

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE
ACT OF 1934 [FEE REQUIRED]

For the fiscal year ended December 31, 1995

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from _____ to _____

Commission file number 1-5075

EG&G, Inc.

(Exact name of registrant as specified in its charter)

Massachusetts 04-2052042

(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

45 William Street, Wellesley, Massachusetts 02181

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code (617) 237-5100

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class -----	Name of Each Exchange on Which Registered -----
Common Stock, \$1 Par Value -----	New York Stock Exchange, Inc. -----
Preferred Share Purchase Rights -----	New York Stock Exchange, Inc. -----

Securities registered pursuant to Section 12 (g) of the Act: None

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 common stock, \$1 par value, held by nonaffiliates of the registrant on February 23, 1996, was \$1,165,703,101.

As of February 23, 1996, there were outstanding, exclusive of treasury shares, 47,654,234 shares of common stock, \$1 par value.

DOCUMENTS INCORPORATED BY REFERENCE

PORTIONS OF EG&G, INC.'S 1996 PROXY STATEMENT FOR THE
ANNUAL MEETING OF STOCKHOLDERS.....PART III (Items 10, 11 and 12)

PART I

ITEM 1. BUSINESS

GENERAL BUSINESS DESCRIPTION

EG&G, Inc. was incorporated under the laws of the Commonwealth of Massachusetts in 1947. EG&G, Inc. (hereinafter referred to as "EG&G", the "Company", or the "Registrant", which includes the Company's subsidiaries) is a broad-based

technology company that provides optoelectronic, mechanical and electromechanical components and instruments to manufacturers and end-users in the medical, aerospace, automotive and other ground transportation, environmental and industrial markets worldwide. The Company also provides wide-ranging technical services to governmental and industrial customers. In 1995, the Company had sales of \$1.4 billion from continuing operations.

The Company's continuing operations are classified into four industry segments: Technical Services, Instruments, Mechanical Components and Optoelectronics.

RECENT DEVELOPMENTS

In January 1995, the Company's Board of Directors authorized the purchase of an additional 10 million shares of common stock. During 1995, the Company purchased 7.7 million shares of such common stock through periodic purchases on the open market at an aggregate cost of \$135.1 million. As of December 31, 1995 the Company had authorization to purchase 5.6 million additional shares.

In July 1995, the Company announced that EG&G Technical Services of West Virginia had been awarded the site-support contract for the U.S. Department of Energy's Morgantown Energy Technology Center. The contract, which has a potential value of more than \$90 million, could, including options, extend over five years.

In October 1995, the Company issued \$115 million of unsecured ten-year notes at an annual interest rate of 6.8%. Proceeds from the sale were used to pay down commercial paper borrowings that were used for general corporate purposes, including financing open market repurchases of the Company's common stock.

In November 1995, the Company announced that the U.S. Customs Service had awarded a five year, including options, national asset management contract with a potential value of \$92 million to EG&G Dynatrend for the Department of Treasury asset forfeiture program. This is the second time that EG&G had competed for and won this Department of Treasury management contract.

INDUSTRY SEGMENTS

Set forth below is a brief summary of each of the Company's four industry segments together with a description of certain of the more significant or recently introduced products, services or operations.

TECHNICAL SERVICES

Through its Technical Services segment, the Company supplies engineering, scientific, environmental, management and technical support services to a broad range of governmental and industrial customers. These services include: analysis and testing services for the automotive industry; base operations for the National Aeronautics and Space Administration ("NASA") at the Kennedy Space Center ("KSC"); chemical weapons disposal and technical and support services for the U.S. Department of Defense ("DoD"); seized-property administration for the U.S. Customs Service; technical support for the National Science Foundation in Antarctica; consulting services in transportation; physical security services for government agencies; and services and products for the environmental market. The Company offers services in this segment under trade names which include Automotive Research, Dynatrend, Structural Kinematics and Washington Analytical Services Center. In 1995, this segment represented 43% of the Company's total sales from continuing operations and 43% of the Company's operating income from continuing operations before general corporate expenses.

For the automobile, chemical additive and petroleum industries, the Company provides automobile durability, performance and emissions testing, and tests fuels, lubricants and chemical additives. The Company performs automobile durability and performance testing for all major U.S. and a number of foreign automobile manufacturers.

As base operations contractor for the KSC, the Company provides institutional, technical and maintenance support services. In particular, the Company manages KSC's 600 buildings, structures and facilities; tests new astronaut rescue procedures and escape systems; fields a force of 200 uniformed security personnel and a SWAT team; provides fire protection and medical services; handles all propellant substances; and manages the shuttle landing facility. The Company has been the base operations contractor at KSC since 1983 and is currently in the third year of a four-year contract that has two three-year renewal options at the discretion of the government. NASA has announced that it will designate a single Space Shuttle Flight Operations contractor in 1996. While the impact of this initiative cannot be determined, the Company believes at this time that its contract will not be adversely affected.

Company contracts with the DoD fall into two general categories: (i) traditional defense activities, and (ii) decommissioning. The Company's traditional defense activities focus on such strategic areas as research and engineering analyses in support of DoD advanced development programs. An example of a decommissioning project is the operation of the U.S. Army's facility for the disposal of lethal chemical agents and munitions in Tooele, Utah.

The Company also provides engineering and management services in a variety of

fields, including transportation, physical security and property management for several government agencies. Government clients include the U.S. Departments of Transportation, State and Treasury, the U.S. Customs Service and the Environmental Protection Agency.

In the environmental area, the Company is developing a range of proprietary technologies with a view towards expanding its presence in the public and private sector waste minimization and remediation markets.

INSTRUMENTS

The Company develops and manufactures instruments and systems for applications in medical and clinical diagnostics; biochemical, medical and life science research; industrial and pharmaceutical process measurement; environmental monitoring; gas and oil field applications; airport and industrial security; and food inspection. The Company's instruments provide a wide range of measurement capabilities and options through the use of high-speed signal processing, image enhancement and a broad utilization of detector technologies including products which feature the accurate generation, detection and measurement of various segments of the electromagnetic spectrum. The Company offers products in this segment under trade names which include Astrophysics, Flow Technology, Berthold, Ortec and Wallac. In 1995, this segment represented 21% of the Company's total sales from continuing operations and 15% of the Company's operating income from continuing operations before general corporate expenses.

High performance bioanalytic and diagnostic instruments manufactured by the Company are used in hospitals, clinics and pharmaceutical and medical research facilities. These instruments are generally based on time-resolved fluorescence and chemiluminescence technologies that use light measurement to analyze samples. Because these light measurement technologies do not involve the use of radioactive material, concerns about sample transport and waste disposal are not present. Among other things, these instruments are used to screen blood for thyroid dysfunction, fertility-related disorders, fetal defects and diseases in newborns, and to detect relapse in patients who have been treated for cancer. The Company introduced AutoDelfia, an automated immunoassay fluorescence diagnostic system. The Company also sells reagents for use in connection with certain of these instruments.

Through its Instruments segment, the Company also produces security screening systems that employ X-ray technology and various supporting image-enhancing techniques for non-intrusive inspection of baggage and packages at airport portals, baggage processing areas, mail rooms, courthouses, schools and buildings in general. The Company has introduced two new security screening products: the Z-Scan and a portable large cargo X-ray screening system. The Z-Scan uses color images, X-rays and proprietary software to detect explosives, narcotics or contraband in packages and luggage. The Z-Scan can process up to 1,200 bags an hour. The United Kingdom Department of Transportation has certified the Z-Scan for detection of drugs and contraband in checked cargo. The large cargo X-ray screening system allows non-intrusive inspection of boxes, crates and containers in search of contraband, weapons and explosives for use at border crossings, ports of entry, warehouses and airports.

Instruments produced by the Company also include process inspection systems that combine X-ray technology from the Company's Instruments segment and optical components from the Company's Optoelectronics segment. These systems are used in food processing and packaging plants to monitor, detect and remove foreign objects from raw and processed food at various points on the production line. Such systems are also used to check intravenous-medicine bags and automobile oil filters for leaks, measure the fat content of meat and detect and separate non-biodegradable PVCs from recyclable plastics.

Based on its expertise in nuclear measurements, the Company produces instruments to detect, characterize and measure radiation, including a complete line of radiation-protection measuring systems for laboratories, nuclear facilities and environmental monitoring. The Company also offers industrial on-line level and density measuring instruments for process control and measurement of liquids, slurries or solids in containers, tanks and pipes.

MECHANICAL COMPONENTS

Through its Mechanical Components segment, the Company produces advanced seals and bellows products, valves, nozzles, metal ducting, precision aerospace components, motors and heat management devices for the petrochemical and chemical processing, transportation, defense and aerospace markets. The Company offers these products under trade names which include Pressure Science, Rotron and Sealol. In 1995, this segment represented 18% of the Company's total sales from continuing operations and 25% of the Company's operating income from continuing operations before general corporate expenses.

Products sold in this segment include blower systems, power-conversion devices and other components for locomotives, transit cars and buses and defense product applications. Many of these products were first developed by the Company for defense-related purposes and are now marketed and sold for commercial applications.

The Company also produces mechanical sealing components and systems, which use welded metal bellows devices pioneered by the Company, for the process industries. Such industries include pharmaceuticals, food processing, oil

refining and chemical and petrochemical processing. The Company expects that the market for the Company's advanced zero leakage gas seals will grow as a result of environmental legislation which requires manufacturers to significantly reduce emissions.

For aerospace applications, the Company produces valves, advanced sealing components, aircraft exhaust components and ducting.

OPTOELECTRONICS

Through its Optoelectronics segment, the Company offers a broad variety of components that emit and detect light in the spectrum from ultraviolet through visible to the far infrared. These components range from simple photocells to sophisticated imaging systems, light sources that include various types of flashtubes and laser diodes, and complex devices for weapons' trigger systems. Applications include light sensors used in automotive and commercial electronics, sensors used in smoke detectors and medical imaging systems, and sophisticated arrays for communications and remote sensing of the earth. The Company expects to make significant research and development and capital expenditures in this segment over the next several years. The Company offers products in this segment under trade names which include Electro-Optics Heimann Optoelectronics, IC Sensors, Reticon, Judson and Vactec. In 1995, this segment represented 18% of the Company's total sales from continuing operations and 17% of the Company's operating income from continuing operations before general corporate expenses.

Products of this segment include detectors of visible and non-visible light, including high performance silicon photodiodes to detect and measure light and other optical radiation for industrial, space, military, analytical and scientific instrumentation. Light detectors are also manufactured by the Company for a variety of commercial applications. The Company also makes a wide variety of flashlamps for use in photocopy and reprographic equipment, photo-typesetting systems, beacons, indicators and laser systems and accessories. In addition, the Company manufactures power supplies for military high frequency electronic applications that are used primarily for precision controlled switching of electric current in electronic equipment.

The Company is continuing the development of amorphous silicon imaging systems for medical and industrial applications. These X-ray systems incorporate amorphous silicon which replaces film in X-ray systems and translates the rays directly into digital pulses that then immediately produce the image on a cathode ray tube.

Through this segment, the Company also produces micromachined sensors, which are small silicon-wafer-based devices that combine a sensing function with intelligent signal processing. The Company mass produces these micromachined infrared sensors for consumer, medical and automotive applications and manufactures high performance micromachined silicon sensors for missile-guidance systems. In a joint venture, the Company is developing more advanced micromachined electronic accelerometers for automotive and industrial applications.

DISCONTINUED OPERATIONS

Since its founding, the Company has provided services to the U.S. Department of Energy ("DOE") and its predecessor organizations. These services related primarily to nuclear energy research and nuclear weapons production and testing. As a result of changing procurement and administrative priorities at the DOE, to continue to provide these services the Company would have been required to invest significant levels of capital and accept broader liabilities and lower fees. In 1994, the Company determined that it would not seek renewal of its four contracts with the DOE and would not seek management and operations contracts at other DOE sites. Accordingly, the Company is reporting its former DOE Support segment as discontinued operations. Future sales and income from discontinued operations will decrease as the remaining DOE contract expires in 1996 and are dependent upon the work scope and fee pools negotiated annually that are currently under review by the DOE. Three of these DOE contracts expired in 1995. The Rocky Flats contract for the management and operation of the Rocky Flats Environmental Technology Center near Golden, Colorado terminated in June, 1995. The Reynolds Electrical and Engineering Co. contract for support and maintenance services for the underground nuclear weapons test program and its design laboratories at the Nevada Test Site expired on December 31, 1995. The Energy Measurements contract to provide scientific and engineering services also relating to the Nevada Test Site expired on December 31, 1995.

Under the Mound Applied Technologies contract, the remaining DOE contract which is scheduled to expire on September 30, 1996, the Company provides all support services at the facility and is responsible for the assembly and testing of radioisotopic thermionic generators for space and special terrestrial power missions. The expiration date may be modified by the DOE in accordance with contract terms. The Company also is responsible for the transfer to other DOE facilities of technology relating to the Mound facility's former mission involving the manufacturing of components for nuclear weapons.

MARKETING

The Company markets its services and products through its own specialized sales forces as well as independent foreign and domestic manufacturer representatives and distributors. In certain foreign countries, the Company has entered into

joint venture and license agreements with local firms to manufacture and market its products.

RAW MATERIALS AND SUPPLIES

Raw materials and supplies used by the Company are generally readily available in adequate quantities from domestic and foreign sources.

PATENTS AND TRADEMARKS

While the Company's patents, trademarks, and licenses in the aggregate are important to its business, the Company does not believe that the loss of any one patent, trademark or license or group of related patents, trademarks, or licenses would have a materially adverse effect on the overall business of the Company or on any of its industry segments.

BACKLOG

The approximate dollar value of unfilled orders of continuing operations by industry segment as of December 31, 1995 and January 1, 1995 is set forth in the table below.

(In Thousands)	December 31, 1995	January 1, 1995
	-----	-----
Technical Services	\$224,087	\$247,380
Instruments	50,776	46,474
Mechanical Components	95,466	87,879
Optoelectronics	125,630	111,402
	-----	-----
Total	\$495,959	\$493,135
	=====	=====

At December 31, 1995, 46% of the backlog represents orders received from U.S. Government agencies, primarily the DoD. The order backlog for each segment relates differently to future sales based on different business characteristics, primarily order and delivery lead times and customer demand requirements. The Company estimates that approximately 91% of its backlog as of December 31, 1995 will be billed during 1996.

DOE Support backlog, which is not reflected above, represents annual contract funding that has actually been appropriated and was \$126 million at December 31, 1995 and \$757 million at January 1, 1995.

While the Company has not generally experienced material cancellations of orders, orders may be cancelled by customers without financial penalty, and backlog does not necessarily represent actual future shipments.

GOVERNMENT CONTRACTS

In accordance with government regulations, all of the Company's government contracts are subject to termination for the convenience of the government. Costs incurred under cost-reimbursable contracts are subject to audit by the government. The results of prior audits, which have been completed through 1991, have not had a material effect on the Company.

Continuing Operations: Sales to U.S. Government agencies, which were predominantly to the DoD and NASA, were \$537 million, \$542 million and \$560 million in 1995, 1994 and 1993, respectively. In October 1993, the Company was selected by NASA to continue as the base operations contractor at the KSC. The contract contained reductions in contract value and has resulted in a lower annual fee than the prior contract. This contract and the prior contract contributed sales of \$172 million, \$176 million and \$201 million in 1995, 1994 and 1993, respectively. There are two years remaining on the contract, which has two three-year renewal options at the discretion of the government. NASA has announced that it will designate a single Space Shuttle Flight Operations contractor in 1996. While the impact of this initiative cannot be determined at this time, the Company believes that its contract will not be adversely affected.

Discontinued Operations: The Company's four major cost-plus-award-fee contracts with the DOE contributed \$660 million of sales to discontinued operations in 1995. The EG&G Rocky Flats, Inc. contract terminated in June 1995. The Reynolds Electrical and Engineering Co., Inc. and the EG&G Energy Measurements, Inc. contracts expired on December 31, 1995. The EG&G Mound Applied Technologies, Inc. contract, the Company's remaining management and operations contract with DOE, expires on September 30, 1996. The work scope and fee pools are negotiated annually, and the expiration date may be modified by the DOE in accordance with contract terms. The Mound contract contributed \$136 million of sales to discontinued operations in 1995. The Company does not anticipate incurring any material loss on the ultimate completion of the contracts.

COMPETITION

Because of the wide range of its products and services, the Company faces many different types of competition and competitors. Competitors range from large foreign and domestic organizations that produce a comprehensive array of goods and services, to small concerns producing a few goods or services for specialized market segments.

The Technical Services segment provides technical services to several agencies

of the federal government, including the DoD and NASA. This business is typically won through competition with a number of large and small contractors, many of whom are as large or larger than the Company and who, therefore, have resources and capabilities that are comparable to or greater than those of the Company. The primary bases for competition in these markets are technical and management capabilities, current and past performance, and price. Competition is typically subject to mandated procurement and competitive bidding requirements. Competition for automotive testing services is primarily from a few specialized testing companies and from customer-owned testing facilities, and is primarily based on quality, service, and price.

In the Instruments segment, the Company competes with instrument companies, some large, most small, that serve narrow segments of markets in X-ray and magnetic security systems, nuclear, industrial, and diagnostic instrumentation, and instrumentation for exploration and development of oil and gas resources. The Company competes in these markets on the basis of product performance, product reliability, service and price. Consolidation of competitors through acquisitions and mergers and the Company's increasing activity in all selected diagnostics and industrial markets are expected to increase the proportion of large competitors in this segment.

In the Mechanical Components segment, the Company is a leading supplier of selected precision aircraft exhaust components, specialized fans and heat transfer devices, and mechanical seals for industrial applications. Competition in these areas is typically from small specialized manufacturing companies.

In the Optoelectronics segment, the Company is among the leading suppliers of specialty flashtubes, silicon photodetectors, avalanche photodiodes, cadmium sulfide and cadmium selenide detectors, photodiode arrays and switched power supplies. Typically, competition is from small specialized manufacturing companies.

Within the Mechanical Components, Optoelectronics and Instruments segments, competition for governmental purchases is subject to mandated procurement procedures and competitive bidding practices. In these segments, the Company competes on the basis of product performance, quality, service and price. In much of the Optoelectronics and Instruments segments and in the specialized fan and aircraft and marine mechanical seal markets included in the Mechanical Components segment, advancing technology and research and development are also important competitive factors.

RESEARCH AND DEVELOPMENT

During 1995, 1994 and 1993, Company-sponsored research and development expenditures were approximately \$42.4 million, \$38.6 million and \$34.7 million, respectively.

ENVIRONMENTAL COMPLIANCE

The Company is conducting a number of environmental investigations and remedial actions at current and former Company locations and, along with other companies, has been named a potentially responsible party for certain waste disposal sites. The Company accrues for environmental issues in the accounting period that the Company's responsibility is established and when the cost can be reasonably estimated. As of December 31, 1995, the Company had an accrual of \$3.8 million to reflect its estimated liability for environmental remediation. As assessments and remediation activities progress at each individual site, these liabilities are reviewed to reflect additional information as it becomes available. There have been no environmental problems to date that have had or are expected to have a material effect on the Company's financial position or results of operations. While it is reasonably possible that a material loss exceeding the amounts recorded may have been incurred, the preliminary stages of the investigations make it impossible for the Company to reasonably estimate the range of potential exposure.

EMPLOYEES

As of March 1, 1996, the Company employed approximately 15,000 persons, including 1,000 persons in the former DOE Support segment. Certain of the Company's subsidiaries are parties to contracts with labor unions. The Company considers its relations with employees to be satisfactory.

FINANCIAL INFORMATION ABOUT INDUSTRY SEGMENTS

SEGMENT SALES AND INCOME

Sales and Operating Income (Loss) From Continuing Operations by Industry Segment For the Five Years Ended December 31, 1995

(In thousands)	1995	1994	1993	1992	1991
Sales:					
Technical Services	\$ 617,391	\$ 613,588	\$ 636,041	\$ 608,864	\$ 586,537
Instruments	293,575	273,088	237,223	226,900	230,196

Mechanical Components	249,255	232,500	244,878	274,199	295,519
Optoelectronics	259,357	213,380	201,274	210,118	146,274
	-----	-----	-----	-----	-----
	\$1,419,578	\$1,332,556	\$1,319,416	\$1,320,081	\$1,258,526
	=====	=====	=====	=====	=====

Operating Income (Loss) From Continuing Operations:

Technical Services	\$ 48,155	\$ 46,075	\$ 68,762	\$ 56,924	\$ 55,601
Instruments	17,142	(49,580)	10,413	16,016	21,954
Mechanical Components	27,241	18,766	24,408	21,835	28,426
Optoelectronics	19,328	8,674	11,474	3,905	7,140
General Corporate Expenses	(29,193)	(34,882)	(27,573)	(29,895)	(27,456)
	-----	-----	-----	-----	-----
	\$ 82,673	\$ (10,947)	\$ 87,484	\$ 68,785	\$ 85,665
	=====	=====	=====	=====	=====

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The operating income (loss) from continuing operations for 1994 included a goodwill write-down of \$40.3 million and restructuring charges of \$30.4 million. The impact of these nonrecurring charges on each segment was as follows: Technical Services - \$1.6 million, Instruments - \$55.7 million, Mechanical Components - \$2.7 million, Optoelectronics - \$9.7 million and General Corporate Expenses - \$1 million.

Additional information relating to the Company's operations in the various industry segments follows:

(In thousands)	Depreciation and Amortization Expense			Capital Expenditures		
	1995	1994	1993	1995	1994	1993
Technical Services	\$ 7,698	\$ 7,447	\$ 8,422	\$12,047	\$ 7,314	\$ 6,315
Instruments	11,887	11,621	9,213	4,639	5,398	6,555
Mechanical Components	5,585	6,091	6,870	6,978	6,197	5,598
Optoelectronics	13,220	10,690	12,417	35,925	17,748	8,469
Corporate	1,036	941	920	2,250	620	923
	-----	-----	-----	-----	-----	-----
	\$39,426	\$36,790	\$37,842	\$61,839	\$37,277	\$27,860
	=====	=====	=====	=====	=====	=====

(In thousands)	Identifiable Assets		
	1995	1994	1993
Technical Services	\$113,901	\$129,995	\$127,917
Instruments	225,358	220,232	256,117
Mechanical Components	100,363	93,721	97,317
Optoelectronics	200,719	193,302	142,630
Corporate and Other	163,574	155,879	140,906
	-----	-----	-----
	\$803,915	\$793,129	\$764,887
	=====	=====	=====

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Corporate assets consist primarily of cash and cash equivalents, prepaid pension and taxes, and investments.

FINANCIAL INFORMATION ABOUT GEOGRAPHIC AREAS

Information relating to geographic areas follows:

(In thousands)	Sales			Operating Income (Loss) From Continuing Operations		
	1995	1994	1993	1995	1994	1993
U.S.	\$1,065,424	\$1,026,970	\$1,049,131	\$ 82,256	\$ 57,679	\$ 96,495
Germany	87,690	61,310	134,754	4,508	(43,492)	53
Other Non-U.S.	266,464	244,276	135,531	25,102	9,748	18,509
Corporate	---	---	---	(29,193)	(34,882)	(27,573)
	-----	-----	-----	-----	-----	-----
	\$1,419,578	\$1,332,556	\$1,319,416	\$ 82,673	\$ (10,947)	\$ 87,484
	=====	=====	=====	=====	=====	=====

(In thousands)	Identifiable Assets		
	1995	1994	1993
U.S.	\$353,130	\$341,725	\$305,344
Germany	89,834	100,650	154,361
Other Non-U.S.	197,377	194,875	164,276
Corporate and Other	163,574	155,879	140,906
	-----	-----	-----
	\$803,915	\$793,129	\$764,887
	=====	=====	=====

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Transfers between geographic areas were not material.

ITEM 2. PROPERTIES

As of March 1, 1996, the Company occupied approximately 4,228,500 square feet of building area, of which approximately 1,611,800 square feet is owned and the balance leased. The Company's headquarters occupies 53,350 square feet of leased space in Wellesley, Massachusetts. The Company's other operations are conducted in manufacturing and assembly plants, research laboratories, administrative offices and other facilities located in 26 states, Washington, D.C., Puerto Rico, the U.S. Virgin Islands and 26 foreign countries.

Non-U.S. facilities account for approximately 1,189,700 square feet of owned and leased property, or approximately 28% of the Company's total occupied space.

The Company's leases on property are both short-term and long-term. In management's opinion, the Company's properties are well-maintained and are adequate for its present requirements.

At certain government facilities, the Company previously occupied government furnished space. A majority of this space was occupied by the Discontinued Operations and has since been assigned to the new management contractor. Except for operations based on government facilities, substantially all of the machinery and equipment used by the Company in its other activities is owned by the Company and the balance is leased or furnished by contractors or customers.

The following table indicates the approximate square footage of real property owned and leased attributable to each of the Company's industry segments.

	Owned (Sq. Feet)	Leased (Sq. Feet)	Total (Sq. Feet)
	-----	-----	-----
Continuing Operations			
Technical Services	163,400	1,058,100	1,221,500
Instruments	551,100	414,500	965,600
Mechanical Components	556,700	532,800	1,089,500
Optoelectronics	336,000	549,300	885,300
Corporate Offices	4,600	62,000	66,600
	-----	-----	-----
Total	1,611,800	2,616,700	4,228,500
	=====	=====	=====

ITEM 3. LEGAL PROCEEDINGS

The Company is subject to various investigations, claims, and legal proceedings covering a wide range of matters that arise in the ordinary course of its business activities. Each of these matters is subject to various uncertainties, and it is possible that some of these matters may be resolved unfavorably to the Company. The Company has established accruals for matters that are probable and reasonably estimable. Management believes that any liability that may ultimately result from the resolution of these matters in excess of amounts provided will not have a material adverse effect on the financial position or results of operations of the Company.

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

Not applicable.

EXECUTIVE OFFICERS

Listed below are the executive officers of the Company as of March 22, 1996. No family relationship exists between any of the officers.

Name	Position	Age
-----	-----	-----
John M. Kucharski	Chairman of the Board, President and Chief Executive Officer	60
Fred B. Parks	Executive Vice President and Chief Operating Officer	48
Murray Gross	Vice President, General Counsel and Clerk	59
John F. Alexander, II	Vice President, Chief Financial Officer and Corporate Controller	39
Angelo D. Castellana	Vice President	54

Dale L. Fraser	Vice President	60
Earl M. Fray	Vice President	62
E. Lavonne Lewis	Vice President	59
Deborah S. Lorenz	Vice President	46
Donald H. Peters	Vice President	55
Luciano S. Rossi	Vice President	50
Edward H. Snow	Vice President	59
C. Michael Williams	Vice President	59
Peter H. Zavattaro	Vice President	58
Daniel T. Heaney	Treasurer	42

Mr. Kucharski joined the Company in 1972. He was elected a Vice President in 1979, a Senior Vice President in 1982 and Executive Vice President in 1985. In 1986 he was elected President and Chief Operating Officer, in 1987 Chief Executive Officer and was elected Chairman of the Board of Directors in 1988.

Dr. Parks joined the Company in 1976. He was elected a Vice President in 1988, a Senior Vice President in 1991, and Executive Vice President and Chief Operating Officer in 1995.

Mr. Gross joined the Company in 1971. He was elected Assistant General Counsel and Assistant Clerk in 1978 and Vice President, General Counsel and Clerk in 1990.

Mr. Alexander joined the Company in 1982. He was elected Corporate Controller in 1991, a title he retained when named a Vice President in 1995. He was elected Chief Financial Officer effective in January 1996.

Mr. Castellana joined the Company in 1965. He was elected a Vice President in 1991 and is Group Executive of the Instruments segment.

Mr. Fraser joined the Company in 1961. He was elected a Vice President in 1990.

Mr. Fray joined the Company in 1977. He was elected a Vice President in 1994 and is General Manager of EG&G Mound.

Ms. Lewis joined the Company in 1970. She was elected Vice President in 1995 and is Director of Human Resources.

Ms. Lorenz joined the Company in 1990. She was elected a Vice President in 1992 and is Director of Investor Relations and Corporate Communications.

Dr. Peters joined the Company in 1968. He was elected a Vice President in 1987 and is Director of Planning.

Mr. Rossi joined the Company in 1967. He was elected a Vice President in 1988 and is Group Executive of the Mechanical Components segment.

Dr. Snow joined the Company in 1977. He was elected a Vice President in 1992 and is Group Executive of the Optoelectronics segment.

Mr. Williams joined the Company in 1972. He was elected a Vice President in 1984 and is Group Executive of the Technical Services segment.

Mr. Zavattaro joined the Company in 1959. He was elected a Vice President in 1985.

Mr. Heaney joined the Company in 1980. He was elected Treasurer in 1995.

PART II

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

Market Price of Common Stock

	1994 Quarters			
	First	Second	Third	Fourth
High	\$19.00	\$16.50	\$15.88	\$17.00
Low	16.38	14.13	14.63	13.75

	1995 Quarters			
	First	Second	Third	Fourth
High	\$15.50	\$18.38	\$20.00	\$24.50
Low	13.00	15.00	16.38	18.00

Dividends

	1994 Quarters			
	First	Second	Third	Fourth
Cash Dividends				
Per Common Share	\$.14	\$.14	\$.14	\$.14
	1995 Quarters			
	First	Second	Third	Fourth
Cash Dividends				
Per Common Share	\$.14	\$.14	\$.14	\$.14

The Company's common stock is listed and traded on the New York Stock Exchange. The number of holders of record of the Company's common stock as of February 23, 1996, was approximately 13,124.

In October 1995, the Board of Directors of the Company declared a regular quarterly cash dividend of fourteen cents per share of common stock. The quarterly cash dividend was paid on February 9, 1996, to stockholders of record at the close of business on January 19, 1996.

ITEM 6. SELECTED FINANCIAL DATA

SELECTED FINANCIAL INFORMATION

For the Five Years Ended December 31, 1995

(In thousands

where applicable)

	1995	1994	1993	1992	1991
Operations:					
Sales	\$1,419,578	\$1,332,556	\$1,319,416	\$1,320,081	\$1,258,526
Operating income (loss) from continuing operations	82,673	(10,947) a	87,484	68,785	85,665
Income (loss) from continuing operations	54,304	(32,107)	54,622	48,765	51,936
Income from discontinued operations, net of income taxes	13,736	26,452	24,949	39,014	29,306
Income (loss) before cumulative effect of accounting changes	68,040	(5,655)	79,571	87,779	81,242
Net income (loss)	68,040	(5,655)	59,071 c	87,779	81,242
Earnings (loss) per share:					
Continuing operations	1.05	(.58)	.97	.87	.93
Discontinued operations	.27	.48	.44	.69	.52
Income (loss) before cumulative effect of accounting changes	1.32	(.10)	1.41	1.56	1.45
Net income (loss)	1.32	(.10)	1.05 c	1.56	1.45
Return on equity	16.8%	(1.2) % b	12.4 % d	19.6%	20.6%
Weighted average common shares outstanding	51,483	55,271	56,504	56,385	55,901
Financial Position:					
Working capital	\$ 218,235	\$ 199,656	\$ 227,935	\$ 247,518	\$ 214,495
Current ratio	1.87:1	1.71:1	1.98:1	2.07:1	1.90:1
Total assets	803,915	793,129	764,887	746,577	694,024
Short-term debt	5,275	59,988	43,589	40,267	57,337
Long-term debt	115,222	812	1,450	1,956	2,298
Long-term liabilities	71,296	65,129	52,727	38,871	33,479
Stockholders' equity	366,946	445,366	477,534	473,636	420,711
-Per share	7.71	8.08	8.51	8.34	7.45
Total debt/total capital	25%	12%	9%	8%	12%
Common shares outstanding	47,610	55,124	56,131	56,812	56,495
Other Data:					
Cash flows from continuing operations	\$ 123,831	\$ 70,341	\$ 76,217	\$ 94,554	\$ 77,720
Cash flows from discontinued operations	26,334	25,542	35,920	33,253	26,709
Cash flows from operating activities	150,165	95,883	112,137	127,807	104,429
Capital expenditures	61,839	37,277	27,860	22,446	26,617
Depreciation and amortization	39,426	36,790	37,842	36,292	33,726
Cash dividends per common share	.56	.56	.52	.49	.42

<F1>

- a) Included a goodwill write-down of \$40.3 million and restructuring charges of \$30.4 million.
b) Return on equity before effect of nonrecurring items described in a) was 11.8%.
c) Included one-time after-tax charges of \$20.5 million, or \$.36 per share, due to adoption of SFAS Nos. 106 and 109.
d) Return on equity before cumulative effect of accounting changes was 16.4%.

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

OVERVIEW

In 1994, the Company initiated a series of significant actions to reposition its businesses for future success. These initiatives included withdrawal from

the Department of Energy (DOE) Support business, restructuring the cost model of continuing operations, improved utilization of working capital, liquidation of non-strategic investments and assets, replacing a portion of equity capital with long-term debt, adoption of Economic Value Added (EVA) as the basis of measurement and incentive compensation systems and increased investment in internal development programs. Substantial progress was made in each of these areas in 1995 and is detailed later in this report. These programs have resulted in significant changes in financial results in 1995 and are expected to continue to do so in the future.

