of a Eurodollar Loan affected pursuant to Section 1.10(a)(iii), shall) either (i) if the affected Eurodollar Loan is then being made pursuant to a Borrowing, cancel said Borrowing by giving the Administrative Agent telephonic notice (confirmed promptly in writing) thereof on the same date that the Borrower was notified by a Bank pursuant to Section 1.10(a)(ii) or (iii), or (ii) if the affected Eurodollar Loan is then

-10-

outstanding, upon at least three Business Days' notice to the Administrative Agent, require the affected Bank to convert each such Eurodollar Loan into a Base Rate Loan (which conversion, in the case of the circumstances described in Section 1.10(a)(iii), shall occur no later than the last day of the Interest Period then applicable to such Eurodollar Loan (or such earlier date as shall be required by applicable law)); provided that if more than one Bank is affected at

any time, then all affected Banks must be treated the same pursuant to this Section 1.10(b).

(c) If any Bank determines at any time that the adoption or effectiveness after the Effective Date of any applicable law, rule or regulation regarding capital adequacy, or any change therein after the Effective Date, or any change after the Effective Date in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or actual compliance by such Bank with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of increasing the costs to such Bank to a level above that, or reducing the rate of return on such Bank's capital or assets as a consequence of its commitments or obligations hereunder to a level below that, which such Bank could have achieved but for such adoption, effectiveness, change or compliance (taking into consideration such Bank's policies with respect to capital adequacy), then from time to time, upon written demand by such Bank (with a copy to the Administrative Agent), the Borrower shall, subject to the provisions of Section 1.14 (to the extent applicable), pay to such Bank such additional amount or amounts as will compensate such Bank for such increased costs or reduction. Each Bank, upon determining that any additional amounts will be payable pursuant to this Section 1.10(c), will give prompt written notice thereof to the Borrower, which notice shall set forth the basis of the calculation of such additional amounts, although the failure to give any such notice shall not release or diminish the Borrower's obligations to pay additional amounts pursuant to this Section 1.10(c) upon receipt of such notice.

(d) In the event that any Bank shall determine (which determination shall, absent manifest error, be final and conclusive and binding on all parties hereto) at any time that by reason of Regulation D such Bank is required to maintain reserves in respect of Eurocurrency loans or liabilities during any period that it has a Eurodollar Loan outstanding,

-11-

then such Bank shall promptly notify the Borrower and the Administrative Agent by written notice (or telephonic notice promptly confirmed in writing) specifying the additional amounts required to indemnify such Bank against the cost of maintaining such reserves (such written notice to provide a computation of such additional amounts) and the Borrower shall, subject to the provisions of Section 1.14 (to the extent applicable), directly pay to such Bank such specified amounts as additional interest at the time that it is otherwise required to pay interest in respect of such Eurodollar Loan or, if later, on demand.

1.11 Compensation. The Borrower shall, subject to the provisions of -----
Section 1.14 (to the extent applicable), compensate each Bank, upon its written request (which request shall set forth the basis for requesting such compensation), for all reasonable losses, expenses and liabilities (including, without limitation, any loss, expense or liability incurred by reason of the liquidation or reemployment of deposits or other funds required by such Bank to fund its Eurodollar Loans to the Borrower) which such Bank may sustain:

(i) if for any reason (other than a default or error by such Bank or the Administrative Agent) a Borrowing of Eurodollar Loans does not occur on a date specified therefor in a Notice of Borrowing or Notice of Conversion (whether or not withdrawn by the Borrower or deemed withdrawn pursuant to Section 1.10(a));

(ii) if any repayment or conversion of any of its Eurodollar Loans occurs on a date which is not the last day of an Interest Period applicable thereto;

(iii) if any prepayment of any of its Eurodollar Loans is not made on any date specified in a notice of prepayment given by the Borrower; or

(iv) as a consequence of (x) any other default by the Borrower to repay its Eurodollar Loans when required by the terms of this Agreement or (y) an election made pursuant to Section 1.10(b).

Calculation of all amounts payable to a Bank with respect to Eurodollar Loans under this Section 1.11 shall be made as though that Bank had actually funded its relevant Eurodollar Loan through the purchase of a Eurodollar deposit bearing interest at the Eurodollar Rate in an amount equal to the amount of that Eurodollar Loan, having a maturity comparable to the relevant Interest Period and through the transfer of

-12-

such Eurodollar deposit from an offshore office of that Bank to a domestic office of that Bank in the United States of America (or if such Bank has no offshore office, from an offshore office of the Administrative Agent to the domestic office of the Administrative Agent); provided, however, that each Bank -----

may fund each of its Eurodollar Loans in any manner it sees fit and the foregoing assumption shall be utilized only for the calculation of amounts payable under this Section 1.11.

1.12 Change of Lending Office. Each Bank agrees that, upon the -----
occurrence of any event giving rise to the operation of Section 1.10(a)(ii) or (iii), 1.10(c), 1.10(d), 2.05 or 4.04 with respect to such Bank, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Bank) to designate another lending office of such Bank for any Loans or Letters of Credit affected by such event, provided that such -----
designation is made on such terms that such Bank or its respective lending offices suffer no economic, legal or regulatory disadvantage, with the object of avoiding the consequence of the event giving rise to the operation of any such Section. Nothing in this Section 1.12 shall affect or postpone any of the obligations of the Borrower or the right of any Bank provided in Section 1.10, 2.05 or 4.04.

1.13 Replacement of Banks. (x) Upon the occurrence of any event -----
giving rise to the operation of Section 1.10(a)(ii) or (iii), Section 1.10(c), Section 1.10(d), Section 2.05 or Section 4.04 with respect to any Bank which

results in such Bank charging to the Borrower increased costs which are material in amount and are in excess of those being generally charged by the other Banks or (y) as provided in Section 12.12(b) in the case of certain refusals by a Bank to consent to certain proposed changes, waivers, discharges or terminations with respect to this Agreement which have been approved by the Required Banks, the Borrower shall have the right, if no Default or Event of Default then exists or will exist immediately after giving effect to the respective replacement and, in the case of a Bank described in clause (x) above, such Bank has not withdrawn its request for such compensation or changed its applicable lending office with the effect of eliminating or substantially decreasing (to a level which is not material) such increased cost, to replace such Bank (the "Replaced Bank") with one or more other Eligible Assignee or Assignees (collectively, the "Replacement Bank") reasonably acceptable to the Administrative Agent and, if the Revolving Commitment of any Replaced Bank is to be replaced with a Revolving Commitment provided by the

-13-

Replacement Bank, reasonably acceptable to each Letter of Credit Issuer; provided that (i) at the time of any replacement pursuant to this Section 1.13,

the Replacement Bank shall enter into one or more Assignment Agreements pursuant to Section 12.04(b) (and with all fees payable pursuant to said Section 12.04(b) to be paid by the Replacement Bank) pursuant to which the Replacement Bank shall acquire all of the Commitments and outstanding Loans of, and participations in Letters of Credit by, the Replaced Bank and, in connection therewith, shall pay to (x) the Replaced Bank in respect thereof an amount equal to the sum of (A) an amount equal to the principal of, and all accrued interest on, all outstanding Loans of the Replaced Bank, (B) an amount equal to all Unpaid Drawings that have been funded by (and not reimbursed to) such Replaced Bank, together with all then unpaid interest with respect thereto at such time and (C) an amount equal to all accrued, but theretofore unpaid, Fees owing to the Replaced Bank pursuant to Section 3.01 and (y) the respective Letter of Credit Issuer an amount equal to such Replaced Bank's Percentage (for this purpose, determined as if the adjustment described in clause (y) of the immediately succeeding sentence had been made with respect to such Replaced Bank) of any Unpaid Drawing (which at such time remains an Unpaid Drawing) with respect to any Letter of Credit issued by such Letter of Credit Issuer to the extent such amount was not theretofore funded by such Replaced Bank, and (ii) all obligations of the Borrower owing to the Replaced Bank (other than those specifically described in clause (i) above in respect of which the assignment purchase price has been, or is concurrently being, paid) shall be paid in full to such Replaced Bank concurrently with such replacement. Upon the execution of the respective Assignment Agreements, the payment of amounts referred to in clauses (i) and (ii) above and, if so requested by the Replacement Bank, delivery to the Replacement Bank of the appropriate Note or Notes executed by the Borrower, (x) the Replacement Bank shall become a Bank hereunder and the Replaced Bank shall cease to constitute a Bank hereunder, except with respect to indemnification provisions under this Agreement (including, without limitation, Sections 1.10, 1.11, 2.05, 4.04 and, 12.01), which shall survive as to such Replaced Bank and (y) the Percentages of the Banks shall be automatically adjusted at such time to give effect to such replacement.

1.14 Limitation on Additional Amounts, etc. Notwithstanding

anything to the contrary contained in Sections 1.10, 1.11, 2.05 or 4.04 of this Agreement, unless a Bank gives notice to the Borrower that it is obligated to pay an

-14-

amount under any such respective Section within 120 days after the later of (x) the date the Bank incurs the respective increased costs, taxes, loss, expense or liability, reduction in amounts received or receivable or reduction in return on capital or (y) the date such Bank has actual knowledge of its incurrence of the respective increased costs, taxes, loss, expense or liability, reductions in amounts received or receivable or reduction in return on capital, then such Bank shall only be entitled to be compensated for such amount by the Borrower pursuant to said Section 1.10, 1.11, 2.05 or 4.04, as the case may be, to the extent the costs, taxes, loss, expense or liability, reduction in amounts received or receivable or reduction in return on capital are incurred or suffered on or after the date which occurs 120 days prior to such Bank giving notice to the Borrower that it is obligated to pay the respective amounts

pursuant to said Section 1.10, 1.11, 2.05 or 4.04, as the case may be. Each Bank, in determining additional amounts owing under Sections 1.10, 1.11, 2.05 or 4.04, will act reasonably and in good faith, provided that such Bank's determination of such additional amounts so owing shall, absent manifest error, be final and conclusive and binding on all parties hereto. This Section 1.14 shall have no applicability to any Section of this Agreement other than said Sections 1.10, 1.11, 2.05 and 4.04.

SECTION 2. Letters of Credit.

2.01 Letters of Credit. (a) Subject to and upon the terms and

conditions herein set forth, the Borrower may request a Letter of Credit Issuer at any time and from time to time on or after the Initial Borrowing Date and prior to the Revolving Credit Facility Maturity Date to issue, and subject to the terms and conditions herein set forth, such Letter of Credit Issuer hereby agrees to issue from time to time, (x) for the account of the Borrower on a standby basis and in support of insurance obligations, workers compensation or bonding obligations in respect of taxes, licenses and similar requirements, in each case of the Borrower, any of its Subsidiaries or any Permitted Joint Venture, and other obligations (as specified in the respective Letter of Credit Request and consented to by the Administrative Agent and the respective Letter of Credit Issuer) of the Borrower, any of its Subsidiaries and/or any Permitted Joint Venture, an irrevocable standby letter of credit so requested by the Borrower in a form customarily used by such Letter of Credit Issuer or in such other form as may be approved by such Letter of Credit Issuer and the Administrative Agent (each such standby letter of credit, a "Standby Letter of Credit" and collec-

-15-

tively, the "Standby Letters of Credit"), and (y) for the account of the Borrower and for the benefit of sellers of goods to the Borrower, any of its Subsidiaries or any Permitted Joint Venture, an irrevocable documentary letter of credit in a form customarily used by such Letter of Credit Issuer or in such other form as may be approved by such Letter of Credit Issuer and the Administrative Agent in support of commercial transactions of the Borrower, any of its Subsidiaries or any Permitted Joint Venture, as the case may be, entered into in the ordinary course of its business (each such documentary letter of credit, a "Trade Letter of Credit" and collectively, the "Trade Letters of Credit" and together with the Standby Letters of Credit, the "Letters of Credit"). Notwithstanding the foregoing, no Letter of Credit Issuer shall be obligated to issue any Letter of Credit at a time when a Bank Default exists unless such Letter of Credit Issuer has entered into arrangements satisfactory to it and the Borrower to eliminate such Letter of Credit Issuer's risk with respect to the participation in Letters of Credit of the Bank which is the subject of the Bank Default, including by cash collateralizing such Bank's Percentage of the Letter of Credit Outstandings.

(b) Schedule IV hereto contains a description of all letters of credit issued by PNC prior to the Initial Borrowing Date in support of obligations of the Borrower and/or its Subsidiaries and which remain outstanding on the Initial Borrowing Date. Each such letter of credit, including any extension thereof, issued by PNC and listed on such Schedule IV (each an "Existing Letter of Credit") shall remain outstanding on and after the Initial Borrowing Date and constitute a "Letter of Credit" for all purposes of this Agreement, and shall be deemed issued for purposes of Section 2.02(a) on the Initial Borrowing Date.

(c) Notwithstanding the foregoing,

(i) no Letter of Credit shall be issued the Stated Amount of which, when added to the Letter of Credit Outstandings at such time, would exceed either (x) \$30,000,000, or (y) when added to the aggregate principal amount of all Revolving Loans then outstanding, the lesser of (A) the Total Revolving Commitment at such time and (B) the Borrowing Base at such time;

(ii) each Letter of Credit shall by its terms terminate on or before the earlier of (x) (A) in the case of Standby Letters of Credit, the date which occurs 18 months after such Standby Letter of Credit's date of

issuance (subject to extension provisions acceptable to the Administrative Agent and the respective Letter of Credit Issuer) and (B) in the case of Trade Letters of Credit, the date which occurs 180 days after such Trade Letter of Credit's date of issuance and (y) the third Business Day preceding the Revolving Credit Facility Maturity Date;

(iii) each Standby Letter of Credit shall be denominated in Dollars;

(iv) each Trade Letter of Credit shall be denominated in Dollars or an Approved Alternate Currency, provided that no Trade Letter of Credit

denominated in an Approved Alternate Currency shall be issued by any Letter of Credit Issuer if the Stated Amount of such Trade Letter of Credit, when added to the Letter of Credit Outstandings at such time in respect of Trade Letters of Credit denominated in Approved Alternate Currencies, would exceed \$5,000,000;

(v) no Standby Letter of Credit shall have a Stated Amount of less than \$100,000 unless otherwise agreed to by the respective Letter of Credit Issuer;

(vi) no Trade Letter of Credit shall have a Stated Amount of less than \$10,000 unless otherwise agreed to by the respective Letter of Credit Issuer;

(vii) no Letter of Credit shall be issued by any Letter of Credit Issuer after it has received a written notice from the Borrower, the Administrative Agent or the Required Banks stating that a Default or Event of Default has occurred and is continuing until such time as such Letter of Credit Issuer shall have received a written notice of (x) rescission of such notice from the party or parties originally delivering such notice or (y) the waiver of such Default or Event of Default by the Required Banks; and

(viii) no Letter of Credit shall be issued in support of any obligation of any Permitted Joint Venture the Stated Amount of which, when added to the sum of (x) the Joint Venture Letter of Credit Outstandings at such time and (y) the aggregate outstanding principal amount of all Joint Venture Investments, would exceed \$30,000,000.

In connection with the issuance of any Letter of Credit, the respective Letter of Credit Issuer may request from the

Administrative Agent (x) a determination in accordance with Section 12.07(c)(y) as to the Stated Amount of any Letter of Credit and of the principal amount of Unpaid Drawings, in each case to the extent denominated in a currency other than Dollars, (y) the Letter of Credit Outstandings at such time with respect to Letters of Credit issued by all other Letter of Credit Issuers and (z) the aggregate principal amount of outstanding Revolving Loans at such time, and such Letter of Credit Issuer shall be entitled to rely on such information provided by the Administrative Agent.

2.02 Letter of Credit Participations. (a) Immediately upon the

issuance by a Letter of Credit Issuer of any Letter of Credit, the respective Letter of Credit Issuer shall be deemed to have sold and transferred to each other Bank with a Revolving Commitment (each such other Bank, in its capacity under this Section 2.02, a "Participating Bank"), and each such Participating Bank shall be deemed irrevocably and unconditionally to have purchased and received from such Letter of Credit Issuer, without recourse or warranty, an undivided interest and participation, to the extent of such Participating Bank's Percentage, in such Letter of Credit, each substitute letter of credit, each drawing made thereunder and the obligations of the Borrower under this Agreement with respect thereto, and any security therefor or guaranty pertaining thereto (although L/C Fees will be paid directly to the Administrative Agent for the ratable account of the Participating Banks as provided in Section 3.01(b) and the Participating Banks shall have no right to receive any portion of any L/C Facing Fees). Upon any change in the Revolving Commitments of the Banks

pursuant to Section 12.04, it is hereby agreed that, with respect to all outstanding Letters of Credit and Unpaid Drawings, there shall be an automatic adjustment to the participations pursuant to this Section 2.02 to reflect the new Percentages of the assignor and assignee Banks.

(b) In determining whether to pay under any Letter of Credit, the respective Letter of Credit Issuer issuing same shall have no obligation relative to any other Bank other than to confirm that any documents required to be delivered under such Letter of Credit have been delivered and that they appear to comply on their face with the requirements of such Letter of Credit. Any action taken or omitted to be taken by a Letter of Credit Issuer under or in connection with any Letter of Credit issued by it if taken or omitted in the absence of gross negligence or willful misconduct, shall not create for such Letter of Credit Issuer any resulting liability to the Borrower or any Bank.

(c) In the event that a Letter of Credit Issuer makes any payment under any Letter of Credit issued by it and

-18-

the Borrower shall not have reimbursed such amount in full to such Letter of Credit Issuer pursuant to Section 2.04(a), such Letter of Credit Issuer shall promptly notify the Administrative Agent and after receipt of such notice, the Administrative Agent will notify each Participating Bank of such failure, and each Participating Bank shall promptly and unconditionally pay to the Administrative Agent for the account of such Letter of Credit Issuer, the amount of such Participating Bank's Percentage of such unreimbursed payment in lawful money of the United States of America and in same day funds; provided, however,

that no Participating Bank shall be obligated to pay to the Administrative Agent for the account of such Letter of Credit Issuer its Percentage of such unreimbursed amount for any wrongful payment made by such Letter of Credit Issuer under a Letter of Credit as a result of acts or omissions constituting willful misconduct or gross negligence on the part of such Letter of Credit Issuer. If the Administrative Agent so notifies, prior to 11:00 A.M. (New York time) on any Business Day, any Participating Bank required to fund a payment under a Letter of Credit, such Participating Bank shall make available to the Administrative Agent for the account of such Letter of Credit Issuer such Participating Bank's Percentage of the amount of such payment on such Business Day in same day funds. If and to the extent such Participating Bank shall not have so made its Percentage of the amount of such payment available to the Administrative Agent for the account of such Letter of Credit Issuer, such Participating Bank agrees to pay to the Administrative Agent for the account of such Letter of Credit Issuer, forthwith on demand, such amount, together with interest thereon, for each day from such date until the date such amount is paid to the Administrative Agent for the account of such Letter of Credit Issuer at the overnight Federal Funds Rate. The failure of any Participating Bank to make available to the Administrative Agent for the account of the respective Letter of Credit Issuer its Percentage of any payment under any Letter of Credit shall not relieve any other Participating Bank of its obligation hereunder to make available to the Administrative Agent for the account of such Letter of Credit Issuer its Percentage of any payment under any Letter of Credit on the date required, as specified above, but no Participating Bank shall be responsible for the failure of any other Participating Bank to make available to the Administrative Agent, such other Participating Bank's Percentage of any such payment.

(d) Whenever a Letter of Credit Issuer receives a payment of a reimbursement obligation as to which the Administrative Agent has received for the account of such

-19-

Letter of Credit Issuer any payments from the Participating Banks pursuant to clause (c) above, such Letter of Credit Issuer shall pay to the Administrative Agent and the Administrative Agent shall promptly pay to each Participating Bank which has paid its Percentage thereof, in Dollars and in same day funds, an amount equal to such Participating Bank's share (based upon the proportionate aggregate amount originally funded by such Participating Bank to the aggregate amount funded by all Participating Banks) of the principal amount of such reimbursement and of interest reimbursed thereon accruing from and after the date of the purchase of the respective participations.

(e) The obligations of the Participating Banks to make payments to the Administrative Agent for the account of any Letter of Credit Issuer with respect to Letters of Credit shall be irrevocable and not subject to counterclaim, set-off or other defense or any other qualification or exception whatsoever and shall be made in accordance with the terms and conditions of this Agreement under all circumstances, including, without limitation, any of the following circumstances:

(i) any lack of validity or enforceability of this Agreement or any of the other Credit Documents;

(ii) the existence of any claim, set-off, defense or other right which the Borrower, any of its Subsidiaries or any Permitted Joint Venture may have at any time against a beneficiary named in a Letter of Credit, any transferee of any Letter of Credit (or any Person for whom any such transferee may be acting), the Administrative Agent, any Co-Agent, any Letter of Credit Issuer, any Bank, or any other Person, whether in connection with this Agreement, any Letter of Credit, the transactions contemplated herein (including the Transaction) or any unrelated transactions (including any underlying transaction between the Borrower, any of its Subsidiaries or any Permitted Joint Venture and the beneficiary named in any such Letter of Credit);

(iii) any draft, certificate or any other document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(iv) the surrender or impairment of any security for the performance or observance of any of the terms of any of the Credit Documents; or

-20-

(v) the occurrence of any Default or Event of Default.

2.03 Letter of Credit Requests; Notices of Issuance. (a) Whenever

it desires that a Letter of Credit be issued, the Borrower shall give the Administrative Agent and the respective Letter of Credit Issuer written notice (including by way of telecopier) thereof prior to 1:00 P.M. (New York time) at least three Business Days (or such shorter period as may be acceptable to such Letter of Credit Issuer) prior to the proposed date (which shall be a Business Day) of issuance (each a "Letter of Credit Request"), which Letter of Credit Request shall include an application for the Letter of Credit and any other documents that such Letter of Credit Issuer customarily requires in connection therewith. The Administrative Agent shall promptly notify each Bank with a Revolving Commitment of each Letter of Credit Request.

(b) The delivery of each Letter of Credit Request shall be deemed a representation and warranty by the Borrower that such Letter of Credit as requested in such Letter of Credit Request may be issued in accordance with and will not violate the requirements of Section 2.01(c). Each Letter of Credit Issuer shall, on the date of each issuance of a Letter of Credit by it, give the Administrative Agent, each Bank with a Revolving Commitment and the Borrower written notice of the issuance of such Letter of Credit, accompanied by a copy to the Administrative Agent of the Letter of Credit or Letters of Credit issued by it.

2.04 Agreement to Repay Letter of Credit Drawings. (a) The Borrower

hereby agrees to reimburse each respective Letter of Credit Issuer, by making payment to the Administrative Agent for the account of such Letter of Credit Issuer in Dollars in immediately available funds at the Payment Office, for any payment or disbursement made by such Letter of Credit Issuer under any Letter of Credit issued by it (each such amount so paid or disbursed until reimbursed, an "Unpaid Drawing") immediately after, and in any event on the date of, notice from such Letter of Credit Issuer of such payment or disbursement with interest on the amount so paid or disbursed by such Letter of Credit Issuer, to the extent not reimbursed prior to 1:00 P.M. (New York time) on the date of such payment or disbursement, from and including the date paid or disbursed to but not including the date such Letter of Credit Issuer is reimbursed therefor at a rate per annum which shall be the Applicable Base Rate Margin plus the Base Rate as in effect from time to time (plus an additional 2% per annum if not

reimbursed by the third Business Day after the date of

-21-

notice of such payment or disbursement), such interest to be payable on demand.

(b) The Borrower's obligation under this Section 2.04 to reimburse each respective Letter of Credit Issuer with respect to Unpaid Drawings (including, in each case, interest thereon) shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment which the Borrower, any of its Subsidiaries or any Permitted Joint Venture may have or have had against such Letter of Credit Issuer, the Administrative Agent, any Co-Agent or any Bank, including, without limitation, any defense based upon the failure of any drawing under a Letter of Credit to conform to the terms of the Letter of Credit or any non-application or misapplication by the beneficiary of the proceeds of such drawing or any amendment or waiver or any consent to or departure from a Letter of Credit or any other circumstance whatsoever in making or failing to make payment under a Letter of Credit; provided, however, that the Borrower shall not be obligated to

reimburse a Letter of Credit Issuer for any wrongful payment made by such Letter of Credit Issuer under a Letter of Credit as a result of acts or omissions constituting willful misconduct or gross negligence on the part of such Letter of Credit Issuer.

2.05 Increased Costs. If at any time after the Effective Date, the

adoption or effectiveness of any applicable law, rule or regulation, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or actual compliance by any Letter of Credit Issuer or any Participating Bank with any request or directive (whether or not having the force of law) by any such authority, central bank or comparable agency shall either (i) impose, modify or make applicable any reserve, deposit, capital adequacy or similar

-22-

requirement against Letters of Credit issued by any Letter of Credit Issuer or any Participating Bank's participation therein, or (ii) impose on any Letter of Credit Issuer or any Participating Bank any other conditions affecting this Agreement, any Letter of Credit or any Participating Bank's participation therein; and the result of any of the foregoing is to increase the cost to any such Letter of Credit Issuer or any such Participating Bank of issuing, maintaining or participating in any Letter of Credit, or to reduce the amount of any sum received or receivable by any such Letter of Credit Issuer or such Participating Bank hereunder, then, upon demand to the Borrower by such Letter of Credit Issuer or such Participating Bank (a copy of which notice shall be sent by such Letter of Credit Issuer or such Participating Bank to the Administrative Agent), the Borrower shall, subject to Section 1.14 (to the extent applicable), pay to such Letter of Credit Issuer or such Participating Bank such additional amount or amounts as will compensate such Letter of Credit Issuer or such Participating Bank for such increased costs or reduction. A certificate shall be submitted to the Borrower by a Letter of Credit Issuer or such Participating Bank, as the case may be (a copy of which certificate shall be sent by such Letter of Credit Issuer or such Participating Bank to the Administrative Agent), setting forth the basis for the determination of such additional amount or amounts necessary to compensate such Letter of Credit Issuer or such Participating Bank as aforesaid, although the failure to deliver any such certificate shall not release or diminish any of the Borrower's obligations to pay additional amounts pursuant to this Section 2.05.

2.06 Indemnification. In addition to its other obligations under

this Section 2, the Borrower hereby agrees to protect, indemnify and hold harmless each Letter of Credit Issuer (and their respective officers, directors, employees, representatives and agents) from and against any and all claims, damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) whatsoever which may be incurred by such Letter of Credit Issuer (or which may be claimed against such Letter of Credit Issuer by any Person whatsoever) by reason of or in connection with (i) the issuance or a transfer of, or payment or failure to pay under, any Letter of Credit issued by such Letter of Credit Issuer and (ii) involvement of such Letter of Credit

Issuer in any suit, investigation, proceeding, inquiry or action as a consequence, direct or indirect, of such Letter of Credit Issuer's issuance of a Letter of Credit or any other event or transaction related thereto; provided,

however, that the Borrower shall not be required to indemnify any Letter of

-23-

Credit Issuer for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of such Letter of Credit Issuer.

SECTION 3. Fees; Commitments.

3.01 Fees. (a) The Borrower agrees to pay to the Administrative

Agent a commitment commission ("Commitment Commission") for the account of each Bank for the period from and including the Effective Date to but not including the date the Total Commitment has been terminated, computed at a rate for each day equal to 3/8 of 1% per annum on the daily average of such Bank's Aggregate Unutilized Commitment. Accrued Commitment Commission shall be due and payable in arrears on the Initial Borrowing Date and, thereafter, quarterly in arrears on the last Business Day of each calendar quarter and on the date upon which the Total Commitment is terminated.

(b) The Borrower agrees to pay to the Administrative Agent for the account of the Banks pro rata on the basis of their respective Percentages, a

fee in respect of each Letter of Credit (the "L/C Fee") in an amount equal to the Applicable Eurodollar Margin in respect of Revolving Loans on the average daily Stated Amount of such Letter of Credit. Accrued L/C Fees shall be due and payable quarterly in arrears on the last Business Day of each calendar quarter and on the date upon which the Total Revolving Commitment shall be terminated.

(c) The Borrower agrees to pay to the Administrative Agent for the account of each respective Letter of Credit Issuer a fee in respect of each Letter of Credit issued by it (the "L/C Facing Fee") computed at the rate of 1/4 of 1% per annum on the average daily Stated Amount of such Letter of Credit. Accrued L/C Facing Fees shall be due and payable quarterly in arrears on the last Business Day of each calendar quarter and on the date upon which the Total Revolving Commitment shall be terminated.

(d) The Borrower hereby agrees to pay to each respective Letter of Credit Issuer upon each issuance of, drawing under and/or amendment of, a Letter of Credit issued by it such amount as shall at the time of such issuance, drawing and/or amendment equal the administrative charge which such Letter of Credit Issuer is customarily charging at such time for issuances of, drawings under and/or amendments of letters of credit issued by it.

-24-

(e) The Borrower shall pay to the Administrative Agent (x) on the Initial Borrowing Date for its own account and/or for distribution to the Co-Agents and/or the Banks such fees as heretofore agreed in writing by the Borrower and the Administrative Agent and (y) for the account of the Administrative Agent, such other fees as may be agreed to in writing from time to time between the Borrower and the Administrative Agent, when and as due.

(f) All computations of Fees shall be made in accordance with Section 12.07.

3.02 Voluntary Reduction of Commitments. Upon at least three

Business Days' prior written notice (or telephonic notice confirmed in writing) to the Administrative Agent at its Notice Office (which notice the Administrative Agent shall promptly transmit to each of the Banks), the Borrower shall have the right, without premium or penalty, to terminate, in part or in whole, (i) the unutilized portion of the Total Term Loan Commitment or (ii) the Total Unutilized Revolving Commitment; provided that (x) any such termination

shall apply to proportionately and permanently reduce the Term Loan Commitment

or Revolving Commitment, as the case may be, of each of the Banks with a Term Loan Commitment or Revolving Commitment, as the case may be, and (y) any partial reduction pursuant to this sentence shall be in the amount of at least \$5,000,000.

3.03 Mandatory Adjustments of Commitments. (a) The Total Commitment

(and the Term Loan Commitment and Revolving Commitment of each Bank) shall be terminated on the Expiration Date unless the Initial Borrowing Date has occurred on or before such date.

(b) The Total Revolving Commitment (and the Revolving Commitment of each Bank) shall terminate on the earlier of (x) the date on which a Change of Control occurs and (y) the Revolving Credit Facility Maturity Date.

(c) The Total Term Loan Commitment shall (i) be reduced on each date on which Term Loans are incurred (after giving effect to the incurrence of Term Loans on such date), in an amount equal to the aggregate principal amount of Term Loans incurred on such date and (ii) terminate in its entirety on the Term Loan Availability Termination Date after giving effect to any incurrence of Term Loans on such date.

(d) Prior to the Intermediate Target Date, the Total Revolving Commitment shall be reduced at the time any

-25-

mandatory repayment of the Term Loans would be required pursuant to Section 4.02(A)(c), (d), (e), (g), (h) or (i) if Term Loans were then outstanding in the amount, if any, by which the amount of such required repayment (determined as if an unlimited amount of Term Loans were then outstanding) exceeds the aggregate amount of Term Loans then actually outstanding; provided, however, that no

reduction to the Total Revolving Commitment pursuant to this clause (d) as a result of the obligation to repay Term Loans set forth in Sections 4.02(A)(c), (d), (e), (g), (h) or (i) (after giving effect to all prior or concurrent reductions thereto) shall reduce the Total Revolving Commitment to an amount less than \$100,000,000.

(e) Each reduction of the Total Term Loan Commitment or the Total Revolving Commitment pursuant to this Section 3.03 shall apply proportionately to the Term Loan Commitment or Revolving Commitment, as the case may be, of each Bank with such a Commitment.

SECTION 4. Payments.

4.01 Voluntary Prepayments. The Borrower shall have the right to

prepay Loans in whole or in part, without penalty or fee except as otherwise provided in this Agreement, at any time and from time to time on the following terms and conditions: (i) the Borrower shall give the Administrative Agent at the Notice Office written notice (or telephonic notice promptly confirmed in writing) (each such notice, a "Notice of Prepayment") of its intent to prepay Loans, whether such Loans are Term Loans or Revolving Loans, the amount of such prepayment and (in the case of Eurodollar Loans) the specific Borrowing(s) pursuant to which such Eurodollar Loans were made, which Notice of Prepayment shall be substantially in the form of Exhibit A-2 and shall be given by the Borrower prior to 12:00 Noon (New York time) at least three Business Days prior to the date of such prepayment, which Notice of Prepayment shall promptly be transmitted by the Administrative Agent to each of the Banks; (ii) each partial prepayment of any Borrowing shall be in an aggregate principal amount of at least \$5,000,000, provided that no partial prepayment of Eurodollar Loans shall

reduce the aggregate principal amount of Eurodollar Loans outstanding pursuant to a Borrowing to an amount less than the Minimum Borrowing Amount applicable thereto; (iii) each prepayment in respect of any Loans made pursuant to a Borrowing shall be applied pro rata among such Loans; (iv) Eurodollar Loans may

--- ---
be designated for prepayment pursuant to this Section 4.01 only on the last day of the Interest Period

-26-

applicable thereto; and (v) each prepayment of Term Loans pursuant to this Section 4.01 shall be applied to reduce the then remaining Scheduled Repayments on a pro rata basis (based upon the then remaining principal amount of each such

Scheduled Repayment).