Sales increased \$87 million in 1995 to \$1.4 billion, and operating income increased by 38% over 1994 before nonrecurring charges. Total annualized cost savings under the 1994 restructuring plan are expected to reach \$28 million in 1996. Key measures of effectiveness of working capital management, Days Sales Outstanding and Inventory Turns, improved by 10% and 18%, respectively, in 1995. Research and development and capital expenditures increased by 10% and 66%, respectively.

FACTORS AFFECTING FUTURE OPERATING RESULTS

Future trends in revenues and operating income will be dependent on both external factors and on the success of the various programs described above. In Technical Services, future performance will continue to be impacted by increased competition, continued funding pressures and changing customer requirements. Future performance in our products segments will be highly dependent on the technological success and market acceptance of our new program initiatives including the amorphous silicon and micromachined sensor projects. Continued success in improving operational efficiency will be required to offset increasing price pressure in most of the Company's product offerings.

RESULTS OF OPERATIONS

The discussion that follows is a summary analysis of the major changes by industry segment.

1995 Compared to 1994

Sales

Sales from continuing operations of \$1,420 million for 1995 were \$87 million, or 7%, higher than 1994 sales.

Technical Services: The \$3.8 million increase was the net result of billings under two contracts for communication systems development and water flow control offset by decreases resulting from continuing reductions in government funding and the phase-down of the Superconducting Super Collider Laboratory contract. In addition, demand for stationary automotive testing services was lower in 1995. The government services businesses are subject to a highly competitive procurement environment, continuing changes in federal budget priorities and rapidly changing customer requirements. While the impact of these uncertainties on future results cannot be determined, the Company continues to see new opportunities for these businesses.

Instruments: The \$20.4 million increase resulted primarily from higher demand for diagnostic and security products and the effect of changes in foreign exchange rates, partially offset by an \$11 million decrease due to the divestiture of three product lines under the restructuring plan.

Mechanical Components: The \$16.8 million increase was due to improving market conditions, primarily for industrial process sealing and aerospace products.

Optoelectronics: Sales increased \$46 million, or 22%, primarily due to \$28 million of higher sales of IC Sensors, acquired at the end of the third quarter of 1994, and higher shipments of flash products.

Operating Income (Loss) From Continuing Operations

Excluding the 1994 nonrecurring charges, operating income from continuing operations increased \$22.9 million, or 38%, in 1995. The 1994 operating loss included nonrecurring charges of \$40.3 million for a goodwill write-down and \$30.4 million for restructuring charges.

Technical Services: Income was flat, excluding the 1994 restructuring charges of \$1.6 million, as the income earned on the two contracts described previously, and an unfavorable contract adjustment and early retirement costs recorded in 1994 were offset by several decreases. These decreases included costs incurred in excess of contract coverage, an estimated provision for a legal judgment, start-up costs for the environmental services and systems business and the effect of lower sales levels in certain government services and the automotive testing markets.

Instruments: The increase of \$11.1 million, excluding the 1994 nonrecurring charges of \$55.7 million, resulted from cost reductions of \$6.9 million from the 1994 restructuring plan, margin on higher sales and the 1994 expense related to the close-down of a research and development project. The increases were partially offset by the unfavorable impact on export shipment margins caused by the strengthening of the Finnish markka against other major currencies, the expenses associated with the expansion of the food-monitoring business and a provision for additional cost reductions.

Mechanical Components: The \$5.8 million increase, excluding the 1994 restructuring charges of \$2.7 million, resulted primarily from margin on higher sales and \$1.5 million of cost reductions. The 1994 results included a provision for environmental remediation costs of \$1.3 million and start-up costs for the transportation element of the electromechanical business.

Optoelectronics: Excluding the 1994 nonrecurring charges of \$9.7 million, the \$1 million net increase resulted from margin on higher sales and \$2.6 million of cost reductions. The increases were partially offset by lower margins due to competitive pricing pressures and higher production costs in one product line and completion of certain government contracts in 1994. The Company significantly increased research and development expenses and capital expenditures in 1995 to support the amorphous silicon and micromachined sensor programs. The Company anticipates continued increases in research and development expenses and capital expenditures to support product development initiatives in this segment.

General Corporate Expenses: The \$4.6 million decrease, excluding the 1994 restructuring charges of \$1 million, resulted from \$3.8 million of cost reductions in 1995, and \$1 million of separation costs and \$1 million of costs associated with the restructuring plan recorded in 1994. These decreases in expenses were partially offset by management incentive accruals.

Other: The \$9.6 million increase in other income was due to gains on sales of investments and operating assets, higher income generated by joint ventures and lower investment write-downs. Partially offsetting these factors were higher interest expense and foreign exchange losses.

Under the 1994 restructuring plan, the net work force reduction in 1995 was 500, bringing the total reductions to 700 positions since the inception of the plan. The actions taken under the restructuring plan resulted in pre-tax savings of \$15 million during 1995. Total annualized cost savings under the plan are expected to reach \$28 million in 1996. The annualized savings expected for each segment in 1996 are as follows: Instruments--\$12 million, Mechanical Components--\$2 million, Optoelectronics--\$7 million and General Corporate Expenses--\$7 million. The restructuring plan was substantially completed at the end of 1995.

The effective tax rate for continuing operations was 36.9% in 1995. The effective tax rate of 87.5% in 1994 was higher than normal as a result of the impact of the goodwill write-down and the restructuring charges.

In 1995, the Company decreased its discount rates for employee benefit plans as a result of the decrease in long-term interest rates. The rates for compensation increases and long-term return on assets were also reduced. The net result of these changes will not materially affect the Company's future results of operations.

Depreciation Change: The Company changed its method of depreciation for certain classes of plant and equipment purchased after January 1, 1995 from an accelerated method to the straight-line method for financial reporting purposes. The Company believes that the straight-line method more appropriately reflects the timing of the economic benefits to be received from these assets, consisting mainly of manufacturing equipment. The Company also changed its convention for calculating depreciation expense during the year that an asset is acquired. Previously, the Company used the half-year convention; starting in 1995, the Company commences depreciation in the month the asset is placed in service. In 1995, the effect of applying these new methods was to reduce depreciation expense by \$4.3 million, and to increase income from continuing operations and net income by \$2.7 million and net income per share by \$.05. The reductions in depreciation expense represent the differences in current year depreciation expense between the old and new methods. Most of this difference occurred in the Optoelectronics segment. Depreciation and amortization was higher in 1995 than in 1994 because the effect of the changes in methods was exceeded by the effect of higher capital expenditures and inclusion of IC Sensors' depreciation for a full year.

Discontinued Operations: Income from discontinued operations, net of income taxes, was \$12.7 million lower in 1995. The decrease reflected the expiration of the Idaho National Engineering Laboratory (INEL) contract in September 1994 and the Rocky Flats contract in June 1995. Future sales and income from discontinued operations will continue to decrease because the Nevada Test Site contracts expired on December 31, 1995 and the Mound contract expires on September 30, 1996. Sales and income from the Mound contract are dependent upon the work scope and fee pools that are negotiated annually, and the expiration date may be modified by the DOE in accordance with contract terms. The Mound contract contributed \$136 million of sales and \$5.5 million of operating income to discontinued operations in 1995 and is the Company's one remaining DOE management and operations contract.

Environmental: The Company is conducting a number of environmental investigations and remedial actions at current and former Company locations and, along with other companies, has been named a potentially responsible party for certain waste disposal sites. The Company accrues for environmental issues in the accounting period that the Company's responsibility is established and when the cost can be reasonably estimated. As of December 31, 1995, the Company had an accrual of \$3.8 million to reflect

its estimated liability for environmental remediation. As assessments and remediation activities progress at each individual site, these liabilities are reviewed to reflect additional information as it becomes available. There have been no environmental problems to date that have had or are expected to have a material effect on the Company's financial position or results of operations. While it is reasonably possible that a material loss exceeding the amounts recorded may have been incurred, the preliminary stages of the investigations make it impossible for the Company to reasonably estimate the range of potential exposure.

1994 COMPARED TO 1993

During the third quarter of 1994, three significant events occurred that had a material effect on both the current financial results and the expected future performance of the Company. First, the Company decided not to seek renewal of its four DOE management and operations contracts. Second, management completed its review of the remaining operating segments' performance and developed a plan to reposition these businesses to attain the Company's business goals. The plan resulted in restructuring charges of \$30.4 million. Finally, the decline in the financial results of certain operating elements within the Instruments segment, together with a strategic and operational review of these operations, resulted in an evaluation of the related goodwill for possible impairment. This evaluation resulted in a \$39.2 million write-down of goodwill and a reduction in the estimated remaining useful life of unamortized goodwill from 36 years to 16 years. The Company also wrote off \$1.1 million of a small Optoelectronics unit's goodwill. Additional information related to these events is discussed below and in Notes 5, 8 and 10 to the consolidated financial statements.

Sales

Sales from continuing operations for 1994 were \$1,333 million, \$13 million higher than 1993 sales.

Technical Services: The \$22 million decline resulted primarily from the \$32 million reduction in program expenditures under the new base operations contract with the National Aeronautics and Space Administration (NASA) at the Kennedy Space Center (KSC). In addition, automotive testing sales declined \$8 million to more normal levels following increases in 1993 caused by the introduction of new testing protocols. Partially offsetting these decreases were increased billings of \$21 million from the chemical weapons disposal contract as it moves into its testing phase.

Instruments: The \$36 million increase resulted primarily from \$31 million of sales of Wallac, acquired late in the second quarter of 1993, and a \$12 million increase in airport security product sales. These increases were partially offset by a \$4 million sales decrease in other businesses. These businesses are being sold under the restructuring plan and contributed sales of \$16 million in 1994.

Mechanical Components: The \$12 million decrease was primarily due to the absence of sales of an operation divested late in 1993.

Optoelectronics: The \$12 million increase was due primarily to higher shipments of flash products of \$20 million, and \$5 million of sales of IC Sensors, acquired at the end of the third quarter of 1994. Partially offsetting the increases were the absence of \$5 million of sales from an operation divested late in 1993 and a \$4 million decrease in sales on a government contract that ended in September 1994.

Operating Income (Loss) From Continuing Operations

The operating loss from continuing operations in 1994 was \$10.9 million compared to income of \$87.5 million in 1993. The loss from continuing operations included the \$40.3 million write-down of goodwill and restructuring charges of \$30.4 million resulting from management's restructuring plan. The Wallac and IC Sensors acquisitions were the main contributors to the \$3.9 million increase in research and development expenses. The \$13.4 million increase in selling, general and administrative expenses resulted mainly from Wallac and increased Corporate expenses, offset by cost reductions in the Instruments segment and the absence of expenses of operations divested in 1993.

Restructuring Charges: During the third quarter of 1994, management completed its review of the operating segments and developed a plan to reposition these businesses to attain the Company's business goals. The plan resulted in pre-tax restructuring charges of \$30.4 million. The principal actions in the restructuring plan included reduction of excess manufacturing capacity, changes in distribution channels, consolidation and re-engineering of support infrastructure, disposal of under-utilized assets, withdrawal from certain unprofitable product lines, disposal of excess property and general cost reductions. The restructuring plan will result in the termination of the jobs of approximately 1,000 non-DOE employees; the net work force reduction will be approximately 800 non-DOE employees. The major components of the restructuring charges were \$21 million of employee separation costs, \$4.9 million of noncash charges to dispose of certain product lines and assets through sale or abandonment and \$4.5 million of charges to terminate lease and other contractual obligations no longer required as a result of the restructuring plan. The charges do not include additional costs associated with the restructuring plan, such as voluntary early retirement programs, training, consulting, purchases of equipment and relocation of employees and equipment. These costs were charged to

operations or capitalized, as appropriate, when incurred. The implementation of this plan commenced during the second half of 1994 and was substantially completed at the end of 1995.

Technical Services: The \$22.7 million decrease resulted primarily from reductions in the automotive testing business from the \$4.7 million impact of lower sales and, to a lesser extent, from increased costs. A reduction at the KSC of \$5.1 million was due to the lower fee on the new base operations contract. In addition, a \$3.3 million decrease resulted from unfavorable 1994 contract adjustments compared to favorable 1993 contract settlements. Restructuring charges of \$1.6 million and early retirement costs also contributed to the decrease. The restructuring plan is not expected to have a significant, direct impact on future results in this segment since cost reductions primarily relate to operations with cost reimbursable contracts. However, the Company does expect to be more competitive in bidding for future procurements as a result of cost reductions.

Instruments: The Instruments loss of \$49.6 million resulted primarily from a goodwill write-down of \$39.2 million related to the Berthold business acquired in 1989, and restructuring charges of \$16.5 million. The remainder of the decrease resulted from costs associated with delays in the introduction of new diagnostic products, the impact that the strengthening of the Finnish markka had on Wallac's results, higher royalty expense and expenses related to the close-down of a research and development project. Partially offsetting these decreases were \$2.5 million of cost reductions in the nuclear business.

Mechanical Components: The decrease of \$5.6 million resulted from \$2.7 million of restructuring charges, a provision for environmental remediation costs of \$1.3 million and increased start-up costs for the transportation element of the electromechanical business.

Optoelectronics: Profits resulting from higher flash product shipments and the continued benefit of cost reductions implemented in 1993 were offset by \$8.6 million of restructuring charges and, to a lesser extent, the impact of lower sales on a government contract. In addition, the results reflected a \$1.1 million write-off of a small unit's goodwill.

General Corporate Expenses: The increase was due to \$1 million of restructuring charges, \$1 million of consulting costs that were associated with the restructuring plan, \$1 million of separation costs incurred during the first six months of the year plus general cost increases.

Other: The net change in other income (expense) was due to the write-down of certain investments by \$4.5 million to their estimated realizable value due to deterioration in the company/partnership's financial condition and the decision to liquidate the Company's position in investments no longer consistent with its strategic direction.

The 1994 tax provision and effective rate for continuing operations were significantly impacted by the goodwill write-down and the restructuring charges. The Company did not record any tax benefit from the goodwill write-down and approximately \$11 million of the restructuring charges because these charges, while tax deductible, were incurred in tax jurisdictions where the Company had existing operating loss carryforwards.

Discontinued Operations: During 1994, the Company announced a plan to exit the DOE business and decided not to seek renewal of its four DOE management and operations contracts although it intends to continue to meet its obligations under the terms and conditions of the present contracts. The Company will not compete for management and operations contracts at other DOE facilities. Accordingly, the Company is reporting the former DOE Support segment as discontinued operations for all periods presented in the consolidated financial statements. The Company's contract to manage the INEL expired September 30, 1994 and contributed \$240 million of sales and \$7.3 million of operating income to discontinued operations in 1994.

Income from discontinued operations, net of income taxes, was \$1.5 million above the 1993 level. The increase resulted from a cost/productivity improvement fee of \$7.3 million earned at Rocky Flats offset partially by the fee reduction reflecting the expiration of the INEL contract in September 1994.

FINANCIAL CONDITION

The Company's cash and cash equivalents increased \$9.8 million in 1995 while commercial paper borrowings were eliminated and long-term debt proceeds were \$115 million. Net cash provided by operating activities was \$150.2 million in 1995, \$95.9 million in 1994 and \$112.1 million in 1993. The net cash provided by continuing operations was higher in 1995 compared to 1994 as a result of increased earnings and a \$29.6 million reduction in accounts receivable and inventories, despite higher sales, resulting from the Company's aggressive operating capital reduction program. The decrease in 1994's net cash provided when compared to 1993 resulted from lower earnings, partially offset by a net reduction in working capital. The net cash provided by operating activities was used principally for stock repurchases, capital expenditures, cash dividends and, in 1994 and 1993, for acquisitions. Proceeds from issuing common stock in 1993 were due to an employee stock purchase plan which was terminated in that year.

Cash outlays in 1995 under the 1994 restructuring plan were \$17.5 million, mainly for employee termination costs, bringing the total spent under the plan to \$21.5 million. Future cash outlays of \$3.7 million primarily represent payments for lease commitments and employee termination benefits being paid over time. Proceeds from dispositions of non-strategic assets generated cash in excess of \$20 million in 1995.

Discontinued operations generated cash of \$26.3 million in 1995. Future cash flows from discontinued operations will decrease due to the expiration of all but the Mound contract by the end of 1995.

Capital expenditures were \$61.8 million in 1995, an increase of \$24.6 million over the 1994 level, and are expected to exceed the 1995 level by 40% to 50% in 1996. These increases support new product development initiatives primarily in the Optoelectronics segment, including the amorphous silicon and micromachined sensor programs.

In 1995, the Company issued \$115 million of unsecured ten-year notes, of a total \$150 million authorized, at an interest rate of 6.8%. The unissued notes of \$35 million are covered by a shelf registration. The proceeds were used to pay off commercial paper borrowings that were used mainly to finance repurchases of the Company's common stock. The Company has two revolving credit agreements totaling \$250 million. These agreements consist of a \$175 million, 364-day facility, which expires in March 1996, and a \$75 million, three-year facility, which expires in March 1998. The Company did not draw down either of these credit facilities during 1995, and is in the process of negotiating an extension of these agreements.

During 1995, the Company purchased 7.7 million shares of its common stock through periodic purchases on the open market at a cost of \$135.1 million. As of December 31, 1995, the Company had authorization to purchase 5.6 million additional shares.

The Company has limited involvement with derivative financial instruments and uses them only to protect an underlying exposure. The Company uses forward exchange contracts and options to hedge certain foreign commitments and transactions denominated in foreign currencies. The notional amount of outstanding forward exchange contracts was \$57.4 million as of December 31, 1995. The average term is three months, corresponding with expected collections or payments. On forward contracts, there are no cash requirements until maturity. Credit risk is minimal because the contracts are with very large banks; any market risk is offset by the exposure on the underlying hedged items. Gains and losses on forward contracts are offset against foreign exchange gains and losses on the underlying hedged items and, in some cases, are deferred until underlying exposures are recognized if there is a firm commitment.

DIVIDENDS

In January 1996, the Board of Directors declared a regular quarterly cash dividend of 14 cents per share, resulting in an annual rate of 56 cents per share for 1996. EG&G has paid cash dividends, without interruption, for 31 years and continues to retain what management believes to be sufficient earnings to support the funding requirements of its planned growth.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

CONSOLIDATED BALANCE SHEET

As of December 31, 1995 and January 1, 1995

(Dollars in thousands except per share data)	1995	1994
Current Assets:		
Cash and cash equivalents	\$ 76,204	\$ 66,424
Accounts receivable (Note 3)	211,903	226,268
Inventories (Note 4)	114,199	123,299
Other (Notes 7 and 13)	66,380	56,635
Net assets of discontinued operations (Note 5)	---	8,852
Total Current Assets	468,686	481,478
Property, Plant and Equipment:		
At cost (Note 6)	417,566	364,801
Accumulated depreciation and amortization	(270,026)	(243,139)
Net Property, Plant and Equipment	147,540	121,662
Investments (Note 7)	16,072	16,515
Intangible Assets (Note 8)	123,421	127,312
Other Assets (Notes 12 and 13)	48,196	46,162
Total Assets	\$ 803,915	\$ 793,129
Current Liabilities:		
Short-term debt (Note 9)	\$ 5,275	\$ 59,988
Accounts payable	72,759	66,132
Accrued restructuring costs (Note 10)	3,748	21,532

Accrued expenses (Note 11)	164,923	134,170
Net liabilities of discontinued operations (Note 5)	3,746	---
Total Current Liabilities	250,451	281,822
Long-Term Debt (Note 9)	115,222	812
Long-Term Liabilities (Notes 12 and 13)	71,296	65,129
Contingencies (Note 14)		
Stockholders' Equity (Note 16):		
Preferred stock \$1 par value, authorized 1,000,000 shares; none outstanding	---	---
Common stock \$1 par value, authorized 100,000,000 shares; issued 60,102,000 shares	60,102	60,102
Retained earnings	498,181	459,738
Cumulative translation adjustments	28,679	10,785
Net unrealized gain on marketable investments (Note 7)	244	3,337
Cost of shares held in treasury; 12,492,000 shares in 1995 and 4,978,000 shares in 1994	(220,260)	(88,596)
Total Stockholders' Equity	366,946	445,366
Total Liabilities and Stockholders' Equity	\$ 803,915	\$ 793,129

<F1>

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF OPERATIONS

For the Three Years Ended December 31, 1995

(Dollars in thousands except per share data)	1995	1994	1993
Sales:			
Products	\$ 802,187	\$ 750,649	\$ 725,627
Services	617,391	581,907	593,789
Total Sales	1,419,578	1,332,556	1,319,416
Costs and Expenses (Note 12):			
Cost of sales:			
Products	512,970	486,564	472,262
Services	539,076	508,045	498,791
Total cost of sales	1,052,046	994,609	971,053
Research and development expenses	42,379	38,585	34,664
Selling, general and administrative expenses	242,480	239,609	226,215
Goodwill write-down (Note 8)	---	40,300	---
Restructuring charges (Note 10)	---	30,400	---
Total Costs and Expenses	1,336,905	1,343,503	1,231,932
Operating Income (Loss) From Continuing Operations	82,673	(10,947)	87,484
Other Income (Expense), Net (Note 19)	3,386	(6,176)	1,008
Income (Loss) From Continuing Operations Before Income Taxes	86,059	(17,123)	88,492
Provision for Income Taxes (Note 13)	31,755	14,984	33,870
Income (Loss) From Continuing Operations Net of Income Taxes (Note 5)	54,304	(32,107)	54,622
Income (Loss) From Discontinued Operations, Net of Income Taxes (Note 5)	13,736	26,452	24,949
Income (Loss) Before Cumulative Effect of Accounting Changes	68,040	(5,655)	79,571
Cumulative Effect of Accounting Changes:			
Income taxes (Note 13)	---	---	(7,300)
Postretirement benefits other than pensions (Note 12)	---	---	(13,200)
Net Income (Loss)	\$ 68,040	\$ (5,655)	\$ 59,071
Earnings (Loss) Per Share (Note 20):			
Continuing Operations	\$ 1.05	\$ (.58)	\$.97
Discontinued Operations	.27	.48	.44
Income (Loss) Before Cumulative Effect of Accounting Changes	1.32	(.10)	1.41
Cumulative Effect of Accounting Changes:			
Income taxes	---	---	(.13)
Postretirement benefits other than pensions	---	---	(.23)
Net Income (Loss)	\$ 1.32	\$ (.10)	\$ 1.05

<F1>

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

For the Three Years Ended December 31, 1995

(Dollars in thousands except per share data)	Common Stock	Retained Earnings	Cumulative Translation Adjustments	Net Unrealized Gain on Marketable Investments	Cost of Shared Held in	Total Stockholders'
Treasury Equity	-----	-----	-----	-----	-----	-----
Balance, January 3, 1993 \$473,636	\$60,102	\$473,262	\$(1,323)	\$ ---	\$ (58,405)	
Net income	---	59,071	---	---	---	59,071
Cash dividends (\$.52 per share)	---	(29,358)	---	---	---	(29,358)
Exercise of employee stock options and related income tax benefits	---	(298)	---	---	7,356	7,058
Translation adjustments	---	---	(6,964)	---	---	(6,964)
Issuance of common stock for employee benefit plans	---	(6,614)	---	---	25,724	19,110
Purchase of common stock for treasury	---	---	---	---	(45,019)	(45,019)
Balance, January 2, 1994 477,534	60,102	496,063	(8,287)	---	(70,344)	
Net loss	---	(5,655)	---	---	---	(5,655)
Cash dividends (\$.56 per share)	---	(31,012)	---	---	---	(31,012)
Exercise of employee stock options and related income tax benefits	---	342	---	---	887	1,229
Translation adjustments	---	---	19,072	---	---	19,072
Purchase of common stock for treasury	---	---	---	---	(19,139)	(19,139)
Unrealized gain on marketable investments	---	---	---	3,337	---	3,337
Balance, January 1, 1995 445,366	60,102	459,738	10,785	3,337	(88,596)	
Net income	---	68,040	---	---	---	68,040
Cash dividends (\$.56 per share)	---	(29,293)	---	---	---	(29,293)
Exercise of employee stock options and related income tax benefits	---	246	---	---	3,415	3,661
Translation adjustments	---	---	17,894	---	---	17,894
Purchase of common stock for treasury	---	---	---	---	(135,079)	(135,079)
Change in net unrealized gain on marketable investments	---	---	---	(3,093)	---	(3,093)
Redemption of shareholder rights	---	(550)	---	---	---	(550)
Balance, December 31, 1995 \$366,946	\$60,102	\$498,181	\$28,679	\$ 244	\$ (220,260)	

<F1>
The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Three Years Ended December 31, 1995
(Dollars in thousands)

	1995	1994	1993
Cash Flows Provided by Operating Activities:			
Net income (loss)	\$ 68,040	\$ (5,655)	\$ 59,071
Deduct net income from discontinued operations	(13,736)	(26,452)	(24,949)
Add cumulative effect of accounting changes	---	---	20,500
Income (loss) from continuing operations	54,304	(32,107)	54,622
Adjustments to reconcile income (loss) from continuing operations to net cash provided by continuing operations:			
Goodwill write-down	---	40,300	---
Noncash portion of restructuring charges	---	4,902	---
Depreciation and amortization	39,426	36,790	37,842
Losses (gains) on dispositions and investments, net	(5,442)	5,322	(3,176)
Changes in assets and liabilities, net of effects from companies purchased and divested:			
Decrease in accounts receivable	17,535	6,284	20,054
Decrease (increase) in inventories	12,106	1,643	(1,971)
Increase (decrease) in accounts payable	6,087	2,124	(12,146)
Increase (decrease) in accrued restructuring costs	(17,522)	21,532	---
Increase (decrease) in accrued expenses	27,609	2,904	(5,410)
Change in prepaid and deferred taxes	(3,712)	(5,163)	(3,514)
Change in prepaid expenses and other	(6,560)	(14,190)	(10,084)
Net Cash Provided by Continuing Operations	123,831	70,341	76,217
Net Cash Provided by Discontinued Operations	26,334	25,542	35,920
Net Cash Provided by Operating Activities	150,165	95,883	112,137
Cash Flows Used in Investing Activities:			
Capital expenditures	(61,839)	(37,277)	(27,860)
Proceeds from dispositions of businesses and sales of property, plant and equipment	15,238	2,872	9,503
Cost of acquisitions, net of cash and cash equivalents acquired	---	(32,841)	(32,186)
Proceeds from sales of investment securities	10,584	5,092	7,813
Other	(2,754)	(2,730)	(2,503)
Net Cash Used in Investing Activities	(38,771)	(64,884)	(45,233)
Cash Flows Used in Financing Activities:			
Increase (decrease) in commercial paper	(49,814)	14,873	2,977
Other debt payments	(5,607)	(3,939)	(17,752)
Proceeds from issuance of long-term debt	115,000	---	---

Proceeds from issuance of common stock	3,661	1,229	26,168
Purchases of common stock	(135,079)	(19,139)	(45,019)
Cash dividends	(29,293)	(31,012)	(29,358)
Other	(1,763)	---	---
	-----	-----	-----
Net Cash Used in Financing Activities	(102,895)	(37,988)	(62,984)
	-----	-----	-----
Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,281	1,228	(1,487)
	-----	-----	-----
Net Increase (Decrease) in Cash and Cash Equivalents	9,780	(5,761)	2,433
	-----	-----	-----
Cash and Cash Equivalents at Beginning of Year	66,424	72,185	69,752
	-----	-----	-----
Cash and Cash Equivalents at End of Year	\$ 76,204	\$ 66,424	\$ 72,185
	=====	=====	=====
Supplemental Disclosures of Cash Flow Information:			
Cash paid during the year for:			
Interest	\$ 7,271	\$ 5,063	\$ 6,819
Income taxes	23,380	41,353	41,256

<F1>

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Principles of Consolidation: The consolidated financial statements include the accounts of EG&G, Inc. and its subsidiaries (the Company). All material intercompany balances and transactions have been eliminated in consolidation. Certain reclassifications have been made to conform prior years' data to the current format.

Sales: Sales under cost-reimbursement contracts are recorded as costs are incurred and include applicable income in the proportion that costs incurred bear to total estimated costs. Other product and service sales are recorded at the time of shipment for products and at the end of a contract phase for service contracts. If a loss is anticipated on any contract, provision for the entire loss is made immediately.

Inventories: Inventories, which include material, labor and manufacturing overhead, are valued at the lower of cost or market. The majority of inventories is accounted for using the first-in, first-out method. All other inventories are accounted for using the last-in, first-out (LIFO) method.

Property, Plant and Equipment: The Company depreciates plant and equipment over their estimated useful lives using accelerated methods for income tax purposes. The Company changed its method of depreciation for certain classes of plant and equipment purchased after January 1, 1995 from an accelerated method to the straight-line method for financial statement purposes. The Company believes that the straight-line method more appropriately reflects the timing of the economic benefits to be received from these assets, consisting mainly of manufacturing equipment, during their estimated useful lives. The Company also changed its convention for calculating depreciation expense during the year that an asset is acquired. Previously, the Company used the half-year convention; starting in 1995, the Company commences depreciation in the month the asset is placed in service. In 1995, the effect of applying these new methods was to reduce depreciation expense by \$4.3 million, and to increase income from continuing operations and net income by \$2.7 million and net income per share by \$.05. The reductions in depreciation expense represent the differences in current year depreciation expense between the old and new methods. Most of this difference occurred in the Optoelectronics segment. Depreciation and amortization was higher in 1995 than in 1994 because the effect of the changes in methods was exceeded by the effect of higher capital expenditures and inclusion of IC Sensors' depreciation for a full year. For financial statement purposes, the estimated useful lives generally fall within the following ranges: buildings and special-purpose structures 10 to 25 years; leasehold improvements estimated useful life or remaining term of lease, whichever is shorter; machinery and equipment 3 to 7 years; special-purpose equipment expensed or depreciated over the life of the initial related contract. Nonrecurring tooling costs are capitalized, while recurring costs are expensed.

Pension Plans: The Company's funding policy provides that payments to the U.S. pension trusts shall at least be equal to the minimum funding requirements of the Employee Retirement Income Security Act of 1974. Non-U.S. plans are accrued for but generally not funded, and benefits are paid from operating funds.

Translation of Foreign Currencies: The balance sheet accounts of non-U.S. operations, exclusive of stockholders' equity, are translated at year-end exchange rates, and income statement accounts are translated at weighted average rates in effect during the year; any translation adjustments are made directly to a component of stockholders' equity. The after-tax aggregate net transaction gains (losses) were not material for the years presented.

Intangible Assets: Intangible assets result from acquisitions accounted for using the purchase method of accounting and include the excess of cost over the fair market value of the net assets of the acquired businesses. Substantially all of these intangible assets are being amortized over

periods of up to 20 years. Subsequent to the acquisition, the Company continually evaluates whether later events and circumstances have occurred that indicate the remaining estimated useful life of goodwill may warrant revision or that the remaining balance of goodwill may not be recoverable. When factors indicate that goodwill should be evaluated for possible impairment, the Company uses an estimate of the related business segment's discounted future cash flows over the remaining life of the goodwill in measuring whether the goodwill is recoverable. See Note 8 for discussion of the goodwill write-down occurring in 1994.

During 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," which, effective January 1, 1996, requires the determination of whether an impairment has occurred to be based on undiscounted cash flows. If it is determined that an impairment has occurred, the impaired asset must be written down to fair value. The Company does not expect the adoption of SFAS No. 121 to have a material impact on its financial statements.

Cash Flows: For purposes of the Consolidated Statement of Cash Flows, the Company considers all highly liquid instruments with a purchased maturity of three months or less to be cash equivalents. The carrying amount of cash and cash equivalents approximates fair value due to the short maturities.

Environmental Matters: The Company accrues for costs associated with the remediation of environmental pollution when it is probable that a liability has been incurred and the Company's proportionate share of the amount can be reasonably estimated. Any recorded liabilities have not been discounted.

2. Acquisitions

In September 1994, the Company acquired IC Sensors, a leading supplier of micromachined sensing and control components used in the automotive, medical, industrial and consumer product markets, for cash of \$30 million. The excess of the cost over the fair market value of the net assets acquired was \$21 million, which is being amortized over 15 years using a straight-line method. In September 1994, the Company also acquired NoVOCs, Inc., which offers a process for restoring groundwater contaminated by gasoline and other volatile organic compounds, for cash of \$3.3 million and contingent payments based on future sales. These acquisitions were accounted for using the purchase method, and their results of operations were included in the consolidated results of the Company from the date of acquisition. The effect of these acquisitions was not material to the consolidated results of operations.

3. Accounts Receivable

Accounts receivable as of December 31, 1995 and January 1, 1995 included unbilled receivables of \$44 million and \$57 million, respectively, which were due primarily from U.S. Government agencies. Accounts receivable were net of reserves for doubtful accounts of \$4.4 million and \$5.8 million as of December 31, 1995 and January 1, 1995, respectively.

4. Inventories

Inventories as of December 31, 1995 and January 1, 1995 consisted of the following:

(In thousands)	1995	1994
Finished goods	\$ 28,540	\$ 35,304
Work in process	28,613	28,551
Raw materials	57,046	59,444
	-----	-----
	\$114,199	\$123,299
	=====	=====

The portion of inventories accounted for using the LIFO method of determining inventory costs in 1995 and 1994 approximated 23% and 25%, respectively, of total inventories. The excess of current cost of inventories over the LIFO value was approximately \$9 million at December 31, 1995 and \$10 million at January 1, 1995.

5. Discontinued Operations

The former DOE Support segment, which has provided services under management and operations contracts, is presented as discontinued operations in accordance with Accounting Principles Board (APB) Opinion No. 30.

The EG&G Rocky Flats, Inc. contract terminated in June 1995. The Reynolds Electrical and Engineering Co., Inc. and the EG&G Energy Measurements, Inc. contracts expired on December 31, 1995. The EG&G Mound Applied Technologies, Inc. contract, the Company's remaining management and operations contract with the DOE, expires on September 30, 1996. The work scope and fee pools are negotiated annually, and the expiration date may be modified by the DOE in accordance with contract terms.

Summary operating results of the discontinued operations were as follows:

(In thousands)	1995	1994	1993
	-----	-----	-----

Sales	\$659,852	\$1,300,064	\$1,378,532
Costs and expenses	638,719	1,259,369	1,340,149
	-----	-----	-----
Income from discontinued operations before income taxes	21,133	40,695	38,383
Provision for income taxes	7,397	14,243	13,434
	-----	-----	-----
Income from discontinued operations, net of income taxes	\$ 13,736	\$ 26,452	\$ 24,949
	=====	=====	=====

Given the nature of the government contracts, the Company does not anticipate incurring any material loss on the ultimate completion of the contracts.

Net assets (liabilities) of discontinued operations as of December 31, 1995 and January 1, 1995 consisted of the following:

(In thousands)		1995	1994
		-----	-----
Accounts receivable, primarily unbilled	\$	7,575	\$15,717
Operating current liabilities		(11,439)	(6,934)
Other		118	69
		-----	-----
	\$	(3,746)	\$ 8,852
		=====	=====

6. Property, Plant and Equipment, at Cost

Property, plant and equipment as of December 31, 1995 and January 1, 1995 consisted of the following:

(In thousands)		1995	1994
		-----	-----
Land	\$	12,003	\$ 15,877
Buildings and leasehold improvements		108,254	95,938
Machinery and equipment		297,309	252,986
		-----	-----
	\$	417,566	\$364,801
		=====	=====

7. Investments

Investments as of December 31, 1995 and January 1, 1995 consisted of the following:

(In thousands)		1995	1994
		-----	-----
Marketable investments (Note 12)	\$	9,547	\$14,187
Other investments		1,396	6,330
Joint venture investments		7,349	5,314
		-----	-----
		18,292	25,831
		-----	-----
Less investments classified as other current assets		(2,220)	(9,316)
		-----	-----
	\$	16,072	\$16,515
		=====	=====

Marketable investments consisted of common stocks and trust assets which were primarily invested in money market funds, fixed income securities and common stocks to meet the supplemental executive retirement plan obligation. SFAS No. 115 require that available-for-sale investments in securities that have readily determinable fair values be measured at fair value in the balance sheet and that unrealized holding gains and losses for these investments be reported in a separate component of stockholders' equity until realized. The net unrealized holding gain, net of deferred income taxes, reported as a separate component of stockholders' equity, was \$0.2 million at December 31, 1995, a \$3.1 million decrease from the \$3.3 million gain at January 1, 1995. In 1995, proceeds and, included in the results of operations, gross realized gains from sales of available-for-sale securities were \$4.8 million and \$3.7 million, respectively. Average cost was the basis for computing the realized gains.

Marketable investments classified as available for sale as of December 31, 1995 and January 1, 1995 consisted of the following:

(In thousands)	1995				1994			
	-----				-----			
			Gross Unrealized Holding				Gross Unrealized Holding	
	Market Value	Cost	Gains	(Losses)	Market Value	Cost	Gains	(Losses)
	-----	-----	-----	-----	-----	-----	-----	-----
Common stocks	\$6,355	\$6,144	\$ 919	\$(708)	\$11,994	\$6,860	\$5,134	\$ ---
Fixed income securities	2,789	2,694	95	---	1,987	1,987	---	---
Money market funds	261	261	---	---	206	206	---	---

Other	142	72	70	---	---	---	---	---
	-----	-----	-----	-----	-----	-----	-----	-----
	\$9,547	\$9,171	\$1,084	\$(708)	\$14,187	\$9,053	\$5,134	\$---
	=====	=====	=====	=====	=====	=====	=====	=====

The market values were based on quoted market prices. As of December 31, 1995, the fixed income securities, on average, have maturities of approximately eight years.

Other investments consisted of nonmarketable investments in venture capital partnerships and private companies, which are carried at the lower of cost or net realizable value. The estimated aggregate fair value of other investments approximated the carrying amount at December 31, 1995 and January 1, 1995. The fair values of other investments were estimated based on the most recent rounds of financing and securities transactions and on other pertinent information, including financial condition and operating results. The Company wrote down certain investments by \$2.5 million in 1995 and \$4.5 million in 1994 to their estimated realizable value due to deterioration in the company/partnership's financial condition and the decision to liquidate the Company's position in investments no longer consistent with its strategic direction.

Marketable investments of \$1.2 million and other investments of \$1 million were classified as other current assets at December 31, 1995. Marketable investments of \$8.3 million and other investments of \$1 million were classified as other current assets at January 1, 1995.

Joint venture investments are accounted for using the equity method.

8. Intangible Assets

Intangible assets were shown net of accumulated amortization of \$42.2 million and \$31.6 million at December 31, 1995 and January 1, 1995, respectively. The \$3.9 million net decrease in intangible assets resulted primarily from current year amortization, partially offset by the effect of translating goodwill denominated in non-U.S. currencies at current exchange rates.

In 1994, the continued decline in the financial results of the operating elements of the Company's Berthold business acquired in 1989, the resultant strategic and operational review and the application of the Company's objective measurement tests resulted in an evaluation of goodwill for possible impairment. The underlying factors contributing to the decline in financial results included changes in the marketplace, delays in customer acceptance of new technologies and worldwide economic conditions. The Company calculated the present value of expected cash flows to determine the fair value of the business using a discount rate of 12% which represents the Company's weighted average cost of capital. The evaluation resulted in a \$39.2 million write-down of Berthold's \$76 million goodwill balance. The evaluation also led the Company to determine that the remaining amortization period for the goodwill should be reduced from 36 years to 16 years based on the factors identified above. The Company also wrote off \$1.1 million of a small Optoelectronics unit's goodwill in 1994.

9. Debt

There were no commercial paper borrowings outstanding at December 31, 1995. Short-term debt at January 1, 1995 consisted primarily of commercial paper of \$49.8 million that had maturities of less than 90 days. The weighted average interest rate on commercial paper borrowings was 6.1% at January 1, 1995. Commercial paper borrowings averaged \$52.5 million during 1995 at an average interest rate of 6.1% compared to average borrowings of \$42.3 million during 1994 at an average interest rate of 4.7%. Current maturities of long-term debt are also included in this account. During 1995, the Company renewed its credit facilities with the signing of two revolving credit agreement extensions totaling \$250 million. These agreements consist of a \$175 million, 364-day facility, which expires in March 1996, and a \$75 million, three-year facility, which expires in March 1998. These agreements serve as backup facilities for the commercial paper borrowings. The Company did not draw down either of these credit facilities during 1995. The Company is in the process of negotiating another extension of these agreements for which there are no significant commitment fees.

At December 31, 1995, long-term debt included \$115 million of unsecured ten-year notes issued in October 1995 at an interest rate of 6.8%. The total notes authorized were \$150 million, and the unissued notes of \$35 million are covered by a shelf registration. The carrying amount of the Company's long-term debt approximated the estimated fair value at December 31, 1995 based on a quoted market price.

10. Restructuring Charges

During the third quarter of 1994, management completed its review of various operating elements and developed a plan to reposition these businesses to attain the Company's business goals. The plan resulted in pre-tax restructuring charges of \$30.4 million. The principal actions in the restructuring plan included reduction of excess manufacturing capacity, changes in distribution channels, consolidation and re-engineering of support infrastructure,

disposal of under-utilized assets, withdrawal from certain unprofitable product lines, disposal of excess property and general cost reductions. During 1995, the net work force reduction was 500, bringing the total reduction to 700 positions since the inception of the plan. The restructuring plan called for a net work force reduction of approximately 800 positions in continuing operations. There will be some additional terminations in early 1996.

The major components of the restructuring charges were \$21 million of employee separation costs, \$4.9 million of noncash charges to dispose of certain product lines and assets through sale or abandonment and \$4.5 million of charges to terminate lease and other contractual obligations no longer required as a result of the restructuring plan. The charges do not include additional costs associated with the restructuring plan such as voluntary early retirement programs, training, consulting, purchases of equipment and relocation of employees and equipment. These costs were charged to operations or capitalized, as appropriate, when incurred. Under the 1994 restructuring plan, cash outlays in 1995 were \$17.5 million, mainly for employee termination costs, bringing the total spent to \$21.5 million. As of December 31, 1995, accrued restructuring costs of \$3.7 million primarily represent payments for lease commitments and employee termination benefits being paid over time.

11. Accrued Expenses

Accrued expenses as of December 31, 1995 and January 1, 1995 consisted of the following:

(In thousands)	1995	1994
Payroll and incentives	\$ 28,660	\$ 16,842
Employee benefits	40,178	44,482
Federal, non-U.S. and state income taxes	33,153	17,243
Other	62,932	55,603
	-----	-----
	\$164,923	\$134,170
	=====	=====

12. Employee Benefit Plans

Savings Plan: The Company has a savings plan for the benefit of qualified U.S. employees. Under this plan, the Company contributes an amount equal to the lesser of 55% of the amount of the employee's voluntary contribution or 3.3% of the employee's annual compensation. In 1993, the contribution was the lesser of 50% or 3% of the same items. Savings plan expense was \$5.7 million in 1995, \$6.2 million in 1994 and \$5.7 million in 1993.

Pension Plans: The Company has defined benefit pension plans covering substantially all U.S. employees and non-U.S. pension plans for non-U.S. employees. The plans provide benefits that are based on an employee's years of service and compensation near retirement. Assets of the U.S. plan are composed primarily of corporate equity and debt securities.

Net periodic pension cost included the following components:

(In thousands)	1995	1994	1993
Service cost benefits earned during the period	\$ 9,073	\$ 9,822	\$ 8,398
Interest cost on projected benefit obligations	16,733	15,070	14,030
Actual return on plan assets	(42,992)	(461)	(18,316)
Net amortization and deferral	24,310	(15,442)	3,852
	-----	-----	-----
	\$ 7,124	\$ 8,989	\$ 7,964
	=====	=====	=====

The decrease in pension expense for 1995 was caused by changes in the discount rate and other actuarial assumptions in the U.S. plan.

The following table sets forth the funded status of the principal U.S. pension plan and the principal non-U.S. pension plans and the amounts recognized in the Company's Consolidated Balance Sheet at December 31, 1995 and January 1, 1995:

(In thousands)	1995		1994	
	Non-U.S.	U.S.	Non-U.S.	U.S.
Actuarial present value of benefit obligations:				
Vested benefit obligations	\$23,702	\$165,913	\$18,832	\$137,490
Accumulated benefit obligations	\$24,806	\$174,569	\$20,329	\$144,729
Projected benefit obligations				

for service provided to date	\$31,490	\$205,100	\$27,050	\$170,286
Plan assets at fair value	---	219,960	---	173,947
Plan assets less (greater) than projected benefit obligations	31,490	(14,860)	27,050	(3,661)
Unrecognized net transition asset	---	4,508	---	5,259
Unrecognized prior service costs	(983)	807	(987)	924
Unrecognized net gain (loss)	2,504	(18,922)	2,101	(22,948)
Accrued pension liability (asset)	\$33,011	\$(28,467)	\$28,164	\$(20,426)
Actuarial assumptions as of the year-end measurement date were:				
Discount rate	7.00%	7.25%	8.00%	8.25%
Rate of compensation increase	4.50%	5.00%	5.50%	5.50%
Long-term rate of return on assets	---	9.50%	---	9.75%

The non-U.S. accrued pension liability included \$32.5 million and \$27.8 million classified as long-term liabilities as of December 31, 1995 and January 1, 1995, respectively. The U.S. pension asset was classified as other noncurrent assets.

The Company also sponsors a supplemental executive retirement plan to provide senior management with benefits in excess of normal pension benefits. At December 31, 1995 and January 1, 1995, the projected benefit obligations were \$11 million and \$9.7 million, respectively. Assets with a fair value of \$8.3 million and \$6 million, segregated in a trust, were available to meet this obligation as of December 31, 1995 and January 1, 1995, respectively. Pension expense for this plan was approximately \$1.5 million in 1995 and 1994, and \$1 million in 1993.

Postretirement Medical Plans: The Company provides health care benefits for eligible retired U.S. employees under a comprehensive major medical plan or under health maintenance organizations where available. The majority of the Company's U.S. employees become eligible for retiree health benefits if they retire directly from the Company and have at least ten years of service. Generally, the major medical plan pays stated percentages of covered expenses after a deductible is met, and takes into consideration payments by other group coverages and by Medicare. The plan requires retiree contributions under most circumstances and has provisions for cost-sharing changes. For employees retiring after 1991, the Company has capped its medical premium contribution based on employees' years of service. The Company funds the amount allowable under a 401(h) provision in the Company's defined benefit pension plan. Assets of the plan are composed primarily of corporate equity and debt securities.

Effective January 4, 1993, the Company adopted SFAS No. 106 on accounting for postretirement benefits other than pensions for its U.S. retiree health benefits described above. This statement requires the expected cost of Postretirement benefits to be charged to expense during the years in which employees render service. This is a change from the prior policy of recognizing these costs as paid. As part of adopting the new standard, the Company recorded a one-time, noncash charge against earnings of \$20 million before taxes, or \$13.2 million after income taxes (\$.23 per share). This cumulative adjustment represented the discounted present value of expected future retiree health benefits attributed to employees' service rendered prior to January 4, 1993.

Net periodic postretirement medical benefit cost included the following components:

(In thousands)	1995	1994	1993
	-----	-----	-----
Service cost - benefits earned during the period	\$ 391	\$ 426	\$ 360
Interest cost on accumulated benefit obligation	1,697	1,620	1,686
Actual return on plan assets	(1,001)	(70)	(3)
Net amortization and deferral	544	(237)	3
	-----	-----	-----
	\$1,631	\$1,739	\$2,046

The following table sets forth the plan's funded status and the amounts recognized in the Company's Consolidated Balance Sheet at December 31, 1995 and January 1, 1995:

(In thousands)	1995	1994
	-----	-----
Accumulated benefit obligation:		
Current retirees	\$15,762	\$16,128
Active employees eligible to retire	908	440
Other active employees	7,171	5,281
	-----	-----
	23,841	21,849
Plan assets at fair value	7,342	4,165
Plan assets less than accumulated benefit obligation	-----	-----
	16,499	17,684
Unrecognized net gain	381	251

Accrued postretirement medical liability	\$16,880	\$17,935
Actuarial assumptions as of the year-end measurement date were:		
Discount rate	7.25%	8.25%
Health care cost trend rate:		
First year	13.0%	14.0%
Ultimate	6.5%	6.5%
Years to reach ultimate	8 years	9 years
Long-term rate of return on assets	9.50%	9.75%

The accrued postretirement medical benefit obligation included \$15.9 million and \$16.9 million classified as long-term liabilities as of December 31, 1995 and January 1, 1995, respectively.

If the health care cost trend rate was increased 1%, the accumulated postretirement benefit obligation would have increased by approximately \$1.5 million at December 31, 1995. The effect of this increase on the annual cost for 1995 would have been approximately \$0.1 million.

Other: During 1995, the Company adopted an Economic Value Added Incentive Compensation Plan, the purpose of which is to provide incentive compensation to certain key employees, including all officers, in a form that relates the financial rewards to an increase in the value of the Company to its shareholders. Awards under this plan are approved annually by the Board of Directors.

Effective January 3, 1994, the Company adopted SFAS No. 112 on accounting for postemployment benefits. This new standard requires that benefits paid for former or inactive employees after employment but prior to retirement must be accrued if certain criteria are met. Adoption of the statement was not material to the Company's financial position or results of operations.

The above information does not include amounts related to benefit plans applicable to employees associated with contracts with the DOE and NASA because the Company is not responsible for the current or future funded status of the plans.

13. Income Taxes

Effective January 4, 1993, the Company adopted SFAS No. 109 on accounting for income taxes. This standard determines deferred income taxes based on the estimated future tax effects of differences between the financial statement and tax basis of assets and liabilities, given the provisions of enacted tax laws. Prior to the implementation of this statement, the Company accounted for income taxes under APB Opinion No. 11. As part of adopting the new standard, the Company recorded a one-time, noncash charge against earnings of \$7.3 million (\$.13 per share).

The components of income (loss) from continuing operations before income taxes for financial reporting purposes were as follows:

(In thousands)	1995	1994	1993
	-----	-----	-----
U.S.	\$53,264	\$ 15,986	\$70,449
Non-U.S.	32,795	(33,109)	18,043
	-----	-----	-----
	\$86,059	\$(17,123)	\$88,492
	=====	=====	=====

The components of the provision for income taxes for continuing operations were as follows:

(In thousands)	1995		1994		1993				
	Deferred		Deferred		Deferred				
	Current	(Prepaid)	Total	Current	(Prepaid)	Total	Current	(Prepaid)	Total
	-----	-----	-----	-----	-----	-----	-----	-----	-----
Federal	\$26,268	\$(3,411)	\$22,857	\$10,735	\$(2,569)	\$ 8,166	\$19,495	\$3,454	\$22,949
State	3,572	(264)	3,308	3,670	157	3,827	5,275	(255)	5,020
Non-U.S.	5,325	265	5,590	2,834	157	2,991	6,398	(497)	5,901
	-----	-----	-----	-----	-----	-----	-----	-----	-----
	\$35,165	\$(3,410)	\$31,755	\$17,239	\$(2,255)	\$14,984	\$31,168	\$2,702	\$33,870
	=====	=====	=====	=====	=====	=====	=====	=====	=====

The total provision for income taxes included in the consolidated financial statements was as follows:

(In thousands)	1995	1994	1993
Continuing operations	\$31,755	\$14,984	\$33,870
Discontinued operations	7,397	14,243	13,434

\$39,152

\$29,227

\$47,304

The major differences between the Company's effective tax rate for continuing operations and the Federal statutory rate were as follows:

	1995	1994	1993
Federal statutory rate	35.0 %	(35.0) %	35.0 %
Non-U.S. rate differential, net	(0.3)	(18.2)	(2.5)
State income taxes, net	2.5	14.5	3.7
Goodwill amortization	2.0	10.0	1.7
Increase (decrease) in valuation allowance	(4.5)	117.0	1.0
Other, net	2.2	(0.8)	(0.6)
Effective tax rate	36.9 %	87.5 %	38.3 %

The 1994 tax provision and effective rate for continuing operations were significantly impacted by the goodwill write-down and the restructuring charges. The Company did not record any tax benefit from the goodwill write-down and approximately \$11 million of the restructuring charges because these charges, while tax deductible, were incurred in tax jurisdictions where the Company had existing operating loss carryforwards and, therefore, the related tax assets were offset by a valuation allowance.

The effect of SFAS No. 109 on the consolidated effective tax rate was minimal in 1993.

The tax effects of temporary differences and carryforwards which gave rise to prepaid (deferred) income taxes as of December 31, 1995 and January 1, 1995 were as follows:

(In thousands)	1995	1994
Deferred tax assets:		
Inventory reserves	\$ 4,902	\$ 5,266
Other reserves	10,983	6,058
Depreciation	6,020	9,325
Vacation pay	6,319	6,080
Net operating loss carryforwards	35,616	31,102
Postretirement health benefits	5,940	6,123
Restructuring reserve	1,870	7,578
All other, net	23,576	23,608
Total deferred tax assets	95,226	95,140
Deferred tax liabilities:		
Award and holdback fees	(3,629)	(4,193)
Pension contribution	(8,301)	(5,092)
Amortization	(8,734)	(7,835)
All other, net	(7,771)	(12,423)
Total deferred tax liabilities	(28,435)	(29,543)
Valuation allowance	(29,243)	(32,658)
Net prepaid taxes	\$37,548	\$32,939

At December 31, 1995, the Company had non-U.S. (primarily from Germany) net operating loss carryforwards of \$76.9 million, of which \$5.4 million expire in years 1996 through 2005 and \$71.5 million of which carry forward indefinitely. The \$29.2 million valuation allowance results primarily from these carryforwards, for which the Company currently believes it is more likely than not that they will not be realized.

Current prepaid income taxes of \$40.2 million and \$26.7 million at December 31, 1995 and January 1, 1995, respectively, were included in other current assets. Long-term prepaid income taxes of \$3.6 million and \$11.6 million were included in other noncurrent assets at December 31, 1995 and January 1, 1995, respectively. Long-term deferred income taxes of \$6.3 million and \$5.3 million were included in long-term liabilities at December 31, 1995 and January 1, 1995, respectively.

In general, it is the practice and intention of the Company to reinvest the earnings of its non-U.S. subsidiaries in those operations. Repatriation of retained earnings is done only when it is advantageous. Applicable Federal taxes are provided only on amounts planned to be remitted. Accumulated net earnings of non-U.S. subsidiaries for which no Federal taxes have been provided as of December 31, 1995 were \$76 million, which does not include amounts that, if remitted, would result in little or no additional tax because of the availability of non-U.S. tax credits. Federal taxes that would be payable upon remittance of these earnings are estimated to be \$21.9 million at December 31, 1995.

14. Contingencies

The Company is subject to various investigations, claims and legal

proceedings covering a wide range of matters that arise in the ordinary course of its business activities. Each of these matters is subject to various uncertainties, and it is possible that some of these matters may be resolved unfavorably to the Company. The Company has established accruals for matters that are probable and reasonably estimable. Management believes that any liability that may ultimately result from the resolution of these matters in excess of amounts provided will not have a material adverse effect on the financial position or results of operations of the Company.

In addition, the Company is conducting a number of environmental investigations and remedial actions at current and former Company locations and, along with other companies, has been named a potentially responsible party for certain waste disposal sites. The Company accrues for environmental issues in the accounting period that the Company's responsibility is established and when the cost can be reasonably estimated. The Company has accrued \$3.8 million to reflect its estimated liability for environmental remediation. As assessments and remediation activities progress at each individual site, these liabilities are reviewed to reflect additional information as it becomes available. There have been no environmental problems to date that have had or are expected to have a material effect on the Company's financial position or results of operations. While it is reasonably possible that a material loss exceeding the amounts recorded may have been incurred, the preliminary stages of the investigations make it impossible for the Company to reasonably estimate the range of potential exposure. During 1994 and 1995, the Company received notices from the Internal Revenue Service (IRS) asserting deficiencies in Federal corporate income taxes for the Company's 1985 to 1991 taxable years. The total additional tax proposed by the IRS amounts to \$43 million plus interest. The Company has filed petitions in the United States Tax Court to challenge most of the deficiencies asserted by the IRS. The Company believes that it has meritorious legal defenses to those deficiencies and believes that the ultimate outcome of the case will not result in a material impact on the Company's consolidated results of operations or financial position.

15. Risks and Uncertainties

The American Institute of Certified Public Accountants issued Statement of Position (SOP) 94-6, "Disclosure of Certain Significant Risks and Uncertainties," effective for fiscal years ending after December 15, 1995. The SOP requires disclosures about the nature of operations and the use of estimates in the preparation of financial statements. If specified disclosure criteria are met, it requires disclosures about certain significant estimates and current vulnerability due to certain concentrations.

EG&G, Inc. is a broad-based technology company that provides an array of products and technical services to manufacturers and end-users in medical, aerospace, automotive and other ground transportation, environmental, industrial and government markets worldwide. The Company's industry segments are Technical Services, Instruments, Mechanical Components and Optoelectronics. Based on sales, Technical Services is the largest segment, representing over 40% of the Company's sales; the other three segments are about equal in size. The Technical Services segment supplies engineering, scientific, environmental, management and technical support services primarily to U.S. Government agencies. Analysis and testing services are provided primarily to the U.S. automotive industry. The Instruments segment develops and manufactures hardware and associated software for applications in medical diagnostics, biochemical and medical research, materials analyses, environmental monitoring, industrial process measurement, food monitoring and airport and industrial security worldwide. Mechanical Components provides products to four worldwide markets. Mechanical seals and bellows products are designed and manufactured for the chemical and petrochemical industries. Fans, blowers, ducting, components, seals and metallic parts/valves are supplied to the aerospace market. Motors and power supplies are sold to the transportation market. Regenerative blower and biofiltration systems are used in the environmental remediation market. The Optoelectronics segment designs and manufactures optical sensors, flashlamps and laser diodes. Electronic components are provided for industrial, consumer and medical applications and defense and energy programs. Micromachined sensors are used for a variety of applications, such as pressure sensors and accelerometers. Optoelectronics is designing medical imaging devices based on amorphous silicon technology. High-reliability power supplies are manufactured. This segment's products are distributed worldwide.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

During 1995, 38% of the Company's sales from continuing operations were to U.S. Government agencies, predominantly to the Department of Defense and NASA. In accordance with government regulations, all of the Company's government contracts are subject to termination for the convenience of the government. Costs incurred under cost-reimbursable contracts are subject to audit by the government. The results of prior audits, complete through 1991, have not had a material effect on the Company. For additional information on government contracts, see Note 21.

Given the nature of the DOE contracts, which are presented as discontinued operations, the Company does not anticipate incurring any material loss on the ultimate completion of the contracts.

For information concerning various investigations, claims, legal proceedings, environmental investigations and remedial actions, and notices from the IRS, see Note 14.

16. Stockholders' Equity

At December 31, 1995, 5.5 million shares of the Company's common stock were reserved for employee benefit plans.

The Company has nonqualified and incentive stock option plans for officers and key employees. Under these plans, options may be granted at prices not less than 100% of the fair market value on the date of grant. All options expire ten years from the date of grant. Options granted in 1994 become exercisable, in ratable installments, over a period of five years from the date of grant. In other years, options became exercisable at the date of grant. The Stock Option Committee of the Board of Directors, at its sole discretion, may also include stock appreciation rights in any option granted. There are no stock appreciation rights outstanding under these plans.

A summary of certain stock option information is as follows:

(In thousands)	1995		1994		1993	
	Number of Shares	Price Range	Number of Shares	Price Range	Number of Shares	Price Range
Outstanding at beginning of year	3,611	\$14.25 - 22.88	3,260	\$14.44 - 22.88	2,902	\$14.44 - 22.88
Granted	13	15.00 - 17.88	736	14.25 - 15.38	726	21.63
Exercised	(197)	14.25 - 22.88	(54)	14.44 - 17.25	(355)	14.44 - 22.88
Lapsed	(151)	14.25 - 22.88	(331)	14.44 - 22.88	(13)	15.50 - 22.88
Outstanding at end of year	3,276	\$14.25 - 22.88	3,611	\$14.25 - 22.88	3,260	\$14.44 - 22.88
Exercisable at end of year	2,740		2,895		3,260	
Available for grant at end of year	2,226		1,354		1,144	

In January 1996, the Board of Directors granted 650,000 options which become exercisable, in ratable installments, over a period of five years from date of grant at an exercise price of \$21.75 per share.

On January 25, 1995, the Board of Directors adopted a new Shareholder Rights Plan. Under the plan, preferred stock purchase rights were distributed on February 8, 1995 as a dividend at the rate of one right for each share of common stock outstanding. Each right, when exercisable, entitles a stockholder to purchase one one-thousandth of a share of a new series of junior participating preferred stock at a price of \$60. The rights become exercisable only if a person or group acquires 20% or more or announces a tender or exchange offer for 30% or more of the Company's common stock. This preferred stock is nonredeemable and will have 1,000 votes per share. The rights are nonvoting, expire in 2005 and may be redeemed prior to becoming exercisable. The Company has reserved 70,000 shares of preferred stock, designated as Series C Junior Participating Preferred Stock, for issuance upon exercise of such rights. If a person (an "Acquiring Person") acquires or obtains the right to acquire 20% or more of the Company's outstanding common stock (other than pursuant to certain approved offers), each right (other than rights held by the Acquiring Person) will entitle the holder to purchase shares of common stock of the Company at one-half of the current market price at the date of occurrence of the event. In addition, in the event that the Company is involved in a merger or other business combination in which it is not the surviving corporation or in connection with which the Company's common stock is changed or converted, or it sells or transfers 50% or more of its assets or earning power to another person, each right that has not previously been exercised will entitle its holder to purchase shares of common stock of such other person at one-half of the current market price of such common stock at the date of the occurrence of the event. In connection with the adoption of the plan, the Company redeemed the rights issued pursuant to the Company's January 28, 1987 Rights Agreement at a redemption price of \$.01 per right to shareholders of record as of February 8, 1995.

17. Financial Instruments

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of temporary cash investments and accounts receivable. At December 31, 1995, the Company had no significant concentrations

of credit risk. The Company has limited involvement with derivative financial instruments and uses them only to protect an underlying exposure. The Company uses forward exchange contracts and options to hedge certain foreign commitments and transactions denominated in foreign currencies. The notional amount of outstanding forward exchange contracts was \$57.4 million as of December 31, 1995 and \$24.5 million as of January 1, 1995. The carrying value as of December 31, 1995 and January 1, 1995, which approximated fair value, was not significant. The average contract term is three months, corresponding with expected collections or payments. On forward contracts, there are no cash requirements until maturity. Credit risk is minimal because the contracts are with very large banks; any market risk is offset by the exposure on the underlying hedged items. When forward contracts are closed, the Company enters into spot transactions to fulfill the contract obligations. Gains and losses on forward contracts are offset against foreign exchange gains and losses on the underlying hedged items and, in some cases, are deferred until underlying exposures are recognized if there is a firm commitment. Transactions covered by hedge contracts include collection of receivables from third-party customers, collection of intercompany receivables, payments to third-party suppliers and payment of intercompany payables.

See Notes 1, 7 and 9 for disclosures about fair values, including methods and assumptions, of other financial instruments.

18. Leases

The Company leases certain property and equipment under operating leases. Rental expense charged to earnings for 1995, 1994 and 1993 amounted to \$18.7 million, \$19.3 million and \$18.7 million, respectively. Minimum rental commitments under noncancelable operating leases are as follows: \$16.3 million in 1996, \$12.2 million in 1997, \$8.2 million in 1998, \$5 million in 1999, \$3.1 million in 2000 and \$9.1 million after 2000. The above information does not include amounts related to leases covered by contracts with the DOE and NASA because the costs are reimbursable under the contracts.

19. Other Income (Expense), Net

Other income (expense), net, consisted of the following:

(In thousands)	1995	1994	1993
Interest income	\$ 4,930	\$ 3,167	\$ 4,043
Gains (losses) on investments, net (Note 7)	2,047	(4,682)	2,975
Interest expense	(8,514)	(5,419)	(6,264)
Other	4,923	758	254
	-----	-----	-----
	\$ 3,386	\$(6,176)	\$ 1,008
	=====	=====	=====

Other consists mainly of gains on the sale of operating assets, income from joint ventures and foreign exchange losses.

20. Earnings (Loss) Per Share

Earnings (loss) per common share was computed by dividing net income (loss) by the weighted average number of common shares outstanding. The number of shares issuable upon the exercise of stock options had no material effect on earnings (loss) per share. The weighted average number of shares used in the earnings (loss) per share computations were 51,483,000 for 1995, 55,271,000 for 1994 and 56,504,000 for 1993.

21. Industry Segment and Geographic Area Information

The Company's continuing operations are classified into four industry segments: Technical Services, Instruments, Mechanical Components and Optoelectronics. The products and services of these segments are described in Note 15 and elsewhere in the Annual Report. Sales and operating income (loss) from continuing operations by industry segment are shown in the Segment Sales and Income section of this report; such information with respect to 1995, 1994 and 1993 is considered an integral part of this note.

Sales to U.S. Government agencies, which were predominantly to the Department of Defense and NASA, were \$537 million, \$542 million and \$560 million in 1995, 1994 and 1993, respectively. In October 1993, the Company was selected by NASA to continue as the base operations contractor at the KSC. The contract contained reductions in contract value and has resulted in a lower annual fee from the prior contract. This and the prior contract contributed sales of \$172 million, \$176 million and \$201 million in 1995, 1994 and 1993, respectively. There are two years remaining on the contract, which has two three-year renewal options at the discretion of the government. NASA has announced that it will designate a single Space Shuttle Flight Operations contractor in 1996. While the impact of this initiative cannot be determined, the Company believes at this time that its contract will not be adversely affected.

Additional information relating to the Company's operations in the various industry segments follows:

(In thousands)	Amortization Expense			Expenditures		
	1995	1994	1993	1995	1994	1993
Technical Services	\$ 7,698	\$ 7,447	\$ 8,422	\$12,047	\$ 7,314	\$ 6,315
Instruments	11,887	11,621	9,213	4,639	5,398	6,555
Mechanical Components	5,585	6,091	6,870	6,978	6,197	5,598
Optoelectronics	13,220	10,690	12,417	35,925	17,748	8,469
Corporate	1,036	941	920	2,250	620	923
	\$39,426	\$36,790	\$37,842	\$61,839	\$37,277	\$27,860

(In thousands)	Identifiable Assets		
	1995	1994	1993
Technical Services	\$113,901	\$129,995	\$127,917
Instruments	225,358	220,232	256,117
Mechanical Components	100,363	93,721	97,317
Optoelectronics	200,719	193,302	142,630
Corporate and Other	163,574	155,879	140,906
	\$803,915	\$793,129	\$764,887

Corporate assets consist primarily of cash and cash equivalents, prepaid pension and taxes, and investments.