4.02 Mandatory Prepayments.

(A) Requirements:

(a) If on any date the sum of (x) the aggregate outstanding principal amount of Revolving Loans (after giving effect to all other repayments thereof on such date) plus (y) the Letter of Credit Outstandings on such date, exceeds the Total Revolving Commitment as then in effect, the Borrower shall repay on such date the principal of Revolving Loans in an aggregate amount equal to such excess. If, after giving effect to the prepayment of all outstanding Revolving Loans, the aggregate amount of Letter of Credit Outstandings exceeds the Total Revolving Commitment then in effect, the Borrower shall pay to the Administrative Agent an amount in cash and/or Cash Equivalents (satisfactory to the Administrative Agent) equal to such excess (up to a maximum amount equal to the Letter of Credit Outstandings at such time) and the Administrative Agent shall hold such payment as security for the Obligations of the Borrower in a cash collateral account created pursuant to an agreement to be entered into in form and substance satisfactory to the Administrative Agent (which shall permit certain investments in Cash Equivalents satisfactory to the Administrative Agent, until the proceeds are applied to the Obligations) (a "Cash Collateral Account").

(b) On each date set forth below, the Borrower shall be required to repay the principal amount of Term Loans as is set forth opposite such date (each a "Scheduled Repayment"):

Date -----	Amount -----
May 31, 1994	\$2,975,000
November 30, 1994	8,925,000
May 31, 1995	8,925,000
November 30, 1995	8,925,000
May 31, 1996	8,925,000
November 30, 1996	8,925,000
May 31, 1997	8,925,000
November 30, 1997	8,925,000
May 31, 1998	8,925,000

-27-

November 30, 1998	8,925,000
May 31, 1999	8,925,000
November 30, 1999	8,925,000
May 31, 2000	8,925,000
November 30, 2000	8,925,000
Final Maturity Date	6,000,000

(c) Subject to and in accordance with Section 4.02(B), on or prior to the third Business Day after the date of receipt by the Borrower and/or any of its Subsidiaries of the Cash Proceeds of any Asset Sale, an amount equal to 75% of the Net Cash Proceeds of such Asset Sale shall be applied to the prepayment of the outstanding principal amount of the Loans, provided that to the extent no

Default or Event of Default then exists, such Net Cash Proceeds shall not be required to be so applied if the Borrower has delivered a Reinvestment Notice to the Administrative Agent on or prior to the third Business Day after the date of receipt of such Cash Proceeds to the extent of the Anticipated Reinvestment Amount specified in such Reinvestment Notice.

(d) Subject to and in accordance with Section 4.02(B), on or prior to the third Business Day after the date of the receipt by the Borrower and/or any of its Subsidiaries of the proceeds of any incurrence after the Initial Borrowing Date of Indebtedness (other than Indebtedness permitted by Section 8.03 as such Section is in effect on the Effective Date), an amount equal to 75% of the Net Debt Issuance Proceeds of such incurrence shall be applied to the prepayment of the outstanding principal amount of Loans.

(e) Subject to and in accordance with Section 4.02(B), on or prior to the third Business Day after the date of the receipt by the Borrower and/or any of its Subsidiaries of proceeds from the issuance, after the Initial Borrowing Date, of equity (other than issuances of Common Stock to employees, officers and directors of the Borrower and its Subsidiaries pursuant to the Stock Option Plans), an amount equal to 50% of the Net Equity Issuance Proceeds of any such issuance shall be applied to the prepayment of the outstanding principal amount of Loans.

(f) Subject to and in accordance with Section 4.02(B), on or prior to the 90th day after the last day of each fiscal year of the Borrower (commencing on the date which is not more than 90 days after the Borrower's fiscal year ending December 31, 1994), 75% of Excess Cash Flow for the Excess Cash Flow Period last ended shall be applied to the prepayment of the outstanding principal amount of Loans.

-28-

(g) Subject to and in accordance with Section 4.02(B), on or prior to the third Business Day after the date of the receipt thereof by the Borrower and/or any of its Subsidiaries of a Pension Plan Refund, an amount equal to 75% of such Pension Plan Refund shall be applied to the prepayment of the outstanding principal amount of Loans, provided that to the extent no Default

or Event of Default then exists, any such Pension Plan Refund shall not be required to be so applied if the Borrower has delivered a Reinvestment Notice to the Administrative Agent on or prior to the third Business Day after the date of receipt of such Pension Plan Refund to the extent of the Anticipated Reinvestment Amount specified in such Reinvestment Notice.

(h) Subject to and in accordance with Section 4.02(B), on or prior to the third Business Day after the date of receipt thereof by the Borrower and/or any of its Subsidiaries of any Insurance Proceeds from any Recovery Event, the Net Insurance Proceeds of which are in excess of \$500,000 (it being understood that if such amount exceeds \$500,000, then the entire amount and not just the portion in excess of \$500,000 shall be subject to mandatory prepayment as provided in this Section 4.02(A)(h)), an amount equal to 75% of the Net Insurance Proceeds from such Recovery Event shall be applied to the prepayment of the outstanding principal amount of Loans, provided that to the extent no

Default or Event of Default then exists, any such Net Insurance Proceeds shall not be required to be so applied if the Borrower has delivered a Reinvestment Notice to the Administrative Agent on or prior to the third Business Day after the date of receipt of such Insurance Proceeds to the extent of the Anticipated Reinvestment Amount specified in such Reinvestment Notice.

(i) Subject to and in accordance with Section 4.02(B), on each Reinvestment Prepayment Date, an amount equal to the Reinvestment Prepayment Amount with respect to the applicable Reinvestment Event shall be applied to the prepayment of the outstanding principal amount of Loans.

(j) If on any date the sum of (i) the aggregate outstanding principal amount of Revolving Loans (after giving effect to all other repayments thereof on such date) plus (ii) the Letter of Credit Outstandings at such time exceeds the Borrowing Base as then in effect, the Borrower shall repay on such date that principal amount of Revolving Loans as is equal to such excess. If, after giving effect to the prepayment of all outstanding Revolving Loans, the aggregate amount of Letter of Credit Outstandings exceeds the Borrowing Base then in effect, the Borrower shall pay to the Adminis-

trative Agent an amount in cash and/or Cash Equivalents (satisfactory to the Administrative Agent) equal to such excess (up to the aggregate amount of Letter of Credit Outstandings at such time) and the Administrative Agent shall hold such payment as security for all Obligations of the Borrower in a Cash Collateral Account.

(k) On the date a Change of Control occurs, the outstanding principal amount of the Term Loans shall be due and payable in full.

(B) Application:

(a) Each mandatory repayment of Loans made pursuant to Sections 4.02(A)(c) through (i), inclusive, shall be applied: (i) first, to prepay the principal of outstanding Term Loans, which prepayments shall reduce pro rata the then remaining Scheduled Repayments; (ii) second, to prepay the principal of outstanding Revolving Loans; and (iii) third, to cash collateralize Letter of Credit Outstandings in a Cash Collateral Account.

(b) With respect to each repayment of Loans required by Section 4.02(A), the Borrower may designate the Types of Loans which are to be prepaid and the specific Borrowing(s) under the affected Facility pursuant to which made, provided that (i) Eurodollar Loans made pursuant to a specific Facility may be designated for repayment pursuant to this Section 4.02(B) only on the last day of an Interest Period applicable thereto unless all Eurodollar Loans made pursuant to such Facility with Interest Periods ending on such date of required repayment and all Base Rate Loans made pursuant to such Facility have been paid in full; (ii) each repayment of any Loans made pursuant to a Borrowing shall be applied pro rata among such Loans; and (iii) if any repayment of Eurodollar Loans made pursuant to a single Borrowing shall reduce the outstanding Loans made pursuant to such Borrowing to an amount less than the Minimum Borrowing Amount for such Eurodollar Loans, such Borrowing shall be immediately converted into Base Rate Loans. In the absence of a designation by the Borrower as described in the preceding sentence, the Administrative Agent shall, subject to the above, make such designation in its sole discretion with a view, but no obligation, to minimize breakage costs owing under Section 1.11.

4.03 Method and Place of Payment. Except as otherwise specifically

provided herein, all payments under this Agreement shall be made to the Administrative Agent for the ratable account of the Banks entitled thereto, not later

than 1:00 P.M. (New York time) on the date when due and shall be made in immediately available funds and in lawful money of the United States of America at the Payment Office. Any payments under this Agreement which are made later than 1:00 P.M. (New York time) shall be deemed to have been made on the next succeeding Business Day. Whenever any payment to be made hereunder shall be stated to be due on a day which is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest shall be payable during such extension at the applicable rate in effect immediately prior to such extension.

4.04 Net Payments. (a) All payments made by the Borrower hereunder,

under any Note or under any other Credit Document will be made without setoff, counterclaim or other defense. Except as provided for in Section 4.04(b), all such payments will be made free and clear of, and without deduction or withholding for, any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature now or hereafter imposed by any jurisdiction or by any political subdivision or taxing authority thereof or therein (but excluding, except as provided in the second succeeding sentence, any tax imposed on or measured by the net income of a Bank pursuant to the laws

of the jurisdiction in which the principal office or applicable lending office of such Bank is located or under the laws of any political subdivision or taxing authority of any such jurisdiction in which the principal office or applicable lending office of such Bank is located) and all interest, penalties or similar liabilities with respect thereto (collectively, "Taxes"). If any Taxes are so levied or imposed, the Borrower agrees to pay the full amount of such Taxes, and such additional amounts as may be necessary so that every payment of all amounts due hereunder, under any Note or under any other Credit Document, after withholding or deduction for or on account of any Taxes, will not be less than the amount provided for herein, in such Note or in such other Credit Document. If any amounts are payable in respect of Taxes pursuant to the preceding sentence, then the Borrower agrees to reimburse each Bank, upon the written request of such Bank, for taxes imposed on or measured by the net income of such Bank pursuant to the laws of the jurisdiction in which the principal office or applicable lending office of such Bank is located or under the laws of any political subdivision or taxing authority of any such jurisdiction in which the principal office or applicable lending office of such Bank is located and for any withholding of income or similar taxes imposed by the United States of America as such Bank

-31-

shall determine are payable by, or withheld from, such Bank in respect of such amounts so paid to or on behalf of such Bank pursuant to the preceding sentence and in respect of any amounts paid to or on behalf of such Bank pursuant to this sentence. The Borrower will furnish to the Administrative Agent within 45 days after the date the payment of any Taxes, or any withholding or deduction on account thereof, is due pursuant to applicable law, certified copies of tax receipts evidencing such payment by the Borrower. The Borrower will indemnify and hold harmless the Administrative Agent, each Co-Agent and each Bank, and reimburse the Administrative Agent, such Co-Agent or such Bank upon its written request, for the amount of any Taxes so levied or imposed and paid or withheld by the Administrative Agent, such Co-Agent or such Bank.

(b) Each Bank which is not a United States person (as such term is defined in Section 7701(a)(30) of the Code) for U.S. Federal income tax purposes agrees (i) to provide to the Borrower and the Administrative Agent on or prior to the Initial Borrowing Date two original signed copies of Internal Revenue Service Form 4224 or Form 1001 certifying to such Bank's entitlement to an exemption from United States withholding tax with respect to payments to be made under this Agreement and under any Note and (ii) that, to the extent legally entitled to do so, (x) with respect to a Bank that is an assignee or transferee of an interest under this Agreement pursuant to Section 12.04(b)(y) (unless the respective Bank was already a Bank hereunder immediately prior to such assignment or transfer), upon the date of such assignment or transfer to such Bank, and (y) with respect to any Bank which is not a United States person (as such term is defined in Section 7701(a)(30) of the Code) for U.S. Federal income tax purposes (including, without limitation, any assignee or transferee), from time to time, upon the reasonable request by the Borrower or the Administrative Agent after the Initial Borrowing Date, such Bank will provide to each of the Borrower and the Administrative Agent two original signed copies of Internal Revenue Service Form 4224 or Form 1001 (or any successor forms) certifying to such Bank's entitlement to an exemption from United States withholding tax with respect to payments to be made under this Agreement and under any Note. Notwithstanding anything to the contrary contained in Section 4.04(a), but subject to the immediately succeeding sentence, the Borrower shall be entitled, to the extent it is required to do so by law, to deduct or withhold income or other similar taxes imposed by the United States (or any political subdivision or taxing authority thereof or therein) from interest, fees or other amounts payable hereunder (without

-32-

any obligation to pay the respective Bank additional amounts with respect thereto) for the account of any Bank which is not a United States person (as such term is defined in Section 7701(a)(30) of the Code) for U.S. Federal income tax purposes and which has not provided to the Borrower such forms required to be provided to the Borrower by a Bank pursuant to the first sentence of this Section 4.04(b); provided that if the Borrower shall so deduct

or withhold any such taxes, it shall provide a statement to the Administrative Agent and such Bank, setting forth the amount of such taxes so deducted or withheld, the applicable rate and any other information or documentation which

such Bank may reasonably request for assisting such Bank in obtaining any allowable credits or deductions for the taxes so deducted or withheld in the jurisdiction or jurisdictions in which such Bank is subject to tax. Notwithstanding anything to the contrary contained in the preceding sentence and except as set forth in Section 12.04(b), the Borrower agrees to indemnify each Bank in the manner set forth in Section 4.04(a) in respect of any amounts deducted or withheld by it as described in the previous sentence as a result of any changes after the Effective Date in any applicable law, treaty, governmental rule, regulation, guideline or order, or in the interpretation thereof, relating to the deducting or withholding of income or similar Taxes.

SECTION 5. Conditions Precedent.

5.01 Conditions Precedent to Initial Borrowing Date. The obligation

of each Bank to make any Loans and the obligation of each Letter of Credit Issuer to issue Letters of Credit, on the Initial Borrowing Date, is subject to the satisfaction of the following conditions at such time:

(a) Effectiveness; Notes. On or prior to the Initial Borrowing Date

(i) the Effective Date shall have occurred as provided in Section 12.10 and
(ii) there shall have been delivered to the Administrative Agent for the account of each Bank the appropriate Note or Notes executed by the Borrower, in the amount, maturity and as otherwise provided herein.

(b) Officer's Certificate. On the Initial Borrowing Date, the

Administrative Agent shall have received from the Borrower a certificate dated the Initial Borrowing Date signed on behalf of the Borrower by its Chief Financial Officer or any other Authorized Officer stating that all the conditions in Sections 5.01(e), (f) and

-33-

(t) and 5.02(a) have been satisfied on such date with respect to all Credit Parties.

(c) Corporate Documents; Proceedings; Officers' Certificates.

(i) On the Initial Borrowing Date, the Administrative Agent shall have received from each Credit Party a certificate, dated the Initial Borrowing Date, of such Credit Party signed by an Authorized Officer of such Credit Party, substantially in the form of Exhibit C with appropriate insertions, together with copies of the Certificate of Incorporation and By-Laws of such Credit Party and the resolutions of such Credit Party referred to in such certificate and the foregoing shall be satisfactory to the Administrative Agent.

(ii) On the Initial Borrowing Date, all corporate and legal proceedings and all instruments and agreements in connection with the transactions contemplated by this Agreement, the other Credit Documents and the Transaction Documents shall be satisfactory in form and substance to the Administrative Agent, and the Administrative Agent shall have received all information and copies of all certificates, documents and papers, including good standing certificates and any other records of corporate proceedings and governmental approvals, if any, which the Administrative Agent may have requested in connection therewith, such documents and papers where appropriate to be certified by proper corporate or governmental authorities.

(iii) On the Initial Borrowing Date, the ownership and capital structure (including, without limitation, the terms of any capital stock, options, warrants or other securities issued by the Borrower or any of its Subsidiaries) of the Borrower and its Subsidiaries shall be in form and substance reasonably satisfactory to the Administrative Agent and the Required Banks.

(d) Opinions of Counsel. On the Initial Borrowing Date, the

Administrative Agent shall have received an opinion, addressed to each of the Banks and dated the Initial Borrowing Date, from (i) Stroock & Stroock & Lavan, counsel to the Credit Parties, substantially in the form of

Exhibit D-1 hereto, which opinion shall cover such other matters incident to the transactions contemplated herein as the Administrative Agent may reasonably request, (ii) local counsel to the Credit Parties satisfactory to the Administrative Agent, which opinions shall cover such matters incident to the tran-

-34-

sactions contemplated herein as the Administrative Agent may reasonably request and shall be in form and substance reasonably satisfactory to the Administrative Agent and (iii) White & Case, special counsel to the Banks, substantially in the form of Exhibit D-2 hereto.

(e) Existing Indebtedness. (i) On or prior to the Initial Borrowing

Date, the Administrative Agent and the Banks shall have received copies of the Existing Debt Refinancing Documents certified as true and correct by the Borrower in a certificate signed by an Authorized Officer of the Borrower, and the Existing Debt Refinancing Documents shall be in full force and effect and all terms and conditions thereof shall be in form and substance reasonably satisfactory to the Administrative Agent and the Required Banks. The Refinancing, including all of the terms and conditions thereof, shall have been duly approved by the board of directors and (if required by applicable law) the shareholders of the Borrower and its Subsidiaries. The representations and warranties set forth in the Existing Debt Refinancing Documents shall be true and correct in all material respects as if made on and as of the Initial Borrowing Date, unless stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date. Each of the conditions precedent to consummate the Refinancing as set forth in the Existing Debt Refinancing Documents shall have been satisfied, and not waived, to the reasonable satisfaction of the Administrative Agent. The Administrative Agent shall be reasonably satisfied that the aggregate amount of the funds available to the Borrower shall be sufficient to consummate the Refinancing, to pay all fees, commissions and expenses payable in connection with the Refinancing and to consummate the other transactions contemplated by the Documents. The Refinancing shall have been consummated in accordance with the Existing Debt Refinancing Documents and all applicable laws. On the Initial Borrowing Date and after giving effect to the Refinancing neither the Borrower nor any of its Subsidiaries shall have any further obligations with respect to the Existing Bank Facility, any issue of Existing Term Debt or any agreements pursuant to which such Existing Term Debt was purchased or issued or any agreement pursuant to which any Existing Letter of Credit was originally issued.

-35-

(ii) On the Initial Borrowing Date and concurrently with the incurrence of the Loans on such date, each of the creditors in respect of the Existing Debt to be repaid pursuant to the Refinancing shall have terminated and released any and all security interests in and liens on the capital stock of, and assets owned by, the Borrower and its Subsidiaries and shall have released the Borrower and its Subsidiaries from any guarantees entered in connection with such Existing Debt, and the Administrative Agent shall have received all such releases as may have been reasonably requested by the Administrative Agent, which releases shall be in form and substance reasonably satisfactory to the Administrative Agent.

(f) Approvals. On the Initial Borrowing Date, all necessary

governmental and third party approvals (including, without limitation, the approval of the shareholders of the Borrower and its Subsidiaries to the extent required) required in connection with the Transaction and the other transactions contemplated by this Agreement and the other Documents and otherwise referred to herein or therein shall have been obtained and remain in effect, and all applicable waiting periods shall have expired without any action being taken by any competent authority which restrains, prevents or imposes, in the reasonable judgment of the Required Banks or the Administrative Agent, materially adverse conditions upon the consummation of the Transaction or the other transactions contemplated by the respective Documents.

(g) Pledge Agreement. On the Initial Borrowing Date, the Borrower

and each Subsidiary Guarantor shall have duly authorized, executed and delivered a Pledge Agreement substantially in the form of Exhibit E (as modified, supplemented or amended from time to time, in accordance with the terms hereof and thereof, the "Pledge Agreement"), and shall have delivered to the Collateral Agent, as pledgee thereunder, all the Pledged Securities referred to therein then owned by the Borrower and each Subsidiary Guarantor, (x) endorsed in blank in the case of promissory notes and (y) together with executed and undated stock powers, in the case of capital stock, and the Pledge Agreement shall be in full force and effect.

(h) Subsidiary Guaranty. On the Initial Borrowing Date, each

Subsidiary Guarantor shall have duly authorized, executed and delivered a Guaranty in the form of

-36-

Exhibit F (as modified, supplemented or amended from time to time in accordance with the terms hereof and thereof, the "Subsidiary Guaranty"), and the Subsidiary Guaranty shall be in full force and effect.

(i) Security Agreement. On the Initial Borrowing Date, the Borrower

and each Subsidiary Guarantor shall have duly authorized, executed and delivered a Security Agreement substantially in the form of Exhibit G (as modified, supplemented or amended from time to time in accordance with the terms hereof and thereof, the "Security Agreement"), covering all of the present and future Security Agreement Collateral, together with:

(A) executed copies of Financing Statements (Form UCC-1) or appropriate local equivalent in appropriate form for filing under the UCC or appropriate local equivalent of each jurisdiction as may be necessary to perfect the security interests purported to be created by the Security Agreement and capable of being perfected by the filing of such Financing Statements or appropriate local equivalent;

(B) certified copies of Requests for Information or Copies (Form UCC-11), or equivalent reports, each of recent date listing all effective financing statements that name any Credit Party as debtor and that are filed in the jurisdictions referred to in clause (A), together with copies of such financing statements (none of which shall cover the Collateral except (x) those with respect to which appropriate termination statements executed by the secured party thereunder have been delivered to the Administrative Agent and (y) to the extent evidencing Permitted Liens);

(C) evidence of the completion of all other recordings and filings of, or with respect to, the Security Agreement as may be necessary or, in the reasonable opinion of the Collateral Agent, desirable to perfect the security interests intended to be created by the Security Agreement; and

(D) evidence that all other actions necessary or, in the reasonable opinion of the Collateral Agent, desirable to perfect and protect the security interests purported to be created by the Security Agreement have been taken.

-37-

(j) Mortgages; Title Insurance; Surveys; etc. (i) On the Initial Borrowing

Date, the Collateral Agent shall have received fully executed counterparts of deeds of trust, mortgages and similar documents in each case in form and substance satisfactory to the Collateral Agent (as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof, each a "Mortgage" and collectively the "Mortgages") covering all the Mortgaged Properties, and arrangements reasonably satisfactory to the Collateral Agent shall be in place to provide that counterparts of such Mortgages shall be recorded on the Initial Borrowing Date in all places to the extent necessary or desirable, in the judgment of the Collateral Agent, effectively to create a valid and enforceable first priority Lien, subject

only to Permitted Encumbrances, on each such Mortgaged Property in favor of the Collateral Agent (or such other trustee as may be required or desired under local law) for the benefit of the Secured Creditors.

(ii) The Collateral Agent shall have received mortgagee title insurance policies (or binding commitments to issue such title insurance policies) issued by title insurers satisfactory to the Collateral Agent (the "Mortgage Policies") in amounts satisfactory to the Collateral Agent and assuring the Collateral Agent that the Mortgages are valid and enforceable first priority mortgage Liens on the respective Mortgaged Properties, free and clear of all defects and encumbrances except Permitted Encumbrances. Such Mortgage Policies shall be in form and substance satisfactory to the Collateral Agent and shall include an endorsement for future advances (to the extent available in the respective jurisdiction of each Mortgaged Property) under this Agreement, the Notes and the Mortgages, and for any other matter that the Collateral Agent in its discretion may reasonably request, shall not include an exception for mechanics' liens, and shall provide for affirmative insurance and such reinsurance (including direct access agreements) as the Collateral Agent in its discretion may request.

(iii) The Collateral Agent shall have also received surveys in form and substance satisfactory to the Collateral Agent of each Mortgaged Property designated as "owned" on Schedule II hereto to the extent such surveys are determined by the Collateral Agent to be reasonably available, dated a recent date acceptable to the Collateral Agent, certified and in a manner satisfactory to

-38-

the Collateral Agent, by a licensed professional surveyor satisfactory to the Collateral Agent. The Collateral Agent shall also have received such estoppel letters as may have been requested by the Collateral Agent, which letters shall be in form and substance satisfactory to the Collateral Agent.

(k) Solvency Certificate. On the Initial Borrowing Date, the

Administrative Agent shall have received from the Chief Financial Officer of the Borrower a certificate in the form of Exhibit H, expressing opinions of value and other appropriate factual information regarding the solvency of each of the Borrower and the Borrower and its Subsidiaries taken as a whole.

(l) Insurance Policies. On the Initial Borrowing Date, the

Administrative Agent shall have received evidence (including, without limitation, certificates with respect to each insurance policy listed on Schedule III) of insurance complying with the requirements of Section 7.10 for the business and properties of the Borrower and its Subsidiaries, in form and substance reasonably satisfactory to the Administrative Agent and the Required Banks and, with respect to all casualty insurance, naming the Collateral Agent on behalf of the Secured Creditors, as mortgagee/secured party and loss payee and with respect to all liability policies, naming the Collateral Agent, the Administrative Agent, the Co-Agents and each Bank as an additional insured, and in all cases stating that such insurance shall not be cancelled or materially revised without at least 30 days' prior written notice by the insurer to the Collateral Agent.

(m) Plans; etc. On or prior to the Initial Borrowing Date, there

shall have been made available to the Administrative Agent and its counsel copies (which copies may be made available to the Banks), certified as true and correct by the Borrower in a certificate signed by an Authorized Officer of the Borrower, of (a) any Plans, and for each such Plan (x) that is a "single-employer plan" (as defined in Section 4001(a)(15) of ERISA) the most recently completed actuarial valuation prepared therefor by such Plan's regular enrolled actuary and the Schedule B, "Actuarial Information" to the IRS Form 5500 (Annual Report) most recently filed with the Internal Revenue Service and (y) that is a "multiemployer plan" (as defined in Section 4001(a)(3) of ERISA), each of the documents referred to in clause

-39-

(x) either in the possession of any Credit Party or available on request from the sponsor or trustees of such Plan, (b) any collective bargaining agreements or any other similar agreement or arrangements covering the employees of the Borrower or any of its Subsidiaries (collectively, the "Collective Bargaining Agreements"), (c) any material agreements (or the forms thereof) with members of, or with respect to, the management of the Borrower or any of its Subsidiaries (collectively, the "Management Agreements"), (d) any material employment agreements entered into by the Borrower or any of its Subsidiaries with its employees (collectively, the "Employment Agreements"), (e) all agreements entered into by the Borrower or any of its Subsidiaries governing the terms and relative rights of its capital stock and any agreements entered into by shareholders relating to any such entity with respect to their capital stock, (collectively, the "Shareholders' Agreements"), (f) all agreements evidencing or relating to the Permitted Existing Indebtedness (collectively, the "Permitted Existing Indebtedness Agreements") and (g) tax sharing, tax allocation and other similar agreements, if any, entered into by the Borrowing and/or any of its Subsidiaries (collectively, the "Tax Sharing Agreements"), all of which Plans, Collective Bargaining Agreements, Management Agreements, Employment Agreements, Shareholders' Agreements, Permitted Existing Indebtedness Agreements and Tax Sharing Agreements shall be in form and substance reasonably satisfactory to the Administrative Agent.

(n) Environmental Surveys. On or before the Initial Borrowing Date,

the Administrative Agent shall have received environmental surveys and audits requested by it from environmental consultants, which surveys and audits shall be reasonably satisfactory to the Administrative Agent, in form and substance, and the results of which shall be reasonably satisfactory to the Administrative Agent and the Required Banks.

(o) Payment of Fees. On or prior to the Initial Borrowing Date, all

costs, fees and expenses, and all other compensation contemplated by this Agreement, due to the Administrative Agent, any Co-Agent or the Banks (including, without limitation, legal fees and expenses) shall have been paid by the Borrower to the extent due.

(p) Adverse Change. From November 17, 1993 to the Initial Borrowing

Date, except in connection with the

-40-

Transaction and the other matters disclosed in the Press Release, nothing shall have occurred (and neither the Borrower, the Required Banks, the Administrative Agent nor any Co-Agent shall have become aware of any facts or conditions not previously known) which the Borrower, the Required Banks or the Administrative Agent shall determine (i) has, or is reasonably likely to have, a material adverse effect on the rights or remedies of the Banks or the Administrative Agent, or on the ability of any Credit Party to perform its obligations to the Banks or the Administrative Agent under this Agreement or any other Credit Document or (ii) has, or could reasonably be expected to have, a Material Adverse Effect.

(q) Litigation. No litigation by any entity (private or

governmental) shall be pending or threatened on the Initial Borrowing Date (a) with respect to this Agreement or any other Credit Document, or (b) which, except as disclosed to the Administrative Agent and the Banks in writing prior to the Effective Date, the Administrative Agent or the Required Banks shall determine could reasonably be expected to have a Material Adverse Effect.

(r) Accounts Receivable and Inventory Report. The results of any

review by the Administrative Agent of the accounts receivable and inventory of the Borrower and its Subsidiaries shall be reasonably satisfactory to the Administrative Agent.

(s) Borrowing Base Certificate. On the Initial Borrowing Date, the

Borrower shall have delivered to the Administrative Agent the initial

Borrowing Base Certificate.

(t) Issuance of Senior Notes. On or prior to the Initial Borrowing

Date, (i) the Borrower shall have received gross cash proceeds in an aggregate principal amount of \$150,000,000 from the issuance by the Borrower of a like principal amount of the Senior Notes (it being understood that such cash proceeds shall include all amounts directly applied to pay underwriting and placement commissions and discounts and related fees) and (ii) the Banks shall have received true and correct copies of the Senior Note Documents certified as such in a certificate signed by an Authorized Officer of the Borrower, each of which shall be in full force and effect, and all terms and conditions of the Senior Notes and the Senior Note Documents (including, without

-41-

limitation, interest rates, maturities, amortization schedules, covenants, redemption provisions, defaults and remedies with respect thereto) shall be in form and substance satisfactory to the Administrative Agent and the Required Banks, it being understood and agreed that the Senior Notes shall be unguaranteed and unsecured obligations of the Borrower.

5.02 Conditions Precedent to All Credit Events. The obligation of

each Bank to make any Loans and the obligation of each Letter of Credit Issuer to issue Letters of Credit (including, without limitation, Loans made and Letters of Credit issued on the Initial Borrowing Date) is subject, at the time of each such Credit Event, to the satisfaction of the following conditions at such time:

(a) At the time of each Credit Event and also after giving effect thereto (i) there shall exist no Default or Event of Default and (ii) all representations and warranties contained herein or in the other Credit Documents in effect at such time shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the date of such Credit Event (except to the extent any representation or warranty is expressly made as of a specific date, in which case such representation and warranty shall be true and correct in all material respects as of such date).

(b) The Administrative Agent shall have received a Notice of Borrowing with respect to such Borrowing meeting the requirements of Section 1.03(a) and/or the Administrative Agent and the respective Letter of Credit Issuer shall have received a Letter of Credit Request for such issuance of a Letter of Credit meeting the requirements of Section 2.03, as the case may be.

The acceptance of the benefits of each Credit Event shall constitute a representation and warranty by the Borrower to each of the Banks that all of the applicable conditions specified in Section 5.01 (with respect to the Initial Borrowing Date only) and in this Section 5.02 are then satisfied. All of the certificates, legal opinions and other documents and papers referred to in Section 5.01 and this Section 5.02, unless otherwise specified, shall be delivered to the Administrative Agent at its Notice Office for the account of each of the Banks and, except for the Notes, in sufficient counterparts or copies for each of the Banks and

-42-

shall be reasonably satisfactory in form and substance to the Administrative Agent.

SECTION 6. Representations, Warranties and Agreements. In order to

induce the Banks to enter into this Agreement and to make the Loans and participate in Letters of Credit and each Letter of Credit Issuer to issue Letters of Credit as provided for herein, the Borrower makes the following representations and warranties to, and agreements with, the Banks and each Letter of Credit Issuer, in each case after giving effect to the Transaction, all of which shall survive the execution and delivery of this Agreement and the making of the Loans and the issuance of Letters of Credit (with the occurrence of each Credit Event being deemed to constitute a representation and warranty

that the matters specified in this Section 6 are true and correct in all material respects on and as of the date of each Credit Event, except to the extent that any representation or warranty is expressly made as of a specific date, in which case such representation or warranty shall be true and correct in all material respects as of such specific date):

6.01 Corporate Status. (i) Each of the Borrower and its

Subsidiaries is a duly incorporated, validly existing corporation and, in the case of those entities incorporated in the United States, in good standing under the laws of the jurisdiction of its organization and has the corporate power and authority to own all property and assets owned by it, to lease all property and assets held under lease by it and to transact the business in which it is engaged and presently proposes to engage and (ii) each of the Credit Parties has duly qualified and is authorized to do business and, with respect to jurisdictions within the United States, is in good standing in all jurisdictions where it is required to be so qualified, except where the failure to be so qualified could not reasonably be expected to have a Material Adverse Effect.

6.02 Corporate Power and Authority. Each Credit Party has the

corporate power and authority to execute, deliver and carry out the terms and provisions of the Documents to which it is a party and has taken all necessary corporate action to authorize the execution, delivery and performance of the Documents to which it is a party. Each Credit Party has duly executed and delivered each Document to which it is a party and each such Document constitutes the legal, valid and binding obligation of such Credit Party enforceable in accordance with its terms.

-43-

6.03 No Violation. Neither the execution, delivery and performance

by any Credit Party of the Documents to which it is a party nor compliance with the terms and provisions thereof, nor the consummation of the transactions contemplated therein (i) will contravene any applicable provision of any law, statute, rule, regulation, order, writ, injunction or decree of any court or governmental instrumentality, (ii) will conflict or be inconsistent with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or (other than pursuant to the Security Documents) result in the creation or imposition of (or the obligation to create or impose) any Lien upon any of the property or assets of any Credit Party pursuant to the terms of any indenture, mortgage, deed of trust, agreement or other instrument to which any Credit Party is a party or by which it or any of its property or assets are bound or to which it may be subject, including without limitation any Permitted Existing Indebtedness Agreements, or (iii) will violate any provision of the Certificate of Incorporation or By-Laws of any Credit Party.

6.04 Litigation. There are no actions, suits or proceedings pending

or, to the best knowledge of the Borrower, threatened with respect to the Borrower or any of its Subsidiaries (i) that could reasonably be expected to have a Material Adverse Effect or (ii) that could have a material adverse effect on the rights or remedies of the Administrative Agent or the Banks or on the ability of any Credit Party to perform its obligations to them hereunder and under the other Credit Documents to which it is, or will be, a party.

6.05 Use of Proceeds. (a) The proceeds of all Term Loans shall be

utilized (i) to finance, in part, (x) the Refinancing and (y) the Common Stock Repurchase, and (ii) to pay fees and expenses relating to the Transaction.

(b) The proceeds of Revolving Loans shall be utilized for general corporate purposes of the Borrower and its Subsidiaries, provided that (i) up

to, but no more than, \$75,000,000 of the proceeds of the Revolving Loans may be utilized on the Initial Borrowing Date and (ii) the proceeds of Revolving Loans may be utilized after the Initial Borrowing Date and on or prior to the second anniversary of the Initial Borrowing Date for the purpose described in clause (a)(i)(y) above, provided that (x) the Total Term Loan Commitment has been

terminated in its entirety pursuant to Section 3.03(c) and (y) up to, but no more than, an amount equal to (1) \$150,000,000 less (2) the sum of (A) the

aggregate principal amount of Term Loans incurred and utilized for Common Stock Repurchases theretofore made up to and including the date upon which the Total Term Loan Commitment terminated in its entirety pursuant to Section 3.03(c) and (B) the amount of the reduction, if any, of the Total Term Loan Commitment pursuant to Section 3.03(c) (ii), may be utilized for such purpose.

(c) No part of the proceeds of any Revolving Loan will be used to purchase or carry any Margin Stock or to extend credit for the purpose of purchasing or carrying any Margin Stock, except proceeds of Revolving Loans used in connection with the Common Stock Repurchase to the extent permitted pursuant to Section 6.05 (b). No more than 25% of the assets of the Borrower and its Subsidiaries subject on the Initial Borrowing Date to the restrictions set forth in Section 8.01 and/or 8.02 constitute Margin Stock. Neither the making of any Loan hereunder, nor the use of the proceeds thereof, will violate the provisions of Regulation G, T, U or X of the Board of Governors of the Federal Reserve System.

6.06 Governmental Approvals. No order, consent, approval, license,

authorization, or validation of, or filing, recording or registration with (except (i) as shall have been obtained or made prior to the Initial Borrowing Date or, with respect to any Common Stock Repurchase, prior to the date of the consummation of such Common Stock Repurchase and (ii) UCC and other "security interest perfection" filings and/or mortgage recordings contemplated by this Agreement in respect of the Collateral), or exemption by, any foreign or domestic governmental body or authority, or any subdivision thereof, is required to authorize or is required in connection with (i) the execution, delivery and performance of any Document or (ii) the legality, validity, binding effect or enforceability of any Document.

6.07 Investment Company Act. No Credit Party is an "investment

company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended.

6.08 Public Utility Holding Company Act. No Credit Party is a

"holding company," or a "subsidiary company" of a "holding company," or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company," within the meaning of the Public Utility Holding Company Act of 1935, as amended.

6.09 True and Complete Disclosure. All factual information (taken as

a whole) heretofore or contemporaneously furnished in writing by or on behalf of the Borrower or any of its Subsidiaries to the Administrative Agent or any Bank (including, without limitation, all information contained in the Documents) for purposes of or in connection with this Agreement or any transaction contemplated herein is, and all other such factual information (taken as a whole) hereafter furnished in writing by or on behalf of the Borrower or any of its Subsidiaries to any Bank will be, true and accurate in all material respects on the date as of which such information is dated or certified and not incomplete by omitting to state any material fact necessary to make such information (taken as a whole) not misleading at such time in light of the circumstances under which such information was provided. The projections (including the Projections) and pro forma financial information contained in

such materials are based on good faith estimates and assumptions believed by the Borrower to be reasonable at the time made, it being recognized by the Banks that such projections (including the Projections) as to future events are not to be viewed as facts and accordingly are not covered by the first sentence of this Section 6.09, and that actual results during the period or periods covered by any such projections may differ from the projected results in any material or other respect. There is no fact known to the Borrower or any of its Subsidiaries which has, or could reasonably be expected to have, a Material Adverse Effect which has not been disclosed herein or in such other documents, certificates and statements furnished to the Banks for use in connection with the transactions contemplated hereby.

6.10 Representations and Warranties in Other Agreements. All

representations and warranties made by any Credit Party and set forth in the Transaction Documents shall be true and correct on the Initial Borrowing Date in all material respects as though such representations and warranties were being made on and as of such date, unless stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date.

6.11 Financial Condition; Financial Statements. (a) On and as of

the Initial Borrowing Date on a pro forma basis after giving effect to the

--- ----
Transaction and all Indebtedness incurred, and to be incurred, and Liens created and to be created, by each Credit Party in connection therewith, with respect to each of the Borrower and the Borrower and its Subsidiaries taken as a whole, (x) the sum of its or their

-46-

assets, at a fair valuation, will exceed its or their debts, (y) it or they will not have incurred nor intended to, nor believes that it or they will, incur debts beyond its or their ability to pay such debts as such debts mature and (z) it and they will have sufficient capital with which to conduct its or their businesses. For purposes of this Section 6.11(a), "debt" means any liability on a claim, and "claim" means (i) right to payment whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or (ii) right to an equitable remedy for breach of performance if such breach gives rise to a payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

(b) The consolidated balance sheet of the Borrower and its Subsidiaries at December 31, 1993 and the related consolidated statements of operations and cash flows of the Borrower and its Subsidiaries for the fiscal year ended as of said date, which have been audited by Ernst & Young, independent certified public accountants, and the unaudited pro forma (after giving

--- ----
effect to the Transaction and the related financing thereof) condensed consolidated balance sheet of the Borrower and its Subsidiaries as at December 31, 1993, copies of which have heretofore been furnished to each Bank, present fairly in all material respects the consolidated financial position of the Borrower and its Subsidiaries at the date of said statements and the consolidated results of their operations and cash flows for the period covered thereby (or, in the case of the unaudited pro forma condensed consolidated

--- ----
balance sheet, present a good faith estimate of the consolidated pro forma

--- ----
financial condition of the Borrower and its Subsidiaries at the date thereof). All such financial statements (other than the aforesaid pro forma balance

--- ----
sheet) have been prepared in accordance with GAAP in all material respects except to the extent provided in the notes to said financial statements.

(c) Except for the Transaction and the other matters disclosed in the Press Release, nothing has occurred since December 31, 1993, that has had or could reasonably be expected to have a Material Adverse Effect.

(d) Except as fully reflected in the pro forma financial statements
--- ----
described in Section 6.11(b), there are as of the Initial Borrowing Date (and after giving effect to any Credit Events made on such date), no liabilities or obligations (excluding current obligations incurred in the ordin-

-47-

any course of business) with respect to the Borrower or any of its Subsidiaries of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether or not due), and the Borrower does not know of any basis for the assertion against the Borrower or any of its Subsidiaries of any such liability or obligation, which has or could be reasonably expected to have a Material

Adverse Effect.

(e) On and as of the Effective Date, the financial projections (the "Projections") set forth in Schedule V hereto and previously delivered to the Administrative Agent and the Banks have been prepared on a basis consistent with the financial statements referred to in Section 6.11(b) (other than as set forth or presented in such Projections), and there are no statements or conclusions in any of the Projections which are based upon or include information known to the Borrower to be misleading in any material respect or which fail to take into account material information regarding the matters reported therein. On the Initial Borrowing Date, the Borrower believes that the Projections are reasonable and attainable subject, however, to the qualifications concerning the Projections noted in the penultimate sentence of Section 6.09.

6.12 Security Interests. (a) The Pledge Agreement creates, as

security for the obligations purported to be secured thereby, a valid and enforceable perfected security interest in and Lien on all of the Pledged Securities described therein, superior to and prior to the rights of all third Persons and subject to no other Liens, in favor of the Collateral Agent for the benefit of the Secured Creditors. No filings, registrations or recordings are required in order to perfect, or maintain the perfection or priority of, the security interests created under the Pledge Agreement.

(b) The provisions of the Security Agreement are effective to create in favor of the Collateral Agent for the benefit of the Secured Creditors a legal, valid and enforceable security interest in all right, title and interest of the Credit Parties party thereto in the Security Agreement Collateral described therein, and the Security Agreement creates a fully perfected first lien on, and security interest in, all right, title and interest of the Credit Parties, in all of the Security Agreement Collateral described therein, which Collateral is subject to no other Liens other than Liens permitted under Section 8.02. The recordation of the Assignment of Security Interest in United States Trademarks and Patents in the United States Patent and Trademark Office together with filings on Form UCC-1 made

-48-

pursuant to the Security Agreement will be effective, under federal law, to perfect the security interest granted to the Collateral Agent in the United States trademarks and patents covered by the Security Agreement and the filing of the Assignment of Security Interest in United States Copyrights in the United States Copyright Office together with filings on Form UCC-1 made pursuant to the Security Agreement will be effective under federal law to perfect the security interest granted to the Collateral Agent in the United States copyrights covered by the Security Agreement. Each Credit Party has good and marketable title to all Security Agreement Collateral described therein, free and clear of all Liens except those described above in this clause (b).

(c) The Mortgages create, as security for the obligations purported to be secured thereby, a valid and enforceable perfected security interest in and mortgage lien on all of the Mortgaged Properties in favor of the Collateral Agent for the benefit of the Secured Creditors, superior to and prior to the rights of all third Persons (except that the Mortgaged Properties may be subject to the Permitted Encumbrances related thereto) and subject to no other Liens (other than Liens permitted under Section 8.02). Each Credit Party has good and legal title or a valid leasehold interest, as the case may be, to the Mortgaged Properties owned or leased by such Credit Party, free and clear of all Liens except those described in the first sentence of this subsection (c).

6.13 Tax Returns and Payments. Each of the Borrower and its

Subsidiaries has filed all federal income tax returns and all other tax returns, domestic and foreign, required to be filed by it and has paid all taxes and assessments payable by it which have become due, other than those not yet delinquent and except for those contested in good faith and for which adequate reserves have been established in accordance with GAAP. The Borrower and each of its Subsidiaries has paid, or has provided adequate reserves (in the good faith judgment of the management of such Person) for the payment of, all federal, state and foreign income taxes applicable for all prior fiscal years and for the current fiscal year to the date hereof.

6.14 Compliance with ERISA. (a) Each Plan (other than any

multiemployer plan as defined in section 4001(a)(3) of ERISA (a "Multiemployer Plan")) currently maintained or contributed to by (or to which there is an obligation to contribute of) any Credit Party or any of its Subsidiaries or any ERISA Affiliate is in material compliance with ERISA and the Code; no Reportable Event has occurred with respect to

-49-

any such Plan; as of December 31, 1993, no such Plan has an Unfunded Current Liability in excess of \$6,000,000 individually and with respect to all such Plans in the aggregate, in excess of \$15,000,000; no such Plan has an Unfunded Current Liability which either individually or when added to the aggregate amount of Unfunded Current Liabilities with respect to all other Plans, has or could be reasonably expected to have a Material Adverse Effect; no such Plan has an accumulated or waived funding deficiency or permitted decreases in its funding standard account or has applied for an extension of any amortization period within the meaning of Section 412 of the Code; all contributions required to be made with respect to any Plan currently maintained or contributed to by (or to which there is an obligation to contribute of) any Credit Party or any of its Subsidiaries or any ERISA Affiliate and any Foreign Pension Plan have been timely made; neither the Borrower nor any of its Subsidiaries nor any of their ERISA Affiliates has incurred any material liability to or on account of a Plan pursuant to Section 409, 502(i), 502(l), 4062, 4063, 4064 or 4069 of ERISA or Section 401(a)(29), 4971 or 4975 of the Code, or expects to incur any liability (including any indirect, contingent, or secondary liability) under any of the foregoing Sections with respect to any Plan; no proceedings have been instituted to terminate or appoint a trustee to administer any such Plan; no condition exists which presents a material risk to the Borrower or any of its Subsidiaries or any of their ERISA Affiliates of incurring such a material liability to or on account of any Plan pursuant to the foregoing provisions of ERISA and the Code; as of the Initial Borrowing Date, no Plan is a Multiemployer Plan; neither the Borrower nor any of its Subsidiaries nor any ERISA Affiliate has incurred any liability under Section 515 of ERISA with respect to any Multiemployer Plan; neither the Borrower nor any of its Subsidiaries nor any ERISA Affiliate has incurred or expects to incur any material liability under Sections 4201, 4204 or 4212 of ERISA; to the best knowledge of the Borrower, any of its Subsidiaries or any ERISA Affiliate, no Multiemployer Plan is insolvent or in reorganization nor is any Multiemployer Plan reasonably expected to be in reorganization or terminated; no lien imposed under the Code or ERISA on the assets of the Borrower or any of its Subsidiaries or any ERISA Affiliate exists or is likely to arise on account of any Plan; and the Borrower and its Subsidiaries do not maintain or contribute to any employee welfare benefit plan (as defined in Section 3(1) of ERISA) which provides benefits to retired employees or other former employees (other than as required by Section 601 of ERISA) or any employee pension benefit plan (as defined in Section 3(2) of ERISA) the obli-

-50-

gations with respect to which could reasonably be expected to have a material adverse effect on the ability of the Borrower to perform its obligations under this Agreement.

(b) Each Foreign Pension Plan has been maintained in substantial compliance with its terms and with the requirements of any and all applicable laws, statutes, rules, regulations and orders and has been maintained, where required, in good standing with applicable regulatory authorities. Neither the Borrower nor any of its Subsidiaries has incurred any material obligation in connection with the termination of or withdrawal from any Foreign Pension Plan. The present value of the accrued benefit liabilities (whether or not vested) under each Foreign Pension Plan, determined as of the end of the Borrower's most recently ended fiscal year on the basis of actuarial assumptions, each of which is reasonable, did not exceed the current value of the assets of such Foreign Pension Plan allocable to such benefit liabilities.

6.15 Subsidiaries. Schedule VI hereto lists each Subsidiary of the

Borrower, and the direct and indirect ownership interest of the Borrower therein, in each case as of the Initial Borrowing Date. On the Initial Borrowing Date, the corporations listed on Schedule VI are the only Subsidiaries of the Borrower.

6.16 Patents, etc. The Borrower and each of its Subsidiaries owns or

holds a valid license to use all material patents, trademarks, servicemarks, trade names, copyrights, licenses, technology, know-how and formulas and other rights that are necessary for the operation of their respective businesses as presently conducted.

6.17 Compliance with Statutes; Environmental Matters, etc. (a) Each

Credit Party is in compliance, in all material respects, with all applicable material statutes, regulations and orders of, and all applicable material restrictions imposed by, all governmental bodies, domestic or foreign, in respect of the conduct of its business and the ownership of its property (including applicable Environmental Laws).

(b) No Credit Party is liable for any material penalties, fines or forfeitures for failure to comply with any of the foregoing referenced in clause (a) above. All material licenses, permits, registrations or approvals required for the business of any Credit Party, as conducted as of the Initial Borrowing Date, under any Environmental Law have been secured or have been timely applied for and each

-51-

Credit Party is in substantial compliance therewith. No Credit Party is in any material respect in noncompliance with, breach of or default under any applicable writ, order, judgment, injunction, or decree to which such Credit Party is a party or which would affect the ability of such Credit Party to operate any Real Property and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute a material noncompliance, breach of or default thereunder. As of the Initial Borrowing Date there are no material Environmental Claims pending or, to the best knowledge after due inquiry of the Borrower, threatened, against the Borrower or any of its Subsidiaries or any Real Property owned or operated at any time by the Borrower or any of its Subsidiaries. There are no facts, circumstances, conditions or occurrences on any such Real Property or, to the best knowledge after due inquiry of the Borrower, on any property adjacent to any such Real Property that could reasonably be expected (i) to form the basis of a material Environmental Claim against the Borrower or any of its Subsidiaries or any such Real Property, or (ii) to cause such Real Property to be subject to any restrictions on the ownership, occupancy, use or transferability of such Real Property under any Environmental Law.

(c) Hazardous Materials have not at any time been (i) generated, used, treated or stored on, or transported to or from, any Real Property owned or operated by the Borrower or any of its Subsidiaries except for quantities used or stored at any such Real Properties in material compliance with all applicable Environmental Laws and required in connection with the normal operation, use and maintenance of such Real Property ("Permitted Materials") or (ii) Released on any such Real Property where such occurrence or event could reasonably be expected to give rise to a material Environmental Claim or to violate any Environmental Law. There are not now and never have been any underground storage tanks located on any Real Property owned or operated by the Borrower or any of its Subsidiaries which are not in compliance with all Environmental Laws.

6.18 Properties. Each Credit Party has good and legal title to all

properties owned by it and valid and subsisting leasehold interests in all properties leased by it, in each case, including all property reflected in the financial statements referred to in Section 6.11(b) (except as sold or otherwise disposed of since the date of the December 31, 1993 financial statements in the ordinary course of business or as otherwise permitted by this Agreement) free and clear of all Liens, other than Liens permitted by Section

-52-

8.02. Schedule II contains a true and complete list of each Real Property owned and each Real Property leased by the Borrower and its Subsidiaries on the Effective Date and the type of interest therein held by such Person.

6.19 Labor Relations; Collective Bargaining Agreements. (a) Set

forth on Schedule VII hereto is a list and description (including dates of termination) of all Collective Bargaining Agreements between or applicable to

any Credit Party and any union, labor organization or other bargaining agent in respect of the employees of any Credit Party on the Effective Date.

(b) No Credit Party is engaged in any unfair labor practice that is reasonably likely to have a Material Adverse Effect. There is (i) no unfair labor practice complaint pending against any Credit Party or, to the best knowledge of any Credit Party, threatened against it, before the National Labor Relations Board, and no grievance proceeding or arbitration proceeding arising out of or under any Collective Bargaining Agreement is now pending against any Credit Party or, to the best knowledge of any Credit Party, threatened against it, (ii) no strike, labor dispute, slowdown or stoppage is pending against any Credit Party or, to the best knowledge of any Credit Party, threatened against it and (iii) to the best knowledge of each Credit Party, no union representation question exists with respect to the employees of such Credit Party, except (with respect to any matter specified in clause (i), (ii) or (iii) above, either individually or in the aggregate) such as could not reasonably be likely to have a Material Adverse Effect.

6.20 Indebtedness. Schedule VIII sets forth a true and complete list

of (x) all Indebtedness (other than the Loans, the Letters of Credit and the Senior Notes) of the Borrower and each of its Subsidiaries outstanding as of the Initial Borrowing Date and which is to remain outstanding after the Initial Borrowing Date and after giving effect to the Transaction and (y) all agreements existing on the Initial Borrowing Date and which are to remain outstanding after the Initial Borrowing Date and after giving effect to the Transaction pursuant to which the Borrower or any of its Subsidiaries is entitled to incur Indebtedness (other than the Loans, the Letters of Credit and the Senior Notes) (whether or not any condition to such incurrence could be met) (collectively, as in effect and outstanding on the Initial Borrowing Date and without giving effect to any extension, renewal or refinancing thereof, the "Permitted Existing Indebtedness"), in each case showing the aggregate

-53-

principal amount thereof as of the Effective Date and the name of the respective borrower and any other entity which directly or indirectly guaranteed such debt.

6.21 Restrictions on Subsidiaries. There are no restrictions on the

Borrower or any of its Subsidiaries which prohibit or otherwise restrict (i) the transfer of cash or other assets (x) between the Borrower and any of its Subsidiaries or (y) between any Subsidiaries of the Borrower or (ii) the ability of any Credit Party or any of its Subsidiaries to grant security interests to the Banks in their respective assets, other than prohibitions or restrictions existing under or by reason of (a) this Agreement or the other Credit Documents, (b) applicable law, (c) customary non-assignment provisions entered into in the ordinary course of business and consistent with past practices, (d) purchase money obligations for property acquired in the ordinary course of business, so long as such obligations are permitted under this Agreement, (e) Liens permitted under Section 8.02 and any documents or instruments governing the terms of any Indebtedness or other obligations secured by any such Liens, provided that such prohibitions or restrictions apply only to the assets subject to such Liens or (f) the documents or instruments governing the terms of any Permitted Foreign Subsidiary WC Debt permitted to be incurred pursuant to Section 8.03(h) to the extent restricting dividends or other cash distributions by a Foreign Subsidiary to the Borrower or any other Subsidiary of the Borrower.

6.22 Transaction. At the time of consummation of each element of the

Transaction, such element shall have been consummated in accordance with the terms of the respective Documents and all applicable laws. At the time of consummation of each element of the Transaction, all consents and approvals of, and filings and registrations with, and all other actions in respect of, all governmental agencies, authorities or instrumentalities and other third parties required in order to make or consummate such element of the Transaction shall have been obtained, given, filed or taken and are or will be in full force and effect (or effective judicial relief with respect thereto shall have been obtained).

6.23 Insurance. Set forth on Schedule III hereto is a true and

correct summary of all property, casualty and liability insurance carried by the

Borrower and its Subsidiaries on and as of the Initial Borrowing Date.

-54-

SECTION 7. Affirmative Covenants. The Borrower hereto covenants and

agrees that on the Effective Date and thereafter for so long as this Agreement
is in effect and until the Commitments have terminated, no Letters of Credit are
outstanding and the Loans, Unpaid Drawings together with interest, Fees and all
other Obligations incurred hereunder are paid in full:

7.01 Information Covenants. The Borrower will furnish to each Bank:

(a) Annual Financial Statements. As soon as available and in any

event within 105 days after the close of each fiscal year of the Borrower,
the consolidated balance sheet of the Borrower and its Subsidiaries as at
the end of such fiscal year and the related consolidated statements of
income and cash flows for such fiscal year, together with a summary of
sales and profits by operating units prepared consistently with past
practices and procedures and in form reasonably satisfactory to the
Administrative Agent for such fiscal year, setting forth for such fiscal
year, in comparative form, (x) for each of such consolidated financial
statements and such summary the corresponding figures for the preceding
fiscal year, and (y) prior to the Target Date, for such consolidated
financial statements the corresponding figures for such fiscal year as set
forth in the respective budget delivered pursuant to Section 7.01(c); all
of which shall be (I) in the case of such consolidated financial statements
and such summary, certified by the Chief Financial Officer of the Borrower
to the effect that such statements and summary fairly present in all
material respects the financial condition of the Borrower and its
Subsidiaries, or such operating units, as the case may be, as of the dates
indicated and the results of their operations and changes in their cash
flows for the periods indicated, and (II) in the case of such consolidated
financial statements, audited by Ernst & Young (or other independent
certified public accountants of recognized national standing acceptable to
the Required Banks) whose opinion shall not be qualified as to the scope of
audit or as to the status of the Borrower together with its Subsidiaries as
a going concern, together with a certificate of the accounting firm
referred to above stating that in the course of its regular audit of the
business of the Borrower and its Subsidiaries, which audit was conducted in
accordance with generally accepted auditing standards, such accounting firm
has

-55-

obtained no knowledge of any Default or Event of Default (insofar as they
relate to accounting or financial matters) which has occurred and is
continuing or, if in the opinion of such accounting firm such a Default or
Event of Default has occurred and is continuing, a statement as to the
nature thereof.

(b) Quarterly Financial Statements. As soon as available and in any

event within 60 days after the close of each of the first three quarterly
accounting periods in each fiscal year of the Borrower, the consolidated
balance sheet of the Borrower and its Subsidiaries, as at the end of such
quarterly period and the related consolidated statements of income and cash
flows for such quarterly period and for the elapsed portion of the fiscal
year ended with the last day of such quarterly period, together with a
summary of sales and profits by operating units prepared consistently with
past practices and procedures and in form reasonably satisfactory to the
Administrative Agent for such quarterly period and for the elapsed portion
of the fiscal year ended with the last day of such quarterly period, and
setting forth, in comparative form, (x) for each of such consolidated
financial statements and such summary, the corresponding figures for the
related periods in the prior fiscal year and (y) prior to the Target Date,
for such consolidated financial statements, the corresponding figures for
such quarterly accounting period as set forth in the respective budget
delivered pursuant to Section 7.01(c) as updated to such quarterly period;
all of which shall be in reasonable detail and certified by the Chief
Financial Officer or other Senior Financial Officer of the Borrower to the

effect that they fairly present in all material respects the financial condition of the Borrower and its Subsidiaries as of the dates indicated and the results of their operations and changes in their cash flows for the periods indicated, subject to changes resulting from audit and normal year-end audit adjustments.

(c) Budgets; etc. Prior to the Target Date, (i) as soon as available

but in no event later than 50 days after the commencement of each fiscal year of the Borrower, a budget in form reasonably satisfactory to the Administrative Agent (including budgeted statements of income and sources and uses of cash and balance sheets) prepared by the Borrower, for each of the twelve months of such fiscal year, in reasonable detail and setting forth, with appropriate discussion, the princi-

-56-

pal assumptions upon which such budgets are based and a statement by the Chief Financial Officer or other Senior Financial Officer of the Borrower to the effect that, to the best of such officer's knowledge, the budget is a reasonable estimate for the period covered thereby and (ii) as soon as available but in no event later than 50 days after the commencement of each of the last three quarterly accounting periods in each fiscal year of the Borrower, an update of the respective budget delivered for such fiscal year pursuant to clause (c)(i) in a form relating to such annual budget and reasonably satisfactory to the Administrative Agent, prepared by the Borrower in reasonable detail and certified by the Chief Financial Officer or other Senior Financial Officer of the Borrower.

(d) Officer's Certificates. At the time of the delivery of the

financial statements provided for in Section 7.01(a) and (b), a certificate of the Borrower signed by its Chief Financial Officer or, in the case of any certificate delivered with financial statements delivered pursuant to Section 7.01(b), any other Senior Financial Officer, to the effect that no Default or Event of Default exists or, if any Default or Event of Default does exist, specifying the nature and extent thereof, which certificate shall set forth the calculations required to establish whether the Borrower and its Subsidiaries were in compliance with the provisions of Sections 8.01-8.06, inclusive and Sections 8.09-8.11, inclusive, as at the end of such fiscal quarter or year, as the case may be. In addition, at the time of the delivery of the financial statements provided for in Section 7.01(a), the Borrower shall deliver a certificate of the Chief Financial Officer of the Borrower setting forth the amount of, and calculations required to establish the amount of, Excess Cash Flow, for the respective Excess Cash Flow Period.

(e) Notice of Default or Litigation. Promptly, and in any event

within five Business Days after an Authorized Officer of the Borrower obtains knowledge thereof, notice of (x) the occurrence of any event which constitutes a Default or Event of Default, which notice shall specify the nature thereof, the period of existence thereof and what action the Borrower or its respective Subsidiary proposes to take with respect thereto and (y) the commencement of, or threat of, or any significant development in any litigation or governmental proceeding pending against the Borrower or

-57-

any of its Subsidiaries which could reasonably be expected to have a Material Adverse Effect or a material adverse effect on the ability of any Credit Party to perform its obligations hereunder or under any other Credit Document.

(f) Auditors' Reports. Promptly upon receipt thereof, a copy of any

letter submitted to any Credit Party or any Material Subsidiary of the Borrower by its independent accountants with respect to any material weakness as to internal control noted by such independent accountants in connection with any audit made by them of the books of such Credit Party or such Material Subsidiary.

(g) Environmental Matters. Promptly upon, and in any event within

five Business Days after, an Authorized Officer or any environmental compliance officer of the Borrower obtains knowledge thereof, notice of any of the following matters:

(i) any pending or threatened Environmental Claim against the Borrower or any of its Subsidiaries or any Real Property owned or operated at any time by the Borrower or any of its Subsidiaries that is or could reasonably be expected to result in a liability in excess of \$250,000;

(ii) any condition or occurrence on or arising from any Real Property owned or operated at any time by the Borrower or any of its Subsidiaries that (a) results in noncompliance by the Borrower or such Subsidiary with any applicable Environmental Law, or (b) could reasonably be anticipated to form the basis of an Environmental Claim against the Borrower or such Subsidiary or any such Real Property that is or could reasonably be expected to result in a liability in excess of \$250,000;

(iii) any condition or occurrence on any Real Property owned or operated at any time by the Borrower or any of its Subsidiaries that could reasonably be anticipated to cause such Real Property to be subject to any restrictions on the ownership, occupancy, use or transferability by the Borrower or any of

-58-

its Subsidiaries of such Real Property under any Environmental Law; and

(iv) the taking of any removal or remedial action in response to the actual or alleged presence of any Hazardous Material on any Real Property owned or operated at any time by the Borrower or any of its Subsidiaries.

All such notices shall describe in reasonable detail the nature of the claim, investigation, condition, occurrence or removal or remedial action and the response thereto of the Borrower or such Subsidiary. In addition, the Borrower will provide the Banks with copies of all material written communications between the Borrower or any of its Subsidiaries and any government or governmental agency relating to Environmental Laws, all communications between the Borrower or any of its Subsidiaries and any Person relating to Environmental Claims, and such detailed reports of any Environmental Claim, in each case as may reasonably be requested in writing from time to time by the Administrative Agent or the Required Banks.

(h) Other Information. (i) Promptly upon transmission thereof,

copies of any filings and registrations with, and reports to, the SEC by any Credit Party or any of their respective Subsidiaries, copies of all press releases, copies of all financial statements, proxy statements, notices and reports that any Credit Party or any of its Subsidiaries shall send to the holders (or any trustee, agent or other representative therefor) of the Senior Notes or any other Indebtedness of any Credit Party or any of their respective Subsidiaries pursuant to the terms governing such Indebtedness (in each case, to the extent not theretofore delivered to the Banks pursuant to this Agreement) and copies of all written presentations and reports generally sent to analysts by any Credit Party or any of their respective Subsidiaries, (ii) promptly and in any event within five Business Days after receipt thereof, a copy of the annual and quarterly statements furnished to the Borrower with respect to its Permitted Existing Investments listed as Items 1 and 2 on Schedule X hereto, and (iii) with reasonable promptness, such other information or documents (financial or otherwise) as the Administrative Agent on its own behalf or on behalf of

-59-

the Required Banks may reasonably request from time to time.

(i) Borrowing Base Certificates. (i) On the Initial Borrowing Date

and (ii) no later than 12:00 Noon (New York time) on the twenty-fifth day of each calendar quarter, a borrowing base certificate of the Borrower substantially in the form of Exhibit I (each a "Borrowing Base Certificate"), with respect to the Eligible Receivables and Eligible Inventory of the Borrower and its Subsidiaries as of (x) in the case of clause (i), the last day of the month immediately preceding the Initial Borrowing Date (after giving effect to the transactions contemplated hereby and by the other Credit Documents) and (y) in the case of clause (ii), the last day of the immediately preceding calendar quarter, and in all such cases, certified by the Chief Financial Officer or other Senior Financial Officer of the Borrower.