Information relating to geographic areas follows:

(In thousands)	Sales			Operating Income (Loss) From Continuing Operations		
	1995	1994	1993	1995	1994	1993
U.S.	\$1,065,424	\$1,026,970	\$1,049,131	\$82,256	\$ 57,679	\$ 96,495
Germany	87,690	61,310	134,754	4,508	(43,492)	53
Other Non-U.S.	266,464	244,276	135,531	25,102	9,748	18,509
Corporate	---	---	---	(29,193)	(34,882)	(27,573)
	\$1,419,578	\$1,332,556	\$1,319,416	\$82,673	\$ (10,947)	\$ 87,484

(In thousands)	Identifiable Assets		
	1995	1994	1993
U.S.	\$353,130	\$341,725	\$305,344
Germany	89,834	100,650	154,361
Other Non-U.S.	197,377	194,875	164,276
Corporate and Other	163,574	155,879	140,906
	\$803,915	\$793,129	\$764,887

Transfers between geographic areas were not material.

22. Quarterly Financial Information (Unaudited)

Selected quarterly financial information follows:

(In thousands except per share data)	Quarters				
	First	Second	Third	Fourth	Year
1995	\$338,230	\$342,251	\$361,602	\$377,495	\$1,419,578
Sales					
Operating income from continuing operations	15,673	20,435	19,086	27,479	82,673
Income from continuing operations before income taxes	15,473	20,268	20,304	30,014	86,059
Income from continuing operations	9,352	12,343	13,669	18,940	54,304
Net income	13,689	16,376	15,978	21,997	68,040
Earnings per share:					
Continuing operations (a)	.17	.23	.27	.40	1.05
Net income (a)	.25	.31	.32	.46	1.32
Cash dividends per common share	.14	.14	.14	.14	.56
Market price of common stock:					
High	15.50	18.38	20.00	24.50	
Low	13.00	15.00	16.38	18.00	
Close	15.00	16.75	19.50	24.25	
1994	\$325,747	\$329,880	\$336,860	\$340,069	\$1,332,556
Sales					
Operating income (loss) from continuing operations	12,675	15,012	(54,961)	16,327	(10,947)
Income (loss) from continuing operations before income taxes	12,654	14,579	(58,343)	13,987	(17,123)
Income (loss) from continuing operations	7,813	8,977	(56,940)	8,043	(32,107)
Net income (loss)	14,353	16,423	(48,294)	11,863	(5,655)
Earnings (loss) per share:					
Continuing operations	.14	.16	(1.03)	.15	(.58)
Net income (loss)	.26	.30	(.88)	.22	(.10)
Cash dividends per common share	.14	.14	.14	.14	.56
Market price of common stock:					
High	19.00	16.50	15.88	17.00	
Low	16.38	14.13	14.63	13.75	
Close	16.38	15.00	15.25	14.13	

<F1>

a) The sum of the quarterly earnings per share does not equal the year's earnings per share. This is due to changes in weighted average shares of common stock outstanding resulting from share repurchases in 1995.

b) Included a goodwill write-down of \$40.3 million and restructuring charges of \$30.4 million.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Stockholders of EG&G, Inc.:

We have audited the accompanying consolidated balance sheets of EG&G, Inc. (a Massachusetts corporation) and subsidiaries as of December 31, 1995 and January 1, 1995, and the related consolidated statements of operations, stockholders' equity and cash flows for the years ended December 31, 1995, January 1, 1995 and January 2, 1994. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements 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 financial position of EG&G, Inc. and subsidiaries as of December 31, 1995 and January 1, 1995, and the results of their operations and their cash flows for the years ended December 31, 1995, January 1, 1995 and January 2, 1994, in conformity with generally accepted accounting principles.

As explained in Notes 12 and 13 to the consolidated financial statements, effective January 4, 1993, the Company changed its method of accounting for postretirement benefits other than pensions and for income taxes. As explained in Note 7 to the consolidated financial statements, effective January 3, 1994, the Company changed its method of accounting for marketable investments. As explained in Note 1 to the consolidated financial statements, effective January 2, 1995, the Company changed its method of accounting for depreciation of certain plant and equipment.

/s/ Arthur Andersen LLP
Arthur Andersen LLP
Boston, Massachusetts
January 23, 1996

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

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE
REGISTRANT

a) DIRECTORS

The information required by this Item with respect to Directors is contained on Pages 14 through 19 of the Company's 1996 Proxy Statement under the captions "Election of Directors" and "Information Relative to the Board of Directors and Certain of its Committees" and is herein incorporated by reference.

b) EXECUTIVE OFFICERS

The information required by this item with respect to Executive Officers is contained in Part I of this Report.

ITEM 11. EXECUTIVE COMPENSATION

The information required to be disclosed by this Item is contained in Pages 14 - 19 of the Company's 1996 Proxy Statement from under the caption "Summary Compensation Table" up to and including "Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Value Option Table" and Notes thereto, and is herein incorporated by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS
AND MANAGEMENT

The information required by this Item is contained on Pages 8 - 9 of the Company's 1996 Proxy Statement under the captions "Security Ownership of Certain Beneficial Owners" and "Security Ownership of Management" and is herein incorporated by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED
TRANSACTIONS

Not applicable.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT

SCHEDULES, AND REPORTS ON FORM 8-K

(a) DOCUMENTS FILED AS PART OF THIS REPORT:

1. FINANCIAL STATEMENTS

Included in Part II, Item 8:

Consolidated Balance Sheet as of December 31, 1995 and
January 1, 1995

Consolidated Statement of Operations for the Three Years
Ended December 31, 1995

Consolidated Statement of Stockholders' Equity for the Three
Years Ended December 31, 1995

Consolidated Statement of Cash Flows for the Three Years
Ended December 31, 1995

Notes to Consolidated Financial Statements

Report of Independent Public Accountants

2. FINANCIAL STATEMENT SCHEDULES

Report of Independent Public Accountants on Financial Statement
Schedules

Schedule II - Valuation and Qualifying Accounts

Financial statement schedules, other than those above, are omitted
because of the absence of conditions under which they are required or
because the required information is given in the financial statements
or notes thereto.

Separate financial statements of the Registrant are omitted since it
is primarily an operating company, and since all subsidiaries included
in the consolidated financial statements being filed, in the
aggregate, do not have minority equity interests and/or indebtedness
to any person other than the Registrant or its consolidated
subsidiaries in amounts which together exceed five percent of total
consolidated assets.

3. EXHIBITS

3.1 The Company's Restated Articles of Organization, as filed with
the Massachusetts Secretary of the Commonwealth on July 31, 1995,
were filed with the Commission on September 21, 1995 as Exhibit 4(i)
to the Company's Registration Statement on Form S-8 and are herein
incorporated by reference.

3.2 The Company's By-Laws as amended by the Board of Directors
on May 3, 1995, were filed with the Commission on September 21,
1995, as Exhibit 4(ii) to the Company's Registration Statement on
Form S-8, and are herein incorporated by reference.

4.1 The form of certificate used to evidence ownership of EG&G
Common Stock, \$1 par value, was filed as Exhibit 4(a) to EG&G's
Registration Statement on Form S-3, File No. 2-69642 and is herein
incorporated by reference.

4.2 Form of Indenture dated June 28, 1995 between the Company
and the First National Bank of Boston, as Trustee was filed with the
Commission as Exhibit 4.1 to EG&G's Registration Statement on Form
S-3, File No. 33-59675 and is herein incorporated by reference.

*10.1 EG&G, Inc. Supplemental Executive Retirement Plan revised as
of April 19, 1995.

*10.2 EG&G, Inc. Economic Value Added Plan as adopted by the
EG&G, Inc. Board of Directors on January 24, 1996.

10.3 3-Year Competitive Advance and Revolving Credit Facility
Agreement ("3-Year Agreement") dated as of March 21, 1994 among
EG&G, Inc., the Lenders Named Herein and Chemical Bank as
Administrative Agent; Amendment No. 1 to 3-Year Agreement dated as
of March 15, 1995; Amendment No. 2 to 3-Year Agreement dated as of
March 14, 1996.

10.4 364-Day Competitive Advance and Revolving Credit Facility
Agreement ("364-Day Agreement") dated as of March 21, 1994 among
EG&G, Inc., the Lenders Named Herein and Chemical Bank as
Administrative Agent; Amendment No. 1 to 364-Day Agreement dated
as of March 15, 1995; Amendment No. 2 to 364-Day Agreement dated
as of March 14, 1996.

*10.5 Employment Contracts:

(1) Employment contract between John M. Kucharski and EG&G
dated November 1, 1993.

- (2) Employment contract between Murray Gross and EG&G dated November 1, 1993.
- (3) Employment contract between John F. Alexander, II and EG&G dated November 1, 1993.
- (4) Employment contract between Angelo Castellana and EG&G dated November 1, 1993.
- (5) Employment contract between Dale L. Fraser and EG&G dated November 1, 1993.
- (6) Employment contract between Earl M. Fray and EG&G dated June 20, 1994.
- (7) Employment contract between Daniel T. Heaney and EG&G dated June 1, 1995.
- (8) Employment contract between E. Lavonne Lewis and EG&G dated June 1, 1995.
- (9) Employment contract between Deborah S. Lorenz and EG&G dated November 1, 1993.
- (10) Employment contract between Fred B. Parks and EG&G dated November 1, 1993.
- (11) Employment contract between Donald H. Peters and EG&G dated November 1, 1993.
- (12) Employment contract between Luciano Rossi and EG&G dated November 1, 1993.
- (13) Employment contract between Edward H. Snow and EG&G dated November 1, 1993.
- (14) Employment contract between C. Michael Williams and EG&G dated November 1, 1993.
- (15) Employment contract between Peter H. Zavattaro and EG&G dated November 1, 1993.

Except for the name of the officer in the employment contracts identified by numbers 3 through and including 15, the form of said employment contracts is identical in all respects. The employment contracts identified by numbers 1 and 2 are identical to each other and are virtually identical to the contracts identified by numbers 3 through 15 except that they provide for a longer contract term, three years as opposed to one year. The employment contract between John F. Alexander, II and EG&G is representative of the employment contracts of the executive officers and is attached hereto as Exhibit 10.5.

*10.6 The EG&G, INC. 1978 NON-QUALIFIED STOCK OPTION PLAN as amended by the Board of Directors on January 26, 1988, was filed with the Commission as Exhibit 14(a)3.(v) to EG&G's Annual Report on Form 10-K for the fiscal year ending January 3, 1988, and is herein incorporated by reference.

*10.7 The EG&G, INC. 1982 INCENTIVE STOCK OPTION PLAN as amended by the Board of Directors on January 24, 1990, was filed with the Commission as Exhibit B on pages 37-42 of the Company's 1990 Proxy Statement and is herein incorporated by reference.

*10.8 The EG&G, Inc. 1992 STOCK OPTION PLAN was filed as Exhibit 4(v) to EG&G's Registration Statement on Form S-8, File No. 33-49898 and is herein incorporated by reference.

- 21 Subsidiaries of the Registrant.
- 23 Consent of Independent Public Accountants.
- 24 Power of Attorney (appears on signature page).
- 27 Financial Data Schedule.

*This exhibit is a management contract or compensatory plan or arrangement required to be filed as an Exhibit pursuant to Item 14(c) of Form 10-K.

(b) REPORTS ON FORM 8-K

There were no reports on Form 8-K filed during the last quarter of the fiscal year ended December 31, 1995.

(c) PROXY STATEMENT

EG&G's 1996 Proxy Statement, in definitive form, was filed electronically on March 7, 1996, with the Securities and Exchange Commission in Washington, D.C. pursuant to the Commission's Rule 14a-6.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS
ON SCHEDULES

To EG&G, Inc.:

We have audited in accordance with generally accepted auditing standards, the consolidated financial statements of EG&G, Inc. included in this Form 10-K and have issued our report thereon dated January 23, 1996. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. Schedule II is the responsibility of the Company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. The schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

/s/ Arthur Andersen LLP
Arthur Andersen LLP
Boston, Massachusetts
January 23, 1996

SCHEDULE II

EG&G, INC. AND SUBSIDIARIES

VALUATION AND QUALIFYING ACCOUNTS

FOR THE THREE YEARS ENDED DECEMBER 31, 1995

(In thousands)	Balance at Beginning of Year	Additions (Subtractions)		Accounts Charged Off	Other	Balance at End of Year
		Charged (Credited) to Income				
Reserve for Doubtful Accounts						
Year Ended January 2, 1994	\$5,621	\$ 737	\$ (755)	\$523 (A)		\$6,126
Year Ended January 1, 1995	\$6,126	\$1,255	\$ (1,868)	\$307 (B)		\$5,820
Year Ended December 31, 1995	\$5,820	\$ (468)	\$ (1,214)	\$218		\$4,356

<F1>

(A) Includes reserves of \$705 related to a company acquired in 1993.
(B) Includes reserves of \$222 related to a company acquired in 1994.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference of our reports dated January 23, 1996, included in this Form 10-K, into Registration Statements previously filed by EG&G, Inc. on, respectively, Form S-8, File No. 2-61241; Form S-8, File No. 2-98168; Form S-8, File No. 33-36082; Form S-8, File No. 33-35379; Form S-8, File No. 33-49898; Form S-8, File No. 33-57606; Form S-8, File No. 33-54785; Form S-8; File No. 33-62805; and Form S-3, File No. 33-59675.

/s/Arthur Andersen LLP
Arthur Andersen LLP
Boston, Massachusetts
March 22, 1996

POWER OF ATTORNEY

We, the undersigned officers and directors of EG&G, Inc., hereby severally constitute John M. Kucharski, and Murray Gross, and each of them singly, our true and lawful attorneys with full power to them, and each of them singly, to sign for us and in our names, in the capacities indicated below, this Annual Report on Form 10-K and any and all amendments to said Annual Report on Form 10-K, and generally to do all such things in our name and behalf in our capacities as officers and directors to enable EG&G, Inc. to comply with the provisions of the Securities Exchange Act of 1934, and all requirements of the Securities and Exchange Commission, hereby rectifying and confirming signed by our said attorneys, and any and all amendments thereto.

Witness our hands on the date set forth below.

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.

EG&G, Inc.

March 22, 1996

By:/s/John M. Kucharski
John M. Kucharski
Chairman of the Board, President
and Chief Executive Officer
(Principal Executive Officer)

March 22 , 1996

By:/s/John F. Alexander, II
John F. Alexander, II
Vice President, Chief Financial Officer
and Corporate Controller
(Principal Financial and Accounting 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 date indicated:

By: /s/John M. Kucharski
John M. Kucharski, Director
Date: March 22, 1996

By: /s/Tamara J. Erickson
Tamara J. Erickson, Director
Date: March 18, 1996

By: /s/Robert F. Goldhammer
Robert F. Goldhammer, Director
Date: March 15, 1996

By: /s/John B. Gray
John B. Gray, Director
Date: March 14, 1996

By: /s/Kent F. Hansen
Kent F. Hansen, Director
Date: March 18, 1996

By: /s/Greta Marshall
Greta Marshall, Director
Date: March 22, 1996

By: _____
William F. Pounds, Director
Date: March , 1996

By: /s/Samuel Rubinovitz
Samuel Rubinovitz, Director
Date: March 14, 1996

By: /s/John Larkin Thompson
John Larkin Thompson, Director
Date: March 14, 1996

By: /s/G. Robert Tod
G. Robert Tod, Director
Date: March 22, 1996

EXHIBIT INDEX

Exhibit Number	Exhibit Name
10.1	EG&G, Inc. Supplemental Executive Retirement Plan revised as of April 19, 1995.
10.2	EG&G, Inc. Economic Value Added Plan as adopted by the EG&G, Inc. Board of Directors on January 24, 1996.
10.3	3-Year Competitive Advance and Revolving Credit Facility Agreement ("3-Year Agreement") dated as of March 21, 1994 among EG&G, Inc., the Lenders Named Herein and Chemical Bank as Administrative Agent; Amendment No. 1 to 3-Year Agreement dated as of March 15, 1995; Amendment No. 2 to 3-Year Agreement dated as of March 14, 1996.
10.4	364-Day Competitive Advance and Revolving Credit Facility Agreement ("364-Day Agreement") dated as of March 21, 1994 among EG&G, Inc., the Lenders Named Herein and Chemical Bank as Administrative Agent; Amendment No. 1 to 364-Day Agreement dated as of March 15, 1995; Amendment No. 2 to 364-Day Agreement dated as of March 14, 1996.
10.5	Employment Contract between John F. Alexander, II and EG&G, Inc.

21 Subsidiaries of the Registrant

27 Financial Data Schedule

EG&G, INC.
Supplemental Executive Retirement Plan

SECTION I

Plan Objectives

- 1.1 The objectives of the Supplemental Executive Retirement Plan (the "Plan") are as follows: to increase the overall effectiveness of the Company's executive compensation program to attract, retain, and motivate qualified senior executives;
- 1.2 to provide retirement benefits more closely related to Total Compensation; and
- 1.3 to soften the financial impact of early retirement for Participants.

SECTION II

Definitions

When used herein, the following terms shall have the meaning indicated below:

- 2.1 Actuarial Equivalence means a benefit of equivalent value to the benefit which otherwise would have been provided determined on the basis of the 1971 Group Annuity Mortality Table with no loading, and projected by Scale E, with a one-year age setback for the Participant and a five-year age setback for any Beneficiary, and on the basis of an interest rate of 7 percent.
- 2.2 Average Total Compensation means the average annual Total Compensation of a Participant for the highest five successive years of Credited Service for which the Participant is directly compensated by the Company out of the last ten years of such Credited Service prior to age 65 or earlier termination of employment.
- 2.3 Basic Plan means the EG&G, Inc. Employees' Retirement Plan and any other Company retirement plan under which a Participant is entitled to receive benefits.
- 2.4 Basic Plan Benefit means the annual benefit payable under the Basic Plan in the form of a straight-life annuity at the time of retirement or at age 65, whichever benefit is greater.
- 2.5 Committee means the Senior Executive Compensation and Governance Committee of the EG&G, Inc. Board of Directors.
- 2.6 Company means EG&G, Inc. and any subsidiary of which EG&G, Inc. controls 50 percent or more of the voting stock.
- 2.7 Credited Service shall be determined in accordance with the following:
 - (a) A Participant shall accrue a full year of Credited Service for each year in which he has at least 2,080 Hours of Service. In any year in which a Participant has less than 2,080 Hours of Service, the Participant shall be deemed to complete 1/12 of a Year of Credited Service for each 173-1/3 Hours of Service completed during such year.
 - (b) Service with a company other than the Company may, at the discretion of the Committee, be deemed to be Credited Service.
 - (c) In the event a Participant who has completed ten or more Years of Service becomes a Disabled Participant, the period of disability up to age 65 shall be counted as Credited Service regardless of whether the Participant remains in the employ of the Company.
 - (d) A Participant shall in no event be deemed to accrue more than one full year of Credited Service with respect to any year.

- (e) If the Participant was an Employee of the Company, terminated his Employment and is rehired, the following rules shall apply in determining his years of Credited Service:
 - (i) In the case of a Participant who had ten or more Years of Service, his Years of Credited Service accrued during his prior period of Employment shall be reinstated as of the date of his re-employment.
 - (ii) In the case of a Participant whose Employment terminated before completing ten Years of Service, his Years of Credited Service accrued during his prior period of Employment shall be reinstated unless the "Break-in-Service" exceeds the greater of: (a) five years, or (b) the number of prior Years of Service.
- 2.8 Disabled Participant means a Participant who incurs a physical or mental condition which, as determined by the Federal Social Security Administration, renders the Participant eligible to receive disability benefits under Title 11 of the Federal Social Security Act, as amended from time to time.
- 2.9 Effective Date means January 1, 1978.
- 2.10 Eligible Spouse means a person who was legally married to the Participant on the date of retirement or, if not retired, the date of death.
- 2.11 Employee means any person employed by the Company or a successor in a merger or other reorganization.
- 2.12 Employment means service in the employ of the Company, or a successor in a merger or other reorganization.
- 2.13 Executive Officer means an officer of EG&G, Inc. at or above the Vice Presidential level, the General Counsel, the Treasurer, the Corporate Controller, Assistant Treasurer, and Assistant Clerk.
- 2.14 Participant means either an Executive Officer of EG&G, Inc. or any other employee of the Company who is so designated by the Committee.
- 2.15 Plan Benefit means the annual benefit payable in accordance with this Plan.
- 2.16 Social Security Benefit means the estimated annual Primary Old Age Insurance Amount which the Participant would be entitled to receive at retirement under the Federal Social Security Act; provided, however, that the Social Security, Benefit for a Participant who dies or retires prior to age 65 shall be calculated on such date as if:
 - (a) the Participant will not receive any future wages which would be treated as wages for purposes of the Federal Social Security Act; and
 - (b) the Participant had elected to begin receiving Social Security as of the earliest age then allowable to the Participant under said Act.
- 2.17 Social Security Tax Base means the 35 year average of maximum wages upon which Social Security taxes were based during each of the calendar years ending with the calendar year in which the Employee reaches his Normal Retirement Date, assuming no change in the Social Security maximum taxable wage after the Employee's termination of Employment. In order to determine the Social Security Tax Base for an Employee who works beyond his Normal Retirement Date, it will be assumed that the Employee's Normal Retirement Date occurs in the year of termination.
- 2.18 Surviving Spouse Option means that the Participant's Plan Benefit will be paid in the form of a 50 percent joint and Survivor option which is the Actuarial Equivalent of the Participant's Plan Benefit had it been paid in the form of a Lifetime Income Option.
- 2.19 Total Compensation means the total cash compensation in the form of

base salary and incentive awards paid under the EG&G, Inc. Management Incentive Program (Incentive Award) paid to a Participant by the Company. For purposes of this Plan, an Incentive Award shall be allocated to the period of employment for which such Incentive Award was earned rather than to the period during which such Incentive Award was paid.

2.20 Years of Service shall be determined in accordance with the following:

- (a) A Participant shall accrue a Year of Service for each year in which he has 1,000 or more Hours of Service with the Company. Any Year in which the Participant has less than 1,000 but more than 500 Hours of Service shall not constitute a Break-in-Service but will not be considered as a Year of Service. If in any Year, the Participant has less than 500 Hours of Service, he shall incur a Break-in-Service.
- (b) A Participant shall be considered as accruing Hours of Service in accordance with his normal work week for each week:
 - (i) while on an authorized leave of absence, if at or before the end of such leave, the Participant returns to service, provided however, that a Participant on a leave who fails to return to service at or before the end of such leave, will be considered to have terminated his Employment as of the last day of service with the Company. If, however, such failure to return was due to death, disability, or retirement on his early or normal retirement date, the Participant's date of termination will be the date on which one of the above occurs.
 - (ii) during the one-year period following the date on which a Participant is laid off due to a reduction in work force provided the Participant returns to service within the one-year period following his date of termination. If the Participant does not return to service within said one-year period, whether because he was not recalled or was recalled but did not return to service, the Participant shall be considered to have terminated his service as of the last day of service.

If a Participant terminates his Employment and is rehired, the following rules shall apply in determining his Years of Service:

- (a) In the case of a Participant who had five or more Years of Service, his Years of Service accrued during his prior period of Employment shall be reinstated as of the date of his re-employment.
- (b) In the case of a Participant whose Employment terminated before completing five Years of Service, his Years of Service accrued during his prior period of Employment shall be reinstated unless the "Break-in-Service" exceeds five years.

In no event shall a Participant be deemed to have more than one Year of Service with respect to any Year.

SECTION III

Plan Benefits

3.1 Plan Benefit - Subject to Section IV below, a Participant who has attained age 55 and completed five Years of Service (including at least five Years of Service after the Effective Date of this Plan) upon retirement shall be entitled to receive an annual Plan Benefit equal to (a) less (b) plus (c) calculated as follows:

- (a) .85 percent of Average Total Compensation for each Year of Credited Service, plus .75 percent of Average Total Compensation in excess of Social Security Tax Base;

Less

- (b) 100 percent of the Participant's Basic Plan Benefit;

Plus

- (c) The reduction, if any, to the early retirement benefit payable from the Basic Plan due to the limitations as set forth in Section 415(b) of the Internal Revenue Code of 1986.

The benefit payable under the Plan, however, shall in no event be less than (c) above. Years of Service after age 65 shall not be counted in determining the Plan Benefit in 3.1(a) above, nor shall any actuarial adjustment be made as the result of, either retirement before or after age 65.

3.2 Pre-Retirement Death Benefit - If a Participant who has attained age 55 and completed five Years of Service dies prior to retirement, the Participant's Eligible Spouse, if any, shall be entitled to receive an annual Plan Benefit determined as if the Participant had retired and elected a 50 percent Actuarial Equivalent Surviving Spouse Option on the day before the Participant died. If a participant dies prior to attaining age 55, but after the completion of five years of service, the participant's benefit will be calculated on the date of the participant's death; and the participant's eligible spouse, if any, shall be entitled to receive an annual Plan Benefit in the form of 50 percent Actuarial Equivalent Surviving Spouse Option commencing on the day the participant would have attained age 55, if still living.

3.3 Form of Payment - The form of payment shall be:

- (a) In the form of a lifetime income for any Participant who does not have an Eligible Spouse.
- (b) In the form of a 50 percent Surviving Spouse option for any Participant who does have an Eligible Spouse.

Benefit payments will commence on the first of the month following the month in which the Participant retires, but not later than April 1 of the calendar year following the Participant attaining age 70 1/2.

3.4 Except as provided in Sections 4.1 and 4.2, the Company shall promptly pay all Participants or Eligible Spouses the benefits due them under the plan without any right to offset or to delay any benefits pending the outcome of any arbitration, lawsuit or other dispute with any such Participant.

SECTION IV

Miscellaneous

4.1 Forfeiture of Benefits - No benefits shall be paid under this Plan if a Participant, without the prior consent of the Committee, enters into or in any manner takes part as an employee, agent, officer, director, owner, or otherwise, in any business or entity which in the opinion of the Committee is in competition with or is in the same field as the business of the Company. After age 65, a Participant may join a business in the same field as, but not in competition with the Company. The foregoing shall not apply to ownership of less than 5 percent of the stock of a publicly-held corporation whose stock is publicly-traded on an exchange or in the over-the-counter market.

4.2 Provisions for Benefits - The Plan is unfunded. Benefits are paid from the operating revenues of the Company. Notwithstanding the foregoing, EG&G, Inc., in its sole discretion, may create one or more trusts to hold assets of the Plan and to provide for the payment of benefits. EG&G, Inc. shall be the owner of each trust and the trust corpus shall be subject to the claims of general creditors in the event of the bankruptcy or insolvency of EG&G, Inc. The trusts shall contain such other terms and conditions as EG&G, Inc. may deem necessary or advisable to ensure that benefits are not includable, by reason of the trusts, in the income of trust beneficiaries prior to actual distribution and that the existence of the trusts do not cause the Plan to be considered "funded" for purposes of Title I of the Employee Retirement Income Security Act of 1974, as amended.

4.3 Government Regulations - It is intended that the Plan will comply with all applicable laws and governmental regulations. The Company shall not be obligated to perform an obligation hereunder, or make any benefit payments, in any case where, in the opinion of the Company's General

Counsel, such performance would result in violation of any law or regulation.

- 4.4 Nonassignment - The right to compensation after termination hereunder shall not be assignable, and neither the Participant, nor an Eligible Spouse, nor any designated beneficiary shall be entitled to have such payments commuted or made otherwise than in accordance with the provisions of this Plan.
- 4.5 Arbitration - Any controversy relating to this Plan shall be settled by arbitration in the City of Boston, Commonwealth of Massachusetts, pursuant to the rules then obtaining of the American Arbitration Association, and judgment upon the award may be entered in any court having jurisdiction, and the Company and the Participant agree to be bound by the arbitration decision on any such controversy. Unless otherwise agreed by the parties hereto, arbitration will be by three arbitrators. The cost of any such arbitration shall be borne equally by the Company and the Participant. Each party shall be responsible for its own legal expenses.
- 4.6 Amendment or Discontinuance - The Board of Directors of EG&G, Inc. may amend or terminate the Plan at any time. Such amendment or termination shall not reduce, eliminate, or accelerate the benefit entitlements in course of payment to retired Participants, joint annuitants, or surviving spouses, or the accrued Plan Benefit of all Participants.
- 4.7 Additional Retirement Security - In the event that a person other than EG&G, Inc. acquires or makes a tender offer for 15 percent or more of the outstanding shares of the Company's capital stock, the provisions of this Section 4.7 shall automatically become effective immediately and this Plan shall be amended by the addition of subsections (a), (b), (c) and (d) below unless the Board of Directors of EG&G, Inc. votes otherwise within twenty days of such event:
- (a) The requirement contained in section 3.1 that, in order to retire and receive an annual Plan Benefit, a Participant must have attained age 55 and completed at least five years of Service after the Effective Date of this Plan, shall be eliminated. Benefit payments will not commence until the Participant has retired.
 - (b) All Participants in the Plan who retired prior to the happening of such event shall have an irrevocable, vested right, except in the event of insolvency or bankruptcy as defined in Section 7.1 of the EG&G, Inc. Non-Qualified Benefit Trust Agreement, to continue to receive an annual Plan Benefit at the level determined in accordance with Section III without discontinuance or reduction, but in no event will this right be enforceable against the trust.
 - (c) All Participants in this Plan who retire after the happening of such event shall have an irrevocable, vested right except in the event of insolvency or bankruptcy as defined in Section 7.1 of the EG&G, Inc. Non-Qualified Benefit Trust Agreement, to the maximum annual Plan Benefit determined in accordance with section 3.1 hereof, without reduction, forfeiture or discontinuance, but in no event will this right be enforceable against the trust.
 - (d) No new Participant(s) shall be added to this Plan after the happening of such event.

For the purposes of this section, the word "person" shall mean a person as defined in section 3 (13) (9) of the Securities Exchange Act of 1934.

SECTION V

Administration

- 5.1 The Plan shall be administered by the Committee. If any member of the Committee shall be receiving benefits under the Plan, or is eligible to participate in the plan, such member may not participate in any decisions of the Committee relating to the Plan.

- 5.2 The Committee may employ counsel, agents, and such clerical, accounting and actuarial services as they might require in carrying out the provisions of the Plan.
- 5.3 The Committee may from time to time establish rules and procedures for the administration of the Plan. Such rules, procedures and decisions so made shall be conclusive and binding on all persons having an interest in the Plan. The Committee shall make all determinations as to the right of any person to a benefit under this Plan. Any denial by the Committee of a claim for benefits filed by a Participant or a Beneficiary, shall be stated in writing by the Committee and delivered or mailed to the Participant or Beneficiary. The Committee shall afford a reasonable opportunity to any Participant or Beneficiary whose claim for benefits has been denied, for a review of the decision denying the claim.
- 5.4 In the event a Participant who is entitled to receive benefits under this Plan becomes incapacitated in any way so as to be unable to manage his financial affairs, payments becoming due to such person may be made to another for his benefit as directed by a court of competent jurisdiction. Payments made pursuant to such power shall be a complete discharge of any liability for making such payment under the provision of the Plan.
- 5.5 The Committee shall have such duties and powers as may be necessary to discharge its duties hereunder, including, but not by way of limitation, the following:
- (a) To construe and interpret the Plan, decide all questions of eligibility and determine the amount, manner, and time of payment of any benefit hereunder.
 - (b) To prescribe rules, procedures and forms to be followed regarding the administration of the Plan.
 - (c) To select a trust or trusts to hold assets or administer benefits under the Plan.
 - (d) To receive, review and keep on file (as it deems convenient or proper) reports of the financial condition, and of the receipts and disbursements, of any Trust or Trusts holding assets of the Plan, and a copy of this Plan including any amendments thereto.
- 5.6 The Administrative Committee and the individual members thereof shall be indemnified by the Company against any and all liabilities arising by reason of any act or failure to act made in good faith pursuant to the provisions of the Plan, including expenses reasonably incurred in the defense of any claim relating thereto.

As adopted by the
EG&G, Inc. Board of Directors
on January 24, 1996
EG&G, Inc.

EVA INCENTIVE PLAN

ARTICLE I

Statement of Purpose

- 1.1 The purpose of the EVA Incentive Plan (the "Plan") is to provide a system of incentive compensation which will promote the maximization of Economic Value Added ("EVA") over the long term. In order to align management incentives with shareholder interests, incentive compensation will reward the creation of value. This Plan will tie incentive compensation to EVA and thereby reward management for creating value.
- 1.2 EVA is the performance measure of value creation for EG&G, Inc. (the "Company"). Managers create value when they employ capital in an endeavor that generates a return that exceeds the cost of the capital employed. Managers lose value when they employ capital in an endeavor that generates a return that is less than the cost of capital employed. EVA measures the total value created (or lost) by management by subtracting the cost of capital employed from the operating profit after tax generated by an EVA Business Unit, as hereinafter defined.

ARTICLE II

Definitions

Unless the context provides a different meaning, the following terms shall have the following meanings:

"Act" means the Securities Exchange Act of 1934, as amended.

"Actual EVA" means, with respect to an EVA Business Unit for a fiscal year, the EVA of such EVA Business Unit for such year as determined by the Chief Financial Officer with the concurrence of the Committee.

"Code" means the Internal Revenue Code of 1986, as amended.