7.02 Books, Records and Inspections. The Borrower will, and will

cause each of its Subsidiaries to, keep proper books of record and account in which full, true and correct entries in conformity with GAAP (or, in the case of any Foreign Subsidiary, in accordance with local accounting standards) and all requirements of law shall be made of all dealings and transactions in relation to its business and activities. The Borrower will, and will cause each of its Subsidiaries to, permit, upon notice to the Chief Financial Officer or any other Authorized Officer of the Borrower, officers and designated representatives of the Administrative Agent, any Co-Agent or any Bank to visit and inspect any of the properties or assets of the Borrower and any of its Subsidiaries in whomsoever's possession, and to examine the books of account and other financial and operating records (including, without limitation, any "letters of material weakness" submitted by independent accountants) of the Borrower and any of its Subsidiaries and discuss the affairs, finances and accounts of the Borrower and any of its Subsidiaries with, and be advised as to the same by, the officers and independent accountants of the Borrower or such Subsidiary, all at such reasonable times and intervals and to such reasonable extent as the Administrative Agent, any Co-Agent or any Bank may request.

7.03 Payment of Taxes. The Borrower will, and will cause each of its

Subsidiaries to, pay and discharge all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits, or upon any properties

-60-

belonging to it, prior to the date on which penalties attach thereto, and all lawful claims which, if unpaid, might become a Lien not otherwise permitted under Section 8.02(a) or charge upon any properties of the Borrower or any of its Subsidiaries, provided that neither the Borrower nor any of its

Subsidiaries shall be required to pay any such tax, assessment, charge, levy or claim which is being contested in good faith and by proper proceedings if it has maintained adequate reserves (in the good faith judgment of the management of such Person) with respect thereto in accordance with GAAP.

7.04 Corporate Franchises. The Borrower will, and will cause each of

its Subsidiaries to, do or cause to be done, all things necessary to preserve and keep in full force and effect its existence, rights, franchises, intellectual property and authority to do business, provided that any

transaction permitted by Section 8.01 will not constitute a breach of this Section 7.04.

7.05 Compliance with Statutes, Environmental Laws, etc. (a) The

Borrower will, and will cause each of its Subsidiaries to, comply, in all material respects, with all applicable material statutes, regulations and orders of, and all applicable restrictions imposed by, all governmental bodies, domestic or foreign, in respect of the conduct of its business and the ownership of its property (including applicable Environmental Laws). The Borrower will promptly pay or cause to be paid all costs and expenses incurred in such compliance, and will keep or cause to be kept all such Real Property free and clear of any Liens imposed pursuant to any Environmental Laws. Neither the Borrower nor any of its Subsidiaries will generate, use, treat, store, Release or dispose of, or permit the generation, use, treatment, storage, Release or disposal of Hazardous Materials on any Real Property now or hereafter owned by the Borrower or any of its Subsidiaries, or transport or permit the

transportation of Hazardous Materials to or from any such Real Property, except for Permitted Materials. If required to do so under any applicable Environmental Law, each Credit Party agrees to undertake, and agrees to cause each of its Subsidiaries to undertake, any cleanup, removal, remedial or other action necessary to remove and clean up any Hazardous Materials from any Real Property in accordance with the requirements of all applicable Environmental Laws and in accordance with orders and directives of all governmental authorities; provided that no Credit Party nor any of their Subsidiaries shall

be required to take any such action where same is being contested by appropriate legal proceedings in good faith by such Credit Party or such Subsidiary. Promptly after the Effective Date, the Borrower shall undertake to determine whether those certain environmental permits, reporting requirements and plans identified on Schedule XI hereto are required to be obtained or made or prepared and completed (hereinafter collectively referred to as the "Permits"), in each case, by the Borrower. In the event that such Permits are required, the Borrower shall obtain or make or prepare and complete the same within a reasonable period of time thereafter.

-61-

(b) At the request of the Administrative Agent or the Required Banks, at any time and from time to time (i) after an Event of Default has occurred and is continuing, (ii) after the Banks receive notice under Section 7.01(g) of any event for which notice is required to be delivered for any such Real Property, (iii) after the acquisition of any Real Property by the Borrower or any of its Subsidiaries subsequent to the Initial Borrowing Date, provided that if any such

newly acquired property is not contiguous with any Mortgaged Property, then such request will be limited to such newly acquired Real Property or (iv) if required by law, the Borrower will provide, at the Borrower's sole cost and expense, an environmental site assessment report concerning any Real Property owned, operated or leased by the Borrower or any of its Subsidiaries, prepared by an environmental consulting firm approved by the Administrative Agent, indicating the presence or absence of any actual or threatened noncompliance with Environmental Laws and permits required thereunder or presence or absence of any Release of Hazardous Materials and the potential cost of any removal or remedial action in connection with any Hazardous Materials on such Real Property. If the Borrower fails to provide the same within 60 days after any such request therefor made by the Administrative Agent or the Required Banks, the Administrative Agent may order the same, and the Borrower shall grant and hereby grants to the Administrative Agent, the Co-Agents and the Banks and their agents access to such Real Property at all reasonable times and specifically grants the Administrative Agent, the Co-Agents and the Banks an irrevocable nonexclusive license, subject to the rights of tenants, to undertake such an assessment all at the Borrower's sole expense.

7.06 ERISA. As soon as possible and, in any event, within 10 days

after any Credit Party or any of its Subsidiaries or any ERISA Affiliate knows or has reason to know of the occurrence of any of the following, the Borrower will deliver to each of the Banks a certificate of the Borrower signed by its Chief Financial Officer or another Senior Financial Officer setting forth details as to such occurrence and the action, if any, which such Credit Party, such Subsidiary or such ERISA Affiliate is required or proposes to take, together with any notices required or proposed to be given to or filed with or by such Credit Party, such Subsidiary, the ERISA Affiliate, the PBGC, a Plan participant or the Plan administrator with respect thereto: that a Reportable Event has occurred; that an accumulated funding deficiency has been incurred or an application may be or has been made to the Secretary of the Treasury for a waiver or modifi-

-62-

cation of the minimum funding standard (including any required installment payments) or an extension of any amortization period under Section 412 of the Code with respect to a Plan; that a contribution required to be made to a Plan or Foreign Pension Plan has not been timely made; that a Plan has been or may be terminated, reorganized, partitioned or declared insolvent under Title IV of ERISA; that a lien has arisen on the assets of a Credit Party or any of its Subsidiaries or any ERISA Affiliate under ERISA or the Code with respect to a Plan; that proceedings may be or have been instituted to terminate or appoint a trustee to administer a Plan; that a proceeding has been instituted pursuant to

Section 515 of ERISA to collect a delinquent contribution to a Plan; that any Credit Party, any of its Subsidiaries or any ERISA Affiliate will or may incur any liability (including any indirect, contingent or secondary liability) to or on account of the termination of or withdrawal from a Plan under Section 4062, 4063, 4064, 4069, 4201, 4204 or 4212 of ERISA or with respect to a Plan under Section 401(a)(29), 4971 or 4975 of the Code or Section 409 or 502(i) or 502(l) of ERISA; or that any Credit Party or any of its Subsidiaries may incur any liability pursuant to any employee welfare benefit plan (as defined in Section 3(1) of ERISA) that provides benefits to retired employees or other former employees (other than as required by Section 601 of ERISA) or any employee pension benefit plan (as defined in Section 3(2) of ERISA) which liability could reasonably be expected to have a material adverse effect on the ability of the Borrower to perform its obligations under this Agreement. At the request of any Bank, the Borrower will deliver to such Bank a complete copy of the Internal Revenue Service Annual Report (Form 5500) of each Plan (other than a Multiemployer Plan) required to be filed with the Internal Revenue Service. In addition to any certificates or notices delivered to the Banks pursuant to the first sentence hereof, copies of any notices received by any Credit Party or any of its Subsidiaries or any ERISA Affiliate with respect to any Plan or Foreign Pension Plan which notice threatens, refers to or pertains to any material liability or any potential material liability of any such party, shall be delivered to the Banks no later than 10 days after the date such notice has been received by such Credit Party or such Subsidiary or the ERISA Affiliate, as applicable.

7.07 Good Repair. The Borrower will, and will cause each of its

Subsidiaries to, ensure that its properties and equipment used or useful in its business in whomsoever's possession they may be, are kept in good repair, working order and condition, normal wear and tear excepted and, sub-

-63-

ject to Section 8.04, that from time to time there are made to such properties and equipment all needful and proper repairs, renewals, replacements, extensions, additions, betterments and improvements thereto, to the extent and in the manner customary for companies in similar businesses.

7.08 End of Fiscal Years; Fiscal Quarters. The Borrower will, for

financial reporting purposes, cause (i) each of its fiscal years to end on December 31 of each year and (ii) each of its fiscal quarters to end on March 31, June 30, September 30 and December 31 of each year.

7.09 Interest Rate Protection. The Borrower shall, no later than 30

days following the Initial Borrowing Date, enter into and thereafter maintain (to the extent permitted by applicable law) Interest Rate Protection Agreements, reasonably satisfactory to the Administrative Agent and the Co-Agents (it being understood that any such Interest Rate Protection Agreements shall be deemed satisfactory to the respective Co-Agents two Business Days after such Interest Rate Protection Agreements have been delivered to the Co-Agents if such Co-Agent has not responded to the Administrative Agent or the Borrower by such time), with a term of at least three years, establishing a fixed or maximum interest rate reasonably acceptable to the Administrative Agent for an aggregate notional amount equal to at least 50% of the aggregate outstanding principal amount of the Term Loans from time to time.

7.10 Maintenance of Property; Insurance. The Borrower will, and will

cause each of its Subsidiaries to, at all times maintain in full force and effect insurance in such amounts, covering such risks and liabilities and with such deductibles or self-insured retentions as are in accordance with normal industry practice and all applicable laws. At any time that insurance at the levels described in Schedule III is not being maintained by the Borrower and its Subsidiaries, the Borrower will notify the Administrative Agent in writing thereof and, if thereafter notified by the Administrative Agent to do so, the Borrower will obtain insurance at such levels at least equal to those set forth in Schedule III to the extent then generally available or otherwise as are acceptable to the Administrative Agent. The Borrower will furnish on the Initial Borrowing Date and annually thereafter to the Administrative Agent a summary of the insurance carried in respect of the Borrower and its Subsidiaries and their assets together with certificates of insurance and other evidence of such insurance, if any, naming the Collateral Agent as

mortgagee/secured party and/or loss payee in respect of any casualty loss policies and naming the Collateral Agent, the Administrative Agent, the Co-Agents and each of the Banks as an additional insured with respect to any liability policy and stating that such insurance shall not be cancelled or materially revised without at least 30

-64-

days' prior written notice by the insurer to the Collateral Agent.

7.11 Additional Security; Further Assurances. (a) Prior to the

Target Date, as and to the extent requested from time to time by the Administrative Agent or the Required Banks, the Borrower will, and will cause each of its Domestic Subsidiaries to, grant to the Collateral Agent, for the benefit of the Secured Creditors, security interests and mortgages in such assets and properties of the Borrower or its Subsidiaries acquired after the Initial Borrowing Date and not otherwise covered by the original Security Documents, other than assets encumbered by Liens permitted by Section 8.02(i) (collectively, the "Additional Security Documents"). Such security interests and mortgages shall be granted pursuant to documentation reasonably satisfactory in form and substance to the Administrative Agent and shall constitute valid and enforceable perfected security interests superior to and prior to the rights of all third Persons and subject to no other Liens except as are permitted by Section 8.02 at the time of perfection thereof. The Additional Security Documents or other instruments related thereto shall be duly recorded or filed in such manner and in such places as are required by law to establish, perfect, preserve and protect the Liens in favor of the Collateral Agent for the benefit of the Secured Creditors, required to be granted pursuant to the Additional Security Documents and all taxes, fees and other charges payable in connection therewith shall have been paid in full.

(b) Prior to the Target Date, the Borrower will, and will cause each of its Subsidiaries to, at its own expense, make, execute, endorse, acknowledge, file and/or deliver to the Collateral Agent from time to time such vouchers, invoices, schedules, confirmatory assignments, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, real property surveys, reports and other assurances or instruments and take such further steps relating to the collateral covered by any of the Security Documents as the Collateral Agent may reasonably require. Furthermore, the Borrower shall, and shall cause each of its Subsidiaries to, cause to be delivered to the Collateral Agent such opinions of counsel, title insurance, real estate appraisals and other related documents as may be reasonably requested by the Collateral Agent to assure themselves that this Section 7.11 has been complied with.

(c) The Borrower agrees that each action required by clauses (a) and (b) of this Section 7.11 shall be

-65-

completed as soon as possible, but in no event later than 60 days after such action is requested to be taken by the Administrative Agent or the Required Banks (or such later date as may be agreed to by the Administrative Agent).

(d) In the event that the Administrative Agent or the Required Banks at any time after the Effective Date and prior to the Target Date determine in its or their sole discretion (whether as a result of a position taken by an applicable bank regulatory agency or official, or otherwise) that real estate appraisals satisfying the requirements set forth in 12 C.F.R., Part 34-Subpart C, or any successor or similar statute, rule, regulation, guideline or order (any such appraisal, a "Required Appraisal") are or were required to be obtained, or should be obtained, in connection with any Mortgaged Property or Mortgaged Properties then, within 60 days after receiving written notice thereof from the Agent or the Required Banks, as the case may be, the Borrower shall cause such Required Appraisal to be delivered, at the expense of the Borrower, to the Agent which Required Appraisal, and the respective appraiser, shall be reasonably satisfactory to the Administrative Agent.

7.12 Performance of Obligations. The Borrower will, and will cause

each of its Subsidiaries to, perform all of its obligations under the terms of each mortgage, indenture, security agreement and other debt instrument by which

it is bound, except such non-performance as could not individually or in the aggregate reasonably be expected to have a Material Adverse Effect.

7.13 Use of Proceeds. All proceeds of the Loans shall be used as

provided in Section 6.05.

7.14 Ownership of Subsidiaries. The Borrower will, at all times,

maintain, directly or indirectly, ownership of 100% of the capital stock of its Subsidiaries, except (i) to the extent 100% of the capital stock of any such Subsidiary is sold, transferred or disposed of in a transaction permitted by Section 8.01; (ii) any Subsidiary constituting a Permitted Joint Venture; (iii) AMETEK Hong Kong, as long as the Borrower, at all times, maintains, directly or indirectly, 98% of the capital stock thereof; and (iv) for directors qualifying shares.

7.15 Common Stock Repurchase. To the extent that the Borrower makes

any Common Stock Repurchases pursuant to Section 8.06(b):

-66-

(i) Each such Common Stock Repurchase, including all terms and conditions thereof, shall have been duly approved by the Board of Directors and (if required by applicable law) the shareholders of the Borrower;

(ii) Each such Common Stock Repurchase shall be consummated in accordance with all applicable law;

(iii) On or prior to the date of consummation of any such Common Stock Repurchase, the Borrower shall deliver to the Administrative Agent and the Banks copies, certified as true and correct by an Authorized Officer of the Borrower, of all Common Stock Repurchase Documents, if any, in connection with such Common Stock Repurchase, all of which shall be in form and substance reasonably satisfactory to the Administrative Agent; and

(iv) On each of the Term Loan Availability Termination Date and the first and second anniversary of the Initial Borrowing Date, the Borrower shall give written notice to the Administrative Agent and the Banks as to the aggregate amount spent by the Borrower in respect of all Common Stock Repurchases made up to and including such date.

7.16 Foreign Subsidiaries Security. If following a change in the

relevant sections of the Code but prior to the Target Date, the regulations and rules promulgated thereunder and any rulings issued thereunder and at the reasonable request of the Administrative Agent or the Required Banks, counsel for the Borrower acceptable to the Administrative Agent and the Required Banks does not within 30 days after such request deliver a written opinion, in form and substance satisfactory to the Administrative Agent and the Required Banks, with respect to any Foreign Subsidiary that (i) a pledge of more than 65% of the total combined voting power of all classes of capital stock of such Foreign Subsidiary entitled to vote, (ii) the entering into by such Foreign Subsidiary of a guaranty in substantially the form of the Subsidiary Guaranty or (iii) the entering into by such Foreign Subsidiary of a security agreement in substantially the form of the Security Agreement, in any case would cause the earnings of such Foreign Subsidiary to be treated as a deemed dividend to such Foreign Subsidiary's United States parent, then (x) in the case of a failure to deliver the opinion described in clause (i) above, that portion of such Foreign Subsidiary's outstanding capital stock not theretofore pledged pursuant to the Pledge Agreement shall be pledged to the Collateral Agent for the benefit of the

-67-

Secured Creditors pursuant to the Pledge Agreement (or another pledge agreement in substantially similar form, if needed), (y) in the case of a failure to deliver the opinion described in clause (ii) above, such Foreign Subsidiary shall execute and deliver a guaranty (each a "Foreign Subsidiary Guaranty" and, collectively, the "Foreign Subsidiary Guarantees") of the Obligations of the Borrower under the Credit Documents and the obligations of the Borrower under any Interest Rate Protection Agreements with a Bank or an affiliate of a Bank and (z) in the case of a failure to deliver the opinion described in clause

(iii) above, such Foreign Subsidiary shall execute and deliver security documentation granting the Secured Creditors a first priority perfected security interest in all of such Foreign Subsidiaries' assets which shall be substantially similar to the Security Documents already executed and delivered by the Credit Parties, in each case with all documents delivered pursuant to this Section 7.16 to be in form and substance reasonably satisfactory to the Administrative Agent and the Required Banks.

7.17 Senior Notes Change of Control. Upon the occurrence of any

Change of Control, if an offer to repurchase the Senior Notes is required to be made as a result of such Change of Control, the Borrower will take all actions, including the giving of notices required thereunder and the setting of the date for the repurchases of Senior Notes, as is within its power to insure that the date for payment of the purchase price for all Senior Notes that must be repurchased as a result of such Change of Control is no earlier than the date on which the Loans hereunder become due and payable as a result of such Change of Control.

SECTION 8. Negative Covenants. The Borrower hereby covenants and

agrees that on the Effective Date and thereafter for so long as this Agreement is in effect and until the Commitments have terminated, no Letters of Credit are outstanding and the Loans, Unpaid Drawings, together with interest, Fees and all other Obligations incurred hereunder, are paid in full:

8.01 Consolidation, Merger, Sale or Purchase of Assets, etc. The

Borrower will not, and will not permit any of its Subsidiaries to, wind up, liquidate or dissolve its affairs, or enter into any transaction of merger or consolidation, sell or otherwise dispose of (x) all or substantially all of the assets of the Borrower or of the Borrower and its Subsidiaries taken as a whole or (y) prior to the Target Date, all, substantially all or any part of its property or assets (other than inventory in the ordinary course of busi-

-68-

ness), or prior to the Target Date, enter into any partnerships, joint ventures or sale-leaseback transactions, or prior to the Target Date, purchase, lease or otherwise acquire (in one transaction or a series of related transactions) all or any part of the property or assets of any Person (other than purchases or other acquisitions of inventory, materials and equipment prior to the Target Date, in the ordinary course of business) or agree to do any of the foregoing at any future time, except that the following shall be permitted:

(a) Capital Expenditures may be made to the extent permitted pursuant to Section 8.04;

(b) advances, investments and loans (including Joint Venture Investments in Permitted Joint Ventures) may be made to the extent permitted pursuant to Section 8.05;

(c) Dividends may be paid to the extent permitted by Section 8.06;

(d) the Transaction shall be permitted;

(e) the Borrower and its Subsidiaries may lease (as lessee) real or personal property in the ordinary course of business and otherwise in compliance with this Agreement so long as such lease does not create Capitalized Lease Obligations except as otherwise permitted by Section 8.03(b);

(f) each of the Borrower and its Subsidiaries may, in the ordinary course of business and consistent with past practices, sell, lease (as lessor) or otherwise dispose of any of its equipment to the extent that (x) any such sale, lease or disposition shall be in an amount at least equal to the fair market value thereof (as determined in good faith by senior management of the Borrower), (y) any such sale shall be solely for cash or for cash, promissory notes and/or contingent payment obligations of, and/or equity interests in, the transferee or issuer, provided that the sum of

(A) the aggregate principal amount of promissory notes outstanding at any time accepted by the Borrower and/or its Subsidiaries from all such sales, leases and dispositions, (B) the aggregate initial value of all such

contingent payment obligations (as determined in good faith by senior management of the Borrower) received by the Borrower and/or its Subsidiaries from all such sales, leases and

-69-

dispositions and (C) the aggregate initial value of all equity securities (as determined in good faith by senior management of the Borrower) received by the Borrower and/or any of its Subsidiaries from all such sales, leases and dispositions shall not exceed (i) prior to the Intermediate Target Date, \$15,000,000 in the aggregate at any time outstanding and (ii) on or after the Intermediate Target Date but prior to the Target Date, \$20,000,000 in the aggregate at any time outstanding, provided, further,

that any promissory notes and equity interest so accepted by the Borrower or any Subsidiary Guarantor shall be pledged and promptly delivered to the Collateral Agent on behalf of the Banks pursuant to the Pledge Agreement and (z) the aggregate Net Cash Proceeds of all such assets subject to such sales or other dispositions are applied in accordance with Section 4.02(A)(c) to the extent so required;

(g) the Borrower and its Subsidiaries may, in the ordinary course of business and consistent with past practices, sell or otherwise dispose of any of its Real Property to the extent that (w) any such sale or disposition shall be in an amount at least equal to the fair market value thereof (as determined in good faith by senior management of the Borrower), (x) any such sale shall be solely for cash, or for cash, promissory notes and/or contingent payment obligations of, and/or equity interests in, the transferee or issuer, provided that in any fiscal year of the Borrower the

sum of (A) all cash received in such fiscal year by the Borrower and/or its Subsidiaries from all such sales and dispositions in such fiscal year, (B) the aggregate initial principal amount of promissory notes accepted in such fiscal year by the Borrower and/or its Subsidiaries from all such sales and dispositions in such fiscal year, (C) the aggregate initial value of all such contingent payment obligations (as determined in good faith by senior management of the Borrower) received in such fiscal year by the Borrower and/or its Subsidiaries from all such sales and dispositions in such fiscal year and (D) the aggregate initial value of all equity securities (as determined in good faith by senior management of the Borrower) received in such fiscal year by the Borrower and/or any of its Subsidiaries from all such sales and dispositions in such fiscal year shall not exceed \$12,000,000 in the aggregate in such fiscal year of the Borrower, provided,

further, that any promissory notes or equity interests so accepted by the

Borrower or any Subsidiary Guarantor shall be pledged and promptly deliv-

-70-

ered to the Collateral Agent on behalf of the Banks pursuant to the Pledge Agreement, (y) the aggregate initial value of all contingent payment obligations and equity securities (in each case as determined in good faith by senior management of the Borrower) received in any fiscal year by the Borrower and/or any of its Subsidiaries together with the aggregate initial principal amount of promissory notes accepted in such fiscal year by the Borrower and/or its Subsidiaries, in connection with all such asset sales and dispositions consummated (1) after the Effective Date and prior to the Intermediate Target Date, shall not exceed \$3,000,000 in the aggregate in such fiscal year of the Borrower and (2) on or after the Intermediate Target Date but prior to the Target Date, shall not exceed \$6,000,000 in the aggregate in such fiscal year of the Borrower and (z) the aggregate Net Cash Proceeds of all such Real Property subject to such sales or other dispositions are applied in accordance with Section 4.02(A)(c) to the extent so required;

(h) the Borrower and its Subsidiaries may acquire Reinvestment Assets with the proceeds from any Reinvestment Event which are not required to be applied to repay Loans pursuant to Section 4.02(A)(c), (h) or (i) or reduce the Total Revolving Commitment pursuant to Section 3.03(d); and

(i) the Borrower and its Subsidiaries may acquire assets constituting all or substantially all of a business, business unit, division or product

line of any Person not already a Subsidiary of the Borrower or capital stock of any such Person (including any such acquisition by way of merger or consolidation) (any such acquisition permitted by this clause (i), a "Permitted Acquisition"), so long as in the case of any such Permitted Acquisition (i) the only consideration paid by the Borrower and its Subsidiaries in respect of such Permitted Acquisition consists of cash, Common Stock permitted to be issued under Section 8.13, Indebtedness, secured by Liens permitted by Section 8.02(h), to the extent permitted by Section 8.03(b), unsecured Indebtedness permitted under Section 8.03(o) and/or Permitted Earn-Out Debt to the extent permitted by Section 8.03(n), (ii) no Default or Event of Default then exists (both before and after giving effect to such Permitted Acquisition), (iii) all representations and warranties contained herein and in the other Credit Documents shall be true and correct in all material

-71-

respects with the same effect as though such representations and warranties had been made on and as of the date of such Permitted Acquisition (both before and after giving effect thereto), unless stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date, (iv) such assets are to be employed in, and/or such Person was at the time of such acquisition engaged in, the businesses permitted pursuant to Section 8.08, (v) to the extent that such Permitted Acquisition is of the capital stock of another Person such Permitted Acquisition must be of 100% of such capital stock and all of the provisions of Section 8.15 to the extent applicable shall have been complied with in respect of such Permitted Acquisition, (vi) the Borrower or such Subsidiary is the surviving corporation of any Permitted Acquisition structured as a merger or consolidation, (vii) after giving effect to any Permitted Acquisition, the aggregate amount paid (including for this purpose all cash consideration paid, the face amount of all Indebtedness incurred in connection with such Permitted Acquisition, the Maximum Potential Liability of all Permitted Earn-Out Debt incurred in connection with such Permitted Acquisition and, prior to the Intermediate Target Date, the fair market value (determined as of the proposed date of consummation of such Permitted Acquisition in good faith by senior management of the Borrower) of any Common Stock, if any, issued as consideration in connection with such Permitted Acquisition), in connection with such Permitted Acquisition shall not exceed the Permitted Acquisition Amount at such time, (viii) after giving effect to any Permitted Acquisition, the aggregate amount paid (including for this purpose all cash consideration paid, the face amount of all Indebtedness incurred in connection with such Permitted Acquisition, all cash paid in respect of any Permitted Earn-Out Debt incurred in connection with such Permitted Acquisition and, prior to the Intermediate Target Date, the fair market value (determined as of the proposed date of consummation of such Permitted Acquisition in good faith by senior management of the Borrower) of any Common Stock, if any, issued as consideration in connection with such Permitted Acquisition), in connection with such Permitted Acquisition when added to the sum of (A) the aggregate amount paid (including for this purpose all cash consideration paid, the face amount of all Indebtedness incurred in connection with each such Permitted Acquisition and, prior to the

-72-

Intermediate Target Date, the fair market value (determined as of the date of consummation of each such Permitted Acquisition in good faith by senior management of the Borrower) of any Common Stock, if any, issued as consideration in connection with each such Permitted Acquisition) in connection with all other Permitted Acquisitions consummated in the fiscal year of the Borrower in which such proposed Permitted Acquisition is to be consummated plus (B) the aggregate amount of cash paid in the fiscal year of the Borrower in which such proposed Permitted Acquisition is to be consummated, in respect of all Permitted Earn-Out Debt incurred at any time in connection with all other Permitted Acquisitions, shall not exceed \$12,500,000, and (ix) with respect to each Permitted Acquisition, (A) the Borrower shall have given the Administrative Agent and the Banks at least 10 Business Days' prior written notice of such Permitted Acquisition, (B) the Borrower in good faith shall believe, based on calculations made by the Borrower on a pro forma basis (the pro forma adjustments made by the

--- -----
--- -----

Borrower in making the calculations pursuant to this clause (ix)(B) shall be subject to the reasonable satisfaction of the Administrative Agent and the Required Banks) after giving effect to the respective Permitted Acquisition as if such Permitted Acquisition had been consummated on the date occurring twelve months prior to the last day of the most recently ended fiscal quarter of the Borrower, that the covenants contained in Sections 8.09 through 8.11, inclusive, of this Agreement would have been met for the one-year period ended on the last day of such fiscal quarter, (C) the Borrower in good faith shall believe, based on calculations made by the Borrower, on a pro forma basis after giving effect to the respective

--- -----

Permitted Acquisition, that the covenants contained in Sections 8.09 through 8.11, inclusive, will continue to be met for the one-year period following the date of the consummation of the respective Permitted Acquisition and (D) the Borrower shall have delivered to the Administrative Agent an officer's certificate executed by a Senior Financial Officer of the Borrower, certifying, to the best of his knowledge, compliance with the requirements of preceding clauses (i) through (ix) and containing the pro forma calculations required by the

--- -----

preceding clauses (ix)(B) and (ix)(C). The consummation of each Permitted Acquisition shall be deemed to be a representation and warranty by the Borrower that all conditions thereto have been satisfied and that same is permitted in accordance with the terms of this Agreement, which represen-

-73-

tation and warranty shall be deemed to be a representation and warranty for all purposes hereunder, including, without limitation, Section 5.02 and 9.

To the extent the Required Banks (or all the Banks as shall be required by Section 12.12) waive the provisions of this Section 8.01 with respect to the disposition of any Collateral, or any Collateral is disposed of as permitted by this Section 8.01, (i) such Collateral in each case shall be sold free and clear of the Liens in favor of the Secured Creditors created by the Security Documents and (ii) if such Collateral includes all of the capital stock of a Subsidiary Guarantor, such capital stock shall be released from the Pledge Agreement and such Subsidiary Guarantor shall be released from the Subsidiary Guaranty; and the Administrative Agent and the Collateral Agent shall be authorized to take such actions as the Administrative Agent or the Collateral Agent reasonably deems appropriate in connection therewith.

8.02 Liens. The Borrower will not, and will not permit any of its

Subsidiaries to, create, incur, assume or suffer to exist any Lien upon or with respect to any property or assets of any kind (real or personal, tangible or intangible) of the Borrower or any of its Subsidiaries, whether now owned or hereafter acquired, or sell any such property or assets subject to an understanding or agreement, contingent or otherwise, to repurchase such property or assets (including sales of accounts receivable or notes with recourse to the Borrower or any of its Subsidiaries) or assign any right to receive income, or file or permit the filing of any financing statement under the UCC or any other similar notice of Lien under any similar recording or notice statute, except:

(a) inchoate Liens for taxes not yet due or Liens for taxes being contested in good faith and by appropriate proceedings for which adequate reserves (in the good faith judgment of the management of the Borrower) have been established in accordance with GAAP;

(b) Liens (other than any Lien imposed by ERISA) in respect of property or assets of the Borrower or any of its Subsidiaries imposed by law which were incurred in the ordinary course of business and which do not secure Indebtedness for borrowed money, such as carriers', warehousemen's and mechanics' Liens, statutory landlord's Liens, and other similar Liens arising in the ordinary course of business, and (x) which do not in the aggregate materially detract from the value of such property or assets or materially impair the use thereof

-74-

in the operation of the business of the Borrower or such Subsidiary or (y) which are being contested in good faith by appropriate proceedings, which

proceedings have the effect of preventing the forfeiture or sale of the property or asset subject to such Lien;

(c) Liens created by or pursuant to this Agreement or the other Credit Documents;

(d) Liens on the assets of the Borrower and its Subsidiaries created prior to, but that will remain outstanding on and after, the Initial Borrowing Date (after giving effect to the Refinancing) and listed, and the property subject thereto described on, Schedule IX hereto, without giving effect to any subsequent extensions or renewals thereof ("Permitted Liens");

(e) Liens (other than any Lien imposed by ERISA) incurred or deposits made in the ordinary course of business (x) in connection with workers' compensation, unemployment insurance and other types of social security, or (y) to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, performance and return-of-money bonds and other similar obligations incurred in the ordinary course of business (exclusive of obligations in respect of borrowed money), provided that the aggregate amount of cash and the fair ----- market value of the property encumbered by Liens described in this clause (y) shall not exceed \$1,000,000;

(f) leases or subleases granted to third Persons not interfering with the ordinary course of business of the Borrower or any of its Subsidiaries;

(g) Permitted Encumbrances;

(h) Liens arising pursuant to purchase money mortgages securing Indebtedness representing the purchase price (or financing of the purchase price within 90 days after the respective purchase) of property or other assets acquired by the Borrower or any of its Subsidiaries after the Initial Borrowing Date, provided that (i) any such Liens attach only to the ----- assets so purchased, (ii) the Indebtedness secured by any such Lien does not exceed 100% of the lesser of the fair market value or the purchase price of the assets being purchased at the time of the incurrence of such Indebt-

-75-

edness and (iii) the Indebtedness secured thereby is permitted by Section 8.03(b);

(i) easements, rights-of-way, restrictions, encroachments and other similar charges or encumbrances on the property of the Borrower or any of its Subsidiaries arising in the ordinary course of business and not materially interfering with the conduct of the business of the Borrower or any such Subsidiary;

(j) Liens on property of the Borrower or any of its Subsidiaries subject to, and securing only, Capitalized Lease Obligations to the extent such Capitalized Lease Obligations are permitted by Section 8.03(b),

provided, that such Liens only secure the payment of Indebtedness arising ----- under such Capitalized Lease Obligation and the Lien encumbering the asset giving rise to the Capitalized Lease Obligation and the proceeds thereof does not encumber any other asset of the Borrower or any of its Subsidiaries;

(k) Liens arising from precautionary UCC (or other similar recording or notice statutes) financing statement filings regarding operating leases permitted pursuant to this Agreement; and

(l) Liens upon equipment and machinery of the Borrower securing Indebtedness to the extent permitted under Section 8.03(m); provided that ----- such Liens only encumber equipment and machinery located at the Broome County Facility and do not encumber any other asset of the Borrower or any of its Subsidiaries; and provided, further, that contemporaneously with the -----

creation of such Liens, the Secured Creditors have a second priority Lien on such equipment and machinery located at the Broome County Facility.

8.03 Indebtedness. Prior to the Target Date, the Borrower will not, -----
and will not permit any of its Subsidiaries to, contract, create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness incurred pursuant to this Agreement and the other Credit Documents;

(b) Indebtedness evidenced by Capitalized Lease Obligations, and other Indebtedness secured by Liens permitted by Section 8.02(h), of the Borrower or any of its Subsidiaries so long as (x) all such Capitalized

-76-

Lease Obligations are permitted under Section 8.04, (y) the sum of the aggregate principal amount of all such Indebtedness outstanding at such time and the aggregate Capitalized Lease Obligations under all Capital Leases entered into pursuant to this clause (b) outstanding at such time does not exceed (i) prior to the Intermediate Target Date, \$15,000,000 in the aggregate at any time outstanding and (ii) on or after the Intermediate Target Date but prior to the Target Date, \$20,000,000 in the aggregate at any time outstanding and (z) at the time of the incurrence of any such Indebtedness, such Indebtedness is permitted to be incurred pursuant to the first paragraph of Section 1008 of the Senior Note Indenture;

(c) Indebtedness under Interest Rate Protection Agreements of the Borrower to the extent entered into in compliance with Section 7.09;

(d) Permitted Existing Indebtedness, without giving effect to any extensions, renewals or refinancings thereof;

(e) Indebtedness evidenced by Intercompany Loans to the extent permitted by Section 8.05(g);

(f) Indebtedness under any Permitted Currency Agreement;

(g) Indebtedness under any Permitted Commodities Agreement;

(h) Indebtedness representing Permitted Foreign Subsidiary WC Debt, provided that (x) the obligors thereunder are Foreign Subsidiaries and -----

neither the Borrower nor any Domestic Subsidiary of the Borrower is obligated (whether directly or indirectly through a guarantee, keep-well arrangement or otherwise) in respect thereof and (y) the aggregate principal amount thereof at any one time outstanding shall not exceed \$20,000,000, provided, however, that the aggregate principal amount thereof -----

at any one time outstanding may exceed \$20,000,000 solely by virtue of changes in the exchange rates (and not as a result of the additional incurrence of any new Indebtedness) for the currencies in which any such Permitted Foreign Subsidiary WC Debt is denominated for a period not in excess of one month after any date upon which it is so determined that the aggregate principal amount of Permitted Foreign Subsidi-

-77-

ary WC Debt exceeds \$20,000,000 as a result solely of such a change in exchange rates;

(i) Indebtedness of the Borrower evidenced by the Senior Notes pursuant to the Senior Note Documents, in an aggregate principal amount not to exceed \$150,000,000 (as reduced by any repayments of principal thereof);

(j) On or after the fifth anniversary of the Initial Borrowing Date, Permitted Refinancing Debt of the Borrower the proceeds of which are used to refinance the Senior Notes in accordance with Section 8.12;

(k) Indebtedness of the Borrower or any of its Subsidiaries arising in connection with the entering into of any take-or-pay contract for supplies, packaging materials or other similar materials entered into in

the ordinary course of business, consistent with the practices of the Borrower and its Subsidiaries prior to the Effective Date, provided that

the aggregate amount payable under any such take-or-pay contract shall not exceed \$100,000;

(l) Indebtedness of the Borrower consisting of borrowings against the cash value of the COLI Policies;

(m) Indebtedness of the Borrower evidenced by the Broome County Loan Documents in an aggregate principal amount not to exceed \$2,000,000;

(n) Indebtedness of the Borrower or any of its Subsidiaries which constitutes Permitted Earn-Out Debt in amounts not to exceed, and in accordance with, the requirements of Section 8.01(i) and only to the extent that any such Permitted Earn-Out Debt is paid in full within six months after the date upon which such Permitted Earn-Out Debt is determinable; and

(o) Additional unsecured Indebtedness of the Borrower and its Domestic Subsidiaries not otherwise permitted pursuant to this Section 8.03 not exceeding (for the Borrower and all of its Domestic Subsidiaries) in aggregate principal amount at any one time outstanding (x) prior to the Intermediate Target Date, an amount equal to \$5,000,000 and (y) on or after the Intermediate Target Date but prior to the Target Date, an amount equal to \$7,500,000.

-78-

8.04 Capital Expenditures. (a) Prior to the Target Date, the

Borrower will not, and will not permit any of its Subsidiaries to, incur Capital Expenditures except Capital Expenditures made in compliance with this Section 8.04. Subject to clauses (b), (c) and (d) below, during each period indicated below, Capital Expenditures shall be permitted to be made by the Borrower and its Subsidiaries in an aggregate amount for all such Persons not in excess of the corresponding amount set forth below opposite such period:

Period	Amount
-----	-----
Effective Date through and including the last day of the Fiscal Year ending 1994	\$43,000,000
Fiscal Year ending 1995	\$33,000,000
Fiscal Year ending 1996	\$33,000,000
Each Fiscal Year ending in 1997, 1998 or 1999	\$40,000,000
Fiscal Year commencing in 2000 to and including the Final Maturity Date	\$50,000,000

(b) Notwithstanding anything to the contrary contained in clause (a) above, the Borrower and its Subsidiaries may make additional Capital Expenditures in any period set forth in clause (a) above (except during the last such period) in an amount equal to 5% of the amount of Capital Expenditures permitted to be made by the Borrower and its Subsidiaries in the immediately succeeding period (without taking into account any increase in the amount permitted during such period as a result of this clause (b), or clause (c) or (d) below); provided, however, that the amount of Capital Expenditures permitted

to be made during such immediately succeeding period set forth in clause (a) above shall be reduced by an amount equal to the amount that the Borrower and its Subsidiaries expend to make additional Capital Expenditures pursuant to this clause (b) in the immediately preceding period.

(c) Notwithstanding anything to the contrary contained in clause (a)

above, to the extent Capital Expenditures made by the Borrower and its Subsidiaries in any period set forth in clause (a) above are less than the amount set forth for such period in clause (a) above (without taking

-79-

into account any increase in the amount permitted during such period as a result of clause (b) above, or this clause (c) or clause (d) below but after giving effect to any reduction in the amount permitted during any such period as a result of clause (b) above), an amount equal to 100% of such difference may be carried forward and used by the Borrower and its Subsidiaries to make Capital Expenditures pursuant to clause (a) in the immediately succeeding fiscal year (or fiscal period) of the Borrower.

(d) In addition to the Capital Expenditures permitted pursuant to preceding clauses (a), (b) and (c), the Borrower and its Subsidiaries may make additional Capital Expenditures as follows: (i) Capital Expenditures constituting Permitted Acquisitions (ii) Capital Expenditures consisting of the reinvestment of Net Cash Proceeds of Asset Sales and the reinvestment of Net Insurance Proceeds of Recovery Events, in each case pursuant to this clause (ii) to the extent permitted to be so reinvested pursuant to Section 4.02(A)(c) or (h), as the case may be, and which proceeds are subject to a Reinvestment Notice with respect to which a Reinvestment Prepayment Date has not occurred at the time of such Capital Expenditure and (iii) Capital Expenditures in an amount not in excess of the amount of cash proceeds received by the Borrower constituting a reimbursement from any of its customers relating to Capital Expenditures previously made by the Borrower for the benefit of any such customer.

8.05 Advances, Investments and Loans. Prior to the Target Date, the

Borrower will not, and will not permit any of its Subsidiaries to, lend money or credit or make advances to any Person, or purchase or acquire any stock, obligations or securities of, or any other interest in, or make any capital contribution to any Person, except:

(a) the Transaction shall be permitted;

(b) the Borrower and its Subsidiaries may invest in cash and Cash Equivalents, and Foreign Subsidiaries may invest in Permitted Foreign Investments;

(c) the Borrower and its Subsidiaries may acquire and hold receivables owing to them, if created or acquired in its ordinary course of business and payable or dischargeable in accordance with its customary trade terms of the Borrower or such Subsidiary, as the case may be;

-80-

(d) loans and advances to employees for moving and travel expenses and other similar expenses, in each case incurred in the ordinary course of business, shall be permitted;

(e) Interest Rate Protection Agreements entered into in compliance with Section 8.03(c) shall be permitted;

(f) the Borrower and its Subsidiaries may acquire and own investments (including debt obligations) received in connection with the bankruptcy or reorganization of suppliers and customers and in settlement of delinquent obligations of, and other disputes with, customers and suppliers arising from ordinary business transactions;

(g) the Borrower may make intercompany loans and advances to its Subsidiaries (other than to the Captive Insurance Subsidiary unless required by applicable law or required to fund its insurance operations), and any Subsidiary of the Borrower may make intercompany loans and advances to any other Subsidiary (other than to the Captive Insurance Subsidiary unless required by applicable law or required to fund its insurance operations) of the Borrower or the Borrower (collectively, "Intercompany Loans"), provided that (i) each such Intercompany Loan shall be evidenced

by an Intercompany Note, (ii) each such Intercompany Note issued to the Borrower or a Subsidiary Guarantor shall be pledged to the Collateral Agent pursuant to the Pledge Agreement and (iii) each Intercompany Note

evidencing an Intercompany Loan to the Borrower shall contain the subordination provisions contained in Exhibit K;

(h) the Borrower and its Subsidiaries may acquire and hold the capital stock of Wholly-Owned Subsidiaries acquired, created or established in accordance with Section 8.15;

(i) Permitted Currency Agreements shall be permitted;

(j) Permitted Commodities Agreements shall be permitted;

-81-

(k) the Borrower and its Subsidiaries may effect Permitted Acquisitions in accordance with the requirements of Section 8.01(i);

(l) the Captive Insurance Subsidiary may invest in Permitted Captive Insurance Investments;

(m) so long as (x) no Default or Event of Default then exists or would result therefrom and (y) any such investment is permitted at such time under the Senior Note Indenture, the Borrower and its Subsidiaries may make Joint Venture Investments in Permitted Joint Ventures, provided that

the aggregate amount of all Joint Venture Investments at any one time outstanding shall not exceed \$30,000,000 less the Joint Venture Letter of Credit Outstandings at such time;

(n) the Borrower may continue to own and hold Permitted Existing Investments, provided that with respect to the Permitted Existing

Investments listed as Items 1 and 2 on Schedule X hereto, the Borrower may continue to hold such Permitted Existing Investments only so long as (x) at all times the Fixed Charge Coverage Ratio is equal to or better than the Performance Target for the then most recently ended Test Period, and (y) the stated market value (as set forth on the annual or quarterly statements furnished with respect to such Permitted Existing Investments to the Borrower and by the Borrower to the Banks pursuant to Section 7.01(h)(ii)) of such Permitted Existing Investment has not decreased by more than 20% from the stated market value thereof as of the Effective Date as set forth on Schedule X;

(o) the Borrower may acquire and maintain investments in COLI Policies; and

(p) the Borrower and its Subsidiaries may make additional advances, investments and loans not otherwise permitted pursuant to this Section 8.05 (other than advances, investments or loans (1) in or to any Permitted Joint Venture, (2) in or to the Captive Insurance Subsidiary or (3) of the type constituting a Permitted Existing Investment), so long as (i) the aggregate principal amount thereof at any time outstanding (determined without regard to any write-downs or write-offs thereof) shall not exceed (x) prior to the Intermediate Target Date, \$5,000,000 and (y) on or after the Intermediate Target Date but prior to the Target

-82-

Date, \$7,500,000, and (ii) each such advance, investment or loan is made by the Borrower or such Subsidiary in or to a Person engaged in the type of business described in Section 8.08.

8.06 Dividends, etc. The Borrower will not, and will not permit any

Subsidiary to, declare or pay any dividends or return any capital to, its stockholders or authorize or make any other distribution, payment or delivery of property or cash to its stockholders as such, or redeem, retire, purchase or otherwise acquire, directly or indirectly, for a consideration, any shares of any class of its capital stock now or hereafter outstanding (or any warrants for or options or stock appreciation rights in respect of any of such shares), or set aside any funds for any of the foregoing purposes and the Borrower will not, and will not permit any of its Subsidiaries to, purchase or otherwise acquire for consideration any shares of any class of the capital stock of the Borrower or any other Subsidiary, as the case may be, now or hereafter

outstanding (or any warrants for or options or stock appreciation rights issued by such Person in respect of any such shares) (all of the foregoing "Dividends"), except that:

(a) any Subsidiary of the Borrower or any Permitted Joint Venture may pay Dividends (x) to the Borrower or to any Wholly-Owned Subsidiary of the Borrower or (y) to any other investor in such Subsidiary or Permitted Joint Venture to the extent of such investor's proportionate ownership interest in such Subsidiary or Permitted Joint Venture;

(b) so long as there shall exist no Default or Event of Default (both before and after giving effect thereto), (x) on or after the Initial Borrowing Date and prior to the first anniversary of the Initial Borrowing Date, the Borrower may effect Common Stock Repurchases pursuant to the Repurchase Program so long as the Borrower promptly retires any such shares of Common Stock so repurchased and (y) on or after the first anniversary of the Initial Borrowing Date and prior to the second anniversary of the Initial Borrowing Date, the Borrower may effect Common Stock Repurchases pursuant to the Repurchase Program so long as (A) at the time of any such Common Stock Repurchase pursuant to this clause (b)(y), the Fixed Charge Coverage Ratio is equal to or better than the Performance Target for the then most recently ended Test Period and (B) the

-83-

Borrower promptly retires any such shares of Common Stock so repurchased;

(c) the Borrower may pay cash Dividends in any fiscal quarter to the holders of Common Stock if and only if (w) no Default or Event of Default then exists or would result from the payment thereof, (x) the Fixed Charge Coverage Ratio for the period of the four fiscal quarters most recently ended (or, if shorter, the period beginning on April 1, 1994 and ending on the last day of a fiscal quarter ending thereafter), in each case taken as one accounting period, exceeds 1.1:1, (y) the aggregate amount of all cash Dividends paid pursuant to this clause (c) in any such fiscal quarter of the Borrower (including the anticipated Dividend to be made) will not exceed 25% of the Available Dividend Amount and (z) the aggregate amount of all cash Dividends paid pursuant to this clause (c) will not at any time exceed an amount equal to the Available Dividend Amount; and

(d) so long as there shall exist no Default or Event of Default (both before and after giving effect to the payment thereof), the Borrower may repurchase or redeem stock appreciation rights issued by the Borrower to its directors, employees and officers pursuant to the Stock Option Plans.

8.07 Transactions with Affiliates. The Borrower will not, and will

not permit any of its Subsidiaries to, enter into any transaction or series of transactions, whether or not in the ordinary course of business, with any Affiliate other than on terms and conditions substantially as favorable (or more favorable) to, the Borrower or such Subsidiary as would be obtainable by, the Borrower or such Subsidiary at the time in a comparable arm's-length transaction with a Person other than an Affiliate, except the following shall not be prohibited: (i) the Transaction, (ii) Dividends permitted by Section 8.06, (iii) Intercompany Loans, (iv) each of the Borrower and any of its Wholly-Owned Subsidiaries may, in the ordinary course of its business, transfer inventory to or among each other, (v) each of the Borrower and any of its Subsidiaries may, in the ordinary course of its business, charge each other for services provided to the other, (vi) the Borrower may grant stock options, stock appreciation rights, restricted stock awards and phantom stock awards to its and its Subsidiaries' directors in the ordinary course of business, and (vii) the Borrower and its Subsidiaries may pay reasonable and customary fees to their

-84-

directors who are not also officers or employees of the Borrower or any of its Subsidiaries.

8.08 Changes in Business. The Borrower will not, and will not permit

any of its Subsidiaries to, engage (directly or indirectly) in any business other than (i) the business in which it is engaged on the Effective Date, (ii) reasonable extensions thereof and (iii) any other manufacturing business,

including, without limitation, the distribution and/or resale of manufactured products and other reasonable extensions of the manufacturing business.

8.09 Fixed Charge Coverage Ratio. The Borrower will not permit the

Fixed Charge Coverage Ratio for any Test Period ending at the end of any fiscal quarter set forth below to be less than the ratio set forth opposite such quarter below:

Fiscal Quarter Ending	Ratio
June 30, 1994	1.0:1
September 30, 1994	1.0:1
December 31, 1994	1.0:1
March 31, 1995	1.0:1
June 30, 1995	1.0:1
September 30, 1995	1.1:1
December 31, 1995	1.1:1
March 31, 1996	1.1:1
June 30, 1996	1.1:1
September 30, 1996 and thereafter	1.2:1

8.10 Leverage Ratio. The Borrower will not permit the ratio of (i)

Consolidated Indebtedness to (ii) Consolidated Capital Funds as of the last day of any quarter

-85-

set forth below to be greater than the ratio set forth opposite such quarter below:

Fiscal Quarter Ending	Ratio
June 30, 1994	0.625:1
September 30, 1994	0.625:1
December 31, 1994	0.625:1
March 31, 1995	0.625:1
June 30, 1995	0.625:1
September 30, 1995	0.600:1
December 31, 1995	0.600:1
March 31, 1996	0.600:1
June 30, 1996	0.550:1
September 30, 1996	0.550:1
December 31, 1996	0.550:1
March 31, 1997	0.500:1
June 30, 1997	0.500:1
September 30, 1997	0.500:1
December 31, 1997 and for each fiscal quarter thereafter	0.450:1

8.11 Interest Coverage Ratio. The Borrower will not permit the

Interest Coverage Ratio for any Test Period ending at the end of any fiscal quarter set forth below to be less than the ratio set forth opposite such quarter below:

Fiscal Quarter Ending	Ratio
June 30, 1994	2.70:1
September 30, 1994	3.0:1
December 31, 1994	3.0:1
March 31, 1995	3.0:1
June 30, 1995 and thereafter	3.5:1

8.12 Limitation on Voluntary Payments and Modifications of

Indebtedness; Modification of Certificate of Incorporation. The Borrower will not, and will not permit any of its Subsidiaries to: (i) make (or give any

notice in respect of) any voluntary or optional payment or prepayment on or redemption (including pursuant to any change of control provision) of or acquisition for value of (including, without limitation, by way of depositing with the trustee with respect thereto money or securities before due for the purpose of paying when due), any Senior Notes or any Permitted Refinancing Debt, provided that after the fifth anniversary of the Initial Borrowing Date, the Senior Notes may be refinanced with Permitted Refinancing Debt and any Permitted Refinancing Debt may be refinanced with any other Permitted

-86-

Refinancing Debt, (ii) amend or modify, or permit the amendment or modification of, any provision of the Senior Note Documents, any Permitted Refinancing Debt or of any agreement (including, without limitation, any purchase agreement, indenture, loan agreement or security agreement) relating thereto, or (iii) amend, modify or change any provision of its Certificate of Incorporation (including, without limitation, by the filing or modification of any certificate of designation) or By-Laws, except for such amendments to the Certificate of Incorporation or By-Laws of the Borrower or any of its Subsidiaries which do not impose any monetary liabilities on the Borrower or any of its Subsidiaries, as the case may be, or grant any put or similar rights to any Person and do not otherwise adversely affect any Bank in its capacity as such.

8.13 Limitations on Issuance of Capital Stock. (a) The Borrower

will not permit any of its Subsidiaries to directly or indirectly issue, sell, assign, pledge or otherwise encumber or dispose of any shares of its capital stock or other equity securities (or warrants, rights or options to acquire shares or other equity securities) except (i) pursuant to the Security Documents, (ii) to qualify directors to the extent required by applicable law, (iii) in connection with a Permitted Joint Venture to the extent otherwise permitted by the terms of this Agreement or (iv) to the Borrower or a Wholly-Owned Subsidiary of the Borrower, and then only if such stock or other equity securities are delivered to the Collateral Agent and pledged pursuant to the Pledge Agreement.

(b) The Borrower will not issue any shares of its capital stock or other equity securities (or warrants, rights or options to acquire shares or other equity securities) except: (i) to qualify directors if required by applicable law; (ii) issuances of rights or options to purchase shares of Common Stock to directors, officers and employees of the Borrower pursuant to the Stock Option Plans and issuances of rights to purchase shares of Common Stock to shareholders of the Borrower pursuant to the Rights Agreement, in each case so long as no Event of Default will exist under Section 9.10 as a result thereof; and (iii) shares of Common Stock where, after giving effect to such issuance, no Event of Default will exist under Section 9.10 and immediately after such issuance the Borrower complies with Section 4.02(A)(e).

8.14 Limitation on Restrictions Affecting Subsidiaries. The

Borrower will not, and will not permit any Subsidiary to, directly, or indirectly, create or otherwise

-87-

cause or suffer to exist any encumbrance or restriction which prohibits or limits the ability of the Borrower or any Subsidiary to (a) pay dividends or make other distributions or pay any Indebtedness owed to any Credit Party or any Subsidiary thereof, (b) make loans or advances to any Credit Party or any Subsidiary thereof, (c) transfer any of its properties or assets to any Credit Party or any Subsidiary thereof or (d) create, incur, assume or suffer to exist any lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than encumbrances and restrictions arising under (i) applicable law, (ii) this Agreement and the other Credit Documents, (iii) to the extent restricting the disposition of any property serving as security therefor, any agreement relating to Indebtedness permitted pursuant to Section 8.03(b) secured by Liens permitted pursuant to Section 8.02(h), (iv) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of any Credit Party or any of its Subsidiaries, (v) customary restrictions on dispositions of real property interests found in reciprocal easement agreements of any Credit Party or any of its Subsidiaries or (vi) the documents or instruments governing the terms of any Permitted Foreign

Subsidiary WC Debt permitted to be incurred pursuant to Section 8.03(h) to the extent restricting the payment of dividends or other cash distributions by a Foreign Subsidiary to the Borrower or any other Subsidiary of the Borrower.

8.15 Limitation on the Creation of Subsidiaries. Notwithstanding

anything to the contrary contained in this Agreement, the Borrower will not, and will not permit any Subsidiary to, establish, create or acquire after the Effective Date any Material Subsidiary, except the Borrower or any of its Subsidiaries may create, establish or acquire (x) Permitted Joint Ventures in accordance with Section 8.05 and the definition thereof and (y) a new Material Subsidiary of the Borrower which is a Wholly-Owned Subsidiary of the Borrower provided, that (i) at least 15 Business Days' prior written notice thereof is given to the Administrative Agent and the Banks, (ii) 100% of the capital stock of such new Material Subsidiary is pledged pursuant to the Pledge Agreement (65% in the case of a new Material Subsidiary that is a first-tier Foreign Subsidiary, 0% in the case of second or lower tier Foreign Subsidiaries) and the certificates representing such stock, together with stock powers duly executed in blank, are delivered to the Collateral Agent, (iii) such new Material Subsidiary (to the extent it is a Domestic Subsidiary) executes a counterpart of the Subsidiary Guaranty, the Pledge Agreement and the Security Agreement, and (iv) to the extent requested by the Administrative Agent

-88-

or the Required Banks, such new Material Subsidiary takes all actions required pursuant to Section 7.11. In addition, each new Material Subsidiary shall execute and deliver, or cause to be executed and delivered, all other relevant documentation of the type described in Section 5 as such new Material Subsidiary would have had to deliver if such new Material Subsidiary were a Credit Party on the Initial Borrowing Date.

SECTION 9. Events of Default. Upon the occurrence of any of the

following specified events (each an "Event of Default"):

9.01 Payments. The Borrower shall (i) default in the payment when

due of any principal of the Loans or any Unpaid Drawing or (ii) default, and such default shall continue for three or more Business Days, in the payment when due of any interest on the Loans or Unpaid Drawings or any Fees or any other amounts owing hereunder or under any other Credit Document; or

9.02 Representations, etc. Any representation, warranty or statement

made by any Credit Party herein or in any other Credit Document or in any certificate delivered or required to be delivered pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made; or

9.03 Covenants. The Borrower shall (a) default in the due

performance or observance by it of any term, covenant or agreement contained in Sections 7.01(e)(x), 7.08, 7.09, 7.11, 7.15, 7.16 or 8 (other than Sections 8.05, 8.07 or 8.14), or (b) default in the due performance or observance by it of any term, covenant or agreement (other than those referred to in Section 9.01, 9.02 or clause (a) of this Section 9.03) contained in this Agreement and such default shall continue unremedied for a period of at least 30 days after notice to the defaulting party by the Administrative Agent or any Bank; or

9.04 Default Under Other Agreements. (a) The Borrower or any of its

Subsidiaries (collectively, the "Designated Parties") shall (i) default in any payment in respect of any Indebtedness (other than the Obligations) beyond the period of grace, if any, provided by the instrument or agreement governing such Indebtedness or (ii) default in the observance or performance of any agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating

-89-

thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or

holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, any such Indebtedness to become due prior to its stated maturity; or (b) any such Indebtedness (other than the Obligations) of any Designated Party shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof, provided that it shall not constitute an Event of

Default pursuant to clause (a) or (b) of this Section 9.04 unless the outstanding principal amount of any one issue of such Indebtedness exceeds \$3,000,000 or the aggregate amount of all such Indebtedness referred to in clauses (a) and (b) above exceeds \$6,000,000 at any one time; or

9.05 Bankruptcy, etc. Any Designated Party shall commence a

voluntary case concerning itself under Title 11 of the United States Code entitled "Bankruptcy", as now or hereafter in effect, or any successor thereto (the "Bankruptcy Code"); or an involuntary case is commenced against any Designated Party and the petition is not controverted within 10 Business Days, or is not dismissed within 60 days, after commencement of the case; or a custodian (as defined in the Bankruptcy Code) is appointed for, or takes charge of, all or substantially all of the property of any Designated Party; or any Designated Party commences any other proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to any Designated Party; or there is commenced against any Designated Party any such proceeding which remains undismitted for a period of 60 days; or any Designated Party is adjudicated insolvent or bankrupt; or any order of relief or other order approving any such case or proceeding is entered; or any Designated Party suffers any appointment of any custodian or the like for it or any substantial part of its property to continue undischarged or unstayed for a period of 60 days; or any Designated Party makes a general assignment for the benefit of creditors; or any Designated Party admits in writing its inability to pay its debts generally as they become due; or any corporate action is taken by any Designated Party for the purpose of effecting any of the foregoing; or

9.06 ERISA. (a) Any Plan shall fail to satisfy the minimum funding

standard required for any plan year or part thereof or a waiver of such standard or extension of any

-90-

amortization period is sought or granted under Section 412 of the Code, any Plan shall have had or is likely to have a trustee appointed to administer such Plan, any Plan is, shall have been or is likely to be terminated or to be the subject of termination proceedings under ERISA, any Plan shall have an Unfunded Current Liability, a contribution required to be made to a Plan or a Foreign Pension Plan has not been timely made, any Designated Party or any ERISA Affiliate has incurred or is likely to incur a liability to or on account of a Plan under Section 409, 502(i), 502(l), 515, 4062, 4063, 4064, 4069, 4201, 4204 or 4212 of ERISA or Section 401(a)(29), 4971 or 4975 of the Code, or any Designated Party or any ERISA Affiliate has incurred or is likely to incur liabilities pursuant to one or more employee welfare benefit plans (as defined in Section 3(1) of ERISA) that provide benefits to retired employees or other former employees (other than as required by Section 601 of ERISA) or employee pension benefit plans (as defined in Section 3(2) of ERISA); (b) there shall result from any event or events described in clause (a) of this Section 9.06, the imposition of a lien, the granting of a security interest, or a liability or a material risk of incurring a liability; and (c) which lien, security interest or liability referred to in clause (b) of this Section 9.06, in the opinion of the Required Banks, could reasonably be expected to have a Material Adverse Effect; or

9.07 Security Documents. At any time after the execution and

delivery thereof, any of the Security Documents shall cease to be in full force and effect, or shall cease to give the Collateral Agent for the benefit of the Secured Creditors the Liens, rights, powers and privileges purported to be created thereby (including, without limitation, a perfected security interest in, and Lien on, all of the Collateral), in favor of the Collateral Agent, superior to and prior to the rights of all third Persons (except as permitted by Section 8.02), and subject to no other Liens (except as permitted by Section 8.02), or any Credit Party shall default in the due performance or observance of any term, covenant or agreement on its part to be performed or observed pursuant

to any of the Security Documents and such default shall continue beyond any cure or grace period specifically applicable thereto pursuant to the terms of such Security Document; or

9.08 Subsidiary Guaranty. The Subsidiary Guaranty or any provision

thereof shall cease to be in full force and effect, or any Subsidiary Guarantor thereunder or any Person acting on behalf of such Subsidiary Guarantor shall deny or disaffirm such Subsidiary Guarantor's obligations under the

-91-

Subsidiary Guaranty or any Subsidiary Guarantor shall default in the due performance or observance of any term, covenant or agreement on its part to be performed or observed pursuant to the Subsidiary Guaranty; or

9.09 Judgments. One or more judgments or decrees shall be entered

against the Borrower and/or any of its Subsidiaries involving a liability (not paid or fully covered by a reputable and solvent insurance company) of \$5,000,000 or more for all such judgments and decrees, and all such judgments or decrees shall not have been vacated, discharged or stayed or bonded pending appeal within 30 days from the entry thereof; or

9.10 Change of Control. A Change of Control shall have occurred;

then, and in any such event, and at any time thereafter, if any Event of Default shall then be continuing, the Administrative Agent shall, upon the written request of the Required Banks, by written notice to the Borrower, take any or all of the following actions, without prejudice to the rights of the Administrative Agent, any Co-Agent or any Bank or the holder of any Note to enforce its claims against any Credit Party, except as otherwise specifically provided for in this Agreement (provided that, if an Event of Default specified

in Section 9.05 shall occur with respect to the Borrower, the result which would occur upon the giving of written notice by the Administrative Agent as specified in clauses (i) and (ii) below shall occur automatically without the giving of any such notice): (i) declare the Total Commitment terminated, whereupon the Commitment of each Bank shall forthwith terminate immediately and any Commitment Commission shall forthwith become due and payable without any other notice of any kind; (ii) declare the principal of and any accrued interest in respect of all Loans and all obligations owing hereunder (including Unpaid Drawings) to be, whereupon the same shall become, forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Credit Party; (iii) enforce, as Collateral Agent (or direct the Collateral Agent to enforce) any or all of the Liens and security interests created pursuant to the Security Documents; (iv) terminate any Letter of Credit which may be terminated in accordance with its terms; and (v) direct the Borrower to pay (and the Borrower hereby agrees upon receipt of such notice, or upon the occurrence of any Event of Default specified in Section 9.05, it will pay) to the Administrative Agent at the Payment Office such additional amounts of cash, to be held as security for

-92-

the Borrower's reimbursement obligations in respect of Letters of Credit then outstanding equal to the aggregate Stated Amount of all Letters of Credit then outstanding.

SECTION 10. Definitions. As used herein, the following terms shall

have the meanings herein specified unless the context otherwise requires. Defined terms in this Agreement shall include in the singular number the plural and in the plural the singular:

"Additional Security Documents" shall have the meaning set forth in Section 7.11.

"Adjusted Consolidated Current Assets" shall mean, as of any date, the accounts receivable plus inventory of the Borrower and its Subsidiaries as of such date.

"Adjusted Consolidated Net Worth" shall mean, as at any date of determination, without duplication, the sum of (i) Consolidated Net Worth at such date, (ii) the after tax amount of the Borrower's resizing, restructuring and other unusual charges recorded for 1993 and the extraordinary charge in the first fiscal quarter of fiscal year 1994 in connection with the early retirement of the Existing Debt, which amount shall in no event exceed \$48,000,000 and (iii) the aggregate amount spent by the Borrower in respect of all Common Stock Repurchases made on and after the Effective Date up to and including such date of determination.

"Adjusted Consolidated Current Liabilities" shall mean, as of any date, the accounts payable of the Borrower and its Subsidiaries as of such date.

"Adjusted Working Investment" shall mean Consolidated Current Assets minus Consolidated Current Liabilities.

"Administrative Agent" shall have the meaning provided in the first paragraph of this Agreement and shall include any successor to the Administrative Agent appointed pursuant to Section 11.09.

"Affected Company" shall mean with respect to any Reinvestment Event arising from the receipt of Net Insurance Proceeds from a Recovery Event, the Borrower or the Subsidiary of the Borrower which owned the assets which are the subject of such Recovery Event.