"Capital" means, with respect to an EVA Business Unit for a fiscal year, the investment made in such EVA Business Unit, as determined by the Chief Financial Officer with the concurrence of the Committee for such year. Each component of Capital will be measured by computing an average balance based on the ending monthly balance for the twelve months of a fiscal year.

"Capital Charge" means, with respect to an EVA Business Unit for a fiscal year, the deemed opportunity cost of employing Capital in the business of such EVA Business Unit for such year. The Capital Charge is computed as follows:

$$\text{Capital Charge} = \text{Capital} \times \text{Cost of Capital}$$

"Cause" shall have the meaning set forth in the personnel policies for the EVA Business Unit by which a Participant is employed at the time of termination. Notwithstanding the foregoing, in the event of a Change of Control, "Cause" shall mean:

- (i) misappropriating any funds or property of the EVA Business Unit;
- (ii) unreasonable refusal to perform the duties assigned to the Participant;
- (iii) conviction of a felony;
- (iv) continuous conduct bringing notoriety to the EVA Business Unit and having an adverse effect on the name or public image of the EVA Business Unit; or
- (v) continued failure by the Participant to observe any provisions of any written employment contract with the EVA Business Unit after

being informed of such breach.

"Change in Control" means that any of the following events shall occur or be deemed to have occurred:

- (i) any "person", as such term is used in Section 13(d) and 14(d) of the Act (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportion as their ownership of stock in the Company), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding securities;
- (ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board of Directors of the Company, and any new director whose election by the Board of Directors or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who were either directors at the beginning of the period or whose election or whose nomination for election was previously so approved, cease for any reason to constitute a majority of the Board of Directors;
- (iii) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or
- (iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

"Chief Executive Officer" means the Chief Executive Officer of the Company as designated by the Board of Directors of the Company from time to time.

"Chief Financial Officer" means the Chief Financial Officer of the Company as designated by the Board of Directors of the Company from time to time.

"Committee" means the Compensation and Stock Option Committee of the Board of Directors of the Company or such other committee as such Board may designate from time to time.

"Company" means EG&G, Inc., a Massachusetts corporation, and its successors and assigns, including any corporation with which the Company is merged or consolidated.

"Cost of Capital" means for a fiscal year the weighted average of the after-tax cost of debt and the cost of equity for such year, as determined by the Chief Financial Officer with the concurrence of the Committee.

"Declared Incentive" means, with respect to a Participant for a fiscal year, the product of the Initial Declared Incentive multiplied by the Individual Performance Factor, if any.

"EVA" means, with respect to an EVA Business Unit for a fiscal year, the NOPAT of such EVA Business Unit for such year minus the Capital Charge of such EVA Business Unit for such year, all as determined by the Chief Financial Officer with the concurrence of the Committee. EVA may be positive or negative.

"EVA Business Unit" means a business unit or group of business units, including the Company, that are uniquely identified for the purpose of calculating EVA.

"Expected Improvement in EVA" means the constant EVA improvement that is added to shift the target up each year as determined by the Company from time to time. This is determined by the expected growth in EVA per year with respect to an EVA Business Unit.

"Executive Officer" means a corporate officer of the Company elected by the

Board
of Directors of the Company.

"Incentive Multiple" means, with respect to an EVA Business Unit for a fiscal year, the difference between the Actual EVA and the Target EVA divided by the Leverage Factor plus 1.0.

"Incentive Reserve" means, with respect to a Participant who is either an Executive Officer of the Company, a general manager of an EVA Business Unit, or a highly compensated employee as determined from time to time by the Committee, a bookkeeping record of an account to which Declared Incentives are credited, or debited as the case may be, from time to time under the Plan and from which incentive payments to such Participant are debited.

"Individual Performance Factor" means, with respect to a Participant, the addition or subtraction of up to 25% of the Declared Incentive adjusted to reflect individual job performance for the fiscal year. The Individual Performance Factor may be utilized at the discretion of the manager of an EVA Business Unit provided that the total accrued incentive for the EVA Business Unit does not increase or decrease as a result of the utilization of the Individual Performance Factor.

"Initial Declared Incentive" means, with respect to a Participant for a fiscal year, the product of the Target Incentive multiplied by the Incentive Multiple.

"Leverage Factor" means, with respect to an EVA Business Unit for a fiscal year, the negative (positive) deviation from Target EVA necessary before a zero (two times) Target Incentive is earned as determined by the Committee from time to time.

"NOPAT " means, with respect to an EVA Business Unit for a fiscal year, the net operating profit after taxes for such fiscal year, as determined by the Chief Financial Officer with the concurrence of the Committee.

"Participant" means, for a fiscal year, each salaried employee who is designated as a Participant, in the case of Executive Officers of the Company, by the Committee, and in all other cases, by the Chief Executive Officer or his designee.

"Plan" means this EG&G, Inc. EVA Incentive Plan, as amended from time to time.

"Reserve Balance" means, with respect to a Participant subject to the Incentive Reserve, a bookkeeping record of the net balance of the amounts credited to and debited against such Participant's Incentive Reserve following the end of each fiscal year. For a Participant's first year of participation in the Plan, such Participant's Reserve Balance shall initially be equal to zero.

"Target EVA" means, with respect to an EVA Business Unit for the initial year that such EVA Business Unit is subject to the Plan, the level of EVA as determined by the Company.

After the initial year that an EVA Business Unit is subject to the Plan, the Target EVA for such EVA Business Unit for each succeeding fiscal year shall be revised according to the following formula:

Target EVA = ((Prior Fiscal Year's Actual EVA + Prior Fiscal Year's Target EVA) divided by 2)) + Expected Improvement in EVA

"Target Incentive" means, with respect to a Participant for a fiscal year, the Target Incentive for such Participant for such fiscal year as determined by the Committee in the case of Participants who are Executive Officers of the Company at the time of determination, and, in all other cases, by the Chief Executive Officer or his designee.

ARTICLE III

Determinations and Distribution of Incentives

3.1 Determinations. For each fiscal year of the Company beginning with the 1995 fiscal year, the Company shall determine with respect to such fiscal year:

- (1) the persons who will be Participants;
- (2) the EVA Business Unit or Units for each such Participant and the

- weighting between or among said Units;
- (3) the Target Incentive for each Participant;
- (4) the minimum and maximum ranges for the Individual Performance Factors; and
- (5) the Target EVA, Leverage Factor, and Expected Improvement in EVA for each EVA Business Unit.

As soon as practicable following the close of such fiscal year, the Company shall determine the following with respect to such fiscal year for each Participant:

- (1) the Actual EVA for each EVA Business Unit;
- (2) the Incentive Multiple by EVA Business Unit;
- (3) the Individual Performance Factors, if any;
- (4) the Initial Declared Incentive; and
- (5) the Declared Incentive.

3.2 Distribution.

A. As soon as practicable following the close of each fiscal year of the Company, but no later than March 15 following such close, the Company, with respect to those Participants subject to the Incentive Reserve, shall:

- (1) Add the Declared Incentive for such fiscal year (including any negative incentives) to the Incentive Reserve;
- (2) Pay out a prescribed portion of any positive Reserve Balance in accordance with the distribution ratio shown below; and
- (3) Carry the remaining Reserve Balance (positive or negative) forward to the next fiscal year.

The prescribed distribution ratios for the Incentive Reserve for a Participant are:

First year of the Plan	80%
Second year of the Plan	67%
Third year of the Plan	57%
Fourth and subsequent years of the Plan	50%

All distributions from the Incentive Reserve shall be made on a last-in, first-out basis, such that the distribution for any given fiscal year shall come first from the Declared Incentive for that fiscal year, with any remainder of that distribution coming from the Reserve Balance attributable to years prior to the fiscal year for which the current distribution is being made.

B. As soon as practicable following the close of each fiscal year of the Company, but no later than March 15 following such close, the Company shall pay the Declared Incentive to those Participants not subject to the Incentive Reserve.

3.3 Negative Reserve Balance. If, as a result of a negative EVA, a Reserve Balance has a deficit, no Participant shall be required, at any time, to make a cash reimbursement to his or her Incentive Reserve. Such negative Reserve Balance, however, will be carried forward and will be netted against future EVA performance.

3.4 Lump Sum. All distributions from the Plan shall be made in a cash lump sum unless payment is deferred in a timely manner by the Participant with the consent of the Company under the Company's incentive deferral policy as in effect from time to time.

3.5 Interest. No interest shall be paid on or accrue to any Reserve Balance.

ARTICLE IV

Plan Matters and Change in Status

4.1 Plan Matters. The Committee on behalf of the Company shall determine all Plan matters regarding the Plan with respect to Participants who are Executive Officers at the time of determination. Unless otherwise expressly reserved to the Committee, the Chief Executive Officer or

his designee on behalf of the Company shall determine all Plan matters with respect to all other Participants.

- 4.2 Hires, Promotions and Transfers. A Participant who is hired, transferred or promoted during a fiscal year into a position qualifying for participation in the Plan will participate on a prorated basis in the year of hire, transfer or promotion based on the percentage of the fiscal year the Participant is in such qualifying position. A Participant who transfers his or her employment from one participating EVA Business Unit to another EVA Business Unit will retain his or her Incentive Reserve and the Initial Declared Incentive and Declared Incentive for such Participant shall be pro-rated based on the time spent in each EVA Business Unit.
- 4.3 Retirement. A Participant who terminates employment with the Company during a fiscal year by virtue of retirement at age 55 or older shall be entitled to receive the positive Reserve Balance, if any, and may be eligible for a share of the Declared Incentive. The Declared Incentive shall be calculated as if the Participant had remained employed as of the end of the fiscal year. Participant's share of the Declared Incentive will be calculated by multiplying the Declared Incentive by a proration factor equal to the number of full weeks of Participant's actual employment during the fiscal year divided by fifty-two (52). Eligibility will be based on the authorization of the Participant's manager and must be approved at the start of the fiscal year in which the retirement is to occur. Payment of the positive Reserve Balance, if any, and Participant's share of any Declared Incentive will be made at the same time as payments under the Plan are made to Participants actively employed by the Company.
- 4.4 Disability. A Participant who becomes permanently disabled, as defined in the Company's long-term disability benefits program, shall be entitled to receive the positive Reserve Balance, if any, and may be eligible for a share of the Declared Incentive. The Declared Incentive shall be calculated as if the Participant had remained employed as of the end of the fiscal year. Participant's share of the Declared Incentive will be calculated by multiplying the Declared Incentive by a proration factor equal to the number of full weeks of Participant's actual employment during the fiscal year divided by fifty-two (52). Eligibility will be based on the authorization of the Participant's manager. Payment of the positive Reserve Balance, if any, and Participant's share of any Declared Incentive will be made at the same time as payments under the Plan are made to Participants actively employed by the Company.
- 4.5 Death. If a Participant terminates employment with the Company during a fiscal year by reason of death, the estate of the Participant shall be entitled to receive the positive Reserve Balance, if any, and may be eligible for a share of the Declared Incentive. The Declared Incentive shall be calculated as if the Participant had remained employed as of the end of the fiscal year. Participant's share of the Declared Incentive will be calculated by multiplying the Declared Incentive by a proration factor equal to the number of full weeks of Participant's actual employment during the fiscal year divided by fifty-two (52). Eligibility will be based on the authorization of the Participant's manager. Payment of the positive Reserve Balance, if any, and Participant's share of any Declared Incentive will be made at the same time as payments under the Plan are made to Participants actively employed by the Company.
- 4.6 Involuntary Termination Without Cause. A Participant whose employment is terminated by the Company or any subsidiary without Cause shall forfeit his or her Declared Incentive, Incentive Reserve and any Reserve Balance unless a different determination is made by the Company.
- 4.7 Voluntary Termination. In the event that a Participant voluntarily terminates employment with the Company or any of its subsidiaries, the right of the Participant to his or her Declared Incentive, Incentive Reserve and any Reserve Balance shall be forfeited unless a different determination is made by the Company.
- 4.8 Involuntary Termination for Cause. In the event of termination of employment for Cause, the right of the Participant to his or her Declared Incentive, Incentive Reserve and any Reserve Balance shall

be forfeited unless a different determination is made by the Company.

- 4.9 Breach of Agreement. Notwithstanding any other provision of the Plan or any other agreement, in the event that a Participant shall breach any non-competition agreement or provision relating to the Company or breach any agreement with respect to the post-employment conduct of such Participant, including those contained in any benefit or incentive plan or award, the Incentive Reserve held by such Participant shall be forfeited.
- 4.10 Change In Control. Upon a Change in Control, the Plan shall terminate and positive Reserve Balances shall be paid to Participants unless the Plan is continued on no less beneficial terms to the Participants. Payments under this Section 4.10 shall be made without regard to whether the deductibility of such payments (or any other "parachute payments," as that term is defined in Section 280G of the Code, to or for the benefit of the Participant) would be limited or precluded by Section 280G and without regard to whether such payments (or any other "parachute payments" as so defined) would subject the Participant to the federal excise tax levied on certain "excess parachute payments" under Section 4999 of the Code; provided that if the total of all "parachute payments" to or for the benefit of the Participant, after reduction for all federal, state and local taxes (including the tax described in Section 4999 of the Code, if applicable) with respect to such payments (the "Total After-Tax Payments"), would be increased by the limitation or elimination of any payment under this Section 4.10, amounts payable under this Section 4.10 shall be reduced to the extent, and only to the extent, necessary to maximize the Total After-Tax Payments. The determination as to whether and to what extent payments under this Section 4.10 are required to be reduced in accordance with the preceding sentence shall be made at the Company's expense by Arthur Andersen LLP or by such other certified public accounting firm as the Board of Directors of the Company may designate prior to a Change in Control of the Company. In the event of any underpayment or overpayment under this Section 4.10 as determined by Arthur Andersen LLP (or such other firm as may have been designated in accordance with the preceding sentence), the amount of such underpayment or overpayment shall forthwith be paid to the Participant or refunded to the Company, as the case may be, with interest at the applicable federal rate provided for in Section 7872 (f)(2) of the Code.
- 4.11 No Guarantee. Participation in the Plan is no guarantee that payments under the Plan will be made or that selection as a Participant will be made for the subsequent fiscal year.

ARTICLE V

General Provisions

- 5.1 Withholdings. The Company shall have the right to withhold all amounts, including but not limited to, taxes, which in the determination of the Company, are required to be withheld under law with respect to any amount due or paid under the Plan.
- 5.2 Expenses. All expenses and costs in connection with the adoption and administration of the Plan shall be borne by the Company out of its general funds.
- 5.3 Claims for Benefits. Participants who terminate service for any reason will be deemed to have made a claim for benefits and no written claim will be required. Claims for benefits will be decided by the Chief Executive Officer or, in the case of a claim pertaining to an Executive Officer, by the Committee (collectively referred to as the "Adjudicator"). If the Adjudicator believes that a terminated Participant is not entitled to benefits, it shall notify the Participant in writing of the denial of benefits within 90 days of the Participant's termination of service. In the event that a claim is wholly or partially denied, the Participant or his representative will receive a written explanation of the reason for denial. The Participant or his representative may request a review of the denied claim within 60 days of receipt of the denial and, in connection therewith, may review pertinent documents and submit comments in writing. Upon receipt of an appeal, the Adjudicator shall decide the appeal within 60 days of receipt. The decision on appeal shall be in

writing, shall include specific reasons for the decision and shall refer to pertinent provisions of the Plan on which the decision is based. In reaching its decision, the Adjudicator shall have complete discretionary authority to determine all questions arising in the interpretation and administration of the Plan and to construe the terms of the Plan, including any doubtful or disputed terms and the eligibility of a Participant for benefits.

- 5.4 Action Taken in Good Faith. The Company may employ attorneys, consultants, accountants or other persons and the Company's directors and officers shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee or Chief Executive Officer in good faith shall be final and binding upon all employees, the Company and all other interested parties. No member of the Committee and no officer, director, employee or representative of the Company, or any of its affiliates acting on behalf of or in conjunction with the Committee, shall be personally liable for any action, determination, or interpretation, whether of commission or omission, taken or made with respect to the Plan.
- 5.5 Rights Personal to Employees. Any rights provided to an employee under the Plan shall be personal to such employee, shall not be transferable (except by will or pursuant to the laws of descent or distribution), and shall be exercisable during the employee's lifetime, only by such employee.
- 5.6 Distribution. Upon termination of the Plan or suspension for a period of more than 90 days, the positive Reserve Balance of each Participant shall be distributed as soon as practicable but in no event later than 90 days from such event. The Committee, in its sole discretion, may accelerate distribution of the balance of any Incentive Reserve, in whole or in part, at any time without penalty.
- 5.7 Non-Allocation of Award. In the event of a suspension or termination of the Plan during any fiscal year, as provided herein at Section 10.1, the Declared Incentive for such year shall be deemed forfeited and no portion thereof shall be allocated to Participants. In the event of a suspension, any such forfeiture shall not affect the calculation of EVA in any subsequent year.

ARTICLE VI

Limitations

- 6.1 No Continued Employment. Nothing contained herein shall provide any employee with any right to continued employment or in any way abridge the rights of the Company and its subsidiaries to determine the terms and conditions of employment and whether to terminate employment of any employee. Neither the establishment of the Plan or the grant of an award or bonus hereunder shall be deemed to constitute an express or implied contract of employment for any period of time or in any way abridge the rights of the Company or any of its subsidiaries to determine the terms and conditions of employment or to terminate the employment of any employee with or without Cause at any time.
- 6.2 No Vested Rights. Except as otherwise expressly provided herein, no employee or other person shall have any claim of right (legal, equitable, or otherwise) to any award, allocation, or distribution or any right, title, or vested interest in any amounts in such employee's Incentive Reserve and no officer or employee of the Company or any subsidiary or any other person shall have any authority to make representations or agreements to the contrary. No interest conferred herein to a Participant shall be assignable or subject to any lien or pledge or any claim by a Participant's creditors. The right of the Participant to receive a distribution thereunder shall be an unsecured claim against the general assets of the Company and the Participant shall have no rights in or against any specific assets of the Company as the result of participation hereunder.
- 6.3 Not Part of Other Benefits. The benefits provided in this Plan shall not be deemed a part of any other benefit provided by the Company or any of its subsidiaries to its employees. Neither the Company nor any of its subsidiaries assumes any obligation to Participants except as specified herein. This is a complete statement of the terms and

conditions of the Plan as in effect on January 1, 1995.

- 6.4 Other Plans. Nothing contained herein shall limit the power of either the Company or its subsidiaries or the power of the Committee to grant bonuses to employees of the Company or any of its subsidiaries, whether or not Participants in this Plan.
- 6.5 Unfunded Plan. This Plan is unfunded. Nothing herein shall create or be deemed to create a trust or separate fund of any kind or a fiduciary relationship between the Company (or any of its subsidiaries) and any Participant.

ARTICLE VII

Authority

- 7.1 Full and sole power and authority to interpret and administer this Plan shall be vested in the Committee which shall have the sole authority to make rules and regulations for the administration of the Plan. The Committee may from time to time make such decisions and adopt such rules and regulations for implementing the Plan as it deems appropriate for any Participant under the Plan. Any decision taken by the Committee arising out of or in connection with the construction, administration, interpretation and effect of the Plan shall be final, conclusive and binding upon all Participants and any person claiming under or through them. The Committee may delegate its power and authority with respect to the Plan to the Chief Executive Officer from time to time as it determines.

ARTICLE VIII

Notice

- 8.1 Any notice to be given pursuant to the provisions of the Plan shall be in writing and directed to the appropriate recipient thereof at his or her business address or office location.

ARTICLE IX

Effective Date

- 9.1 This Plan shall be effective as of January 1, 1995.

ARTICLE X

Amendments

- 10.1 This Plan may be amended, suspended or terminated in whole or in part at any time from time to time at the sole discretion of the Committee; provided, however, that no such change in the Plan shall be effective to eliminate or diminish the distribution of any award that has been allocated to the Incentive Reserve of a Participant prior to the date of such amendment, suspension or termination. Notice of any such amendment, suspension or termination shall be given promptly to each Participant.

ARTICLE XI

Applicable Law

- 11.1 This Plan shall be construed in accordance with the provisions of the laws of the Commonwealth of Massachusetts.

EXECUTION COPY

364-DAY
COMPETITIVE ADVANCE AND
REVOLVING CREDIT FACILITY AGREEMENT

Dated as of March 21, 1994

among

EG&G, INC.,

THE LENDERS NAMED HEREIN

and

CHEMICAL BANK,

as Administrative Agent

TABLE OF CONTENTS

	Page
ARTICLE I. DEFINITIONS.	1
SECTION 1.01. Defined Terms	1
SECTION 1.02. Terms Generally	1
ARTICLE II. THE CREDITS.	12
SECTION 2.01. Commitments	12
SECTION 2.02. Loans	13
SECTION 2.03. Competitive Bid Procedure	15
SECTION 2.04. Standby Borrowing Procedure	18
SECTION 2.05. Facility Fees	19
SECTION 2.06. Repayment of Loans; Evidence of Debt	19
SECTION 2.07. Interest on Loans	20
SECTION 2.08. Default Interest.	21
SECTION 2.09. Alternate Rate of Interest.	21
SECTION 2.10. Termination and Reduction of Commitments	22
SECTION 2.11. Prepayment.	22
SECTION 2.12. Reserve Requirements; Change in Circumstances	23
SECTION 2.13. Change in Legality.	25

SECTION 2.14.	Indemnity . . . . .	.26
SECTION 2.15.	Pro Rata Treatment. . . . .	.27
SECTION 2.16.	Sharing of Setoffs. . . . .	.27
SECTION 2.17.	Payments. . . . .	.28
SECTION 2.18.	Duty to Mitigate; Assignment of Commitments Under Certain Circumstances. . . . .	.28
SECTION 2.19.	Taxes . . . . .	.29
ARTICLE III.	REPRESENTATIONS AND WARRANTIES . . . . .	.33
SECTION 3.01.	Corporate Existence and Power . . . . .	.33
SECTION 3.02.	Corporate and Governmental Authorization; Contravention . . . . .	.33
SECTION 3.03.	Binding Effect. . . . .	.33
SECTION 3.04.	Financial Information . . . . .	.34
SECTION 3.05.	Litigation. . . . .	.34
SECTION 3.06.	Compliance with ERISA . . . . .	.34
SECTION 3.07.	Taxes . . . . .	.35
SECTION 3.08.	Subsidiaries. . . . .	.35
SECTION 3.09.	Representations and Warranties of Each Borrowing Subsidiary. . . . .	.35
SECTION 3.10.	Federal Reserve Regulations . . . . .	.36
SECTION 3.11.	Investment Company Act; Public Utility Holding Company Act.	
.37		
SECTION 3.12.	Environmental and Safety Matters. . . . .	.37
ARTICLE IV.	CONDITIONS OF LENDING. . . . .	.38
SECTION 4.01.	All Borrowings. . . . .	.38
SECTION 4.02.	Closing Date. . . . .	.38
SECTION 4.03.	First Borrowing by Each Borrowing Subsidiary . . . . .	.39
ARTICLE V.	COVENANTS. . . . .	.40
SECTION 5.01.	Information . . . . .	.40
SECTION 5.02.	Corporate Existence; Businesses and Properties . . . . .	.42
SECTION 5.03.	Insurance . . . . .	.42
SECTION 5.04.	Litigation and Other Notices. . . . .	.43
SECTION 5.05.	Maintaining Records; Access to Properties and Inspections . . . . .	.43
SECTION 5.06.	Fixed Charge Coverage . . . . .	.43
SECTION 5.07.	Net Debt to Capitalization Ratio. . . . .	.43
SECTION 5.08.	Negative Pledge . . . . .	.43
SECTION 5.09.	Consolidations, Mergers and Sales of Assets. . . . .	.45
ARTICLE VI.	EVENTS OF DEFAULT. . . . .	.45
ARTICLE VII.	GUARANTEE. . . . .	.49
ARTICLE VIII.	THE ADMINISTRATIVE AGENT . . . . .	.51
ARTICLE IX.	MISCELLANEOUS. . . . .	.55
SECTION 9.01.	Notices. . . . .	.55
SECTION 9.02.	Survival of Agreement. . . . .	.55
SECTION 9.03.	Binding Effect . . . . .	.56
SECTION 9.04.	Successors and Assigns . . . . .	.56
SECTION 9.05.	Expenses; Indemnity. . . . .	.59
SECTION 9.06.	Applicable Law . . . . .	.60

SECTION 9.07. Waivers; Amendment . . . . .	.60
SECTION 9.08. Entire Agreement . . . . .	.61
SECTION 9.09. Severability . . . . .	.62
SECTION 9.10. Counterparts . . . . .	.62
SECTION 9.11. Headings . . . . .	.62
SECTION 9.12. Right of Setoff. . . . .	.62
SECTION 9.13. Jurisdiction; Consent to Service of Process	62
SECTION 9.14. Waiver of Jury Trial . . . . .	.63
SECTION 9.15. Addition of Borrowing Subsidiaries	.63
SECTION 9.16. Confidentiality. . . . .	.64
SECTION 9.17. Collateral . . . . .	.65
SECTION 9.18. Interest Rate Limitation . . . . .	.65

Exhibits

Exhibit A-1	Form of Competitive Bid Request
Exhibit A-2	Form of Notice of Competitive Bid Request
Exhibit A-3	Form of Competitive Bid
Exhibit A-4	Form of Competitive Bid Accept/Reject Letter
Exhibit A-5	Form of Standby Borrowing Request
Exhibit B	Administrative Questionnaire
Exhibit C	Form of Assignment and Acceptance
Exhibit D-1	Form of Opinion of Murray Gross, Esq.
Exhibit D-2	Form of Opinion of Murray Gross, Esq.
Exhibit E	Form of Borrowing Subsidiary Agreement

Schedules

Schedule 2.01	Commitments
Schedule 3.08	Subsidiaries
Schedule 3.12(a)	Environmental and Safety Matters
Schedule 3.12(b)	Environmental and Safety Matters
Schedule 3.12(c)	Environmental and Safety Matters

/TABLE

COMPETITIVE ADVANCE AND REVOLVING CREDIT FACILITY AGREEMENT (the "Agreement") dated as of March 21, 1994, among EG&G, INC., a Massachusetts corporation (the "Company"), the Borrowing Subsidiaries (as such term is defined herein; together with the Company, the "Borrowers"), the lenders listed in Schedule 2.01 (the "Lenders") and CHEMICAL BANK, a New York banking corporation, as administrative agent for the Lenders (in such capacity, the "Administrative Agent").

The Lenders have been requested to extend credit to the Borrowers to enable them to borrow on a standby revolving credit basis on and after the date hereof and at any time and from time to time prior to the Maturity Date a principal amount not in excess of \$175,000,000 at any time outstanding. The Lenders have also been requested to provide a procedure pursuant to which the Borrowers may invite the Lenders to bid on an uncommitted basis on short-term borrowings by the Borrowers. The proceeds of all such borrowings are to be used for general corporate purposes, including commercial paper back-up and to finance acquisitions. The Lenders are willing to extend such credit on the terms and subject to the conditions herein set forth. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in Article I.

Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms shall have the meanings specified below:

"ABR Borrowing" shall mean a Borrowing comprised of ABR

Loans.

"ABR Loan" shall mean any Standby Loan bearing interest at a rate determined by reference to the Alternate Base Rate in accordance with the provisions of Article II.

"Administrative Questionnaire" shall mean an Administrative Questionnaire in the form of Exhibit B hereto.

"Affiliate" shall mean, when used with respect to a specified person, another person that directly or indirectly controls or is controlled by or is under common control with the person specified.

"Alternate Base Rate" shall mean, for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. For purposes hereof, "Prime Rate" shall mean the rate of interest per annum publicly announced from time to time by the Administrative Agent as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective on the date such change is publicly announced as effective. "Federal Funds Effective Rate" shall mean, for any day, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as released on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so released for any day which is a Business Day, the arithmetic average (rounded upwards to the next 1/100th of 1%), as determined by the Administrative Agent, of the quotations for the day of such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it. If for any reason the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate for any reason, including the inability or failure of the Administrative Agent to obtain sufficient quotations in accordance with the terms thereof, the Alternate Base Rate shall be determined without regard to clause (b) of the first sentence of this definition until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective on the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"Assignment and Acceptance" shall mean an assignment and acceptance entered into by a Lender and an assignee in the form of Exhibit C.

"Board" shall mean the Board of Governors of the Federal Reserve System of the United States.

"Board of Directors" shall mean the Board of Directors of the Company or any duly authorized committee thereof.

"Borrowing" shall mean a group of Loans of a single Type made by the Lenders to a single Borrower (or, in the case of a Competitive Borrowing, by the Lender or Lenders whose Competitive Bids have been accepted pursuant to Section 2.03) on a single date and as to which a single Interest Period is in effect.

"Borrowing Subsidiary" shall mean any Subsidiary which shall have executed and delivered to the Administrative Agent and each Lender a Borrowing Subsidiary Agreement.

"Borrowing Subsidiary Agreement" shall mean an agreement, in the form of Exhibit E hereto, duly executed by the Company and a Subsidiary.

"Business Day" shall mean any day (other than a day which is a Saturday, Sunday or legal holiday in the State of New

York) on which banks are open for business in New York City; provided, however, that, when used in connection with a Eurodollar Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

"A Change in Control" shall be deemed to have occurred if (a) any person or group of persons shall have acquired beneficial ownership of more than 50% of the outstanding Voting Shares of the Company (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended, and the applicable rules and regulations thereunder), or (b) during any period of 12 consecutive months, commencing before or after the date of this Agreement, individuals who on the first day of such period were directors of the Company (together with any replacement or additional directors who were nominated or elected by a majority of directors then in office) cease to constitute a majority of the Board of Directors of the Company.

"Closing Date" shall mean the date hereof.

"Code" shall mean the Internal Revenue Code of 1986, as the same may be amended from time to time.

"Commitment" shall mean, with respect to each Lender, the commitment of such Lender hereunder as set forth as of the Closing Date in Schedule 2.01 hereto as such Lender's Commitment may be permanently terminated or reduced from time to time pursuant to Section 2.10. The Commitment of each Lender shall automatically and permanently terminate on the Maturity Date if not terminated earlier pursuant to the terms hereof.

"Competitive Bid" shall mean an offer by a Lender to make a Competitive Loan pursuant to Section 2.03.

"Competitive Bid Accept/Reject Letter" shall mean a notification made by a Borrower pursuant to Section 2.03(d) in the form of Exhibit A-4.

"Competitive Bid Rate" shall mean, as to any Competitive Bid, (i) in the case of a Eurodollar Loan, the Margin, and (ii) in the case of a Fixed Rate Loan, the fixed rate of interest offered by the Lender making such Competitive Bid.

"Competitive Bid Request" shall mean a request made pursuant to Section 2.03 in the form of Exhibit A-1.

"Competitive Borrowing" shall mean a Borrowing consisting of a Competitive Loan or concurrent Competitive Loans from the Lender or Lenders whose Competitive Bids for such Borrowing have been accepted under the bidding procedure described in Section 2.03.

"Competitive Loan" shall mean a Loan made pursuant to the bidding procedure described in Section 2.03. Each Competitive Loan shall be a Eurodollar Competitive Loan or a Fixed Rate Loan.

"Consolidated EBIT" shall mean, for any period, Consolidated Net Income of the Company and its Consolidated Subsidiaries excluding the effect of non-cash extraordinary items and accounting changes for such period, plus income taxes during such period, plus the aggregate amount deducted in determining such Consolidated Net Income for such period in respect of Consolidated Net Interest Expense of the Company and its Consolidated Subsidiaries for such period, all determined in accordance with GAAP.

"Consolidated Net Income" shall mean, for any period, the consolidated net income (or loss) of the Company and its Consolidated Subsidiaries for such period, determined in accordance with GAAP.

"Consolidated Net Indebtedness" shall mean, for any date, (a) the sum of all outstanding Indebtedness of the Company and its Consolidated Subsidiaries as of such date less (b) Eligible Investments as of such date, all determined on a consolidated basis in accordance with GAAP.

"Consolidated Net Interest Expense" shall mean, for any period, (a) the gross interest expense of the Company and its Consolidated Subsidiaries (excluding the amortization of transaction costs) in respect of Indebtedness included within clauses (i) through (iv) of the definition of Indebtedness for such period minus (b) interest income for such period, all determined in accordance with GAAP.

"Consolidated Subsidiary" shall mean, at any date, any Subsidiary or other entity the accounts of which would be consolidated with those of the Company in its consolidated financial statements as of such date.

"Default" shall mean any event or condition which upon notice, lapse of time or both would constitute an Event of Default.

"dollars" or "\$" shall mean lawful money of the United States of America.

"Eligible Investments" shall mean:

(a) cash and cash equivalents;

(b) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof by the Company or any Subsidiary;

(c) investments in money market funds the assets of which are invested in obligations of the type described in (b) above (irrespective of maturity); and

(d) other money market investments offered by any of the Lenders or a commercial bank having the highest credit rating available from Standard & Poor's Corporation or Moody's Investors Service, Inc. and having maturities of less than 90 days.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

"ERISA Affiliate" shall mean any trade or business (whether or not incorporated) that, together with the Company, is treated as a single employer under Section 414 of the Code.

"Eurodollar Borrowing" shall mean a Borrowing comprised of Eurodollar Loans.

"Eurodollar Competitive Loan" shall mean any Competitive Loan bearing interest at a rate determined by reference to the LIBO Rate in accordance with the provisions of Article II.

"Eurodollar Loan" shall mean any Eurodollar Competitive Loan or Eurodollar Standby Loan.

"Eurodollar Standby Loan" shall mean any Standby Loan bearing interest at a rate determined by reference to the LIBO Rate in accordance with the provisions of Article II.

"Event of Default" shall have the meaning assigned to such term in Article VI.

"Existing Facilities" shall mean (i) the \$150,000,000 Credit Agreement dated July 1, 1988 among the Company and the

lenders named therein and (ii) the \$150,000,000 Credit Agreement dated August 19, 1988 among the Company, the lenders named therein and the Bank of New England as agent.

"Facility A Credit Agreement" shall mean the 3-Year Competitive Advance and Revolving Credit Facility Agreement dated the date hereof among the parties hereto.

"Facility Fee" shall have the meaning assigned to such term in Section 2.05(a).

"Financial Officer" of any corporation shall mean the chief financial officer, principal accounting officer, treasurer or assistant treasurer of such corporation.

"Fixed Rate Borrowing" shall mean a Borrowing comprised of Fixed Rate Loans.

"Fixed Rate Loan" shall mean any Competitive Loan bearing interest at a fixed percentage rate per annum (expressed in the form of a decimal to no more than four decimal places) specified by the Lender making such Loan in its Competitive Bid.

"GAAP" shall mean generally accepted accounting principles, applied on a consistent basis.

"Governmental Authority" shall mean any Federal, state, local or foreign court or governmental agency, authority, instrumentality or regulatory body.

"Guaranteed Obligations" shall mean the principal of and interest on the Loans made to, and the other obligations, monetary or otherwise, of, the Borrowing Subsidiaries under this Agreement.

"Indebtedness" of any person shall mean at any date, without duplication, (i) all obligations of such person for borrowed money (but not including non-recourse obligations of such person), (ii) all obligations of such person evidenced by bonds, debentures, notes or other similar instruments, except trade payables and reimbursement obligations in respect of performance bonds and standby letters of credit to the extent the obligations underlying such letters of credit would not be considered Indebtedness, all of which arise in the ordinary course of business, (iii) all obligations of such person to pay the deferred purchase price of property or services, except trade accounts payable and accrued expenses arising in the ordinary course of business, (iv) all obligations of such person as lessee under capital leases, (v) all Indebtedness of others secured by a Lien on any asset of such person (but not including non-recourse obligations of such person) and (vi) all Indebtedness of others guaranteed by such person.

"Interest Payment Date" shall mean (i) as to any Eurodollar Loan for which the Interest Period is 1, 2 or 3 months, the last day of the Interest Period, (ii) as to any Eurodollar Loan for which the Interest Period is 6 months, the last day of the Interest Period and the date that would be the last day of an Interest Period commencing on the same date but having a duration of 3 months, (iii) as to any ABR Loan, the last day of March, June, September and December in each year, or if such day is not a Business Day, the next succeeding Business Day and (iv) as to any Fixed Rate Loan, the last day of the Interest Period applicable thereto.

"Interest Period" shall mean (a) as to any Eurodollar Borrowing, the period commencing on the date of such Borrowing or on the last day of the immediately preceding Interest Period applicable to such Borrowing, as the case may be, and ending on the numerically corresponding day (or, if there is no numerically corresponding day, on the last day) in the calendar month that is 1, 2, 3 or 6 months thereafter, as the Borrower may elect, (b) as to any ABR Borrowing, the period commencing on the date of such Borrowing or on the last day of

the immediately preceding Interest Period applicable to such Borrowing, as the case may be, and ending on the earliest of (i) the next succeeding March 31, June 30, September 30 or December 31, (ii) the Maturity Date, and (iii) the date such Borrowing is repaid or prepaid in accordance with Section 2.06 or Section 2.11 and (c) as to any Fixed Rate Borrowing, the period commencing on the date of such Borrowing and ending on the date specified in the Competitive Bids in which the offers to make the Fixed Rate Loans comprising such Borrowing were extended, which shall not be earlier than seven days after the date of such Borrowing or later than 360 days after the date of such Borrowing; provided, however, that if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of Eurodollar Loans only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day. Interest shall accrue from and including the first day of an Interest Period to but excluding the last day of such Interest Period.

"LIBO Rate" shall mean, with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the arithmetic average of the rates at which dollar deposits approximately equal in principal amount to (i) in the case of a Standby Borrowing, the Administrative Agent's portion of such Eurodollar Borrowing and (ii) in the case of a Competitive Borrowing, a principal amount that would have been the Administrative Agent's portion of such Competitive Borrowing had such Competitive Borrowing been a Standby Borrowing, and for a maturity comparable to such Interest Period are offered to the principal London offices of the Administrative Agent (or, if the Administrative Agent does not at the time maintain a London office, the principal London office of any Affiliate of the Administrative Agent) in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"Lien" shall mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind whatsoever (including any conditional sale or other title retention agreement, any lease in the nature thereof and the filing of or agreement to give any financing statement under the Uniform Commercial Code of any jurisdiction).

"Loan" shall mean a Competitive Loan or a Standby Loan, whether made as a Eurodollar Loan, an ABR Loan or a Fixed Rate Loan, as permitted hereby.

"Margin" shall mean, as to any Eurodollar Competitive Loan, the margin (expressed as a percentage rate per annum in the form of a decimal to no more than four decimal places) to be added to or subtracted from the LIBO Rate in order to determine the interest rate applicable to such Loan, as specified in the Competitive Bid relating to such Loan.

"Margin Regulations" shall mean Regulations G, T, U and X of the Board as from time to time in effect, and all official rulings and interpretations thereunder or thereof.

"Margin Stock" shall have the meaning given such term under Regulation U of the Board.

"Material Adverse Effect" shall mean a materially adverse effect on the business, assets, operations or condition, financial or otherwise, of the Company and its Consolidated Subsidiaries taken as a whole.

"Maturity Date" shall mean March 20, 1995.

"Multiemployer Plan" shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA to which the Company or any ERISA Affiliate (other than one considered an ERISA

Affiliate only pursuant to subsection (m) or (o) of Code Section 414) is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

"person" shall mean any natural person, corporation, business trust, joint venture, association, company, partnership or government, or any agency or political subdivision thereof.

"PBGC" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA.

"Plan" shall mean any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code that is maintained for current or former employees, or any beneficiary thereof, of the Company or any ERISA Affiliate.

"Register" shall have the meaning given such term in Section 9.04(d).

"Regulation D" shall mean Regulation D of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Reportable Event" shall mean any reportable event as defined in Section 4043(b) of ERISA or the regulations issued thereunder with respect to a Plan (other than a Plan maintained by an ERISA Affiliate that is considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Code Section 414).

"Required Lenders" shall mean, at any time, Lenders having Commitments representing more than 50% of the Total Commitment or, for purposes of acceleration pursuant to clause (ii) of Article VI, Lenders holding Loans representing more than 50% of the aggregate principal amount of the Loans outstanding.

"Shareholders' Equity" shall mean, with respect to the Company at any date, (a) the sum of (i) common stock and preferred stock taken at par or stated value at such date, (ii) capital in excess of par value at such date, (iii) cumulative translation adjustments and other adjustments required by GAAP at such date and (iv) retained earnings (or deficit) at such date minus (b) treasury stock at such date, all determined in accordance with GAAP.

"Standby Borrowing" shall mean a Borrowing consisting of simultaneous Standby Loans from each of the Lenders.

"Standby Borrowing Request" shall mean a request made pursuant to Section 2.04 in the form of Exhibit A-5.

"Standby Loans" shall mean the revolving loans made pursuant to Section 2.04. Each Standby Loan shall be a Eurodollar Standby Loan or an ABR Loan.

"subsidiary" shall mean, with respect to any person (the "parent"), any corporation, association or other business entity of which securities or other ownership interests representing more than 50% of the ordinary voting power are, at the time as of which any determination is being made, owned or controlled by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Subsidiary" shall mean a subsidiary of the Company.

"Total Commitment" shall mean, at any time, the aggregate amount of Commitments of all the Lenders, as in effect at such time.

"Type", when used in respect of any Loan or Borrowing,

shall refer to the Rate by reference to which interest on such Loan or on the Loans comprising such Borrowing is determined. For purposes hereof, "Rate" shall include the LIBO Rate, the Alternate Base Rate and the Fixed Rate.

"Voting Shares" shall mean, as to any corporation, outstanding shares of stock of any class of such corporation entitled to vote in the election of directors, excluding shares entitled so to vote only upon the happening of some contingency.

"Withdrawal Liability" shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Terms Generally. The definitions in Section 1.01 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided, however, that for purposes of determining compliance with any covenant set forth in Article V, such terms shall be construed in accordance with GAAP as in effect on the date hereof applied on a basis consistent with the application used in preparing the Company's audited financial statements referred to in Section 3.04.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each Lender agrees, severally and not jointly, to make Standby Loans to the Borrowers, at any time and from time to time on and after the Closing Date hereof and until the earlier of the Maturity Date and the termination of the Commitment of such Lender, in an aggregate principal amount at any time outstanding not to exceed such Lender's Commitment minus the amount by which the Competitive Loans outstanding at such time shall be deemed to have used such Commitment pursuant to Section 2.15, subject, however, to the conditions that (i) at no time shall (A) the sum of (x) the outstanding aggregate principal amount of all Standby Loans made by all Lenders plus (y) the outstanding aggregate principal amount of all Competitive Loans made by all Lenders exceed (B) the Total Commitment and (ii) at all times the outstanding aggregate principal amount of all Standby Loans made by each Lender shall equal the product of (A) the percentage which its Commitment represents of the Total Commitment times (B) the outstanding aggregate principal amount of all Standby Loans.

Within the foregoing limits, the Borrowers may borrow, pay or prepay and reborrow Standby Loans hereunder, on and after the Closing Date and prior to the Maturity Date, subject to the terms, conditions and limitations set forth herein.

SECTION 2.02. Loans. (a) Each Standby Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their respective Commitments; provided, however, that the failure of any Lender to make any Standby Loan shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the

failure of any other Lender to make any Loan required to be made by such other Lender). Each Competitive Loan shall be made in accordance with the procedures set forth in Section 2.03. The Standby Loans or Competitive Loans comprising any Borrowing shall be in an aggregate principal amount which is an integral multiple of \$1,000,000 and not less than \$5,000,000 (or an aggregate principal amount equal to the remaining balance of the available Commitments).

(b) Each Competitive Borrowing shall be comprised entirely of Eurodollar Competitive Loans or Fixed Rate Loans, and each Standby Borrowing shall be comprised entirely of Eurodollar Standby Loans or ABR Loans, as any Borrower may request pursuant to Section 2.03 or 2.04, as applicable. Each Lender may at its option make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that (i) any exercise of such option shall not affect the obligation of such Borrower to repay such Loan in accordance with the terms of this Agreement and (ii) the Borrowers shall not be liable for increased costs under Section 2.12 or 2.13 to the extent that (A) such costs could be avoided by the use of a different branch or Affiliate to make Eurodollar Loans and (B) such use would not, in the judgment of such Lender, entail any expense for which such Lender shall not be indemnified hereunder. Borrowings of more than one Type may be outstanding at the same time; provided, however, that no Borrowing shall be requested which, if made, would result in an aggregate of more than 10 separate Standby Borrowings comprised of Eurodollar Loans being outstanding hereunder at any one time. For purposes of the foregoing, Loans having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate Loans.

(c) Subject to Section 2.02(d), each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds to the Administrative Agent in New York, New York, not later than 12:00 noon, New York City time, and the Administrative Agent shall by 3:00 p.m., New York City time, credit the amounts so received to the general deposit account of the applicable Borrower with the Administrative Agent or, if a Borrowing shall not occur on such date because any condition precedent herein specified shall not have been met, return the amounts so received to the respective Lenders. Competitive Loans shall be made by the Lender or Lenders whose Competitive Bids therefor are accepted pursuant to Section 2.03 in the amounts so accepted. Standby Loans shall be made by the Lenders pro rata in accordance with Section 2.15. Unless the Administrative Agent shall have received notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's portion of such Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such Borrowing in accordance with this paragraph (c) and the Administrative Agent may, in reliance upon such assumption, make available to the applicable Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have made such portion available to the Administrative Agent, such Lender and the applicable Borrower severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to such Borrower until the date such amount is repaid to the Administrative Agent at (i) in the case of such Borrower, the interest rate applicable at the time to the Loans comprising such Borrowing and (ii) in the case of such Lender, the Federal Funds Effective Rate. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount shall constitute such Lender's Loan as part of such Borrowing for purposes of this Agreement.

(d) Any Borrower may refinance all or any part of any Borrowing with a Borrowing of the same or a different Type

made pursuant to Section 2.03 or Section 2.04, subject to the conditions and limitations set forth herein and elsewhere in this Agreement, including refinancings of Competitive Borrowings with Standby Borrowings and Standby Borrowings with Competitive Borrowings. Any Borrowing or part thereof so refinanced shall be deemed to be repaid in accordance with Section 2.06 with the proceeds of a new Borrowing hereunder and the proceeds of the new Borrowing, to the extent they do not exceed the principal amount of the Borrowing being refinanced, shall not be paid by the Lenders to the Administrative Agent or by the Administrative Agent to the applicable Borrower pursuant to Section 2.02(c); provided, however, that (i) if the principal amount extended by a Lender in a refinancing is greater than the principal amount extended by such Lender in the Borrowing being refinanced, then such Lender shall pay such difference to the Administrative Agent for distribution to the Lender described in (ii) below, (ii) if the principal amount extended by a Lender in the Borrowing being refinanced is greater than the principal amount being extended by such Lender in the refinancing, the Administrative Agent shall return the difference to such Lender out of amounts received pursuant to (i) above and (iii) to the extent any Lender fails to pay the Agent amounts due from it pursuant to (i) above, any Loan or portion thereof being refinanced with such amounts shall not be deemed repaid in accordance with Section 2.06 and shall be payable by the Company.

SECTION 2.03. Competitive Bid Procedure. (a) In order to request Competitive Bids, a Borrower shall hand deliver or telecopy to the Administrative Agent a duly completed Competitive Bid Request in the form of Exhibit A-1 hereto, to be received by the Administrative Agent (i) in the case of a Eurodollar Competitive Borrowing, not later than 10:00 a.m., New York City time, four Business Days before a proposed Competitive Borrowing and (ii) in the case of a Fixed Rate Borrowing, not later than 10:00 a.m., New York City time, one Business Day before a proposed Competitive Borrowing. No ABR Loan shall be requested in, or made pursuant to, a Competitive Bid Request. A Competitive Bid Request that does not conform substantially to the format of Exhibit A-1 may be rejected in the Administrative Agent's sole discretion, and the Administrative Agent shall promptly notify the applicable Borrower of such rejection by telecopy. Each Competitive Bid Request shall refer to this Agreement and specify whether the Borrowing then being requested is to be a Eurodollar Borrowing or a Fixed Rate Borrowing, the date of such Borrowing (which shall be a Business Day), the aggregate principal amount thereof, which shall be in a minimum principal amount of \$5,000,000 and in an integral multiple of \$1,000,000, and the Interest Period with respect thereto (which may not end after the Maturity Date). Promptly after its receipt of a Competitive Bid Request that is not rejected as aforesaid, the Administrative Agent shall invite by telecopy (in the form set forth in Exhibit A-2 hereto) the Lenders to bid, on the terms and conditions of this Agreement, to make Competitive Loans.

(b) Each Lender invited to bid may, in its sole discretion, make one or more Competitive Bids to the applicable Borrower responsive to such Borrower's Competitive Bid Request. Each Competitive Bid by a Lender must be received by the Administrative Agent by telecopy, in the form of Exhibit A-3 hereto, (i) in the case of a Eurodollar Competitive Borrowing, not later than 9:30 a.m., New York City time, three Business Days before a proposed Competitive Borrowing and (ii) in the case of a Fixed Rate Borrowing, not later than 9:30 a.m., New York City time, on the day of a proposed Competitive Borrowing. Multiple bids will be accepted by the Administrative Agent. Competitive Bids that do not conform substantially to the format of Exhibit A-3 may be rejected by the Administrative Agent, and the Administrative Agent shall notify the Lender making such nonconforming bid of such rejection as soon as practicable. Each Competitive Bid shall refer to this Agreement and specify (x) the principal amount (which shall be in a minimum principal amount of \$5,000,000 and in an integral multiple of \$1,000,000 and which may equal

the entire principal amount of the Competitive Borrowing requested) of the Competitive Loan or Loans that the Lender is willing to make, (y) the Competitive Bid Rate or Rates at which the Lender is prepared to make the Competitive Loan or Loans and (z) the Interest Period and the last day thereof. If any Lender invited to bid shall elect not to make a Competitive Bid, such Lender shall so notify the Administrative Agent by telecopy (I) in the case of Eurodollar Competitive Loans, not later than 9:30 a.m., New York City time, three Business Days before a proposed Competitive Borrowing, and (II) in the case of Fixed Rate Loans, not later than 9:30 a.m., New York City time, on the day of a proposed Competitive Borrowing; provided, however, that failure by any Lender to give such notice shall not cause such Lender to be obligated to make any Competitive Loan as part of such Competitive Borrowing. A Competitive Bid submitted by a Lender pursuant to this paragraph (b) shall be irrevocable.

(c) The Administrative Agent shall promptly notify the applicable Borrower, by telecopy, of all the Competitive Bids made, the Competitive Bid Rate and the principal amount of each Competitive Loan in respect of which a Competitive Bid was made and the identity of the Lender that made each bid. The Administrative Agent shall send a copy of all Competitive Bids to such Borrower for its records as soon as practicable after completion of the bidding process set forth in this Section 2.03.

(d) The applicable Borrower may in its sole and absolute discretion, subject only to the provisions of this paragraph (d), accept or reject any Competitive Bid referred to in paragraph (c) above. Such Borrower shall notify the Administrative Agent by telephone, confirmed by telecopy in the form of a Competitive Bid Accept/Reject Letter, whether and to what extent it has decided to accept or reject any of or all the bids referred to in paragraph (c) above, (x) in the case of a Eurodollar Competitive Borrowing, not later than 10:30 a.m., New York City time, three Business Days before a proposed Competitive Borrowing, and (y) in the case of a Fixed Rate Borrowing, not later than 10:30 a.m., New York City time, on the day of a proposed Competitive Borrowing; provided, however, that (i) the failure of such Borrower to give such notice shall be deemed to be a rejection of all the bids referred to in paragraph (c) above, (ii) such Borrower shall not accept a bid made at a particular Competitive Bid Rate if it has decided to reject a bid made at a lower Competitive Bid Rate, (iii) the aggregate amount of the Competitive Bids accepted by such Borrower shall not exceed the principal amount specified in the Competitive Bid Request, (iv) if such Borrower shall accept a bid or bids made at a particular Competitive Bid Rate but the amount of such bid or bids shall cause the total amount of bids to be accepted to exceed the amount specified in the Competitive Bid Request, then such Borrower shall accept a portion of such bid or bids in an amount equal to the amount specified in the Competitive Bid Request less the amount of all other Competitive Bids accepted with respect to such Competitive Bid Request, which acceptance, in the case of multiple bids at such Competitive Bid Rate, shall be made pro rata in accordance with the amount of each such bid at such Competitive Bid Rate, and (v) except pursuant to clause (iv) above, no bid shall be accepted for a Competitive Loan unless such Competitive Loan is in a minimum principal amount of \$5,000,000 and an integral multiple of \$1,000,000; provided further, however, that if a Competitive Loan must be in an amount less than \$5,000,000 because of the provisions of clause (iv) above, such Competitive Loan may be for a minimum of \$1,000,000 or any integral multiple thereof, and in calculating the pro rata allocation of acceptances of portions of multiple bids at a particular Competitive Bid Rate pursuant to clause (iv) the amounts shall be rounded to integral multiples of \$1,000,000 in a manner which shall be in the discretion of the applicable Borrower. A notice given pursuant to this paragraph (d) shall be irrevocable.

(e) The Administrative Agent shall promptly notify each

bidding Lender whether or not its Competitive Bid has been accepted (and if so, in what amount and at what Competitive Bid Rate) by telecopy, and each successful bidder will thereupon become bound, subject to the other applicable conditions hereof, to make the Competitive Loan or Loans in respect of which its bid has been accepted.

(f) A Competitive Bid Request shall not be made within five Business Days after the date of any previous Competitive Bid Request.

(g) If the Administrative Agent shall elect to submit a Competitive Bid in its capacity as a Lender, it shall submit such bid directly to the applicable Borrower one quarter of an hour earlier than the latest time at which the other Lenders are required to submit their bids to the Administrative Agent pursuant to paragraph (b) above.

(h) All notices required by this Section 2.03 shall be given in accordance with Section 9.01.

SECTION 2.04. Standby Borrowing Procedure. In order to request a Standby Borrowing, a Borrower shall hand deliver or telecopy to the Administrative Agent a duly completed Standby Borrowing Request in the form of Exhibit A-5 (a) in the case of a Eurodollar Standby Borrowing, not later than 10:30 a.m., New York City time, three Business Days before such Borrowing, and (b) in the case of an ABR Borrowing, not later than 10:30 a.m., New York City time, on the day of such Borrowing. No Fixed Rate Loan shall be requested or made pursuant to a Standby Borrowing Request. Such notice shall be irrevocable and shall in each case specify (i) whether the Borrowing then being requested is to be a Eurodollar Standby Borrowing or an ABR Borrowing; (ii) the date of such Standby Borrowing (which shall be a Business Day) and the amount thereof; and (iii) if such Borrowing is to be a Eurodollar Standby Borrowing, the Interest Period with respect thereto, which shall not end after the Maturity Date. If no election as to the Type of Standby Borrowing is specified in any such notice, then the requested Standby Borrowing shall be an ABR Borrowing. If no Interest Period with respect to any Eurodollar Standby Borrowing is specified in any such notice, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Notwithstanding any other provision of this Agreement to the contrary, no Standby Borrowing shall be requested if the Interest Period with respect thereto would end after the Maturity Date. The Administrative Agent shall promptly advise the Lenders of any notice given pursuant to this Section 2.04 and of each Lender's portion of the requested Borrowing.

SECTION 2.05. Facility Fees. (a) The Company agrees to pay to each Lender, through the Administrative Agent, on each March 31, June 30, September 30 and December 31 (with the first payment being due on March 31, 1994) and on the date on which the Commitment of such Lender shall be terminated as provided herein, a facility fee (a "Facility Fee"), at a rate per annum equal to .08% per annum on the average daily amount of the Commitment of such Lender, whether used or unused, during the preceding quarter (or other period commencing on the date of this Agreement, or ending with the Maturity Date or the date on which the Commitment of such Lender shall be terminated). All Facility Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days. The Facility Fee due to each Lender shall commence to accrue on the date of this Agreement, and shall cease to accrue on the earlier of the Maturity Date and the termination of the Commitment of such Lender as provided herein.

(b) All Facility Fees shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, if and as appropriate, among the Lenders. Once paid, none of the Facility Fees shall be refundable under any circumstances.

SECTION 2.06 Repayment of Loans; Evidence of Debt.

(a) Each Borrower hereby agrees that the outstanding principal balance of each Standby Loan shall be payable on the last day of the Interest Period applicable thereto and on the Maturity Date and that the outstanding principal balance of each Competitive Loan shall be payable on the last day of the Interest Period applicable thereto. Each Loan shall bear interest on the outstanding principal balance thereof as set forth in Section 2.07.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid such Lender from time to time under this Agreement.

(c) The Administrative Agent shall maintain accounts in which it will record (i) the amount of each Loan made hereunder, the Type of each Loan made and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from each Borrower and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraphs (b) and (c) of this Section 2.06 shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations therein recorded; provided, however, that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of the Borrowers to repay the Loans in accordance with their terms.

SECTION 2.07. Interest on Loans.

(a) Subject to the provisions of Section 2.08, the Loans comprising each Eurodollar Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to (i) in the case of each Eurodollar Standby Loan, the LIBO Rate for the Interest Period in effect for such Borrowing plus 1/4 of 1% and (ii) in the case of each Eurodollar Competitive Loan, the LIBO Rate for the Interest Period in effect for such Borrowing plus the Margin offered by the Lender making such Loan and accepted by the applicable Borrower pursuant to Section 2.03.

(b) Subject to the provisions of Section 2.08, the Loans comprising each ABR Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be, for periods during which the Alternate Base Rate is determined by reference to the Prime Rate and 360 days for other periods) at a rate per annum equal to the Alternate Base Rate.

(c) Subject to the provisions of Section 2.08, each Fixed Rate Loan shall bear interest at a rate per annum (computed on the basis of the actual number of days elapsed over a year of 360 days) equal to the fixed rate of interest offered by the Lender making such Loan and accepted by the Borrower pursuant to Section 2.03.

(d) Interest on each Loan shall be payable on each Interest Payment Date applicable to such Loan except as otherwise provided in this Agreement. The applicable LIBO Rate or Alternate Base Rate for each Interest Period or day within an Interest Period, as the case may be, shall be determined by the Administrative Agent, and such determination

shall be conclusive absent manifest error.

SECTION 2.08. Default Interest. If a Borrower shall default in the payment of the principal of or interest on any Loan or any other amount becoming due hereunder, whether by scheduled maturity, notice of prepayment, acceleration or otherwise, such Borrower shall owe interest, payable on demand, to the extent permitted by law, on such defaulted amount up to (but not including) the date of actual payment (after as well as before judgment) at a rate per annum (computed as provided in Section 2.07(b)) equal to the Alternate Base Rate plus 2%.

SECTION 2.09. Alternate Rate of Interest. (a) In the event, and on each occasion, that on the day two Business Days prior to the commencement of any Interest Period for a Eurodollar Borrowing the Administrative Agent shall have determined (i) that dollar deposits in the principal amounts of the Eurodollar Loans comprising such Borrowing are not generally available in the London interbank market or (ii) that reasonable means do not exist for ascertaining the LIBO Rate, the Administrative Agent shall, as soon as practicable thereafter, give telecopy notice of such determination to the Borrowers and the Lenders. In the event of any such determination under clauses (i) or (ii) above, until the Administrative Agent shall have advised the Borrowers and the Lenders that the circumstances giving rise to such notice no longer exist, (x) any request by a Borrower for a Eurodollar Competitive Borrowing pursuant to Section 2.03 shall be of no force and effect and shall be denied by the Administrative Agent and (y) any request by a Borrower for a Eurodollar Standby Borrowing pursuant to Section 2.04 shall be deemed to be a request for an ABR Borrowing.

(b) In the event a Lender notifies the Administrative Agent that the rates at which dollar deposits are being offered will not adequately and fairly reflect the cost to such Lender of making or maintaining its Eurodollar Loan during such Interest Period, the Administrative Agent shall notify the applicable Borrower of such notice and until the Lender shall have advised the Administrative Agent that the circumstances giving rise to such notice no longer exist, any request by such Borrower for a Eurodollar Standby Borrowing shall be deemed a request for an ABR Borrowing for the same Interest Period with respect to such Lender.

(c) Each determination by the Administrative Agent hereunder shall be made in good faith and shall be conclusive absent manifest error.

SECTION 2.10. Termination and Reduction of Commitments.

(a) The Commitments shall be automatically terminated on the Maturity Date.

(b) Upon at least three Business Days' prior irrevocable telecopy notice to the Administrative Agent, the Company may at any time in whole permanently terminate, or from time to time in part permanently reduce, the Total Commitment; provided, however, that (i) each partial reduction of the Total Commitment shall be in an integral multiple of \$1,000,000 and in a minimum principal amount of \$5,000,000 and (ii) no such termination or reduction shall be made which would reduce the Total Commitment to an amount less than the aggregate outstanding principal amount of the Competitive Loans.

(c) Each reduction in the Total Commitment hereunder shall be made ratably among the Lenders in accordance with their respective Commitments. The Company shall pay to the Administrative Agent for the account of the Lenders, on each date of reduction of any portion of the Total Commitment, the Facility Fees on the amount of the Commitments so terminated accrued through the date of such termination or reduction.

SECTION 2.11. Prepayment. (a) Each Borrower shall have the right at any time and from time to time to prepay any Standby Borrowing, in whole or in part, upon giving telecopy notice (or telephone notice promptly confirmed by telecopy) to the Administrative Agent: (i) before 10:00 a.m., New York City time, three Business Days prior to prepayment, in the case of Eurodollar Loans, and (ii) before 10:00 a.m., New York City time, one Business Day prior to prepayment, in the case of ABR Loans; provided, however, that each partial prepayment shall be in an amount which is an integral multiple of \$1,000,000 and not less than \$5,000,000. No prepayment may be made in respect of any Competitive Borrowing.

(b) On the date of any termination or reduction of the Commitments pursuant to Section 2.10, the Borrowers shall pay or prepay so much of the Standby Borrowings as shall be necessary in order that the aggregate principal amount of the Competitive Loans and Standby Loans outstanding will not exceed the Total Commitment, after giving effect to such termination or reduction.

(c) Each notice of prepayment shall specify the prepayment date and the principal amount of each Borrowing (or portion thereof) to be prepaid, shall be irrevocable and shall commit the applicable Borrower to prepay such Borrowing (or portion thereof) by the amount stated therein on the date stated therein. All prepayments under this Section 2.11 shall be subject to Section 2.14 but otherwise without premium or penalty. All prepayments under this Section 2.11 shall be accompanied by accrued interest on the principal amount being prepaid to the date of payment.

SECTION 2.12. Reserve Requirements; Change in Circumstances. (a) Notwithstanding any other provision herein, if after the date of this Agreement any change in applicable law or regulation or in the interpretation or administration thereof by any Governmental Authority charged with the interpretation or administration thereof (whether or not having the force of law) shall result in the imposition, modification or applicability of any reserve, special deposit or similar requirement against assets of, deposits with or for the account of or credit extended by any Lender, or shall result in the imposition on any Lender or the London interbank market of any other condition affecting this Agreement, such Lender's Commitment or any Eurodollar Loan or Fixed Rate Loan made by such Lender, and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurodollar Loan or Fixed Rate Loan or to reduce the amount of any sum received or receivable by such Lender with respect to any Eurodollar Loan or Fixed Rate Loan hereunder (whether of principal, interest or otherwise) by an amount deemed by such Lender to be material, then such additional amount or amounts as will compensate such Lender for such additional costs or reduction will be paid by the Borrowers to such Lender upon demand. Notwithstanding the foregoing, no Lender shall be entitled to request compensation under this paragraph with respect to any Competitive Loan if the change giving rise to such request was applicable to such Lender at the time of submission of the Competitive Bid pursuant to which such Competitive Loan was made.

(b) If any Lender shall have determined that the adoption after the date hereof of any law, rule, regulation or guideline arising out of the July 1988 report of the Basle Committee on Banking Regulations and Supervisory Practices entitled "International Convergence of Capital Measurement and Capital Standards," or the adoption after the date hereof of any other law, rule, regulation or guideline regarding capital adequacy, or any change in any of the foregoing or in the interpretation or administration of any of the foregoing by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender (or any lending office of such Lender) 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 reducing the rate of return on such Lender's capital as a consequence of this Agreement, such Lender's Commitment or the Loans made by such Lender pursuant hereto to a level below that which such Lender could have achieved but for such adoption, change or compliance (taking into consideration such Lender's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time such additional amount or amounts as will compensate such Lender for such reduction will be paid by the Borrowers to such Lender. It is acknowledged that this Agreement is being entered into by the Lenders on the understanding that the Lenders will not be required to maintain capital against their Commitments under currently applicable laws, regulations and regulatory guidelines. In the event the Lenders shall be advised by any Governmental Authority or shall otherwise determine on the basis of pronouncements of any Governmental Authority that such understanding is incorrect, it is agreed that the Lenders will be entitled to make claims under this paragraph (b) based upon market requirements prevailing on the date hereof for commitments under comparable credit facilities against which capital is required to be maintained.

(c) A certificate of each Lender setting forth such amount or amounts as shall be necessary to compensate such Lender as specified in paragraph (a) or (b) above, as the case may be, shall be delivered to the Company promptly by such Lender upon becoming aware of any costs pursuant to paragraphs (a) or (b) above and shall be conclusive absent manifest error. The Company shall pay each Lender the amount shown as due on any such certificate delivered by it within 10 days after its receipt of the same.

(d) Failure on the part of any Lender to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital with respect to any period shall not constitute a waiver of such Lender's right to demand compensation with respect to such period or any other period. The protection of this Section shall be available to each Lender regardless of any possible contention of the invalidity or inapplicability of the law, rule, regulation, guideline or other change or condition which shall have occurred or been imposed. No Lender shall be entitled to compensation under this Section 2.12 for any costs incurred or reduction suffered with respect to any date unless such Lender shall have notified the Company that it will demand compensation for such costs or reductions not more than 90 days after the later of (i) such date and (ii) the date on which such Lender shall have become aware of such costs or reductions. Notwithstanding any other provision of this Section 2.12, no Lender shall demand compensation for any increased cost or reduction referred to above if it shall not at the time be the general policy or practice of such Lender to demand such compensation in similar circumstances under comparable provisions of other credit agreements, if any.