-93-

"Affiliate" shall mean, with respect to any Person, any other Person directly or indirectly controlling (including, but not limited to, all directors of such Person), controlled by, or under direct or indirect common control with such Person. A Person shall be deemed to control a corporation if such Person possesses, directly or indirectly, the power (i) to vote 5% or more of the securities having ordinary voting power for the election of directors of such corporation or (ii) to direct or cause the direction of the management and policies of such corporation, whether through the ownership of voting securities, by contract or otherwise. For purposes of Section 8.07 of this Agreement, so long as American Securities Corporation has any representatives on the Board of Directors of the Borrower or any of its Subsidiaries, American Securities Corporation shall be deemed to be an Affiliate of the Borrower to the extent not otherwise meeting the criteria set forth above in the definition of "Affiliate."

"Agreement" shall mean this Credit Agreement, as the same may be from time to time modified, amended and/or supplemented.

"Aggregate Unutilized Commitment" with respect to any Bank at any time shall mean the sum of (x) such Bank's Revolving Commitment at such time less the sum of (i) the aggregate outstanding principal amount of all Revolving Loans made by such Bank and (ii) such Bank's Percentage of the Letter of Credit Outstandings at such time plus (y) prior to the Term Loan Availability Termination Date (or such earlier date as of which the Total Term Loan Commitment has been terminated), such Bank's Term Loan Commitment at such time.

"AMETEK Hong Kong" shall mean AMETEK Hong Kong, a corporation organized and existing under the laws of Hong Kong.

"Anticipated Reinvestment Amount" shall mean, with respect to any Reinvestment Event, the amount specified in the Reinvestment Notice with respect thereto as the amount of the respective Net Cash Proceeds, Pension Plan Refund or Net Insurance Proceeds, as the case may be, that the Borrower or such Subsidiary of the Borrower intends to use to restore, purchase, construct or otherwise acquire Reinvestment Assets or to fund a replacement Plan pursuant to Section 4980 of the Code, as the case may be.

"Applicable Base Rate Margin" shall mean, at any time during the relevant Category Period set forth below and

-94-

with respect to any type of Base Rate Loans, the margin set forth below opposite such relevant Category Period for the relevant type of Base Rate Loans; provided, however, that notwithstanding anything to the contrary contained

- - - - -

herein, until the first anniversary of the Initial Borrowing Date, the Applicable Base Rate Margin shall mean (x) 1.00% for Term Loans and (y) 0.75% for Revolving Loans:

I. Term Loans:

Category Period	Applicable Base Rate Margin
Category A Period	0%
Category B Period	0.25%
Category C Period	0.50%
Category D Period	0.75%
Category E Period	1.00%
Category F Period	1.25%

II. Revolving Loans:

Category Period	Applicable Base Rate Margin
Category A Period	0%
Category B Period	0%
Category C Period	0.25%
Category D Period	0.50%
Category E Period	0.75%
Category F Period	1.00%

"Applicable Credit Rating" shall mean the lowest rating level (a rating level being, e.g. each of BBB-, BBB and BBB+, in the case of S&P) assigned by each of the Rating Agencies to any of the senior long term unsecured debt issues of the Borrower. A rating, whether public or private, by a Rating Agency shall be deemed to be in effect on the date of announcement or publication by such Rating Agency of such rating or, in the absence of such announcement or publica-

tion, on the effective date of such rating and will remain in effect until the date of announcement or publication of any change in such rating or, in the absence of such announcement or publication, the effective date of any such change. In the event the standards for one or more rating levels of a Rating Agency are revised, or such ratings are designated differently (such as by changing letter designations to numerical designations) and such Rating Agency does not state at the time of the designation what the equivalent ratings are, then the references herein to such rating level or levels shall be changed to the revised or redesignated rating for which the standards are closest to the standards at the date hereof for the rating which has been revised or redesignated, all as determined by the Required Banks in good faith.

"Applicable Eurodollar Margin" shall mean, at any time during the relevant Category Period set forth below and with respect to any type of Eurodollar Loans, the margin set forth below opposite such relevant Category Period for the relevant type of Eurodollar Loans; provided, however that

notwithstanding anything to the contrary contained herein, until the first day after the anniversary of the Initial Borrowing Date, the Applicable Eurodollar Margin shall mean (x) 2.00% for Term Loans and (y) 1.75% for Revolving Loans:

I. Term Loans:

Category Period -----	Applicable Eurodollar Margin -----
Category A Period	1.00%
Category B Period	1.25%
Category C Period	1.50%
Category D Period	1.75%
Category E Period	2.00%
Category F Period	2.25%

-96-

II. Revolving Loans:

Category Period -----	Applicable Eurodollar Margin -----
Category A Period	0.75%
Category B Period	1.00%
Category C Period	1.25%
Category D Period	1.50%
Category E Period	1.75%
Category F Period	2.00%

"Approved Alternate Currency" shall mean, with respect to any Trade Letter of Credit, Canadian Dollars, British Pounds Sterling, Italian Lira, German Deutsche Marks, Swiss Francs, French Francs, Belgian Francs, Dutch Guilders, Spanish Pesetas and Japanese Yen, and any other currency other than Dollars which is approved by the Letter of Credit Issuer in respect of such Trade Letter of Credit and the Administrative Agent prior to the issuance of such Trade Letter of Credit.

"Approved Bank" shall have the meaning set forth in the definition of Cash Equivalents.

"Asset Sale" shall mean any sale, transfer or other disposition by the Borrower or any of its Subsidiaries to any Person other than the Borrower or any Wholly-Owned Subsidiary of the Borrower of any asset (including, without limitation, any capital stock or other securities of another Person, but excluding any sale, transfer or other disposition by the Borrower or any of its Subsidiaries of its capital stock or any other securities issued by it) of the Borrower or such Subsidiary (other than (w) Joint Venture Investments made pursuant to Section 8.05(m), (x) sales of investments held pursuant to Section 8.05(b), (d), (e), (g), (i), (j), (l) or (o), (y) any sale, transfer or disposition of inventory and/or excess, worn, outmoded or obsolete equipment in the ordinary course of business of the Borrower or such Subsidiary and (z) any other sale, transfer or disposition of assets generating Net Cash Proceeds from such transaction in an amount which, when added to the Net Cash Proceeds of all other Asset Sales consummated pursuant to this clause (z), does not exceed \$1,000,000).

-97-

"Assignment Agreement" shall have the meaning provided in Section 12.04(b).

"Authorized Officer" shall mean, with respect to any Person, the Chairman of the Board, the President, the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, any executive vice president,

any senior vice president, any group vice president, any vice president, treasurer or secretary of such Person.

"Available Dividend Amount" shall mean \$10,000,000, provided that such amount shall be (i) increased (x) on the date of any payments under Section 4.02(A)(f) by the Remaining Excess Cash Amount for the relevant Excess Cash Flow Period and (y) on the date of any payment under Section 4.02(A)(e), by an amount equal to 25% of the Net Equity Issuance Proceeds giving rise to such prepayment and (ii) decreased by the amount of any Dividends paid pursuant to Section 8.06(c).

"Bank" shall have the meaning provided in the first paragraph of this Agreement, and shall include any Person which becomes a Bank party to this Agreement in accordance with Section 12.04(b).

"Bank Default" shall mean (i) the refusal (which has not been retracted) of a Bank to make available its portion of any Borrowing or to fund its portion of any unreimbursed payment under Section 2.02(c) or (ii) a Bank having notified the Administrative Agent and/or the Borrower that it does not intend to comply with the obligations under Section 1.01(a) or (b) or under Section 2.02(c), in the case of either clause (i) or (ii) above as a result of the appointment of a receiver or conservator with respect to such Bank at the direction or request of any regulatory agency or authority.

"Bankruptcy Code" shall have the meaning provided in Section 9.05.

"Base Rate" shall mean the higher of (i) the Federal Funds Rate plus 1/2 of 1%, or (ii) the Prime Lending Rate.

"Base Rate Loan" shall mean each Loan bearing interest at the rates provided in Section 1.08(a).

"Borrower" shall have the meaning provided in the first paragraph of the Agreement.

-98-

"Borrowing" shall mean the incurrence pursuant to a single Facility of one Type of Loan by the Borrower from all of the Banks having Commitments with respect to such Facility on a pro rata basis on a given date (or resulting from conversions on a given date), having in the case of Eurodollar Loans the same Interest Period, provided that Base Rate Loans incurred pursuant to Section 1.10(b) shall be considered part of any related Borrowing of Eurodollar Loans.

"Borrowing Base" shall mean, as at any date of which the amount thereof is being determined, an amount equal to the sum of (i) 85% of Eligible Receivables and (ii) 50% of Eligible Inventory, each as determined from the Borrowing Base Certificate most recently delivered pursuant to Section 7.01(i); provided, however, that if at any time the sum of the net amount of the Foreign Subsidiary Receivables and the Foreign Subsidiary Inventory included in calculating the Borrowing Base (without giving effect to this proviso) (such sum, the "Foreign BB Component") would exceed 33-1/3% of the Borrowing Base (without giving effect to this proviso), then the Foreign BB Component (and, accordingly, the Borrowing Base) shall be reduced by an amount such that after giving effect to such reduction the Foreign BB Component shall equal 33-1/3% of the Borrowing Base.

"Borrowing Base Certificate" shall have the meaning provided in Section 7.01(i).

"Broome County Facility" shall mean the manufacturing facility established by the Borrower in the town of Union, Broome County, New York.

"Broome County Loan Documents" shall mean all documents, instruments and agreements entered into by the Borrower in connection with its loan from the New York State Urban Development Corporation under the Expansion, Retention and Attraction Assistance Program in connection with the establishment by the Borrower of the Broome County Facility.

"Business Day" shall mean (i) for all purposes other than as covered by clause (ii) below, any day excluding Saturday, Sunday and any day which shall

be in the City of New York a legal holiday or a day on which banking institutions are authorized by law or other governmental actions to close and (ii) with respect to all notices and determinations in connection with, and payments of principal and interest on, Eurodollar Loans, any day which is a Business Day described in clause (i) and which is also a day for trading by and between banks in Dollar deposits in the London interbank Eurodollar market.

"Capital Expenditures" shall mean, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities, including Capitalized Lease Obligations but, in any event, excluding interest capitalized in accordance with GAAP), by the Borrower and its Subsidiaries during that period that, in conformity with GAAP, are or are required to be included in the property, plant or equipment

-99-

reflected in the consolidated balance sheet of the Borrower and its Subsidiaries.

"Capital Lease," as applied to any Person, shall mean any lease of any property (whether real, personal or mixed) by that Person as lessee which, in conformity with GAAP, is accounted for as a capital lease on the consolidated balance sheet of that Person.

"Capitalized Lease Obligations" shall mean all obligations under Capital Leases of the Borrower and its Subsidiaries in each case taken at the amount thereof accounted for as liabilities in accordance with GAAP.

"Captive Insurance Subsidiary" shall mean AMETEK (Bermuda) Ltd., a corporation organized and existing under the laws of Bermuda.

"Cash Collateral Account" shall have the meaning provided in Section 4.02(A)(a).

"Cash Equivalents" shall mean (i) securities issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof (provided that the full faith and credit of the United States of America is pledged in support thereof) having maturities of not more than five years from the date of acquisition, (ii) Dollar denominated time deposits, certificates of deposit and bankers acceptances of (x) any Bank that is a commercial bank having capital and surplus in excess of \$500,000,000 or (y) any bank whose short-term commercial paper rating from S&P is at least A-1 or the equivalent thereof or from Moody's is at least P-1 or the equivalent thereof (any such Bank or bank, an "Approved Bank"), in each case with maturities of not more than six months from the date of acquisition, (iii) commercial paper issued by any Approved Bank or by the parent company of any Approved Bank and commercial paper issued by, or guaranteed by, any industrial or financial company with a short-term commercial paper rating of at least A-1 or the equivalent thereof by S&P or at least P-1 or the equivalent thereof by Moody's, or guaranteed by any industrial company with a long term unsecured debt rating of at least A or A2, or the equivalent of each thereof, from S&P or Moody's, as the case may be, and in each case maturing within one year after the date of acquisition, (iv) any fund or funds investing solely in investments of the type described in clauses (i) through (iii) above, (v) shares of money market or mutual or similar funds having assets in excess of \$100,000,000 investing solely in debt securities

-100-

with maturities of less than one year and (vi) debt securities with a rating of at least A or A2, or the equivalent of each thereof, from S&P or Moody's, as the case may be, of public companies which (x) are freely tradeable without restriction on a stock exchange or through a nationally recognized automated quotation system, (y) are purchased and held as current assets and not for investment and (z) have a maturity of not more than five years from the issuance thereof.

"Cash Proceeds" shall mean, with respect to any sale, lease, transfer or other disposition of assets, the aggregate cash payments in connection therewith (including any cash received by way of deferred payment pursuant to a note receivable issued in connection therewith, other than the portion of such deferred payment constituting interest, and including any amounts received under

any noncompete or similar agreement or as disbursement or withdrawals from any escrow or similar account established in connection with any such sale, lease, transfer or other disposition, but, in each such case, only as and when so received).

"Category A Period" shall mean any period during which at all times the Credit Rating is A- or above (to the extent that the Credit Rating at the time of determination is the Applicable Credit Rating assigned by S&P) or A3 or above (to the extent that the Credit Rating at the time of determination is the Applicable Credit Rating assigned by Moody's).

"Category B Period" shall mean any period during which at all times the Credit Rating is BBB+ (to the extent that the Credit Rating at the time of determination is the Applicable Credit Rating assigned by S&P) or Ba1 (to the extent that the Credit Rating at the time of determination is the Applicable Credit Rating assigned by Moody's).

"Category C Period" shall mean any period during which at all times the Credit Rating is BBB- or above but lower than BBB+ (to the extent that the Credit Rating at the time of determination is the Applicable Credit Rating assigned by S&P) or Baa3 or above but lower than Ba1 (to the extent that the Credit Rating at the time of determination is the Applicable Credit Rating assigned by Moody's).

"Category D Period" shall mean any period during which at all times the Credit Rating is BB+ (to the extent that the Credit Rating at the time of determination is the Applicable Credit Rating assigned by S&P) or Ba1 (to the

-101-

extent that the Credit Rating at the time of determination is the Applicable Credit Rating assigned by Moody's).

"Category E Period" shall mean any period during which at all times the Credit Rating is BB- or above but lower than BB+ (to the extent that the Credit Rating at the time of determination is the Applicable Credit Rating assigned by S&P) or Ba3 or above but lower than Ba1 (to the extent that the Credit Rating at the time of determination is the Applicable Credit Rating assigned by Moody's).

"Category F Period" shall mean any period when there exists no Category A Period, Category B Period, Category C Period, Category D Period or Category E Period, including, without limitation, because no Credit Rating has been assigned by either Rating Agency.

"Category Period" shall mean any of Category A Period, Category B Period, Category C Period, Category D Period, Category E Period or Category F Period, as applicable.

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended from time to time, 42 U.S.C. (Section) 9601 et seq.

-- ----

"Change of Control" shall mean (i) any "change of control" or similar event shall occur under any Senior Note Document or any other agreements governing or evidencing Indebtedness of the Borrower or any of its Subsidiaries (including, without limitation, Permitted Refinancing Debt, if any) or (ii) any Person or group (as such term is defined in Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") shall have acquired, directly or indirectly, beneficial ownership (as such term is defined in Rule 13d-3 promulgated under the Exchange Act) of 35% or more of the outstanding Voting Stock of the Borrower.

"Chase" shall mean The Chase Manhattan Bank, N.A., and any successor corporation thereto by merger, consolidation or otherwise.

"Co-Agent" shall have the meaning provided in the first paragraph of this Agreement.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder. Section references to the Code are to the Code, as in effect at the date of this

Agreement and any subsequent provisions of the Code, amendatory thereof, supplemental thereto or substituted therefor.

"COLI Policy" shall mean a corporate owned life insurance policy held by the Borrower with respect to certain of its employees.

"Collateral" shall mean all of the Collateral as defined in each of the Security Documents.

"Collateral Agent" shall mean Chase acting as collateral agent for the Secured Creditors under the Security Documents.

"Collective Bargaining Agreement" shall have the meaning provided in Section 5.01(m).

"Commitment" shall mean, with respect to each Bank, such Bank's Term Loan Commitment and/or Revolving Commitment.

"Commitment Commission" shall have the meaning provided in Section 3.01(a).

"Commodities Agreement" shall mean any forward contract, futures contract, commodity price swap, option contract or similar agreement or arrangement, in each case intended to protect the Persons entering into same from fluctuations in the price of, or shortage of supply of, products or other materials utilized in the businesses permitted by Section 8.08.

"Common Stock" shall mean the Common Stock, par value \$1.00 per share, of the Borrower.

"Common Stock Repurchase" shall mean, collectively, the repurchase of Common Stock by the Borrower pursuant to the Repurchase Program.

"Common Stock Repurchase Documents" shall mean each of the documents relating to the consummation of the Common Stock Repurchase (other than trade confirmations and similar documents).

"Consolidated Cash Interest Expense" shall mean, for any period, Consolidated Interest Expense for such period but only to the extent such Consolidated Interest Expense is payable in cash for such period.

"Consolidated Capital Funds" shall mean, as at any date of determination, the sum of (i) Consolidated Indebtedness outstanding on such date and (ii) Adjusted Consolidated Net Worth at such date.

"Consolidated EBIT" shall mean, for any period, (A) the sum of, without duplication, the amounts for such period of (i) the net income (or loss) of the Borrower and its Subsidiaries, (ii) provisions for taxes based on income, (iii) Consolidated Interest Expense, and (iv) the amount of any increase in the Borrower's LIFO reserve (exclusive of any portion thereof attributable to sales of assets) during such period (and minus any decrease in the Borrower's LIFO reserve (exclusive of any portion thereof attributable to sales of assets) during such period) less (B) the amount for such period of gains on sales of

assets (excluding sales in the ordinary course of business other than sales of equipment) and other extraordinary gains, in each case, to the extent included in determining net income (or loss) for such period, all as determined on a consolidated basis for the Borrower and its Subsidiaries.

"Consolidated EBITDA" shall mean, for any period, the sum (without duplication) of the amounts for such period of (i) Consolidated EBIT, (ii) depreciation expense, (iii) amortization expense and (iv) other non-cash charges (excluding any non-cash charges recorded in connection with any restructuring of the Borrower or any of its Subsidiaries other than the non-cash restructuring charges recorded on or prior to March 31, 1994 in contemplation of the Transaction), in the case of each of clauses (ii)-(iv) above to the extent deducted in determining Consolidated EBIT for such period, all as determined on a consolidated basis for the Borrower and its Subsidiaries.

"Consolidated Fixed Charges" shall mean, for any period, the sum, without duplication, of the amounts for such period of (i) Consolidated Cash Interest Expense, (ii) the payment of all cash income taxes, (iii) Capital Expenditures paid in cash (other than additional Capital Expenditures made during such period utilizing the amounts available under Sections 8.04(d) (ii) and (iii)) and (iv) the scheduled principal amount of all amortization payments on all Indebtedness other than payments (1) on the Revolving Credit Facility as a result of the occurrence of the Revolving Credit Facility Maturity Date and (2) the principal portion of rentals under Capitalized Lease Obligations; all as determined on a consolidated basis for the Borrower and its Subsidiaries.

-104-

"Consolidated Indebtedness" shall mean all Indebtedness of the Borrower and its Subsidiaries required to be accounted for as debt in accordance with GAAP, determined on a consolidated basis, other than Indebtedness evidenced by Intercompany Notes.

"Consolidated Interest Expense" shall mean, for any period, total interest expense (including that attributable to Capital Leases in accordance with GAAP) of the Borrower and its Subsidiaries determined on a consolidated basis with respect to all outstanding Indebtedness of the Borrower and its Subsidiaries, including, without limitation, all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs (i.e., costs minus benefits) under Interest

Rate Protection Agreements, but excluding, however, amortization of deferred financing costs to the extent included in total interest expense, all as determined on a consolidated basis, in each case net of the total interest income (excluding non-cash interest income on investments issued with original issue discount) of the Borrower and its Subsidiaries for such period, determined on a consolidated basis.

"Consolidated Net Worth" shall mean, as at any date of determination, the stockholders' equity of the Borrower (after deducting treasury stock) as determined in accordance with GAAP and as would be reflected on a consolidated balance sheet of the Borrower prepared as of such date.

"Contingent Obligations" shall mean as to any Person (i) any obligation of such Person guaranteeing or intended to guarantee any Indebtedness, leases, dividends or other obligations ("primary obligations") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent, (a) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (b) to advance or supply funds (x) for the purchase or payment of any such primary obligation or (y) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (d) otherwise to assure or hold harmless the owner of such primary obligation against loss in respect thereof and (ii) any Interest Rate Protection Agreement, Currency Agreement and Commodities Agreement; provided, however, that the

-105-

term Contingent Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

"Credit Documents" shall mean this Agreement, the Notes, the Security Documents and the Subsidiary Guaranty.

"Credit Event" shall mean the making of a Loan or the issuance of a Letter of Credit.

"Credit Party" shall mean each of the Borrower and each Subsidiary

Guarantor.

"Credit Rating" shall mean (i) the Applicable Credit Rating assigned by each Rating Agency, if such Applicable Credit Ratings are the same or (ii) if the Applicable Credit Ratings assigned by the Rating Agencies differ, the lower of the Applicable Credit Ratings assigned by the Rating Agencies.

"Currency Agreement" shall mean any foreign exchange contract, currency swap agreement, futures contract, option contract, synthetic cap or other similar agreement designed to protect the Persons entering into same against fluctuations in currency values.

"Default" shall mean any event, act or condition which with notice or lapse of time, or both, would constitute an Event of Default.

"Deferred Repayment Amount" shall mean, with respect to any Reinvestment Event, the aggregate amount that (i) would have been applied to repay the Loans pursuant to Section 4.02(A)(c), (g) or (h) had not the Borrower delivered a Reinvestment Notice and (ii) is not so applied to repay the Loans as a result of being designated as an Anticipated Reinvestment Amount in such Reinvestment Notice so delivered.

"Designated Parties shall have the meaning provided in Section 9.04.

"Dividends" shall have the meaning provided in Section 8.06.

-106-

"Documents" shall mean the Credit Documents and the Transaction Documents.

"Dollars" and the sign "\$" shall mean freely transferable lawful money of the United States of America.

"Domestic Subsidiary" shall mean each Subsidiary of the Borrower incorporated or organized in the United States or any state or territory thereof (other than AMETEK (FSC) Inc.).

"Effective Date" shall have the meaning provided in Section 12.10.

"Eligible Assignee" shall have the meaning provided in Section 12.04(b).

"Eligible Inventory" shall mean (i) the gross dollar value (determined on a last in-first out basis) of the inventory of the Borrower and its Subsidiaries, plus the amount, if positive, by which the gross dollar value of

the inventory of the Borrower and its Subsidiaries as determined on a first in-first out basis exceeds the gross dollar value of such inventory determined on a last in-first out basis, less (ii) an amount equal to 50% of the gross dollar

value (determined on a last in-first out basis or a first in-first out basis, as the case may be, which basis is consistent with the practices of the Borrower and its Foreign Subsidiaries prior to the Effective Date) of the inventory of the Foreign Subsidiaries of the Borrower.

"Eligible Receivables" shall mean the total face amount of the receivables of the Borrower and its Subsidiaries less (a) the sum of (i)

without duplication, (x) any returns, discounts, claims, credit and allowances of any nature (whether issued, owing, granted or outstanding) and (y) reserves for any other matter affecting the creditworthiness of account debtors owing the receivables, (ii) an amount equal to 50% of the otherwise Eligible Receivables of the Borrower and its Domestic Subsidiaries with account debtors outside of the United States (such receivables, "Foreign Account Debtor Receivables") and (iii) an amount equal to 50% of the otherwise Eligible Receivables of the Foreign Subsidiaries of the Borrower (such receivables, "Foreign Subsidiary Receivables") plus (b) an amount equal to 100% of the face

amount of Foreign Account Debtor Receivables and Foreign Subsidiary Receivables to the extent supported by a letter of credit in favor of the Borrower or its respective Subsidiary issued by an Approved Bank, provided that in no

event shall the sum of (1) the amount of Foreign Account Debtor Receivables and Foreign Subsidiary Receivables which are not subtracted pursuant to clauses (a)(ii) and (iii) above plus (2) the amount of Foreign Account Debtor Receivables and Foreign Subsidiary Receivables added pursuant to clause (b) above, exceed 100% of the Foreign Account Debtor Receivables and Foreign Subsidiary Receivables at such time.

"Employment Agreements" shall have the meaning provided in Section 5.01(m).

"Environmental Claims" shall mean any and all administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violation, investigations or proceedings relating in any way to any Environmental Law or any permit issued, or any approval given, under any such Environmental Law (hereafter, "Claims"), including, without limitation, (a) any and all Claims by governmental or regulatory authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law, and (b) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from Hazardous Materials arising from alleged injury or threat of injury to health, safety or the environment.

"Environmental Law" shall mean any applicable Federal, state, foreign or local statute, law, rule, regulation, ordinance, code, guideline, written policy and rule of common law now or hereafter in effect and in each case as amended, and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to the environment, health, safety or Hazardous Materials, including, without limitation, CERCLA; RCRA; the Federal Water Pollution Control Act, as amended, 33 U.S.C. (Section) 1251 et seq.; the Toxic Substances Control Act, 15 U.S.C.

-- ----
(Section) 7401 et seq.; the Clean Air Act, 42 U.S.C. (Section) 7401 et seq.;
-- ----
the Safe Drinking Water Act, 42 U.S.C. (Section) 3808 et seq.; the Oil
-- ----
Pollution Act of 1990, 33 U.S.C. (Section) 2701 et seq.; the Emergency Planning
-- ----
and the Community Right-to-Know Act of 1986, 42 U.S.C. (Section) 11001 et seq.,
-- ----
the Hazardous Material Transportation Act, 49 U.S.C. (Section) 1801 et seq.;
-- ----
the Occupational Safety and Health Act, 29 U.S.C. (Section) 651 et seq.; and
-- ----
any applicable state and local or foreign counterparts or equivalents.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder. Section references to ERISA are to ERISA, as in effect at the date of this Agreement and any subsequent provisions of ERISA, amendatory thereof, supplemental thereto or substituted therefor.

"ERISA Affiliate" shall mean each person (as defined in Section 3(9) of ERISA) which together with the Borrower or any Subsidiary of the Borrower would be deemed to be a "single employer" within the meaning of Section 414(b), (c), (m) or (o) of the Code.

"Eurodollar Loans" shall mean each Loan bearing interest at the rates provided in Section 1.08(b).

"Eurodollar Rate" shall mean with respect to each Interest Period for a Eurodollar Loan, the rate determined by the Administrative Agent to be the arithmetic mean (rounded to the nearest 1/100 of 1%) of the offered quotation to first-class banks in the London interbank Eurodollar market by each Reference Bank for Dollar deposits of amounts in same day funds comparable to the outstanding principal amount of the Eurodollar Loan of such Reference Bank for which an interest rate is then being determined with maturities comparable to the Interest Period to be applicable to such Eurodollar Loan, determined as of 10:00 A.M. (London time) on the date which is two Business Days prior to the commencement of such Interest Period, provided that if one or more of the

Reference Banks fail to provide the Administrative Agent with its aforesaid rate, then the Eurodollar Rate shall be determined based on the rate or rates provided to the Administrative Agent by the other Reference Bank or Banks.

"Event of Default" shall have the meaning provided in Section 9.

"Excess Cash Flow" shall mean, for any Excess Cash Flow Period, the remainder of (A) the sum of (i) Consolidated EBITDA for such period and (ii) the decrease, if any, in Adjusted Working Investment from the first day to the last day of such period, minus (B) the sum of (i) the amount of Consolidated Interest Expense for such period, (ii) the increase, if any, in Adjusted Working Investment from the first day to the last day of such period, (iii) without duplication, the amount of all taxes paid or payable in respect of such period, (iv) the amount of all cash Capital Expenditures for such period (other than (1) Capital Expen-

-109-

ditures made and financed with Indebtedness and (2) additional Capital Expenditures made during such period utilizing the amounts available under Section 8.04(d)), (v) without duplication of clause (iv) above, the amount of cash expended during such period in respect of Permitted Acquisitions, except to the extent financed with Indebtedness, (vi) all Third Party Debt Repayments made during such period, except prepayments of the principal amount of Term Loans made pursuant to Sections 4.02(A)(c), (d), (e), (f), (g), (h) and/or (i) (to the extent the source of the repayment was not included in Consolidated EBITDA for such period) and (vii) non-cash charges added back in a previous period pursuant to the definition of Consolidated EBITDA to the extent any such charge has become a cash item in the current period.

"Excess Cash Flow Period" shall mean (i) the period commencing on April 1, 1994 and ending on the last day of the Borrower's fiscal year ending December 31, 1994 and (ii) each subsequent fiscal year of the Borrower.

"Existing Bank Facility" shall mean the Amended and Restated Revolving Credit Agreement, dated as of July 1, 1991, among the Borrower, various lenders and Chemical Bank, as agent, as the same has been amended, modified or supplemented to the Initial Borrowing Date.

"Existing Debt" shall mean the Existing Term Debt and the Existing Bank Facility.

"Existing Debt Refinancing Documents" shall mean each of the documents and agreements entered into in connection with the Refinancing and in connection with the release of all guaranties and security with respect to the Refinancing and any consents required in connection therewith.

"Existing Letters of Credit" shall have the meaning set forth in Section 2.01.

"Existing Term Debt" shall mean and include each of (i) the Note Purchase Agreements, dated as of September 1, 1989 in connection with the issuance of the Borrower's \$75,000,000 aggregate principal amount of 9.35% Senior Notes due September 15, 2004, (ii) the Note Purchase Agreements dated as of September 1, 1986 in connection with the issuance of the Borrower's \$120,000,000 aggregate principal amount of 8.95% Senior Notes due September 15, 2001 and (iii) the Note Purchase Agreement dated as of July 15, 1992 in connection with the issuance of the Borrower's \$3,600,000 aggregate

-110-

principal amount of 8.05% Senior Secured Notes due July 15, 2004.

"Expiration Date" shall mean March 31, 1994.

"Facility" shall mean any of the two Facilities established under this Agreement, i.e., the Term Loan Facility and the Revolving Credit Facility.

"Federal Funds Rate" shall mean for any period, a fluctuating interest rate equal for each day during such period to the weighted average of the rates on overnight Federal Funds transactions with members of the Federal Reserve

System arranged by Federal Funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three Federal Funds brokers of recognized standing selected by the Administrative Agent.

"Fees" shall mean all amounts payable pursuant to, or referred to in, Section 3.01.

"Final Maturity Date" shall mean the seventh anniversary of the Initial Borrowing Date.

"Fixed Charge Coverage Ratio" for any period shall mean the ratio of (i) Consolidated EBITDA for such period to (ii) Consolidated Fixed Charges for such period.

"Foreign BB Component" shall have the meaning set forth in the definition of Borrowing Base.

"Foreign Pension Plan" means any plan, fund (including, without limitation, any superannuation fund) or other similar program established or maintained outside the United States of America by the Borrower or any one or more of its Subsidiaries primarily for the benefit of employees of the Borrower or any such Subsidiary residing outside the United States of America, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and which plan is not subject to ERISA or the Code.

"Foreign Subsidiary Guaranty" shall have the meaning provided in Section 7.16.

-111-

"Foreign Subsidiary Inventory" shall mean the Eligible Inventory of the Foreign Subsidiaries of the Borrower.

"Foreign Subsidiary Receivables" shall have the meaning provided in the definition of Eligible Receivables.

"Foreign Subsidiaries" shall mean each Subsidiary of the Borrower which is not a Domestic Subsidiary.

"GAAP" shall mean generally accepted accounting principles in the United States of America as in effect on the date of this Agreement; it being understood and agreed that determinations in accordance with GAAP for purposes of Sections 4.02 and 8, including defined terms as used therein, are subject (to the extent provided therein) to Section 12.07(a).

"Hazardous Materials" means (a) any petroleum or petroleum products, radioactive materials, asbestos in any form that is friable, urea formaldehyde foam insulation, transformers or other equipment that contained or contains, electric fluid containing levels of polychlorinated biphenyls, and radon gas; (b) any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous waste," "hazardous materials," "extremely hazardous waste," "restricted hazardous waste," "toxic substances," "toxic pollutants," "contaminants," or "pollutants," or words of similar import, under any applicable Environmental Law; and (c) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any Environmental Law.

"Indebtedness" of any Person shall mean without duplication (i) all indebtedness of such Person for borrowed money, (ii) the deferred purchase price of assets or services payable to sellers thereof or any of such seller's assignees which in accordance with GAAP would be shown on the liability side of the balance sheet of such Person, (iii) the Stated Amount of all letters of credit issued for the account of such Person and, without duplication, all drafts drawn thereunder, (iv) all Indebtedness of a second Person secured by any Lien on any property owned by such first Person, whether or not such indebtedness has been assumed, (v) all Capitalized Lease Obligations of such Person, (vi) all obligations of such Person to pay a specified purchase price for goods or services whether or not delivered or accepted, i.e., take-or-pay

and similar obligations, and (vii) all Contingent Obligations of such Person, provided that Indebtedness shall not include trade payables and accrued - - - ----- expenses, in each case arising in the ordinary course of business.