SECTION 2.13. Change in Legality. (a) Notwithstanding any other provision herein, if any change in any law or regulation or in the interpretation thereof by any Governmental Authority charged with the administration or interpretation thereof shall make it unlawful for any Lender to make or maintain any Eurodollar Loan or to give effect to its obligations as contemplated hereby with respect to any Eurodollar Loan, then, by written notice to the Company and to the Administrative Agent, such Lender may:

(i) declare that Eurodollar Loans will not thereafter be made by such Lender hereunder, whereupon such Lender shall not submit a Competitive Bid in response to a request for Eurodollar Competitive Loans and any request for a Eurodollar Standby Borrowing shall, as to such Lender only, be deemed a request for an ABR Loan unless such declaration shall be subsequently withdrawn; and

(ii) require that all outstanding Eurodollar Loans made by it be converted to ABR Loans, in which event all such Eurodollar Loans shall be automatically converted to ABR Loans as of the effective date of such notice as provided in paragraph (b) below.

In the event any Lender shall exercise its rights under (i) or (ii) above, all payments and prepayments of principal which would otherwise have been applied to repay the Eurodollar Loans that would have been made by such Lender or the converted Eurodollar Loans of such Lender shall instead be applied to repay the ABR Loans made by such Lender in lieu of, or resulting from the conversion of, such Eurodollar Loans.

(b) For purposes of this Section 2.13, a notice by any Lender shall be effective as to each Eurodollar Loan, if lawful, on the last day of the Interest Period currently applicable to such Eurodollar Loan; in all other cases such notice shall be effective on the date of receipt.

SECTION 2.14. Indemnity. The Borrowers shall indemnify each Lender against any out-of-pocket loss or expense which such Lender may sustain or incur as a consequence of (a) any failure to borrow or to refinance any Loan hereunder after irrevocable notice of such borrowing or refinancing has been given pursuant to Section 2.03 or 2.04, (b) any payment, prepayment or conversion, or assignment required under Section 2.18, of a Eurodollar Loan required by any other provision of this Agreement (other than Section 2.13) or otherwise made or deemed made on a date other than the last day of the Interest Period, if any, applicable thereto, (c) any default in payment or prepayment of the principal amount of any Loan or any part thereof or interest accrued thereon, as and when due and payable (at the due date thereof, whether by scheduled maturity, acceleration, irrevocable notice of prepayment or otherwise) or (d) the occurrence of any Event of Default, including, in each such case, any loss or reasonable expense sustained or incurred or to be sustained or incurred in liquidating or employing deposits from third parties acquired to effect or maintain such Loan or any part thereof as a Eurodollar Loan or a Fixed Rate Loan. Such loss or reasonable expense shall include an amount equal to the excess, if any, as reasonably determined by such Lender, of (i) its cost of obtaining the funds for the Loan being paid, prepaid, refinanced or not borrowed or so assigned (assumed to be the LIBO Rate applicable thereto or, in the case of a Fixed Rate Loan, the fixed rate of interest applicable thereto) for the period from the date of such payment, prepayment, refinancing or failure to borrow or refinance or such assignment, to the last day of the Interest Period for such Loan (or, in the case of a failure to borrow or refinance the Interest Period for such Loan which would have commenced on the date of such failure) over (ii) the amount of interest (as reasonably determined by such Lender) that would be realized by such Lender in reemploying in similar investments the funds so paid, prepaid or not borrowed or refinanced or so assigned for the remainder of such period or Interest Period, as the case may be. A certificate of any Lender setting forth any amount or amounts which such Lender is entitled to receive pursuant to this Section 2.14 shall be delivered to the Borrowers and shall be conclusive absent manifest error.

SECTION 2.15. Pro Rata Treatment. Except as required under Section 2.12, each payment or prepayment of principal of any Standby Borrowing, each payment of interest on the Standby Loans, each payment of the Facility Fees, each reduction of the Commitments and each refinancing of any Borrowing with a Standby Borrowing of any Type, shall be allocated pro rata among the Lenders in accordance with their respective Commitments (or, if such Commitments shall have expired or been terminated, in accordance with the respective principal amounts of their outstanding Standby Loans). Each payment of principal of any Competitive Borrowing shall be allocated pro rata among the Lenders participating in such Borrowing in accordance with the respective principal amounts of their

outstanding Competitive Loans comprising such Borrowing. Each payment of interest on any Competitive Borrowing shall be allocated pro rata among the Lenders participating in such Borrowing in accordance with the respective amounts of accrued and unpaid interest on their outstanding Competitive Loans comprising such Borrowing. For purposes of determining the available Commitments of the Lenders at any time, each outstanding Competitive Borrowing shall be deemed to have utilized the Commitments of the Lenders (including those Lenders which shall not have made Loans as part of such Competitive Borrowing) pro rata in accordance with such respective Commitments. Each Lender agrees that in computing such Lender's portion of any Borrowing to be made hereunder, the Administrative Agent may, in its discretion, round each Lender's percentage of such Borrowing to the next higher or lower whole dollar amount.

SECTION 2.16. Sharing of Setoffs. Each Lender agrees that if it shall, through the exercise of a right of banker's lien, setoff or counterclaim, or pursuant to a secured claim under Section 506 of Title 11 of the United States Code or other security or interest arising from, or in lieu of, such secured claim, received by such Lender under any applicable bankruptcy, insolvency or other similar law or otherwise, or by any other means, obtain payment (voluntary or involuntary) in respect of any Standby Loan or Loans as a result of which the unpaid principal portion of its Standby Loans shall be proportionately less than the unpaid principal portion of the Standby Loans of any other Lender, it shall be deemed simultaneously to have purchased from such other Lender at face value, and shall promptly pay to such other Lender the purchase price for, a participation in the Standby Loans of such other Lender, so that the aggregate unpaid principal amount of the Standby Loans and participations in the Standby Loans held by each Lender shall be in the same proportion to the aggregate unpaid principal amount of all Standby Loans then outstanding as the principal amount of its Standby Loans prior to such exercise of banker's lien, setoff or counterclaim or other event was to the principal amount of all Standby Loans outstanding prior to such exercise of banker's lien, setoff or counterclaim or other event; provided, however, that, if any such purchase or purchases or adjustments shall be made pursuant to this Section 2.16 and the payment giving rise thereto shall thereafter be recovered, such purchase or purchases or adjustments shall be rescinded to the extent of such recovery and the purchase price or prices or adjustment restored without interest. Any Lender holding a participation in a Standby Loan deemed to have been so purchased may exercise any and all rights of banker's lien, setoff or counterclaim with respect to any and all moneys owing to such Lender by reason thereof as fully as if such Lender had made a Standby Loan in the amount of such participation.

SECTION 2.17. Payments. (a) The Borrowers shall make each payment (including principal of or interest on any Borrowing and any Facility Fees or other amounts) hereunder from an account in the United States not later than 12:00 noon, New York City time, on the date when due in dollars to the Administrative Agent at its offices at 270 Park Avenue, New York, New York, in immediately available funds.

(b) Whenever any payment (including principal of or interest on any Borrowing or any Facility Fees or other amounts) hereunder shall become due, or otherwise would occur, on a day that is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of interest or Facility Fees, if applicable.

SECTION 2.18. Duty to Mitigate; Assignment of Commitments Under Certain Circumstances. (a) Any Lender (or Transferee) claiming any additional amounts payable pursuant to Section 2.12 or Section 2.19 or exercising its rights under Section 2.13 shall use reasonable efforts (consistent with

legal and regulatory restrictions) to file any certificate or document requested by the Company or to change the jurisdiction of its applicable lending office if the making of such a filing or change would avoid the need for or reduce the amount of any such additional amounts which may thereafter accrue or avoid the circumstances giving rise to such exercise and would not, in the sole determination of such Lender (or Transferee), be otherwise disadvantageous to such Lender (or Transferee).

(b) In the event that any Lender shall have delivered a notice or certificate pursuant to Section 2.09(b), 2.12 or 2.13, or the Borrowers shall be required to make additional payments to any Lender under Section 2.19, the Company shall have the right, at its own expense (which shall include the processing and recordation fee referred to in Section 9.04(b)), upon notice to such Lender and the Administrative Agent, to require such Lender to transfer and assign without recourse (in accordance with and subject to the restrictions contained in Section 9.04) all interests, rights and obligations contained hereunder to another financial institution approved by the Administrative Agent (which approval shall not be unreasonably withheld) which shall assume such obligations; provided that (i) no such assignment shall conflict with any law, rule or regulation or order of any Governmental Authority and (ii) the assignee or the Borrowers, as the case may be, shall pay to the affected Lender in immediately available funds on the date of such assignment the principal of and interest accrued to the date of payment on the Loans made by it hereunder and all other amounts accrued for its account or owed to it hereunder.

SECTION 2.19. Taxes. (a) Any and all payments to the Lenders hereunder shall be made, in accordance with Section 2.17, free and clear of and without deduction for any and all current or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding (i) income taxes imposed on the net income of the Administrative Agent or any Lender (or any transferee or assignee thereof, including a participation holder (any such entity a "Transferee")) and (ii) franchise taxes imposed on the net income of the Administrative Agent or any Lender (or Transferee), in each case by the jurisdiction under the laws of which the Administrative Agent or such Lender (or Transferee) is organized or any political subdivision thereof (all such nonexcluded taxes, levies, imposts, deductions, charges, withholdings and liabilities, collectively or individually, "Taxes"). If any Borrower shall be required to deduct any Taxes from or in respect of any sum payable hereunder to any Lender (or any Transferee) or the Administrative Agent, (i) the sum payable shall be increased by the amount (an "additional amount") necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.19) such Lender (or Transferee) or the Administrative Agent (as the case may be) shall receive an amount equal to the sum it would have received had no such deductions been made, (ii) such Borrower shall make such deductions and (iii) such Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrowers shall pay to the relevant Governmental Authority in accordance with applicable law any current or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies that arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement ("Other Taxes").

(c) The Borrowers shall indemnify each Lender (or Transferee) and the Administrative Agent for the full amount of Taxes and Other Taxes paid by such Lender (or Transferee) or the Administrative Agent, as the case may be, and any liability (including penalties, interest and expenses (including reasonable attorney's fees and expenses)) arising

therefrom or with respect thereto. A certificate as to the amount of such payment or liability prepared by a Lender, or the Administrative Agent on its behalf, absent manifest error, shall be final, conclusive and binding for all purposes. Such indemnification shall be made within 30 days after the date the Lender (or Transferee) or the Administrative Agent, as the case may be, makes written demand therefor.

(d) If a Lender (or Transferee) or the Administrative Agent shall become aware that it is entitled to claim a refund from a Governmental Authority in respect of Taxes or Other Taxes as to which it has been indemnified by the Borrowers, or with respect to which the Borrowers have paid additional amounts, pursuant to this Section 2.19, it shall promptly notify the Borrowers of the availability of such refund claim and shall, within 30 days after receipt of a request by the Borrowers, make a claim to such Governmental Authority for such refund at the Borrowers' expense. If a Lender (or Transferee) or the Administrative Agent receives a refund (including pursuant to a claim for refund made pursuant to the preceding sentence) in respect of any Taxes or Other Taxes as to which it has been indemnified by the Borrowers or with respect to which the Borrowers have paid additional amounts pursuant to this Section 2.19, it shall within 30 days from the date of such receipt pay over such refund to the Borrowers (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrowers under this Section 2.19 with respect to the Taxes or Other Taxes giving rise to such refund), without interest (other than interest paid by the relevant Governmental Authority with respect to such refund); provided, however, that the Borrowers, upon the request of such Lender (or Transferee) or the Administrative Agent, agree to repay the amount paid over to the Borrowers (plus penalties, interest or other charges) to such Lender (or Transferee) or the Administrative Agent in the event such Lender (or Transferee) or the Administrative Agent is required to repay such refund to such Governmental Authority.

(e) As soon as practicable after the date of any payment of Taxes or Other Taxes by the Borrowers to the relevant Governmental Authority, the Borrowers will deliver to the Administrative Agent, at its address referred to in Section 9.01, the original or a certified copy of a receipt issued by such Governmental Authority evidencing payment thereof.

(f) Without prejudice to the survival of any other agreement contained herein, the agreements and obligations contained in this Section 2.19 shall survive the payment in full of the principal of and interest on all Loans made hereunder for a period of 3 years.

(g) Each Lender (or Transferee) that is organized under the laws of a jurisdiction other than the United States, any State thereof or the District of Columbia (a "Non-U.S. Lender") shall deliver to the Company and the Administrative Agent two copies of either United States Internal Revenue Service Form 1001 or Form 4224, or, in the case of a Non-U.S. Lender claiming exemption from U.S. Federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a Form W-8, or any subsequent versions thereof or successors thereto (and, if such Non-U.S. Lender delivers a Form W-8, a certificate representing that such Non-U.S. Lender is not a bank for purposes of Section 881(c) of the Code, is not a 10-percent shareholder (within the meaning of Section 871(h) (3) (B) of the Code) of the Company and is not a controlled foreign corporation related to the Company (within the meaning of Section 864(d) (4) of the Code)), properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from, or reduced rate of, U.S. Federal withholding tax on payments by the Company under this Agreement. Such forms shall be delivered by each Non-U.S. Lender on or before the date it becomes a party to this Agreement (or, in the case of a Transferee that is a participation holder, on or before the date such participation holder becomes a Transferee hereunder)

and on or before the date, if any, such Non-U.S. Lender changes its applicable lending office by designating a different lending office (a "New Lending Office"). In addition, each Non-U.S. Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Lender. Notwithstanding any other provision of this Section 2.19(g), a Non-U.S. Lender shall not be required to deliver any form pursuant to this Section 2.19(g) that such Non-U.S. Lender is not legally able to deliver.

(h) The Borrowers shall not be required to indemnify any Non-U.S. Lender, or to pay any additional amounts to any Non-U.S. Lender, in respect of United States Federal withholding tax pursuant to paragraph (a) or (c) above to the extent that (i) the obligation to withhold amounts with respect to United States Federal withholding tax existed on the date such Non-U.S. Lender became a party to this Agreement (or, in the case of a Transferee that is a participation holder, on the date such participation holder became a Transferee hereunder) or, with respect to payments to a New Lending Office, the date such Non-U.S. Lender designated such New Lending Office with respect to a Loan; provided, however, that this clause (i) shall not apply to any Transferee or New Lending Office that becomes a Transferee or New Lending Office as a result of an assignment, participation, transfer or designation made at the request of the Company; and provided further, however, that this clause (i) shall not apply to the extent the indemnity payment or additional amounts any Transferee, or Lender (or Transferee) through a New Lending Office, would be entitled to receive (without regard to this clause (i)) do not exceed the indemnity payment or additional amounts that the person making the assignment, participation or transfer to such Transferee, or Lender (or Transferee) making the designation of such New Lending Office, would have been entitled to receive in the absence of such assignment, participation, transfer or designation or (ii) the obligation to pay such additional amounts would not have arisen but for a failure by such Non-U.S. Lender to comply with the provisions of paragraph (g) above.

(i) Any Lender (or Transferee) claiming any indemnity payment or additional amounts payable pursuant to this Section 2.19 shall use reasonable efforts (consistent with legal and regulatory restrictions) to file any certificate or document reasonably requested in writing by the Company or to change the jurisdiction of its applicable lending office if the making of such a filing or change would avoid the need for or reduce the amount of any such indemnity payment or additional amounts that may thereafter accrue and would not, in the sole determination of such Lender (or Transferee), be otherwise disadvantageous to such Lender (or Transferee).

(j) Nothing contained in this Section 2.19 shall require any Lender (or Transferee) or the Administrative Agent to make available any of its tax returns (or any other information that it deems to be confidential or proprietary).

ARTICLE III

Representations and Warranties

The Company represents and warrants to each of the Lenders that:

SECTION 3.01. Corporate Existence and Power. The Company and each Borrowing Subsidiary is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

SECTION 3.02. Corporate and Governmental Authorization;

Contravention. The execution, delivery and performance by the Company of this Agreement (a) is within the Company's corporate powers, (b) has been duly authorized by all necessary corporate action, (c) requires no action by or in respect of, or filing with, any Governmental Authority and (d) does not (i) contravene, or constitute a default under, any applicable provision of law or regulation either of the United States or a particular state thereof or of the certificate of incorporation or by-laws of the Company or of any agreement, judgment, injunction, order, decree or other instrument binding upon the Company or (ii) result in the creation or imposition of any Lien on any asset of the Company or any of its Subsidiaries.

SECTION 3.03. Binding Effect. This Agreement constitutes a valid and binding agreement of the Company, enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of the rights of its creditors generally and subject to general legal and equitable principles with respect to the availability of particular remedies.

SECTION 3.04. Financial Information. (a) The consolidated balance sheet of the Company and its Consolidated Subsidiaries as of January 3, 1993 and the related consolidated statements of earnings and changes in financial position for the fiscal year then ended, reported on by Arthur Andersen & Co. and set forth in the Company's annual report on Form 10-K for the fiscal year ended January 3, 1993, a copy of which has been delivered to each of the Lenders, fairly present, in conformity with GAAP, the consolidated financial position of the Company and its Consolidated Subsidiaries as of such date and their consolidated results of operations and changes in financial position for such fiscal year.

(b) The unaudited consolidated balance sheet of the Company and its Consolidated Subsidiaries as of October 3, 1993 and the related unaudited consolidated statements of earnings and changes in financial position for the nine months then ended, set forth in the Company's quarterly report on Form 10-Q for the fiscal quarter ended October 3, 1993, a copy of which has been delivered to each of the Lenders, fairly present, in conformity with GAAP applied on a basis consistent with the financial statements referred to in paragraph (a) of this Section 3.04, the consolidated financial position of the Company and its Consolidated Subsidiaries as of such date and their consolidated results of operations and changes in financial position for such nine month period (subject to normal year-end adjustments).

SECTION 3.05. Litigation. There is no action, suit or proceeding pending against, or to the knowledge of the Company threatened against or affecting, the Company or any of its Subsidiaries before any court or arbitrator or any governmental body, agency or official in which there is a reasonable possibility of a final adverse decision which could materially adversely affect the business, consolidated financial position or consolidated results of operations of the Company and its Consolidated Subsidiaries taken as a whole or which in any manner draws into question the validity of this Agreement.

SECTION 3.06. Compliance with ERISA. The Company and each ERISA Affiliate has fulfilled its obligations under the minimum funding standards of ERISA and the Code with respect to each Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Code relating to the Plans, and has not incurred any liability to the PBGC or a Plan under Title IV of ERISA.

SECTION 3.07. Taxes. United States Federal income tax returns of the Company and its Subsidiaries have been examined and closed through the fiscal year ended January 3, 1988. The Company and its Subsidiaries have filed all United States

Federal income tax returns and all other material tax returns which are required to be filed by them and have paid all material taxes due pursuant to such returns or pursuant to any assessment received by the Company or any Subsidiary which the Company or any Subsidiary is not disputing in a good faith manner. The charges, accruals and reserves on the books of the Company and its Subsidiaries in respect of taxes or other governmental charges are, in the opinion of the Company, adequate.

SECTION 3.08. Subsidiaries. Attached hereto as Schedule 3.08 is a schedule which correctly identifies all Subsidiaries as of the date of this Agreement. Except as noted on Schedule 3.08, all of the issued and outstanding shares of the capital stock of each Subsidiary is duly issued and outstanding, fully paid and non-assessable and except for directors' qualifying shares and shares issued solely for the purpose of satisfying local requirements concerning the minimum number of shareholders is owned by the Company or a Subsidiary free and clear of any mortgage, pledge, lien or encumbrance.

SECTION 3.09. Representations and Warranties of Each Borrowing Subsidiary. Each Borrowing Subsidiary shall be deemed by the execution and delivery of a Borrowing Subsidiary Agreement to have represented and warranted as of the date thereof as follows:

(a) It is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and is duly qualified to do business and in good standing in each other jurisdiction in which it owns property and/or conducts its business and in which failure to be so qualified and in good standing would have a materially adverse effect on the business of such Borrowing Subsidiary.

(b) The execution, delivery and performance by it of its Borrowing Subsidiary Agreement, and the performance by it of the provisions of this Agreement applicable to it, are within its corporate powers, have been duly authorized by all necessary corporate action and do not contravene (i) its charter or by-laws (or the equivalent thereof) or (ii) any law or regulation or any agreement, judgment, injunction, order, decree or other instrument binding on or affecting it.

(c) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required for the due execution, delivery and performance by it of its Borrowing Subsidiary Agreement or for the performance by it of the provisions of this Agreement applicable to it, except for those which have been duly obtained or made and are in full force and effect.

(d) It is not in breach of or default under any agreement to which it is a party or which is binding on it or any of its assets to an extent or in a manner which would have a material adverse effect on its ability to perform its obligations hereunder after taking into consideration its other financial obligations.

(e) This Agreement is a legal, valid and binding obligation of such Borrowing Subsidiary enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of the rights of its creditors generally and subject to general legal and equitable principles with respect to the availability of particular remedies.

(f) The proceeds of each Loan made to it will be used solely for general corporate purposes, including the acquisition of new businesses.

SECTION 3.10. Federal Reserve Regulations. (a) Neither any Borrower nor any Subsidiary is engaged principally, or as

a substantial part of its activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock (within the meaning of Regulation U).

(b) No part of the proceeds of any Loan has been or will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, in any manner or for any purpose that has resulted or will result in a violation of Regulation U.

SECTION 3.11. Investment Company Act; Public Utility Holding Company Act. Neither any Borrower nor any Subsidiary is (a) an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940 or (b) a "holding company" as defined in, or subject to regulation under, the Public Utility Holding Company Act of 1935.

SECTION 3.12. Environmental and Safety Matters. (a) With respect to all facilities owned and operated by the Company and its Subsidiaries, or at which the Company or any of its Subsidiaries has a leasehold interest, other than any facilities referred to in (b) below, except as set forth in Schedule 3.12(a) (i) the Company and each Subsidiary is in compliance in all material respects with all Federal, state, local and other statutes, ordinances, orders, judgments, rulings and regulations relating to environmental pollution or to environmental regulation or control or to employee health or safety (collectively "Environmental Laws") except where the failure to be in compliance so would not be reasonably likely, individually or in the aggregate, to result in a Material Adverse Effect; (ii) neither the Company nor any Subsidiary has received notice of any material failure so to comply, which non-compliance neither has been remedied nor is the subject of the Company's good faith efforts to achieve compliance, except where the failure to be in compliance would not be reasonably likely, individually or in the aggregate, to result in a Material Adverse Effect and (iii) the Company is aware of no events, conditions or circumstances involving environmental pollution or contamination or employee health or safety that in its judgment would be reasonably likely to result in a Material Adverse Effect.

(b) With respect to the Federally owned or operated facilities listed on Schedule 3.12(b) at which the Company and/or its Subsidiaries are the management and operations contractor or such facilities at which the Company and/or its Subsidiaries may act as such after the date of this Agreement, except as set forth in Schedule 3.12(c) neither the Company nor any of its Subsidiaries has received notice of any claim under any Environmental Laws which in its judgment would be reasonably likely to result in a Material Adverse Effect.

ARTICLE IV

Conditions of Lending

The obligations of the Lenders to make Loans hereunder are subject to the satisfaction of the following conditions:

SECTION 4.01. All Borrowings. On the date of each Borrowing:

(a) The Administrative Agent shall have received a notice of such Borrowing as required by Section 2.03 or Section 2.04, as applicable.

(b) The representations and warranties set forth in Article III (except in the case of a refinancing that does not increase the aggregate principal amount of Loans of any Lender outstanding, the representations set forth in Section 3.05 and 3.12) hereof shall be true and correct in all material respects on and as of the date of such Borrowing with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to

an earlier date.

(c) At the time of and immediately after such Borrowing no Event of Default or Default shall have occurred and be continuing.

Each Borrowing shall be deemed to constitute a representation and warranty by the applicable Borrower on the date of such Borrowing as to the matters specified in paragraphs (b) and (c) of this Section 4.01.

SECTION 4.02. Closing Date. On the Closing Date:

(a) The Administrative Agent shall have received the favorable written opinion of Murray Gross, Esq., dated the Closing Date and addressed to the Lenders and satisfactory to Cravath, Swaine & Moore, counsel for the Administrative Agent, to the effect set forth in Exhibit D-1 hereto.

(b) The Administrative Agent shall have received (i) a copy of the certificate of incorporation, including all amendments thereto, of the Company, certified as of a recent date by the Secretary of State of its state of incorporation, and a certificate as to the good standing of the Company as of a recent date from such Secretary of State; (ii) a certificate of the Clerk or an Assistant Clerk of the Company dated the Closing Date and certifying (A) that attached thereto is a true and complete copy of the by-laws of the Company as in effect on the Closing Date and at all times since a date prior to the date of the resolutions described in clause (B) below, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the Board of Directors of the Company authorizing the execution, delivery and performance of this Agreement and the Borrowings hereunder, and that such resolutions have not been modified, rescinded or amended and are in full force and effect, (C) that the certificate of incorporation referred to in clause (i) above has not been amended since the date of the last amendment thereto shown on the certificate of good standing furnished pursuant to such clause (i) and (D) as to the incumbency and specimen signature of each officer executing this Agreement or any other document delivered in connection herewith on behalf of the Company; and (iii) a certificate of another officer of the Company as to the incumbency and specimen signature of the Clerk or Assistant Clerk executing the certificate pursuant to (ii) above.

(c) The Administrative Agent shall have received a certificate, dated the Closing Date and signed by a Financial Officer of the Company, confirming compliance with the conditions precedent set forth in paragraphs (b) and (c) of Section 4.01.

(d) The Administrative Agent shall have received evidence of the termination of the Existing Facilities.

SECTION 4.03. First Borrowing by Each Borrowing Subsidiary. On the first date on which Loans are made to each Borrowing Subsidiary:

(a) The Administrative Agent shall have received the favorable written opinion of Murray Gross, Esq., dated the date of such Loans, addressed to the Lenders and satisfactory to Cravath, Swaine & Moore, counsel for the Administrative Agent, to the effect set forth in Exhibit D-2 hereto.

(b) Each Lender shall have received a copy of the Borrowing Subsidiary Agreement executed by such Borrowing Subsidiary.

(c) Such Loans shall not violate any law, rule or regulation binding on any of the Lenders.

(d) Each Lender shall have received from the Company an unaudited consolidated balance sheet and related consolidated

statements of earnings and changes in financial position for the fiscal year most recently ended of such Borrowing Subsidiary.

ARTICLE V

Covenants

The Company covenants and agrees with each Lender and the Administrative Agent that so long as this Agreement shall remain in effect or the principal of or interest on any Loan, any Facility Fees or any other amounts payable hereunder shall be unpaid, unless the Required Lenders shall otherwise consent in writing:

SECTION 5.01. Information. The Company will deliver to each of the Lenders:

(a) as soon as available and in any event within 90 days after the end of each fiscal year of the Company, a consolidated balance sheet of the Company and its Consolidated Subsidiaries as of the end of such fiscal year and the related consolidated statements of earnings and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Arthur Andersen & Co. or other independent public accountants of nationally recognized standing acceptable to the Required Lenders and accompanied by an opinion of such accountants (which shall not be qualified in any material respect) to the effect that such consolidated financial statements fairly present the financial condition and results of operations of the Company and the Consolidated Subsidiaries in accordance with GAAP;

(b) as soon as available and in any event within 45 days after the end of each of the first three quarters of each fiscal year of the Company, a consolidated balance sheet of the Company and its Consolidated Subsidiaries as of the end of such quarter and the related consolidated statements of earnings and cash flows for such quarter and for the portion of the Company's fiscal year ended at the end of such quarter, setting forth in each case in comparative form the figures for the corresponding quarter and the corresponding portion of the Company's previous fiscal year, all certified (subject to normal year-end adjustments) as to fairness of presentation, compliance with GAAP and consistency by a Financial Officer of the Company;

(c) simultaneously with the delivery of each set of financial statements referred to in clauses (a) and (b) above, a certificate of a Financial Officer of the Company (i) setting forth in reasonable detail the calculations required to establish whether the Company was in compliance with the requirements of Sections 5.06 and 5.07 on the date of such financial statements and (ii) stating whether there exists on the date of such certificate any Default and, if any Default then exists, setting forth the details thereof and the action which the Company is taking or proposes to take with respect thereto;

(d) forthwith upon the occurrence of any Default, a certificate of the chief financial officer or the chief accounting officer of the Company setting forth the details thereof and the action which the Company is taking or proposes to take with respect thereto;

(e) promptly upon the mailing thereof to the shareholders of the Company generally, copies of all financial statements, reports and proxy statements so mailed;

(f) promptly upon the filing thereof, copies of all annual or quarterly reports and upon request by any Lender copies of all registration statements (other than the exhibits thereto and any registration statements on Form S-8 or its equivalent) which the Company shall have filed with the

Securities and Exchange Commission;

(g) (i) as soon as possible after, and in any event within 30 days after the Company or any ERISA Affiliate knows or has reason to know that, any Reportable Event has occurred that alone or together with any other Reportable Event could reasonably be expected to result in liability of the Company to the PBGC in an aggregate amount exceeding \$5,000,000, a statement of a Financial Officer setting forth details as to such Reportable Event and the action that the Company proposes to take with respect thereto, together with a copy of the notice, if any, of such Reportable Event given to the PBGC, (ii) promptly after receipt thereof, a copy of any notice that the Company or any ERISA Affiliate may receive from the PBGC relating to the intention of the PBGC to terminate any Plan or Plans (other than a Plan maintained by an ERISA Affiliate that is considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Code Section 414) or to appoint a trustee to administer any such Plan, (iii) within 10 days after the due date for filing with the PBGC pursuant to Section 412(n) of the Code a notice of failure to make a required installment or other payment with respect to a Plan, a statement of a Financial Officer setting forth details as to such failure and the action that the Company proposes to take with respect thereto, together with a copy of any such notice given to the PBGC and (iv) promptly and in any event within 30 days after receipt thereof by the Company or any ERISA Affiliate from the sponsor of a Multiemployer Plan, a copy of each notice received by the Company or any ERISA Affiliate concerning (A) the imposition of Withdrawal Liability or (B) a determination that a Multiemployer Plan is, or is expected to be, terminated or in reorganization, both within the meaning of Title IV of ERISA; and

(h) from time to time such additional information regarding the financial position or business of the Company as any Lender may reasonably request.

SECTION 5.02. Corporate Existence; Businesses and Properties. (a) The Company will, and will cause each Borrowing Subsidiary to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its corporate existence.

(b) Except to the extent that failure to do so would not have a Material Adverse Effect, the Company will, and will cause each Borrowing Subsidiary to, (i) do or cause to be done all things necessary to preserve, renew and keep in full force and effect all rights, licenses, permits and franchises material to the conduct of the business of the Company and the Subsidiaries, taken as a whole, (ii) comply with all laws and regulations applicable to it and (iii) conduct its business in substantially the same manner as heretofore conducted or as at the time permitted under applicable law.

SECTION 5.03. Insurance. The Company will, and will cause each Subsidiary to, keep its insurable properties adequately insured at all times by financially sound and reputable insurers, and maintain such other insurance, to such extent and against such risks, including fire and other risks insured against by extended coverage, as is customary with companies similarly situated and in the same or similar businesses.

SECTION 5.04. Litigation and Other Notices. The Company will give each Lender prompt written notice of the following:

(a) the filing or commencement of, or any written threat or written notice of intention of any person to file or commence, any action, suit or proceeding which could reasonably be expected to result in a Material Adverse Effect; and

(b) any development in the business or affairs of the

Company or any Subsidiary that has resulted in a Material Adverse Effect.

SECTION 5.05. Maintaining Records; Access to Properties and Inspections. The Company will, and will cause each Subsidiary to, maintain financial records in accordance with GAAP and, upon reasonable notice, at all reasonable times, permit (a) any authorized representative designated by any Lender to discuss the affairs, finances and condition of the Company and the Subsidiaries with a Financial Officer of the Company and such other officers as the Company shall deem appropriate and (b) any authorized representative designated by the Administrative Agent or the Required Lenders to visit and inspect the properties of the Company and of any Subsidiary.

SECTION 5.06. Fixed Charge Coverage. The Company will not permit the ratio of (a) Consolidated EBIT to (b) Consolidated Net Interest Expense for any period of four consecutive fiscal quarters ending on the last day of any fiscal quarter to be less than 5:1.

SECTION 5.07. Net Debt to Capitalization Ratio. The Company will not permit on any date the ratio of (a) Consolidated Net Indebtedness on such date to (b) the sum of (i) Shareholders' Equity on such date and (ii) Consolidated Net Indebtedness on such date to be greater than 0.35:1.00.