"Initial Borrowing Date" shall mean a date, which shall in any event occur not later than the Expiration Date, upon which the initial Borrowing of Loans occurs.

"Insurance Proceeds" shall mean, with respect to any Recovery Event, the aggregate cash payments received by the Borrower or any of its Subsidiaries in respect of such

-112-

Recovery Event (including any cash payments received in respect of any condemnation award or the exercise of any power of eminent domain).

"Intercompany Loan" shall have the meaning provided in Section 8.05(g).

"Intercompany Notes" shall mean promissory notes, in the form of Exhibit J, evidencing Intercompany Loans.

"Interest Coverage Ratio" for any period shall mean the ratio of (i) Consolidated EBITDA less the amount of all Capital Expenditures (other than additional Capital Expenditures made during such period utilizing the amounts available under Sections 8.04(d)(ii) and (iii)) made by the Borrower or any of its Subsidiaries, in each case for such period to (ii) Consolidated Cash Interest Expense for such period.

"Interest Period", with respect to any Eurodollar Loan, shall mean the interest period applicable thereto, as determined pursuant to Section 1.09.

"Interest Rate Protection Agreement" shall mean any interest rate swap agreement, any interest rate cap agreement, any interest rate collar agreement or any other similar agreement or arrangement designed to hedge the risks for a Person with respect to, or otherwise manage, interest rates.

"Intermediate Target Date" shall mean the first date upon which both (i) a Category C Period exists and (ii) no Default or Event of Default exists.

"Joint Venture Investments" shall mean any investment, capital contribution, advance, loan, or guaranty, or any other investment by the Borrower or any of its Subsidiaries in a joint venture related to any business permitted by Section 8.08.

"Joint Venture Letter of Credit Outstandings" shall mean at any time the aggregate amount of Letter of Credit Outstandings at such time in respect of Letters of Credit issued on behalf of any Permitted Joint Venture.

"L/C Fee" shall have the meaning provided in Section 3.01(b).

"L/C Facing Fee" shall have the meaning provided in Section 3.01(c).

-113-

"Leasehold" of any Person means all of the right, title and interest of such Person as lessee or licensee in, to and under leases or licenses of land, improvements and/or fixtures.

"Letter of Credit" shall have the meaning provided in Section 2.01(a).

"Letter of Credit Issuer" shall mean (A) with respect to each Existing Letter of Credit, PNC, and (B) with respect to all other Letters of Credit, (x) PNC and (y) with the consent of the Administrative Agent and the Borrower, any other Bank, to the extent such Bank agrees, in its sole discretion, to become a Letter of Credit Issuer for the purpose of issuing Letters of Credit pursuant to Section 2.

"Letter of Credit Outstandings" shall mean, at any time, the sum of, without duplication, (i) the aggregate Stated Amount of all outstanding Letters

of Credit and (ii) the aggregate amount of all Unpaid Drawings in respect of all Letters of Credit; provided, however, that for purposes of Sections 1.01(b),

2.01(c) (i), 4.02(A) (a) and (j), and 4.02(B) (a), and the definitions of "Joint Venture Letter of Credit Outstandings" and "Total Unutilized Revolving Commitment," in determining the Letter of Credit Outstandings, the Stated Amount of any outstanding Trade Letter of Credit denominated in an Approved Alternate Currency shall be deemed to be an amount equal to 120% of the maximum available amount to be drawn under such Trade Letter of Credit (regardless of whether any conditions for drawing could then be met).

"Letter of Credit Request" shall have the meaning provided in Section 2.03(a).

"Lien" shall mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, any financing or similar statement or notice filed under the UCC or any similar recording or notice statute or any lease in the nature thereof).

"Loan" shall mean each and every Loan made by any Bank hereunder, including Term Loans and Revolving Loans.

"Management Agreements" shall have the meaning provided in Section 5.01(m).

-114-

"Margin Stock" shall have the meaning provided in Regulation U.

"Material Adverse Effect" shall mean a material adverse effect on the business, operations, properties, assets, liabilities or condition (financial or otherwise) of the Borrower and its Subsidiaries taken as a whole.

"Material Subsidiary" shall mean any Domestic Subsidiary having gross assets with a fair market value (reasonably determined by senior management of the Borrower in good faith) of at least \$3,000,000 and/or Consolidated EBITDA for the last four fiscal quarters of at least \$750,000 (for purposes of this definition Consolidated EBITDA shall be calculated for such Subsidiary on a stand-alone basis notwithstanding anything to the contrary contained in the definition thereof or in any other definition used in the calculation thereof);

provided, however, that in any event the term Material Subsidiary shall include

any Domestic Subsidiary which constitutes a "Significant Subsidiary" under and as defined in the Senior Note Indenture regardless of whether the above conditions are satisfied.

"Maturity Date" shall mean either the Final Maturity Date or the Revolving Credit Facility Maturity Date, as appropriate.

"Maximum Potential Liability" with respect to any Permitted Earn-Out Debt shall mean, as at any date of determination, an amount equal to the sum of (i) the amount of all cash theretofore paid in respect of such Permitted Earn-Out Debt plus (ii) the maximum potential liability in respect of such Permitted

Earn-Out Debt at such time.

"Minimum Assignment Amount" shall mean, with respect to any assignment by any Bank of its Loans or Commitments hereunder an amount equal to \$5,000,000, which is not required to be divided pro rata among the Loans or

--- ----
Commitments held by such Bank.

"Minimum Borrowing Amount" shall mean (i) for Base Rate Loans, \$2,500,000, and (ii) for Eurodollar Loans, \$5,000,000.

"Moody's" shall mean Moody's Investors Services, Inc.

"Mortgage" shall have the meaning provided in Section 5.01(j).

-115-

"Mortgage Policies" shall have the meaning provided in Section 5.01(j).

"Mortgaged Properties" shall mean and include (i) all Real Properties owned or leased by the Borrower or any of its Subsidiaries, to the extent designated as such on Schedule II hereto and (ii) each Real Property subjected to a mortgage in favor of the Collateral Agent for the benefit of the Secured Creditors pursuant to Section 7.11.

"Multiemployer Plan" shall have the meaning provided in Section 6.14(a).

"Net Cash Proceeds" shall mean, with respect to any Asset Sale, the Cash Proceeds resulting therefrom net of (a) cash expenses of sale (including, without limitation, payment of principal, premium and interest on Indebtedness and other liabilities other than the Loans) and (b) taxes paid or payable as a result thereof over and above the taxes which would otherwise have been payable in the absence of such Asset Sale.

"Net Debt Issuance Proceeds" shall mean the cash proceeds (net of underwriting discounts and commissions, if any and other reasonable costs associated therewith) received from the incurrence of Indebtedness.

"Net Equity Issuance Proceeds" shall mean the cash proceeds (net of underwriting discounts and commissions and other reasonable costs associated therewith) received from the sale of equity.

"Net Insurance Proceeds" shall mean the Insurance Proceeds received by the Borrower and/or its Subsidiaries with respect to any Recovery Event net of reasonable costs and expenses associated therewith (including payment of principal, premium and interest of Indebtedness other than the Loans, required to be, and which is, repaid under the terms thereof as a result of such Recovery Event).

"Note" shall mean each Term Note and Revolving Note.

"Notice of Borrowing" shall have the meaning provided in Section 1.03(a).

"Notice of Conversion" shall have the meaning provided in Section 1.06.

-116-

"Notice Office" shall mean the office of the Administrative Agent at One Chase Manhattan Plaza, New York, New York, or such other office as the Administrative Agent may designate in writing to the Borrower and the Banks from time to time.

"Notice of Prepayment" shall have the meaning set forth in Section 4.01.

"Obligations" shall mean all amounts, direct or indirect, contingent or absolute, of every type or description, and at any time existing, owing to the Administrative Agent, the Collateral Agent or any Bank pursuant to the terms of this Agreement or any other Credit Document.

"Participating Bank" shall have the meaning set forth in Section 2.02.

"Payment Office" shall mean the office of the Administrative Agent at One Chase Manhattan Plaza, New York, New York or such other office as the Administrative Agent may designate in writing to the Borrower and the Banks from time to time.

"PBGC" shall mean the Pension Benefit Guaranty Corporation established pursuant to Section 4002 of ERISA, or any successor thereto.

"Pension Plan Refund" shall mean any cash payments (net of reasonable costs associated therewith, including income, excise and other taxes payable thereon) received by the Borrower and/or any of its Subsidiaries from any return of any surplus assets from any single Plan (other than any such refund the cash payment received with respect to which, when added to the cash payments received from all other such refunds from any such Plan in the same fiscal year as such refund, does not exceed \$400,000).

"Percentage" shall mean at any time for each Bank, the percentage obtained by dividing such Bank's Revolving Commitment by the Total Revolving Commitment, provided that if the Total Revolving Commitment has been terminated,

the Percentage of each Bank shall be determined by dividing such Bank's Revolving Commitment immediately prior to such termination by the Total Revolving Commitment immediately prior to such termination.

"Performance Target" shall mean a ratio of 1.25:1.

-117-

"Permits" shall have the meaning provided in Section 7.05(a).

"Permitted Acquisition" shall have the meaning set forth in Section 8.01(i).

"Permitted Acquisition Amount" shall mean at any time an amount which initially shall be \$25,000,000 and which shall be decreased by the sum of (i)

the aggregate amount of cash theretofore expended for all Permitted Acquisitions, (ii) the aggregate face amount of all Indebtedness incurred in connection with all Permitted Acquisitions, (iii) the Maximum Potential Liability at such time of all Permitted Earn-Out Debt previously incurred in connection with all Permitted Acquisitions and (iv) prior to the Intermediate Target Date, the aggregate fair market value (determined as of the date of issuance in good faith by senior management of the Borrower) of Common Stock issued as consideration in connection with all Permitted Acquisitions.

"Permitted Captive Insurance Investments" shall mean any investments currently held by the Captive Insurance Subsidiary and any other investment made by the Captive Insurance Subsidiary in compliance with the applicable laws and regulations governing the Captive Insurance Subsidiary in its capacity as a captive insurance entity.

"Permitted Commodities Agreement" shall mean any Commodities Agreement entered into in the ordinary course of business by the Borrower and/or any of its Subsidiaries and not for speculative purposes, to the extent consistent with the practices of the Borrower and its Subsidiaries prior to the Effective Date.

"Permitted Currency Agreement" shall mean any Currency Agreement entered into in the ordinary course of business by the Borrower or any Subsidiary of the Borrower and not for speculative purposes, to the extent consistent with the practices of the Borrower and its Subsidiaries prior to the Effective Date.

"Permitted Earn-Out Debt" shall mean Indebtedness of the Borrower or any of its Subsidiaries incurred in connection with a Permitted Acquisition and in accordance with Section 8.01(i), which Indebtedness is not secured by any assets of the Borrower or any of its Subsidiaries (including, without limitation, the assets so acquired) and is only payable by the Borrower and its Subsidiaries in the event certain future performance goals are achieved with respect to the assets acquired; provided that, such Indebtedness shall only

constitute Permitted Earn-Out Debt to the extent the terms of such Indebtedness expressly limit the

-118-

maximum potential liability of the Borrower and its Subsidiaries with respect thereto and all such other terms shall be in form and substance reasonably satisfactory to the Administrative Agent.

"Permitted Encumbrances" shall mean, with respect to any Mortgaged Property, such exceptions to title as are set forth in the title insurance policy or title commitment delivered with respect thereto, all of which exceptions must be acceptable to the Administrative Agent in its reasonable discretion.

"Permitted Existing Indebtedness" shall have the meaning provided in Section 6.20.

"Permitted Existing Indebtedness Agreements" shall have the meaning provided in Section 5.01(m).

"Permitted Existing Investments" shall mean the investments held by the Borrower and its Subsidiaries as of the Effective Date and listed on Schedule X hereto, but only to the respective date, if any, set forth on such Schedule X for the liquidation of any such Permitted Existing Investment.

"Permitted Foreign Investments" shall mean, with respect to any Foreign Subsidiary, (i) government obligations of the country of such Foreign Subsidiary's organization, in each case with maturities of not greater than one year and (ii) investments by such Foreign Subsidiary in banks or other financial institutions that are not otherwise provided for in the definition of Cash Equivalents to the extent necessitated by commercial trade requirements or due to a lack of approved bank investment alternatives as individually approved by a Senior Financial Officer of the Borrower, in each case, with maturities of less than six months.

"Permitted Foreign Subsidiary WC Debt" shall mean Indebtedness of a Foreign Subsidiary the proceeds of which are used to finance working capital requirements of such Foreign Subsidiary, provided that (A) no such Indebtedness

shall be guaranteed by the Borrower or any of its Subsidiaries (other than other Foreign Subsidiaries), (B) any such Indebtedness shall be non-recourse to the Borrower and its Subsidiaries (other than other Foreign Subsidiaries) and (C) no Permitted Foreign Subsidiary WC Debt may be incurred or assumed which contains any provision in the documents governing or evidencing the same which, in the reasonable opinion of the Administrative Agent, would permit a default or event

-119-

of default to occur under such Permitted Foreign Subsidiary WC Debt based upon the occurrence of a Default or Event of Default under this Agreement unless any such Event of Default has resulted in an acceleration under this Agreement. It is understood and agreed that the aggregate Dollar amount of Permitted Foreign Subsidiary WC Debt outstanding at any time shall be determined at the spot exchange rate for the currency in question at such time of determination. The incurrence of Permitted Foreign Subsidiary WC Debt shall be deemed to be a representation and warranty by the Borrower that all conditions thereto have been satisfied and that same is permitted in accordance with the terms of this Agreement, which representation and warranty shall be deemed to be a representation and warranty for all purposes hereunder, including, without limitation, Sections 5.02 and 9.

"Permitted Joint Venture" shall mean any Person engaged in business of the type described in Section 8.08 of which the Borrower shall own, directly or indirectly, 50% or more, but less than 100%, of the equity and voting interests and another Person (or group of Persons which acts together in relation to such Permitted Joint Venture) owns the remaining equity and voting interests.

"Permitted Liens" shall have the meaning provided in Section 8.02(d).

"Permitted Materials" shall have the meaning provided in Section 6.17(b).

"Permitted Refinancing Debt" shall mean Indebtedness incurred by the Borrower, the proceeds of which are used to refinance the Senior Notes or previously issued Permitted Refinancing Debt, so long as (i) at the time of incurrence thereof (both before and after giving effect thereto) no Default or Event of Default then exists, (ii) the aggregate principal amount of such Permitted Refinancing Debt does not exceed the aggregate principal amount of Senior Notes or Permitted Refinancing Debt then outstanding, (iii) the interest rate on such Permitted Refinancing Debt is no greater than the interest rate on the Senior Notes or the Permitted Refinancing Debt so refinanced, (iv) the final maturity of such Permitted Refinancing Debt is no earlier than the final maturity of the Senior Notes or the Permitted Refinancing Debt so refinanced, (v) there shall be no scheduled amortization payments on the Permitted Refinancing Debt prior to March 31, 2004 (vi) no payment or make-whole premium or any other similar fee is paid in connection with the refinancing of the Senior Notes or the Permitted

-120-

Refinancing Debt so refinanced except the payment of a premium, if any, up to the amount set forth in the Senior Note Documents as in effect on the Effective Date, (vii) no such Permitted Refinancing Debt shall be issued prior to the fifth anniversary of the Initial Borrowing Date, (viii) concurrently with the issuance thereof, all proceeds thereof shall be deposited with the trustee for the payment of all or a portion of the Senior Notes or the Permitted Refinancing Debt so refinanced and (ix) all of the documents evidencing or governing the terms of such Permitted Refinancing Debt are delivered to the Banks prior to the incurrence of the Permitted Refinancing Debt and all of the other terms and conditions thereof, including the covenants, amortization schedules, interest rate, redemption provisions, maturity, defaults and remedies are in form and substance satisfactory to, and approved in writing by, the Administrative Agent and the Required Banks.

"Person" shall mean any individual, partnership, joint venture, firm, corporation, association, trust or other enterprise or any government or political subdivision or any agency, department or instrumentality thereof.

"Plan" shall mean any multiemployer or single-employer plan as defined in Section 4001 of ERISA, which is maintained or contributed to by (or to which there is an obligation to contribute of), any Credit Party or any of its Subsidiaries or any ERISA Affiliate, and each such plan for the five-year period immediately following the latest date on which any Credit Party or any such Subsidiary or any ERISA Affiliate maintained, contributed to or had an obligation to contribute to such plan.

"Pledge Agreement" shall have the meaning provided in Section 5.01(g).

"Pledged Securities" shall mean the Pledged Securities as defined in the Pledge Agreement.

"PNC" shall mean PNC Bank, National Association, and any successor corporation thereto by merger, consolidation or otherwise.

"Press Release" shall mean that certain press release issued by the Borrower on November 17, 1993 announcing the Transaction and certain other matters set forth therein.

-121-

"Prime Lending Rate" shall mean the rate which Chase announces from time to time as its prime lending rate, the Prime Lending Rate to change when and as such prime lending rate changes. The Prime Lending Rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer. Chase may make commercial loans or other loans at rates of interest at, above or below the Prime Lending Rate.

"Projections" shall have the meaning provided in Section 6.11(e).

"Rating Agencies" shall mean each of S&P and Moody's.

"RCRA" shall mean the Resource Conservation and Recovery Act, as amended, 42 U.S.C. (Section) 6901 et seq.

-- ----

"Real Property" of any Person shall mean all of the right, title and interest of such Person in and to land, improvements and fixtures, including Leaseholds.

"Recovery Event" shall mean the receipt by the Borrower or any of its Subsidiaries of any Insurance Proceeds payable by reason of theft, physical destruction or damage or any other similar event (including as a result of any condemnation proceeding or the exercise of the power of eminent domain) with respect to any properties or assets of the Borrower or any of its Subsidiaries.

"Reference Banks" shall mean each of Chase and PNC.

"Refinancing" shall mean (i) the refinancing by the Borrower of, and the termination by the Borrower of all commitments under, the Existing Bank Facility, (ii) the repurchase, retirement, defeasance or redemption of each issue of the Existing Term Debt, (iii) the payment of all loans, accrued interest, premiums, fees, commissions, expenses and other amounts owing in connection with the repayments described in clauses (i) and (ii) and the release

of any guaranties or security in connection therewith and (iv) the termination of all commitments to have additional letters of credit issued under that certain letter agreement, dated as of May 21, 1993, among PNC, the Borrower and AMETEK-Bermuda Ltd., as amended to the Effective Date, the termination of all obligations of the Borrower thereunder and all Existing Letters of Credit becoming Letters of Credit issued hereunder pursuant to Section 2.01(b) hereof.

"Regulation D" shall mean Regulation D of the Board of Governors of the Federal Reserve System as from time to

-122-

time in effect and any successor to all or a portion thereof establishing reserve requirements.

"Regulation U" shall mean Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"Reinvestment Assets" shall mean, with respect to any Asset Sale or the receipt of any Net Insurance Proceeds from a Recovery Event, assets to be employed in, and/or the capital stock of any Person engaged in, the types of businesses permitted in Section 8.08.

"Reinvestment Event" shall mean the consummation of any Asset Sale, the receipt of any Pension Plan Refund or the receipt of any Net Insurance Proceeds from a Recovery Event, in each case to the extent the Borrower has delivered, in connection therewith, a Reinvestment Notice as permitted by Section 4.02(A)(c), (g) or (h), as the case may be.

"Reinvestment Notice" shall mean a written notice signed by an Authorized Officer of the Borrower stating that the Borrower, in good faith, intends and expects to use (directly or through its Subsidiaries) (i) within a period of not in excess of 12 months all or a specified portion of the Net Cash Proceeds of an Asset Sale or the Net Insurance Proceeds of a Recovery Event, as the case may be, to restore, purchase, construct or otherwise acquire Reinvestment Assets or (ii) within a period of not in excess of 24 months all or a specified portion of any Pension Plan Refund to fund a replacement Plan in accordance with Section 4980 of the Code.

"Reinvestment Prepayment Amount" shall mean with respect to any Reinvestment Event, the Deferred Repayment Amount relating thereto less, (x) in connection with any Asset Sale or the receipt of any Net Insurance Proceeds any amount expended by the Affected Company prior to the Reinvestment Prepayment Date applicable thereto, in furtherance of the restoration, purchase, construction or other acquisition of Reinvestment Assets or (y) in connection with the receipt of any Pension Plan Refund, any amount expended by the Affected Company prior to the Reinvestment Prepayment Date applicable thereto, in funding a replacement Plan in accordance with Section 4980 of the Code, provided,

however, in calculating the Reinvestment Prepayment Amount in accordance with

this clause (y), any such amount expended and deducted from the Reinvestment Prepayment Amount in connection with any Reinvestment Event shall not be deducted

-123-

in calculating the Reinvestment Prepayment Amount in connection with any other Reinvestment Event.

"Reinvestment Prepayment Date" shall mean, with respect to any Reinvestment Event, the earliest of (i) the date, if any, upon which the Administrative Agent, on behalf of the Required Banks, shall have delivered a written termination notice to the Borrower, provided that such notice may only

be given while an Event of Default exists, (ii) the date occurring (x) 12 months after such Reinvestment Event to the extent resulting from an Asset Sale or the receipt of Net Insurance Proceeds or (y) 24 months after such Reinvestment Event to the extent resulting from the receipt of any Pension Plan Refund and (iii) the date on which the Affected Company shall have determined not to, or shall have otherwise ceased to, (x) proceed with the restoration, purchase, construction or other acquisition of Reinvestment Assets in connection with such

Reinvestment Event to the extent resulting from an Asset Sale or the receipt of Net Insurance Proceeds or (y) proceed with the funding of a replacement Plan in accordance with Section 4980 of the Code in connection with such Reinvestment Event to the extent resulting from the receipt of a Pension Plan Refund.

"Release" shall mean disposing, discharging, injecting, spilling, leaking, leaching, dumping, emitting, escaping, emptying, seeping, placing, releasing, pumping, injecting, depositing, dispersing, migrating and the like, into or upon land or water or air, or otherwise entering into the indoor or outdoor environment or into or out of any Real Property, including the movement of Hazardous Materials through or in the air, soil, surface water, ground water or property.

"Remaining Excess Cash Amount" for any Excess Cash Flow Period shall mean an amount, if positive, equal to 25% of the Excess Cash Flow for such Excess Cash Flow Period.

"Replaced Bank" shall have the meaning provided in Section 1.13.

"Replacement Bank" shall have the meaning provided in Section 1.13.

"Reportable Event" shall mean an event described in Section 4043(b) of ERISA with respect to a Plan as to which the 30-day notice requirement has not been waived by the PBGC.

-124-

"Repurchase Program" shall mean the repurchase by the Borrower of shares of Common Stock pursuant to open market and/or privately negotiated purchases and/or a cash tender offer for aggregate consideration of up to \$150,000,000, in all cases on or prior to the second anniversary of the Initial Borrowing Date and in accordance with the provisions of Section 8.06(b).

"Required Appraisals" shall have the meaning provided in Section 7.11.

"Required Banks" shall mean Banks whose outstanding Term Loans, Term Loan Commitments and Revolving Commitments (or, if after the Total Revolving Commitment has been terminated, outstanding Revolving Loans and an amount equal to their Percentages of Letter of Credit Outstandings, at such time) constitute at least a majority of the sum of (i) the total outstanding Term Loans, (ii) the Total Term Loan Commitment and (iii) the Total Revolving Commitment (or, if after the Total Revolving Commitment has been terminated, the total outstanding Revolving Loans and an amount equal to the aggregate Percentages of all Banks of Letter of Credit Outstandings at such time).

"Revolving Commitment" shall mean, with respect to each Bank, the amount, if any, set forth opposite such Bank's name in Schedule I hereto directly below the column entitled "Revolving Commitment", as the same may be (x) reduced from time to time pursuant to Section 3.02, 3.03 and/or 9 or (y) adjusted from time to time as a result of assignments to or from such Bank pursuant to Section 12.04.

"Revolving Credit Facility" shall mean the Facility evidenced by the Total Revolving Commitment.

"Revolving Credit Facility Maturity Date" shall mean the fifth anniversary of the Initial Borrowing Date.

"Revolving Loan" shall have the meaning provided in Section 1.01(b).

"Revolving Note" shall have the meaning provided in Section 1.05(a).

"Rights Agreement" shall mean the Rights Agreement, dated as of July 26, 1989 between the Borrower and The Chase Manhattan Bank, N.A., as rights agent thereunder, as amended, modified or supplemented from time to time.

-125-

"S&P" shall mean Standard & Poor's Corporation.

"Scheduled Repayment" shall have the meaning provided in Section 4.02 (A) (b) .

"SEC" shall mean the Securities and Exchange Commission or any successor thereto.

"Secured Creditors" shall have the meaning provided in the Security Documents.

"Security Agreement" shall have the meaning provided in Section 5.01(i).

"Security Agreement Collateral" shall mean all "Collateral" as defined in the Security Agreements.

"Security Agreements" shall mean each of (i) the Security Agreement, and (ii) any other security agreement executed by the Borrower or any of its Subsidiaries pursuant to Section 7.11.

"Security Documents" shall mean each of the Security Agreements, the Pledge Agreement, the Mortgages, and after the execution and delivery thereof, each Additional Security Document.

"Senior Financial Officer" of any Person shall mean the Chief Financial Officer and any other senior financial officer of such Person designated as such in writing to the Administrative Agent by the Chief Financial Officer of such Person.

"Senior Note Documents" shall mean the Senior Notes, the Senior Note Indenture and all other documents and agreements entered into in connection therewith.

"Senior Note Indenture" shall mean the Indenture, dated as of March 15, 1994, among the Borrower and Corestates Bank, N.A., as trustee, as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof.

"Senior Notes" shall mean the \$150,000,000 aggregate principal amount of the Borrower's Senior Notes due 2004, as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof.

-126-

"Shareholders' Agreements" shall have the meaning provided in Section 5.01(m).

"Standby Letter of Credit" shall have the meaning set forth in Section 2.01(a).

"Stated Amount" of each letter of credit (including any Letter of Credit issued hereunder) shall mean the maximum available to be drawn thereunder (regardless of whether any conditions for drawing could then be met); provided,

however, for purposes of Sections 2.01(c)(i) and 2.01(c)(viii) the Stated Amount
- - - - -

of any Trade Letter of Credit denominated in an Approved Alternate Currency shall be an amount equal to 120% of the maximum available amount to be drawn thereunder (regardless of whether any conditions for drawing could then be met).

"Stock Option Plans" shall mean the 1981 Employees' Non-Qualified Stock Option and Stock Appreciation Rights Plan of AMETEK, Inc., as amended; the 1983 Employees' Incentive Stock Option Plan of AMETEK, Inc., as amended; the 1987 Employees' Stock Incentive Plan of AMETEK, Inc., as amended; the 1991 Stock Incentive Plan of AMETEK, Inc., as amended; and any similar replacement or other plans which provide for stock options, restricted stock awards, stock appreciation rights, phantom stock awards and other similar options, awards and rights established by the Borrower after the Effective Date.

"Subsidiary" of any Person shall mean and include (i) any corporation more than 50% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person directly or indirectly through Subsidiaries and (ii) any partnership, association, joint venture or other entity in which such Person directly or indirectly through

Subsidiaries, has more than a 50% equity interest at the time. Unless otherwise expressly provided, all references herein to "Subsidiary" shall mean a Subsidiary of the Borrower.

"Subsidiary Guarantor" shall mean each of (i) each Domestic Subsidiary of the Borrower existing on the Initial Borrowing Date and (ii) such other Subsidiaries of the Borrower that become a Subsidiary Guarantor by executing and

-127-

delivering to the Administrative Agent, a counterpart of the Subsidiary Guaranty.

"Subsidiary Guaranty" shall have the meaning provided in Section 5.01(h).

"Syndication Date" shall mean the earlier of (x) the date which is 60 days after the Initial Borrowing Date and (y) the date upon which Chase, as Administrative Agent, determines in its sole discretion (and notifies the Borrower) that the primary syndication (and the resulting addition of institutions as Banks pursuant to Section 12.04) has been completed.

"Target Date" shall mean the first date upon which both (i) a Category B Period exists and (ii) no Default or Event of Default exists.

"Tax Sharing Agreements" shall have the meaning provided in Section 5.01(m).

"Taxes" shall have the meaning provided in Section 4.04.

"Term Loan" shall have the meaning provided in Section 1.01(a).

"Term Loan Availability Termination Date" shall mean the date occurring 90 days after the Initial Borrowing Date.

"Term Loan Commitment" shall mean, with respect to each Bank, the amount, if any, set forth opposite such Bank's name on Schedule I hereto directly below the column entitled "Term Loan Commitment" as the same may be (x) reduced or terminated pursuant to Section 3.02, 3.03 and/or 9 or (y) adjusted from time to time as a result of assignments to or from such Bank pursuant to Section 12.04.

"Term Loan Facility" shall mean the Facility evidenced by the Total Term Loan Commitment.

"Term Note" shall have the meaning provided in Section 1.05(a).

"Test Period" shall mean (i) for any determination made on or prior to the last day of the fiscal quarter ending on or about December 31, 1994, the period from April 1, 1994 to the last day of the fiscal quarter of the Borrower then

-128-

last ended, provided that the first Test Period shall end on the last day of the -----
fiscal quarter ending on or about June 30, 1994, and (ii) for any determination made thereafter, the four consecutive fiscal quarters of the Borrower then last ended.

"Third Party Debt Repayments" shall mean any repayment by the Borrower or any Subsidiary of principal on Indebtedness of the Borrower or any Subsidiary, provided that Third Party Debt Repayments shall not include (i) any -----

repayment on the Revolving Loans except to the extent the Total Revolving Commitment has been permanently reduced in connection with such repayment, (ii) any repayment on any other revolving loans of the Borrower or any Subsidiary other than any such repayment at the final maturity thereof but then only to the extent such revolving loans have not been replaced or refinanced through a new loan or credit facility, (iii) any repayment financed through the incurrence of new Indebtedness (including all repayments of Indebtedness in connection with the Refinancing), (iv) any repayment of Indebtedness with proceeds of the sale of assets or issuance of equity and (v) any repayments of Capitalized Lease

Obligations and/or other indebtedness, to the extent in each case described in this clause (v) deducted in computing Consolidated EBITDA for the applicable Excess Cash Flow Period.

"Total Commitment" shall mean the sum of the Total Term Loan Commitment and Total Revolving Commitment.

"Total Revolving Commitment" shall mean the sum of the Revolving Commitments of each of the Banks.

"Total Term Loan Commitment" shall mean the sum of the Term Loan Commitments of each of the Banks.

"Total Unutilized Revolving Commitment" shall mean, at any time, the excess, if any, of (i) the Total Revolving Commitment over (ii) the sum of (x) the outstanding principal amount of all Revolving Loans plus (y) the Letter of Credit Outstandings, in each case at such time.

"Trade Letter of Credit" shall have the meaning set forth in Section 2.01(a).

"Transaction" shall mean the consummation of the Refinancing and the Common Stock Repurchase, the issuance of the Senior Notes, and the incurrence of Loans and issuance of Letters of Credit, if any, on the Initial Borrowing Date.

-129-

"Transaction Documents" shall mean the Existing Debt Refinancing Documents, the Common Stock Repurchase Documents (if any) when executed, the Senior Note Documents, and all other documents and instruments relating to or effecting the Transaction.

"Type" shall mean any type of Loan determined with respect to the interest option applicable thereto, i.e., a Base Rate Loan or a Eurodollar Loan.

"UCC" shall mean the Uniform Commercial Code.

"Unfunded Current Liability" of any Plan shall mean the amount, if any, by which the actuarial present value of the accumulated plan benefits under the Plan as of the close of its most recent plan year, determined in accordance with Statement of Financial Accounting Standards No. 35, based upon the actuarial assumptions used by the Plan's actuary in the most recent annual valuation of the Plan, exceeds the fair market value of the assets allocable thereto, determined in accordance with Treasury Regulations Section 1.412(c)(2)-1(c)(1).

"Unpaid Drawing" shall have the meaning provided in Section 2.04(a).

"Voting Stock" shall mean the shares of capital stock and any other securities of any Person entitled to vote generally for the election of directors of such Person or any other securities (including, without limitation, rights and options), convertible into, exchangeable into or exercisable for, any of the foregoing (whether or not presently exercisable, convertible or exchangeable).

"Wholly-Owned Subsidiary" shall mean, as to any Person, (i) any corporation 100% of whose capital stock (other than director's qualifying shares) is at the time owned by such Person and/or one or more Wholly-Owned Subsidiaries of such Person and (ii) any partnership, association, joint venture or other entity in which such Person and/or one or more Wholly-Owned Subsidiaries of such Person has a 100% equity interest at such time. For purposes of this Agreement, AMETEK Hong Kong shall be deemed to be a Wholly-Owned Subsidiary of the Borrower so long as the Borrower owns, directly or indirectly, at least 98% of the outstanding capital stock and voting interests thereof.

-130-

"Written" or "in writing" shall mean any form of written communication or a communication by means of telex, telecopier device, telegraph or cable.

SECTION 11. The Administrative Agent, Co-Agents, etc.

11.01 Appointment. Each Bank hereby irrevocably designates and

appoints Chase as Administrative Agent (such term as used in this Section 11 to include Chase in its capacity as Collateral Agent), and each of Bank of Montreal, Corestates Bank, N.A. and PNC, as a Co-Agent, for such Bank to act as specified herein and in the other Credit Documents, and each such Bank hereby irrevocably authorizes Chase as the Administrative Agent, and Bank of Montreal, Corestates Bank, N.A. and PNC as Co-Agents, for such Bank, to take such action on its behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent or Co-Agents, as the case may be, by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto. The Administrative Agent and Co-Agents each agrees to act as such upon the express conditions contained in this Section 11. Notwithstanding any provision to the contrary elsewhere in this Agreement, neither the Administrative Agent nor the Co-Agents shall have any duties or responsibilities, except those expressly set forth herein or in the other Credit Documents, or any fiduciary relationship with any Bank, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or otherwise exist against the Administrative Agent or any Co-Agent. The provisions of this Section 11 are solely for the benefit of the Administrative Agent, the Co-Agents and the Banks, and neither the Borrower nor any of its Subsidiaries shall have any rights as a third party beneficiary of any of the provisions hereof. In performing its functions and duties under this Agreement, the Administrative Agent and Co-Agents each shall act solely as agent of the Banks and the Administrative Agent and Co-Agents each does not assume and shall not be deemed to have assumed any obligation or relationship of agency or trust with or for the Borrower or any of its Subsidiaries.

11.02 Delegation of Duties. The Administrative Agent and Co-Agents

each may execute any of its duties under this Agreement or any other Credit Document by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties.

-131-

The Administrative Agent and Co-Agents each shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care except to the extent otherwise required by Section 11.03.

11.03 Exculpatory Provisions. Neither the Administrative Agent nor

any Co-Agent, nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement (except for its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Banks for any recitals, statements, representations or warranties made by the Borrower or any of its Subsidiaries or any of their respective officers contained in this Agreement, any other Credit Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent and/or any Co-Agent under or in connection with, this Agreement or any other Credit Document or for any failure of the Borrower or any of its Subsidiaries or any of their respective officers to perform its obligations hereunder or thereunder. Neither the Administrative Agent nor any Co-Agent, shall be under any obligation to any Bank to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement, or to inspect the properties, books or records of the Borrower or any of its Subsidiaries. Neither the Administrative Agent nor any Co-Agent shall be responsible to any Bank for the effectiveness, genuineness, validity, enforceability, collectibility or sufficiency of this Agreement or any Credit Document or for any representations, warranties, recitals or statements made herein or therein or made in any written or oral statement or in any financial or other statements, instruments, reports, certificates or any other documents in connection herewith or therewith furnished or made by the Administrative Agent and/or any Co-Agent to the Banks or by or on behalf of the Borrower or any of its Subsidiaries to the Administrative Agent and/or any Co-Agent or any Bank or be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained herein or therein or as to the use of the proceeds of the

Loans or of the existence or possible existence of any Default or Event of Default.

11.04 Reliance by Administrative Agent, Co-Agents, etc. The

Administrative Agent and the Co-Agents each shall be entitled to rely, and shall be fully protected in relying,

-132-

upon any note, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Credit Parties), independent accountants and other experts selected by the Administrative Agent and/or any such Co-Agent. The Administrative Agent and the Co-Agents each shall be fully justified in failing or refusing to take any action under this Agreement or any other Credit Document unless it shall first receive such advice or concurrence of the Required Banks as it deems appropriate or it shall first be indemnified to its satisfaction by the Banks against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent and the Co-Agents each shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Credit Documents in accordance with a request of the Required Banks, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Banks.

11.05 Notice of Default. Neither the Administrative Agent nor any

Co-Agent shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless it has received notice from a Bank or the Borrower or any other Credit Party referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent or a Co-Agent receives such a notice, it shall give prompt notice thereof to the Banks. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Banks, provided

that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Banks.

11.06 Non-Reliance on Administrative Agent, Co-Agents and Other Banks.

Each Bank expressly acknowledges that neither the Administrative Agent nor any Co-Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by the

-133-

Administrative Agent or any Co-Agent hereinafter taken, including any review of the affairs of the Borrower or any of its Subsidiaries, shall be deemed to constitute any representation or warranty by the Administrative Agent or any Co-Agent to any Bank. Each Bank represents to the Administrative Agent and the Co-Agents that it has, independently and without reliance upon the Administrative Agent or any Co-Agent or any other Bank, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, assets, operations, property, financial and other conditions, prospects and creditworthiness of the Credit Parties and made its own decision to make its Loans, and participate in Letters of Credit, hereunder and enter into this Agreement. Each Bank also represents that it will, independently and without reliance upon the Administrative Agent or any Co-Agent or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement, and to make such investigation as it deems necessary to inform itself as to the business, assets, operations, property, financial and other conditions, prospects and creditworthiness of the Credit Parties. Neither the Administrative Agent nor any Co-Agent shall have any duty or responsibility to provide any Bank with any credit or other information concerning the business,

operations, assets, property, financial and other conditions, prospects or creditworthiness of any Credit Party which may come into the possession of the Administrative Agent or such Co-Agent or any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates.

11.07 Indemnification. The Banks agree to indemnify each of the

Administrative Agent and each Co-Agent in its capacity as such ratably according to their respective "percentages" as used in determining the Required Banks at such time (or if the Total Commitment has been terminated and all Loans have been repaid, their respective "percentages" used in determining the Required Banks immediately prior to such termination and repayment), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, reasonable expenses or disbursements of any kind whatsoever which may at any time (including, without limitation, at any time following the payment of the Obligations) be imposed on, incurred by or asserted against the Administrative Agent or such Co-Agent in its capacity as such in any way relating to or arising out of this Agreement or any other Credit Document, or any documents

-134-

contemplated by or referred to herein or the transactions contemplated hereby or any action taken or omitted to be taken by the Administrative Agent or such Co-Agent under or in connection with any of the foregoing, but only to the extent that any of the foregoing is not paid by the Borrower or any of its Subsidiaries, provided that no Bank shall be liable to the Administrative Agent

or any Co-Agent for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting solely from the gross negligence or willful misconduct of the Administrative Agent or such Co-Agent, as the case may be. If any indemnity furnished to the Administrative Agent or any Co-Agent for any purpose shall, in the opinion of the Administrative Agent or such Co-Agent, be insufficient or become impaired, the Administrative Agent or such Co-Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished. The agreements in this Section 11.07 shall survive the payment of all Obligations.

11.08 Individual Capacity. The Administrative Agent and each Co-

Agent and their respective affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Borrower or any of its Subsidiaries as though the Administrative Agent or such Co-Agent were not the Administrative Agent or a Co-Agent hereunder. With respect to the Loans made by it and all Obligations owing to it, the Administrative Agent and each Co-Agent shall have the same rights and powers under this Agreement as any Bank and may exercise the same as though it were not the Administrative Agent or a Co-Agent and the terms "Required Banks", "Bank" and "Banks" shall include the Administrative Agent and each Co-Agent in its individual capacity.

11.09 Resignation; Successors. The Administrative Agent and/or each

Co-Agent may resign as the Administrative Agent or a Co-Agent, as the case may be, upon 20 days' notice to the Banks. To the extent not prohibited by law, the Administrative Agent shall send a copy of any such resignation notice to the Borrower. Upon the resignation of the Administrative Agent (including in its capacity as a Co-Agent), the Required Banks shall appoint from among the Banks a successor Administrative Agent for the Banks subject to prior approval by the Borrower (such approval not to be unreasonably withheld), whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent"

-135-

shall include such successor agent effective upon its appointment, and the resigning Administrative Agent's rights, powers and duties as the Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement. After the retiring Administrative Agent's resignation hereunder as the Administrative Agent, the provisions of this Section 11 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement. In the event no successor

Administrative Agent has been appointed by the end of such 20 day period, the resignation of the Administrative Agent shall become effective and the Required Banks shall perform the duties of the Administrative Agent until a successor Administrative Agent is appointed.

11.10 Holders. The Administrative Agent and the Co-Agents each may

deem and treat the payee of any Note as the owner thereof for all purposes hereof unless and until a written notice of the assignment, transfer or endorsement thereof, as the case may be, shall have been filed with the Administrative Agent. Any request, authority or consent of any Person or entity who, at the time of making such request or giving such authority or consent, is the holder of any Note shall be conclusive and binding on any subsequent holder, transferee, assignee or indorsee, as the case may be, or such Note or of any Note or Notes issued in exchange thereof.

SECTION 12. Miscellaneous.

12.01 Payment of Expenses, etc. The Borrower agrees to: (i) whether

or not the transactions herein contemplated are consummated, pay all reasonable out-of-pocket costs and expenses of the Administrative Agent in connection with the negotiation, preparation, execution and delivery of the Credit Documents and the documents and instruments referred to therein and any amendment, waiver or consent relating thereto (including, without limitation, the reasonable fees and disbursements of White & Case, any local counsel and any consultants retained by the Administrative Agent) and in connection with the Administrative Agent's syndication efforts with respect to this Agreement; (ii) pay all reasonable out-of-pocket costs and expenses of the Administrative Agent and each of the Banks in connection with the enforcement of the Credit Documents and the documents and instruments referred to therein (including, without limitation, the reasonable fees and disbursements of counsel for the Administrative Agent and for each of the Banks); (iii)

-136-

pay and hold each of the Banks harmless from and against any and all present and future stamp and other similar taxes with respect to the foregoing matters and save each of the Banks harmless from and against any and all liabilities with respect to or resulting from any delay or omission (other than to the extent attributable to such Bank) to pay such taxes; and (iv) indemnify the Administrative Agent, each Co-Agent and each Bank, their respective officers, directors, employees, representatives and agents (each, an "indemnified person") from and hold each of them harmless against any and all losses, liabilities, claims, damages or expenses incurred by any of them as a result of, or arising out of, or in any way related to, or by reason of, regardless of when any such indemnified matter arises, (a) any investigation, litigation or other proceeding (whether or not the Administrative Agent, any Co-Agent or any Bank is a party thereto) related to the entering into and/or performance of any Document or the use of the proceeds of any Loans or Letter of Credit hereunder or the Refinancing or any other aspect of the Transaction or the consummation of any other transactions contemplated in any Document, (b) any settlement entered into in connection with the foregoing to the extent such settlement has been consented to by the Borrower, which consent shall not be unreasonably withheld or (c) the actual or alleged presence, generation or Release of Hazardous Materials on or from, or the transportation of Hazardous Materials to or from, any Real Property owned or operated at any time by the Borrower or any of its Subsidiaries, the non-compliance of any such Real Property with foreign, federal, state and local laws, regulations, and ordinances (including applicable permits thereunder) applicable to any such Real Property, or any Environmental Claim with respect to the Borrower or any of its Subsidiaries or any such Real Property, in each case including, without limitation, the reasonable fees and disbursements of counsel and other consultants incurred in connection with any such investigation, litigation, Environmental Claim or any of such Credit Party's acts, omissions, business, operations or Real Property, or other proceeding (but excluding any such losses, liabilities, claims, damages or expenses to the extent incurred by reason of the gross negligence or willful misconduct of the indemnified person). To the extent that the undertaking to indemnify and hold harmless set forth in this Section 12.01 may be unenforceable because it is violative of any law or public policy as determined by a final judgment of a court of competent jurisdiction, the Borrower shall make the maximum contribution to the payment and satisfaction of each of the liabilities giving rise to claims under the indemnification provisions of this 12.01 which

is permissible under applicable law.

-137-

12.02 Right of Setoff. In addition to any rights now or hereafter

granted under applicable law or otherwise, and not by way of limitation of any such rights, upon the occurrence of an Event of Default, each Bank is hereby authorized at any time or from time to time, without presentment, demand, protest or other notice of any kind to the Borrower or any of its Subsidiaries or to any other Person, any such notice being hereby expressly waived, to set off and to appropriate and apply any and all deposits (general or special) and any other Indebtedness at any time held or owing by such Bank (including, without limitation, by branches and agencies of such Bank wherever located) to or for the credit or the account of the Borrower or any of its Subsidiaries against and on account of the Obligations and liabilities of the Borrower or any of its Subsidiaries to such Bank under this Agreement or under any of the other Credit Documents, including, without limitation, all interests in Obligations of the Borrower purchased by such Bank pursuant to Section 12.06(b), and all other claims of any nature or description arising out of or connected with this Agreement or any other Credit Document, irrespective of whether or not such Bank shall have made any demand hereunder and although said Obligations, liabilities or claims, or any of them, shall be contingent or unmatured. Each Bank shall promptly notify the Borrower in writing after exercising any of its rights pursuant to this Section 12.02.

12.03 Notices. Except as otherwise expressly provided herein, all

notices and other communications provided for hereunder shall be in writing and mailed, telegraphed, telexed, telecopied, cabled or delivered, if to the Borrower, at the address specified opposite its signature below; if to any Bank, at its address specified for such Bank specified on Schedule I hereto; if to the Administrative Agent, at its Notice Office; or, at such other address as shall be designated by any party in a written notice to the other parties hereto. All such notices and communications shall be mailed, telegraphed, telexed, telecopied, or cabled or sent by overnight courier, and shall be effective when received.

12.04 Benefit of Agreement. (a) This Agreement shall be binding

upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto; provided that the Borrower may not assign or

transfer any of its rights or obligations hereunder (except as expressly provided herein) without the prior written consent of the Banks. Each Bank may at any time grant participations in any of its rights hereunder or under any of the Notes to a Person that is a commercial bank, other financial

-138-

institution, mutual fund or "Accredited Investor" as such term is defined in Regulation D of the Securities Act of 1933, as amended, provided that in the

case of any such participation, the participant shall not have any rights under this Agreement or any of the other Credit Documents (the participant's rights against such Bank in respect of such participation to be those set forth in the agreement executed by such Bank in favor of the participant relating thereto) and all amounts payable by the Borrower hereunder shall be determined as if such Bank had not sold such participation, except that the participant shall be entitled to the benefits of Sections 1.10, 1.11, 2.05, and 4.04 of this Agreement to the extent that such Bank would be entitled to such benefits if the participation had not been entered into or sold, and provided further, that no

Bank shall transfer, grant or assign any participation under which the participant shall have rights to approve any amendment to or waiver of this Agreement or any other Credit Document except to the extent such amendment or waiver would (i) extend the final scheduled maturity of any Loan or Note in which such participant is participating (it being understood that any waiver of an installment on, the application of any prepayment or the method of any application of any prepayment to the amortization of the Term Loans shall not constitute an extension of the final scheduled maturity date) or reduce the rate or extend the time of payment of interest or Fees thereon (except in connection with a waiver of the applicability of any post-default increase in interest

rates), or reduce the principal amount thereof, or increase such participant's participating interest in any Commitment over the amount thereof then in effect (it being understood that a waiver of any Default or Event of Default or of a mandatory reduction in the Total Commitment, or a mandatory prepayment, shall not constitute a change in the terms of any Commitment and that an increase in any Commitment shall be permitted without the consent of any participant if such participant's participation is not increased as a result thereof), (ii) release all or substantially all of the Collateral (except as expressly provided in the Credit Documents) or (iii) consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement or any other Credit Document (except as expressly provided herein or therein).

(b) Notwithstanding the foregoing, (x) any Bank may assign all or a portion of its Loans and/or Commitments and its rights and obligations hereunder to its parent company and/or any affiliate of such Bank which is at least 50% owned by such Bank or its parent company or to one or more Banks and (y) any Bank may assign a portion, in an amount

-139-

equal to at least the Minimum Assignment Amount (or the remaining balance thereof if less) of its Loans and/or Commitments and its rights and obligations hereunder to a Person that is a commercial bank, other financial institution, mutual fund or "Accredited Investor" as such term is defined in Regulation D of the Securities Act of 1933, as amended (each an "Eligible Assignee"), each of which Eligible Assignees shall be reasonably acceptable to the Administrative Agent and the Borrower and shall become a party to this Agreement as a Bank prior to or after the Initial Borrowing Date by executing an assignment agreement substantially in the form of Exhibit L hereto, appropriately completed (an "Assignment Agreement") with the assigning Bank, provided that,

in each case, (i) at such time Schedule I shall be deemed to have been modified to reflect the Loans and/or Commitments of such new Bank and of the existing Banks, (ii) if requested by such new Bank or the assigning Bank, the Borrower shall issue new Notes to such new Bank and to the assigning Bank in conformity with the requirements of Section 1.05 to the extent needed to reflect the revised Loans and/or Commitments, and (iii) the Administrative Agent shall have received at the time of each such assignment from either the assigning or assignee Bank the payment of a nonrefundable assignment fee of \$3,000. Assignments pursuant to this Section 12.04(b) shall not be required to be prorata between the Term Loan Commitments and/or outstanding Term Loans and

the Revolving Commitments. To the extent of any assignment pursuant to this Section 12.04(b), the assigning Bank shall be relieved of its obligations hereunder with respect to its assigned Loans and/or Commitments. No Bank may assign all or a portion of its Revolving Commitment to an Eligible Assignee not already a Bank hereunder unless each Letter of Credit Issuer shall have consented in writing to such assignment. At the time of each assignment pursuant to this Section 12.04(b) to a Person which is not already a Bank hereunder and which is not a United States person (as such term is defined in Section 7701(a)(30) of the Code) for U.S. Federal income taxes, the respective assignee Bank shall, to the extent legally entitled to do so, provide to the Borrower the forms described in Section 4.04(b)(ii). Nothing in this Section 12.04(b) shall prevent or prohibit any Bank from pledging its Loans or Notes hereunder to a Federal Reserve Bank in support of borrowings made by such Bank from such Federal Reserve Bank.

(c) Notwithstanding any other provisions of this Section 12.04, no transfer or assignment of the interests or obligations of any Bank hereunder or any grant of participations therein shall be permitted if such transfer, assignment

-140-

or grant would require the Borrower to file a registration statement or qualify an indenture with the SEC or to qualify the Loans under the "Blue Sky" laws of any State.

(d) Notwithstanding any other provisions of this Section 12.04, any transfer or assignment of the interests or obligations of any Bank hereunder shall be subject to such limitations as may be imposed by the Administrative Agent in its sole discretion.

12.05 No Waiver; Remedies Cumulative. No failure or delay on the

part of the Administrative Agent, any Co-Agent or any Bank in exercising any right, power or privilege hereunder or under any other Credit Document and no course of dealing between any Credit Party and the Administrative Agent, any Co-Agent or any Bank shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or under any other Credit Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder. The rights and remedies herein expressly provided are cumulative and not exclusive of any rights or remedies which the Administrative Agent, any Co-Agent or any Bank would otherwise have. No notice to or demand on any Credit Party in any case shall entitle any Credit Party to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Administrative Agent, any Co-Agent or the Banks to any other or further action in any circumstances without notice or demand.

12.06 Payments Pro Rata. (a) Except as otherwise provided by this

Agreement, the Administrative Agent agrees that promptly after its receipt of each payment from or on behalf of the Borrower in respect of any Obligations, it shall, except as otherwise provided in this Agreement, distribute such payment to the Banks (other than any Bank that has consented in writing to waive its pro rata share of such payment) pro rata based upon their respective shares, if any, -----

of the Obligations with respect to which such payment was received.

(b) Each of the Banks agrees that, if it should receive any amount hereunder (whether by voluntary payment, by realization upon security, by the exercise of the right of setoff or banker's lien, by counterclaim or cross action, by the enforcement of any right under the Credit Documents, or otherwise) which is applicable to the payment of the principal of, or interest on, the Loans, Unpaid Drawings or Fees,

of a sum which with respect to the related sum or sums received by other Banks is in a greater proportion than the total of such Obligation then owed and due to such Bank bears to the total of such Obligations then owed and due to all of the Banks immediately prior to such receipt, then such Bank receiving such excess payment shall purchase for cash without recourse or warranty from the other Banks an interest in the Obligations in such amount as shall result in a proportional participation by all of the Banks in such amount, provided that if -----
all or any portion of such excess amount is thereafter recovered from such Bank, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

12.07 Calculations; Computations. (a) The financial statements to

be furnished to the Banks pursuant hereto shall be made and prepared in accordance with GAAP consistently applied throughout the periods involved (except as set forth in the notes thereto or as otherwise disclosed in writing by the Borrower to the Banks), provided that, except as otherwise specifically -----
provided herein, all computations determining compliance with Sections 4.02 and 8, including definitions used therein, shall utilize accounting principles and policies in effect at the time of the preparation of, and in conformity with those used to prepare, the 1993 historical financial statements delivered to the Banks pursuant to Section 6.11(b).

(b) All computations of interest, Commitment Commission and Fees hereunder shall be made on the actual number of days elapsed over a year of 360 days.

(c) All determinations of the Stated Amount of Letters of Credit and of the principal amount of Unpaid Drawings, in each case to the extent denominated in a currency other than Dollars, shall be made by converting same into Dollars at (x) in the case of a determination of the Borrower's obligation to reimburse in Dollars a drawing under a Letter of Credit denominated in a currency other than Dollars or of each Participating Bank's obligation pursuant to Section 2.02(c) to pay the amount of such Participating Bank's Percentage of an unreimbursed payment in respect of any such Letter of Credit, the spot

exchange rate for the currency in question of the respective Letter of Credit Issuer on the date of such drawing or (y) if the provisions of the foregoing clause (x) are not applicable, the spot exchange rate for the currency in question calculated by the Administrative Agent on the last day of the month preceding the month in which any such determination is being made and

-142-

at such other times as the Administrative Agent elects to make such determination, it being understood that the Administrative Agent shall have no obligation to make any such other determinations.

12.08 GOVERNING LAW; SUBMISSION TO JURISDICTION; VENUE; TRIAL BY JURY.

(A) THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL, EXCEPT AS OTHERWISE PROVIDED IN THE MORTGAGES, BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, THE BORROWER HEREBY IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS. THE BORROWER HEREBY FURTHER IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH COURTS LACK JURISDICTION OVER THE BORROWER, AND AGREES NOT TO PLEAD OR CLAIM, IN ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT BROUGHT IN ANY OF THE AFORESAID COURTS, THAT ANY SUCH COURT LACKS JURISDICTION OVER THE BORROWER. IF FOR ANY REASON THE BORROWER CEASES TO MAINTAIN AN OFFICE IN NEW YORK CITY, THE BORROWER AGREES TO DESIGNATE, APPOINT AND EMPOWER A DESIGNEE, APPOINTEE AND AGENT IN NEW YORK CITY ON THE TERMS AND FOR THE PURPOSES OF THIS PROVISION SATISFACTORY TO THE ADMINISTRATIVE AGENT TO RECEIVE, ACCEPT AND ACKNOWLEDGE FOR AND ON ITS BEHALF, AND IN RESPECT OF ITS PROPERTY, SERVICE OF ANY AND ALL LEGAL PROCESS, SUMMONS, NOTICES AND DOCUMENTS WHICH MAY BE SERVED IN ANY SUCH ACTION OR PROCEEDING. THE BORROWER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO THE BORROWER, AT ITS ADDRESS SET FORTH OPPOSITE ITS SIGNATURE BELOW, SUCH SERVICE TO BECOME EFFECTIVE THIRTY DAYS AFTER SUCH MAILING. THE BORROWER HEREBY IRREVOCABLY WAIVES ANY OBJECTION TO SUCH SERVICE OF PROCESS AND FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY ACTION OR PROCEEDING COMMENCED HEREUNDER OR UNDER ANY CREDIT DOCUMENT THAT SERVICE OF PROCESS WAS IN ANY WAY INVALID OR INEFFECTIVE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE ADMINISTRATIVE AGENT, ANY BANK OR THE HOLDER OF ANY NOTE TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST THE BORROWER IN ANY OTHER JURISDICTION.

-143-

(B) THE BORROWER HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT BROUGHT IN THE COURTS REFERRED TO IN CLAUSE (A) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. EACH OF THE BORROWER AND EACH BANK IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN ANY COURT OR JURISDICTION, INCLUDING WITHOUT LIMITATION THOSE REFERRED TO IN CLAUSE (A) ABOVE, IN RESPECT OF ANY MATTER ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS.

12.09 Counterparts. This Agreement may be executed in any number of

counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. A set of counterparts executed by all the parties hereto shall be lodged with the Borrower and the Administrative Agent.

12.10 Effectiveness. This Agreement shall become effective on the

date (the "Effective Date") on which the Borrower, the Administrative Agent, each Co-Agent and each of the Banks shall have signed a copy hereof (whether

the same or different copies) and shall have delivered the same to the Administrative Agent at the Notice Office of the Administrative Agent or, in the case of the Banks, shall have given to the Administrative Agent telephonic (confirmed in writing), written, telex or telecopy notice (actually received) at such office that the same has been signed and mailed to it. The Administrative Agent will give the Borrower and each Bank prompt written notice of the occurrence of the Effective Date.

12.11 Headings Descriptive. The headings of the several sections and

subsections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

12.12 Amendment or Waiver. (a) Neither this Agreement nor any other

Credit Document nor any terms hereof or thereof may be changed, waived, discharged or terminated unless such change, waiver, discharge or termination is in writing signed by the Borrower and the Required Banks, provided that no such

change, waiver, discharge or termin-

-144-

ation shall, without the consent of each Bank affected thereby, (i) extend the final scheduled maturity of any Unpaid Drawing, Loan or Note (it being understood that any waiver of an installment on, the application of any prepayment or the method of application of any prepayment to the amortization of the Term Loans shall not constitute an extension of the final scheduled maturity date), or reduce the rate or extend the time of payment of interest (other than as a result of waiving the applicability of any post-default increase in interest rates) thereon or Fees, or reduce the amount thereof, (ii) amend, modify or waive any provision of Section 4.02(A)(b), (iii) release all or substantially all of the Collateral (except as expressly provided in the Credit Documents), (iv) amend, modify or waive any provision of this Section, (v) reduce the percentage specified in the definition of Required Banks (it being understood that, with the consent of the Required Banks, additional extensions of credit pursuant to this Agreement may be included in the determination of the Required Banks on substantially the same basis as an extension of Loans, Letters of Credit and Revolving Commitments are included on the Effective Date), or (vi) consent to the assignment or transfer by the Borrower of any of its rights and obligations under any Credit Document (except as expressly provided herein or therein); provided further, that no such change,

waiver, discharge or termination shall (w) increase the Commitments of any Bank over the amount thereof then in effect without the consent of such Bank (it being understood that waivers or modifications of conditions precedent, covenants, Defaults or Events of Default or of a mandatory reduction in the Total Commitment shall not constitute an increase of the Commitment of any Bank, and that an increase in the available portion of any Commitment of any Bank shall not constitute an increase in the Commitment of such Bank), (x) without the consent of each Letter of Credit Issuer, amend, modify or waive any provision of Section 2 or alter its rights or obligations with respect to Letters of Credit, (y) without the consent of the Administrative Agent or Co-Agents, respectively, amend, modify or waive any provision of Section 11 as same applies to such Administrative Agent or Co-Agent or any other provision as same relates to the rights or obligations of such Administrative Agent or Co-Agent or (z) without the consent of the Collateral Agent, amend, modify or waive any provision relating to the rights or obligations of the Collateral Agent.

(b) If, in connection with any proposed change, waiver, discharge or termination of any of the provisions of this Agreement as contemplated by clauses (i) through (v), inclusive, of the first proviso to Section 12.12(a), the

-145-

consent of the Required Banks is obtained but the consent of one or more of such other Banks whose consent is required is not obtained, then the Borrower shall have the right to replace each such non-consenting Bank or Banks (so long as all non-consenting Banks are so replaced) with one or more Replacement Banks pursuant to Section 1.13 so long as at the time of such replacement, each such Replacement Bank consents to the proposed change, waiver, discharge or

termination, provided that the Borrower shall not have the right to replace a Bank solely as a result of the exercise of such Bank's rights (and the withholding of any required consent by such Bank) pursuant to the second proviso to Section 12.12(a).

(c) Notwithstanding anything to the contrary contained above in this Section 12.12, the Collateral Agent may enter into amendments to the Security Documents for the purpose of adding Subsidiaries of the Borrower as parties thereto, or adding Subsidiaries of the Borrower to the Subsidiary Guaranty, and Additional Security Documents, guarantees, and other security documentation may be entered into to satisfy the requirement of Section 7.11, in each case without the consent of the Required Banks.

12.13 Survival. All indemnities set forth herein including, without

limitation, in Section 1.10, 1.11, 2.05, 2.06, 4.04, 11.07 or 12.01 shall survive the execution and delivery of this Agreement and the making and repayment of the Loans and the satisfaction of all other Obligations.

12.14 Domicile of Loans. Each Bank may transfer and carry its Loans

or participations at, to or for the account of any branch office, subsidiary or affiliate of such Bank, provided that the Borrower shall not be responsible for

costs arising under Section 1.10, 1.11, 2.05, or 4.04 resulting from any such transfer (other than a transfer pursuant to Section 1.12) to the extent such costs would not otherwise be applicable to such Bank prior to such transfer.

12.15 Confidentiality. (a) Subject to the provisions of clause (b)

of this Section 12.15, each Bank agrees that it will use its best efforts not to disclose without the prior consent of the Borrower (other than to its employees, auditors, advisors or counsel or to another Bank if the Bank or such Bank's holding or parent company in its sole discretion determines that any such party should have access to such information, provided such Persons shall be subject to the provisions of this Section 12.15 to the same extent as such Bank) any information with respect to the Borrower or

-146-

any of its Subsidiaries which is now or in the future furnished pursuant to this Agreement or any other Credit Document and which is designated by the Borrower in writing as confidential, provided that any Bank may disclose any

such information (a) as has become generally available to the public, (b) as may be required or appropriate in any report, statement or testimony submitted to any municipal, state or Federal regulatory body having or claiming to have jurisdiction over such Bank or to the Federal Reserve Board or the Federal Deposit Insurance Corporation or similar organizations (whether in the United States or elsewhere) or their successors, (c) as may be required or appropriate in respect to any summons or subpoena or in connection with any litigation, (d) in order to comply with any law, order, regulation or ruling applicable to such Bank, (e) to the Administrative Agent or the Collateral Agent and (f) to any prospective or actual transferee or participant in connection with any contemplated or actual transfer or participation of any of the Notes or Commitments or any interest therein by such Bank, provided that such prospective

transferee or participant executes an agreement with such Bank containing provisions substantially the same as to those contained in this Section.

(b) The Borrower hereby acknowledges and agrees that each Bank may share with any of its affiliates any information related to the Borrower or any of its Subsidiaries (including, without limitation, any nonpublic customer information regarding the creditworthiness of the Borrower and its Subsidiaries), provided such Persons shall be subject to the provisions of this Section 12.15 to the same extent as such Bank.

12.16 Collateral Release. Notwithstanding anything to the contrary

contained in this Agreement or the other Credit Documents, on and after the Target Date, the Collateral shall promptly be released from the terms of the Security Documents and the Collateral Agent shall, and the Banks hereby authorize and direct the Collateral Agent to, promptly take such actions as it deems appropriate and such additional actions as may be reasonably requested by

the Borrower to effectuate the foregoing (and no further assets shall be required to be pledged pursuant to Section 7.11 or any Security Document), provided that no Default or Event of Default exists as of such time.

-147-

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

Address: AMETEK, INC.

Station Square

Paoli, Pennsylvania 19301

Telephone No.: 610-647-2121

Telecopier No.: 610-647-0211

Attention: Chief Financial
Officer

By /s/ ALLAN KORNFELD

Name: Allan Kornfeld
Title: Executive Vice President-Chief
Financial Officer

THE CHASE MANHATTAN BANK, N.A.,
Individually and
as the Administrative Agent

By /s/ DANA KLEIN

Name: Dana Klein
Title: Vice President

BANK OF MONTREAL,
Individually and as a Co-Agent

By /s/ JOSEPH A. BLISS

Name: Joseph A. Bliss
Title: Director

CORESTATES BANK, N.A.,
Individually and as a
Co-Agent

By /s/ ROBERT CORDELL

Name: Robert Cordell
Title: Vice President

-148-

PNC BANK, NATIONAL ASSOCIATION,
Individually, as a Letter of
Credit Issuer and as a Co-Agent

By /s/ VICKY RANDOLPH ZIFF

Name: Vicky Randolph Ziff
Title: Vice President

-149-