SECTION 5.08. Negative Pledge. Neither the Company nor any Consolidated Subsidiary will create, assume or suffer to exist any Lien securing Indebtedness on any asset now owned or hereafter acquired by it, except:

(a) Liens on all or part of the assets of Consolidated Subsidiaries securing Indebtedness owing by Consolidated Subsidiaries to the Company and Consolidated Subsidiaries;

(b) mortgages on real property or security interests in personal property securing Indebtedness of the Company and Consolidated Subsidiaries in an aggregate amount not exceeding ten percent (10%) of the consolidated total assets of the Company and the Consolidated Subsidiaries;

(c) Liens to secure taxes, assessments and other governmental charges or claims for labor, material or supplies to the extent that payment thereof shall not at the time be required to be made in accordance with Section 3.07 hereof;

(d) deposits or pledges made in connection with, or to secure payment of, workmen's compensation, unemployment insurance, old age, pension or other social security obligations;

(e) Liens in respect of judgments or awards not exceeding \$1,000,000 in the aggregate at any time, and any other Liens with respect to which the execution or enforcement thereof is being effectively stayed and the claims secured thereby are being contested in good faith by appropriate proceedings;

(f) Liens of carriers, warehousemen, mechanics and materialmen, and other like Liens, in existence less than 120 days from the date of creation thereof;

(g) encumbrances consisting of easements, rights of way, zoning restrictions, restrictions on the use of real property and defects and irregularities in the title thereto, landlord's or lessor's liens under leases to which the Company or a Consolidated Subsidiary is a party, and other similar encumbrances none of which in the opinion of the Company interferes materially with the use of the property in the ordinary conduct of the business of the Company and the Consolidated Subsidiaries; and similar encumbrances on interests in real estate located outside the United States, which defects do not individually or in the aggregate have a

material adverse effect on the business of the Company individually or of the Company and the Consolidated Subsidiaries on a consolidated basis; and

(h) notwithstanding the provisions of subsection (b) hereof, security interests in Margin Stock if, and to the extent that, the value of all such Margin Stock owned by the Company and its Consolidated Subsidiaries exceeds 25% of the value of the total assets of the Company and its Consolidated Subsidiaries subject to this Section 5.08.

SECTION 5.09. Consolidations, Mergers and Sales of Assets. (a) The Company will not (i) consolidate or merge with or into any other person unless (A) the Company shall be the surviving entity and (B) immediately thereafter no Default or Event of Default shall have occurred and be continuing or (ii) sell, lease or otherwise transfer all or any substantial part of its assets to any other person. The Company will not sell, lease or otherwise transfer any of its assets to any other person except for full and adequate consideration.

(b) No Borrowing Subsidiary will (i) consolidate or merge with or into any other person unless (A) if the surviving entity shall be other than such Borrowing Subsidiary, (x) such surviving entity or the Company shall have assumed in writing all obligations of such Borrowing Subsidiary relating to this Agreement and (y) such surviving entity shall be 100% owned by the Company and (B) no Default or Event of Default shall have occurred and be continuing either before or immediately after such consolidation or merger or (ii) sell, lease or otherwise transfer all or any substantial part of its assets to any other person. No Borrowing Subsidiary will sell, lease or otherwise transfer any of its assets to any other person except for full and adequate consideration.

ARTICLE VI

Events of Default

In case of the happening of any of the following events (each an "Event of Default"):

(a) any representation or warranty made or deemed made in or in connection with the execution and delivery of this Agreement or the Borrowings hereunder or any representation, warranty, statement or information contained in any report, certificate, financial statement or other instrument furnished in connection with this Agreement shall prove to have been incorrect in any material respect when so made, deemed made or furnished;

(b) default shall be made in the payment of any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise;

(c) default shall be made in the payment of any interest on any Loan or any Facility Fee or any other amount (other than an amount referred to in paragraph (b) above) due hereunder, when and as the same shall become due and payable, and such default shall continue unremedied for a period of three Business Days;

(d) default shall be made in the due observance or performance of any covenant, condition or agreement contained in Sections 5.02 or 5.06 through 5.09;

(e) default shall be made in the due observance or performance of any covenant, condition or agreement contained herein (other than those specified in paragraphs (b), (c) or (d) above) and such default shall continue unremedied for a period of 10 days after notice thereof from the Administrative Agent or any Lender to the Company;

(f) the Company or any Subsidiary shall (i) fail to pay any principal or interest, regardless of amount, due in respect of any Indebtedness in an aggregate principal amount in excess of \$15,000,000, when and as the same shall become due and payable, or (ii) fail to observe or perform any other term, covenant, condition or agreement contained in any agreement or instrument evidencing or governing any such Indebtedness if the effect of any failure referred to in this clause (ii) is to cause, or to permit the holder or holders of such Indebtedness or a trustee on its or their behalf (with or without the giving of notice, the lapse of time or both) to cause, such Indebtedness to become due prior to its stated maturity;

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of the Company or any Subsidiary, or of a substantial part of the property or assets of the Company or a Subsidiary, under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal or state bankruptcy, insolvency, receivership or similar law, (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Company or any Subsidiary or for a substantial part of the property or assets of the Company or a Subsidiary or (iii) the winding up or liquidation of the Company or any Subsidiary; and such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(h) the Company or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal or state bankruptcy, insolvency, receivership or similar law, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in paragraph (g) above, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Company or any Subsidiary or for a substantial part of the property or assets of the Company or any Subsidiary, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) become unable, admit in writing its inability or fail generally to pay its debts as they become due or (vii) take any action for the purpose of effecting any of the foregoing;

(i) one or more final and nonappealable judgments for the payment of money in an aggregate amount in excess of \$5,000,000 shall be rendered against the Company, any Subsidiary or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to levy upon assets or properties of the Company or any Subsidiary to enforce any such final and nonappealable judgment or judgments aggregating in excess of \$5,000,000;

(j) a Reportable Event or Reportable Events, or a failure to make a required installment or other payment (within the meaning of Section 412(n)(1) of the Code), shall have occurred with respect to any Plan or Plans that reasonably could be expected to result in liability of the Company to the PBGC or to a Plan in an aggregate amount exceeding \$5,000,000 and, within 30 days after the reporting of any such Reportable Event to the Administrative Agent, the Administrative Agent shall have notified the Company in writing that (i) the Required Lenders have made a determination that, on the basis of such Reportable Event or Reportable Events or the failure to make a required payment, there are reasonable grounds (A) for the termination of such Plan or Plans by the PBGC, (B) for the appointment by the appropriate United States District Court of a trustee to administer such Plan or Plans or (C) for

the imposition of a lien in favor of a Plan and (ii) as a result thereof an Event of Default exists hereunder; or a trustee shall be appointed by a United States District Court to administer any such Plan or Plans; or the PBGC shall institute proceedings to terminate any Plan or Plans;

(k) (i) the Company or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that it has incurred Withdrawal Liability to such Multiemployer Plan, (ii) the Borrower or such ERISA Affiliate does not have reasonable grounds for contesting such Withdrawal Liability or is not in fact contesting such Withdrawal Liability in a timely and appropriate manner and (iii) the amount of the Withdrawal Liability specified in such notice, when aggregated with all other amounts required to be paid to Multiemployer Plans in connection with Withdrawal Liabilities (determined as of the date or dates of such notification), exceeds \$5,000,000 or requires payments exceeding \$1,000,000 in any year;

(l) the Company or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or is being terminated, within the meaning of Title IV of ERISA, if solely as a result of such reorganization or termination the aggregate annual contributions of the Company and its ERISA Affiliates to all Multiemployer Plans that are then in reorganization or have been or are being terminated have been or will be increased over the amounts required to be contributed to such Multiemployer Plans for their most recently completed plan years by an amount exceeding \$1,000,000; or

(m) a Change in Control shall occur; then, and in every such event (other than an event with respect to the Company described in paragraph (g) or (h) above), and at any time thereafter during the continuance of such event, the Administrative Agent, at the request of the Required Lenders, shall, by notice to the Company, take either or both of the following actions, at the same or different times: (i) terminate forthwith the Commitments and (ii) declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Facility Fees and all other liabilities of the Borrowers accrued hereunder, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived anything contained herein to the contrary notwithstanding; and, in any event with respect to the Company described in paragraph (g) or (h) above, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and any unpaid accrued Facility Fees and all other liabilities of the Borrowers accrued hereunder shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived anything contained herein to the contrary notwithstanding.

ARTICLE VII

Guarantee

The Company unconditionally and irrevocably guarantees the due and punctual payment and performance, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, of the Guaranteed Obligations. The Company further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from it and that it will remain bound upon its guarantee notwithstanding any extension or renewal of any Guaranteed Obligations.

The Company waives presentment to, demand of payment from and protest to the Borrowing Subsidiaries of any of the

Guaranteed Obligations, and also waives notice of acceptance of its guarantee and notice of protest for nonpayment. The obligations of the Company hereunder shall not be affected by (a) the failure of any Lender or the Administrative Agent to assert any claim or demand or to enforce any right or remedy against the Borrowing Subsidiaries under the provisions of this Agreement or otherwise; (b) any rescission, waiver, amendment or modification of any of the terms or provisions of this Agreement, any guarantee or any other agreement; or (c) the failure of any Lender or the Administrative Agent to exercise any right or remedy against any other guarantor of the Guaranteed Obligations.

The Company further agrees that its guarantee constitutes a guarantee of payment when due and not of collection, and waives any right to require that any resort be had by the Administrative Agent or any Lender to any security, if any, held for payment of the Guaranteed Obligations or to any balance of any deposit account or credit on its books, in favor of the Borrowing Subsidiaries or any other person.

The obligations of the Company hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including, without limitation, any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of the Company hereunder shall not be discharged or impaired or otherwise affected by the failure of the Administrative Agent or any Lender to assert any claim or demand or to enforce any remedy under this Agreement, any guarantee or any other agreement, by any waiver or modification of any provision of any thereof, by any default, failure or delay, wilful or otherwise, in the performance of the Guaranteed Obligations, or by any other act or omission which may or might in any manner or to any extent vary the risk of the Company or otherwise operate as a discharge of the Company as a matter of law or equity.

To the extent permitted by applicable law, the Company waives any defense based on or arising out of any defense available to the Borrowing Subsidiaries, including any defense based on or arising out of any disability of the Borrowing Subsidiaries, or the unenforceability of the Guaranteed Obligations or any part thereof from any cause, or the cessation from any cause of the liability of the Borrowing Subsidiaries, other than final payment in full of the Guaranteed Obligations. The Administrative Agent and the Lenders may, at their election, foreclose on any security held by one or more of them by one or more judicial or non-judicial sales, or exercise any other right or remedy available to them against the Borrowing Subsidiaries, or any security without affecting or impairing in any way the liability of the Company hereunder except to the extent the Guaranteed Obligations have been fully and finally paid. The Company waives any defense arising out of any such election even though such election operates to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of the Company against any Borrowing Subsidiary or any security.

The Company further agrees that its guarantee shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal or interest on any Guaranteed Obligation is rescinded or must otherwise be restored by any Lender upon the bankruptcy or reorganization of any Borrowing Subsidiary or otherwise.

In furtherance of the foregoing and not in limitation of any other right which the Administrative Agent or any Lender may have at law or in equity against the Company by virtue hereof, upon the failure of any Borrowing Subsidiary to pay any Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of

prepayment or otherwise, the Company hereby promises to and will, upon receipt of written demand by the Administrative Agent or any Lender, forthwith pay or cause to be paid to the Administrative Agent or such Lender in cash the amount of such unpaid Guaranteed Obligation.

Upon payment by the Company of any sums to the Administrative Agent or any Lender, as provided above, all rights of the Company against the other Borrowers arising as a result thereof by way of right of subrogation or otherwise shall in all respects be subordinated and junior in right of payment to the prior indefeasible payment in full of all the Guaranteed Obligations to the Administrative Agent and the Lenders; provided, however, that to the extent any right of subrogation that the Company might have pursuant to this Agreement or otherwise would constitute the Company a "creditor" of any Borrower within the meaning of Section 547 of Title 11 of the United States Code as now in effect or hereafter amended, or any comparable provision of any successor statute, the Company hereby irrevocably waives and releases such right of subrogation.

ARTICLE VIII

The Administrative Agent

In order to expedite the transactions contemplated by this Agreement, Chemical Bank is hereby appointed to act as Administrative Agent on behalf of the Lenders. Each of the Lenders hereby irrevocably authorizes the Administrative Agent to take such actions on behalf of such Lender or holder and to exercise such powers as are specifically delegated to the Administrative Agent by the terms and provisions hereof, together with such actions and powers as are reasonably incidental thereto. The Administrative Agent is hereby expressly authorized by the Lenders, without hereby limiting any implied authority, (a) to receive on behalf of the Lenders all payments of principal of and interest on the Loans and all other amounts due to the Lenders hereunder, and promptly to distribute to each Lender its proper share of each payment so received; (b) to give notice on behalf of each of the Lenders to the Borrowers of any Event of Default of which the Administrative Agent has actual knowledge acquired in connection with its agency hereunder; and (c) to distribute promptly to each Lender copies of all notices, financial statements and other materials delivered by the Borrowers pursuant to this Agreement as received by the Administrative Agent.

Neither the Administrative Agent nor any of its directors, officers, employees or agents shall be liable as such for any action taken or omitted by any of them except for its or his or her own gross negligence or willful misconduct, or be responsible for any statement, warranty or representation herein or the contents of any document delivered in connection herewith, or be required to ascertain or to make any inquiry concerning the performance or observance by the Borrowers of any of the terms, conditions, covenants or agreements contained in this Agreement. The Administrative Agent shall not be responsible to the Lenders for the due execution, genuineness, validity, enforceability or effectiveness of this Agreement or other instruments or agreements. The Administrative Agent may deem and treat the Lender that makes any Loan as the holder of the indebtedness resulting therefrom for all purposes hereof until it shall have received notice from such Lender, given as provided herein, of the transfer thereof. The Administrative Agent shall in all cases be fully protected in acting, or refraining from acting, in accordance with written instructions signed by the Required Lenders and, except as otherwise specifically provided herein, such instructions and any action or inaction pursuant thereto shall be binding on all the Lenders. The Administrative Agent shall, in the absence of knowledge to the contrary, be entitled to rely on any instrument or document

believed by it in good faith to be genuine and correct and to have been signed or sent by the proper person or persons. Neither the Administrative Agent nor any of its directors, officers, employees or agents shall have any responsibility to the Borrowers on account of the failure of or delay in performance or breach by any other Lender of any of its obligations hereunder or to any Lender on account of the failure of or delay in performance or breach by any other Lender or the Borrowers of any of their respective obligations hereunder or in connection herewith. The Administrative Agent may execute any and all duties hereunder by or through agents or employees and shall be entitled to rely upon the advice of legal counsel selected by it with respect to all matters arising hereunder and shall not be liable for any action taken or suffered in good faith by it in accordance with the advice of such counsel.

The Lenders hereby acknowledge that the Administrative Agent shall be under no duty to take any discretionary action permitted to be taken by it pursuant to the provisions of this Agreement unless it shall be requested in writing to do so by the Required Lenders.

Subject to the appointment and acceptance of a successor Administrative Agent as provided below, the Administrative Agent may resign at any time by notifying the Lenders and the Company. Upon any such resignation, the Required Lenders shall have the right to appoint a successor Administrative Agent reasonably acceptable to the Company. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then, the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, having a combined capital and surplus of at least \$500,000,000 or an Affiliate of any such bank. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor bank, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 9.05 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Administrative Agent.

With respect to the Loans made by it hereunder, the Administrative Agent in its individual capacity and not as Administrative Agent shall have the same rights and powers as any other Lender and may exercise the same as though it were not the Administrative Agent, and the Administrative Agent and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrowers or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent.

Each Lender agrees (i) to reimburse the Administrative Agent, on demand, in the amount of its pro rata share (based on its Commitment hereunder or, if the Commitments shall have been terminated, the amount of its outstanding Loans) of any out-of-pocket expenses incurred for the benefit of the Lenders by the Administrative Agent, including reasonable counsel fees and compensation of agents paid for services rendered on behalf of the Lenders, which shall not have been reimbursed by the Borrowers and (ii) to indemnify and hold harmless the Administrative Agent and any of its directors, officers, employees or agents, on demand, in the amount of such pro rata share, from and against any and all liabilities, taxes, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against it in its capacity as the Administrative Agent in any way relating to or arising out of this Agreement or any action

taken or omitted by it under this Agreement to the extent the same shall not have been reimbursed by the Borrowers; provided that no Lender shall be liable to the Administrative Agent for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or willful misconduct of the Administrative Agent or any of its directors, officers, employees or agents. Each Lender agrees that any allocation made in good faith by the Administrative Agent of expenses or other amounts referred to in this paragraph between this Agreement and the Facility A Credit Agreement shall be conclusive and binding for all purposes.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement or any related agreement or any document furnished hereunder or thereunder.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices. Except as otherwise expressly provided herein, notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed or sent by telecopy, as follows:

(a) if to any Borrower, to EG&G, Inc., 45 William Street, Wellesley, Massachusetts 02181, Attention of Treasurer, (Telecopy No. 617-431-4279);

(b) if to the Administrative Agent, to it at 270 Park Avenue, New York, New York 10017, Attention of Ted Swimmer, (Telecopy No. 212-270-2625); and

(c) if to a Lender, to it at its address (or telecopy number) set forth in Schedule 2.01 or in the Assignment and Acceptance pursuant to which such Lender became a party hereto.

All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt if delivered by hand or overnight courier service or sent by telecopy to such party as provided in this Section 9.01 or in accordance with the latest unrevoked direction from such party given in accordance with this Section 9.01.

SECTION 9.02. Survival of Agreement. All covenants, agreements, representations and warranties made by the Borrowers herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the Lenders and shall survive the making by the Lenders of the Loans regardless of any investigation made by the Lenders or on their behalf, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any Facility Fee or any other amount payable under this Agreement is outstanding and unpaid or the Commitments have not been terminated.

SECTION 9.03. Binding Effect. This Agreement shall become effective when it shall have been executed by the Company and the Administrative Agent and when the Administrative Agent shall have received copies hereof

(teletyped or otherwise) which, when taken together, bear the signature of each Lender, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Borrowers shall not have the right to assign any rights hereunder or any interest herein without the prior consent of all the Lenders.

SECTION 9.04. Successors and Assigns. (a) Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of any party that are contained in this Agreement shall bind and inure to the benefit of its successors and assigns.

(b) Each Lender may assign to one or more assignees all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided, however, that (i) except in the case of an assignment to a Lender or a domestic Affiliate of a Lender, the Company must give its prior written consent to such assignment (which consent shall not be unreasonably withheld), (ii) the amount of the Commitment of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$10,000,000, (iii) the parties to each such assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, and a processing and recordation fee of \$3,000 and (iv) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire. Upon acceptance and recording pursuant to paragraph (e) of this Section 9.04, from and after the effective date specified in each Assignment and Acceptance, which effective date shall be at least five Business Days after the execution thereof, (A) the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement and (B) the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto (but shall continue to be entitled to the benefits of Sections 2.12, 2.14, 2.19 and 9.05, as well as to any Facility Fees accrued for its account hereunder and not yet paid)). Notwithstanding the foregoing, any Lender assigning its rights and obligations under this Agreement may retain any Competitive Loans made by it outstanding at such time, and in such case shall retain its rights hereunder in respect of any Loans so retained until such Loans have been repaid in full in accordance with this Agreement.

(c) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the assignee thereunder shall be deemed to confirm to and agree with each other and the other parties hereto as follows: (i) such assigning Lender warrants that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim, (ii) except as set forth in (i) above, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto or the financial condition of the Borrowers or the performance or observance by the Borrowers of any obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such assignee represents and warrants that it is legally authorized to enter into such Assignment and Acceptance; (iv) such assignee

confirms that it has received a copy of this Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.01 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (v) such assignee will independently and without reliance upon the Administrative Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (vi) such assignee appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(d) The Administrative Agent shall maintain at one of its offices in the City of New York a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and the principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive in the absence of manifest error and the Borrowers, the Administrative Agent and the Lenders may treat each person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by each party hereto, at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee together with an Administrative Questionnaire completed in respect of the assignee (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) above and, if required, the written consent of the Company to such assignment, the Administrative Agent shall (i) accept such Assignment and Acceptance and (ii) record the information contained therein in the Register.

(f) Each Lender may sell participations to one or more banks or other entities in all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided, however, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) each participating bank or other entity shall be entitled to the benefit of the cost protection provisions contained in Sections 2.12, 2.14 and 2.19 to the same extent as if it was the selling Lender (but limited to the amount that could have been claimed by the selling Lender had it continued to hold the interest of such participating bank or other entity), except that all claims made pursuant to such Sections shall be made through such selling Lender, and (iv) the Borrowers, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such selling Lender in connection with such Lender's rights and obligations under this Agreement, and such selling Lender shall retain the sole right to enforce the obligations of the Borrowers relating to the Loans and to approve any amendment, modification or waiver of any provision of this Agreement (other than amendments, modifications or waivers decreasing any fees payable hereunder or the amount of principal of or the rate at which interest is payable on the Loans, extending any scheduled principal payment date or date fixed for the payment of interest on the Loans or changing or extending the Commitments).

(g) Any Lender or participant may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section, disclose to the assignee or participant or proposed assignee or participant any information relating to the Borrowers furnished to such Lender; provided that, prior to any such disclosure, each such assignee or participant or proposed assignee or participant shall execute an agreement whereby such assignee or participant shall agree (subject to customary exceptions) to preserve the confidentiality of any such information.

(h) The Borrowers shall not assign or delegate any rights and duties hereunder without the prior written consent of all Lenders.

(i) Any Lender may at any time pledge all or any portion of its rights under this Agreement to a Federal Reserve Bank; provided that no such pledge shall release any Lender from its obligations hereunder or substitute any such Bank for such Lender as a party hereto. In order to facilitate such an assignment to a Federal Reserve Bank, each Borrower shall, at the request of the assigning Lender, duly execute and deliver to the assigning Lender a promissory note or notes evidencing the Loans made to such Borrower by the assigning Lender hereunder.

SECTION 9.05. Expenses; Indemnity. (a) The Borrowers agree, jointly and severally, to pay the fees and disbursements of counsel for the Administrative Agent in connection with entering into this Agreement and in connection with any amendments, modifications or waivers of the provisions hereof, and agree, jointly and severally, to pay the reasonable out-of-pocket expenses incurred by the Administrative Agent or any Lender in connection with the enforcement or protection of their rights in connection with this Agreement or the Loans made hereunder, including the reasonable fees and disbursements of counsel for the Administrative Agent or any Lender.

(b) The Borrowers agree, jointly and severally, to indemnify the Administrative Agent, each Lender, each of their Affiliates and the directors, officers, employees and agents of the foregoing (each such person being called an "Indemnitee") against, and to hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable counsel fees and expenses, incurred by or asserted against any Indemnitee arising out of (i) the execution or delivery of this Agreement or any agreement or instrument contemplated thereby, the performance by the parties thereto of their respective obligations thereunder or the consummation of the transactions contemplated thereby, (ii) the use of the proceeds of the Loans or (iii) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are finally determined by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnitee or from such Indemnitee's violation of the Federal securities laws prohibiting insider trading.

(c) The provisions of this Section shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the invalidity or unenforceability of any term or provision of this Agreement or any investigation made by or on behalf of the Administrative Agent or any Lender. All amounts due under this Section shall be payable on written demand therefor.

SECTION 9.06. Applicable Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE

LAWS OF THE STATE OF NEW YORK.

SECTION 9.07. Waivers; Amendment. (a) No failure or delay of the Administrative Agent or any Lender in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies which they would otherwise have. No waiver of any provision of this Agreement or consent to any departure therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any Borrower or any Subsidiary in any case shall entitle such party to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrowers and the Required Lenders; provided, however, that no such agreement shall (i) decrease the principal amount of, or extend the maturity of or any scheduled principal payment date or date for the payment of any interest on any Loan, or waive or excuse any such payment or any part thereof, or decrease the rate of interest on any Loan, without the prior written consent of each Lender affected thereby, (ii) increase the Commitment or decrease the Facility Fee of any Lender or extend any date for payment thereof without the prior written consent of such Lender, (iii) amend or modify the provisions of Section 2.15 or Section 9.04(h), the provisions of this Section or the definition of the "Required Lenders," or (iv) release the Company from any of its obligations under Article VII hereof without the prior written consent of each Lender; provided further, however, that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder without the prior written consent of the Administrative Agent. Each Lender shall be bound by any waiver, amendment or modification authorized by this Section and any consent by any Lender pursuant to this Section shall bind any assignee of its rights and interests hereunder.

SECTION 9.08. Entire Agreement. This Agreement constitutes the entire contract among the parties relative to the subject matter hereof. Any previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement. Nothing in this Agreement, expressed or implied, is intended to confer upon any party other than the parties hereto any rights, remedies, obligations or liabilities under or by reason of this Agreement.

SECTION 9.09. Severability. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 9.10. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract, and shall become effective as provided in Section 9.03.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of

reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender to or for the credit or account of the Company and any Borrowing Subsidiary now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured. Each Lender agrees promptly to notify the Company after such setoff and application made by such Lender, but the failure to give such notice shall not affect the validity of such setoff and application. The rights of each Lender under this Section are in addition to other rights and remedies (including, without limitation, other rights of setoff) which such Lender may have.

SECTION 9.13. Jurisdiction; Consent to Service of Process. (a) Each Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Subject to the foregoing and to paragraph (b) below, nothing in this Agreement shall affect any right that any party hereto may otherwise have to bring any action or proceeding relating to this Agreement against any other party hereto in the courts of any jurisdiction.

(b) Each Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any New York State or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.14. Waiver of Jury Trial. Each party hereto hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any litigation directly or indirectly arising out of, under or in connection with this Agreement. Each party hereto (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and other parties hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certification in this Section.

SECTION 9.15. Addition of Borrowing Subsidiaries. Each

wholly owned Subsidiary of the Company which shall deliver to the Administrative Agent a Borrowing Subsidiary Agreement executed by such Subsidiary and the Company shall, upon such delivery and without further act, become a party hereto and a Borrower hereunder with the same effect as if it had been an original party to this Agreement.

SECTION 9.16. Confidentiality. Each Lender and the Administrative Agent agree to keep confidential the Information (as defined below), except that any such Lender and the Administrative Agent shall be permitted to disclose Information (a) to such of its officers, directors, employees, agents and representatives as need to know such Information; (b) to the extent required by applicable laws and regulations or by any subpoena or similar legal process, including with respect to the enforcement of this Agreement, provided that such Lender and the Administrative Agent shall use reasonable efforts to notify the Company of such prospective disclosure a reasonable time prior to any such disclosure and shall take such actions reasonably requested by the Company to assist the Company in obtaining a protective order or confidential treatment with respect to such Information (it being understood that failure to give such notice after having made any such reasonable efforts shall not result in any liability hereunder to such Lender or the Administrative Agent, as the case may be); (c) to the extent requested by any bank regulatory authority; (d) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Agreement, (ii) becomes available to such Lender or the Administrative Agent on a non-confidential basis from a source other than the Company and its Affiliates or (iii) was available to such Lender or the Administrative Agent on a non-confidential basis prior to its disclosure to such Lender or the Administrative Agent by the Company or its Affiliates; (e) to any actual or prospective assignee or participant in any rights of such Lender or the Administrative Agent under this Agreement, provided that such assignee or participant delivers to the Administrative Agent or such Lender, as applicable, a confidentiality letter containing substantially the undertakings set forth in this Section 9.16 and (f) to the extent the Company shall have consented to such disclosure in writing. As used in this Section 9.16, "Information" shall mean any materials, documents and information (other than annual reports, prospectuses, proxy statements and other materials distributed to the Company's shareholders) that the Company or any of its Subsidiaries may have furnished or may hereafter furnish to the Administrative Agent or any Lender in connection with Sections 4.03(d), 5.01, 5.04 and 5.05 of this Agreement.

SECTION 9.17. Collateral. Each of the Lenders represents to each of the other Lenders that it in good faith is not relying upon any Margin Stock (as defined in Regulation U) as collateral in the extension or maintenance of the credit provided for in this Agreement.

SECTION 9.18. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the applicable interest rate, together with all fees and charges which are treated as interest under applicable law (collectively the "Charges"), as provided for herein or in any other document executed in connection herewith, or otherwise contracted for, charged, received, taken or reserved by any Lender, shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by such Lender in accordance with applicable law, all Charges payable to such Lender shall be limited to the Maximum Rate.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

EG&G, INC.,

by
/s/ John F. Alexander, II
John F. Alexander, II
Corporate Controller
Acting Chief Financial Officer

CHEMICAL BANK, individually and as
Administrative Agent,

by
/s/ John J. Huber III
John J. Huber III
Managing Director

THE FIRST NATIONAL BANK OF BOSTON,

by
/s/ Thomas Farley Jr.
Thomas Farley Jr.
Vice President

DRESDNER BANK A.G., NEW YORK BRANCH
AND GRAND CAYMAN BRANCH,

by
/s/ Ernest Fung
Ernest Fung
Vice President

by
/s/J. M. Leffler
J. M. Leffler
First Vice President

THE NORTHERN TRUST COMPANY,

by
/s/Greg Werd
Greg Werd
Vice President

ROYAL BANK OF CANADA,

by

SOCIETE GENERALE,

by
/s/Jan Wertlieb
Jan Wertlieb
Vice President

WACHOVIA BANK OF GEORGIA, N.A.,

by
/s/Linda M. Harris
Linda M. Harris
Senior Vice President

FORM OF
COMPETITIVE BID REQUEST

Chemical Bank, as Administrative Agent for
the Lenders referred to below
270 Park Avenue
New York, NY 10017

[Date]

Attention: Ted Swimmer

Ladies and Gentlemen:

The undersigned, EG&G, Inc., a Massachusetts corporation (the "Company"), refers to the [3-Year] [364-Day] Competitive Advance and Revolving Credit Facility Agreement dated as of March 21, 1994 (as amended, modified, extended or restated from time to time, collectively, the "Credit Agreement"), among the Company, the Lenders named therein and Chemical Bank, as Administrative Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The Company hereby gives you notice pursuant to Section 2.03(a) of the Credit Agreement that it requests a Competitive Borrowing under the Credit Agreement, and in that connection sets forth below the terms on which such Competitive Borrowing is requested to be made:

<TABLE>

(A) Interest Rate Basis 1/	_____	_____	_____
(B) Date of Competitive Borrowing (which is a Business Day)	_____	_____	_____
(C) Interest Period and the last day thereof 2/	_____	_____	_____
(D) Principal Amount of Competitive Borrowing 3/	\$ _____	\$ _____	\$ _____

Upon acceptance of any or all of the Loans offered by the Lenders in response to this request, the Company shall be deemed to affirm as of such date the representations and warranties made in the Credit Agreement to the extent specified in Article IV thereof.

Very truly yours,

EG&G, INC.

by _____
Title: (Responsible Officer)

Copy to:
Chemical Bank Agency Services Corporation
Grand Central Tower
140 East 45th Street
New York, New York 10017
Attention: Sandra Miklave

1/ Eurodollar Competitive Loan or Fixed Rate Loan.
2/ Which shall be subject to the definition of "Interest Period" and end not later than the Maturity Date.
3/ Not less than \$5,000,000 and in integral multiples of \$1,000,000.

COMPETITIVE BID INVITATION

[Name of Lender]
[Address]

[Date]

Ladies and Gentlemen:

Reference is made to the [3-Year] [364-Day] Competitive Advance and Revolving Credit Facility Agreement dated as of March 21, 1994 (as amended, modified, extended or restated from time to time, collectively, the "Credit Agreement"), among EG&G, Inc., a Massachusetts corporation (the "Company"), the Lenders named therein and Chemical Bank, as Administrative Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The Company made a Competitive Bid Request on [date], 19 , pursuant to Section 2.03(a) of the Credit Agreement, and in that connection you are invited to submit a Competitive Bid by [Date]/[Time]. 1/ Your Competitive Bid must comply with Section 2.03(b) of the Credit Agreement and the terms set forth below on which the Competitive Bid Request was made:

- (A) Interest Rate Basis
- (B) Date of Competitive Borrowing
- (C) Interest Period and the last day thereof
- (D) Principal Amount of Competitive Borrowing \$

Very truly yours,

CHEMICAL BANK, as Administrative Agent,

by

Title:

- 1/ The Competitive Bid must be received by the Administrative Agent (i) in the case of Eurodollar Competitive Loans, not later than 9:30 a.m., New York City time, three Business Days before a proposed Competitive Borrowing, and (ii) in the case of Fixed Rate Loans, no later than 9:30 a.m., New York City time, on the Business Day of a proposed Competitive Borrowing.

EXHIBIT A-3
FORM OF
COMPETITIVE BID

Chemical Bank, as Administrative Agent
for the Lenders referred to below,
270 Park Avenue
New York, NY 10017

[Date]

Attention: Ted Swimmer

Ladies and Gentlemen:

The undersigned, [Name of Lender], refers to the [3-Year] [364-Day] Competitive Advance and Revolving Credit Facility Agreement dated as of March 21, 1994 (as amended, modified, extended or restated from time to time, collectively, the "Credit Agreement"), among EG&G, Inc., a Massachusetts corporation (the "Company"), the Lenders named therein and Chemical Bank, as Administrative Agent. Capitalized terms

used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The undersigned hereby makes a Competitive Bid pursuant to Section 2.03(b) of the Credit Agreement, in response to the Competitive Bid Request made by the Company on [date], 19 , and in that connection sets forth below the terms on which such Competitive Bid is made:

- (A) Interest Period and last day thereof _____
- (B) Principal Amount 1/ \$ _____ \$ _____ \$ _____
- (C) Competitive Bid Rate 2/ _____

The undersigned hereby confirms that it is prepared, subject to the conditions set forth in the Credit Agreement, to extend credit to the Company upon acceptance by the Company of this bid in accordance with Section 2.03(d) of the Credit Agreement.

Very truly yours,

[NAME OF LENDER],

by

Title:

Copy to:

Chemical Bank Agency Services Corporation
Grand Central Tower
140 East 45th Street
New York, New York 10017
Attention: Sandra Miklave

1/ Not less than \$5,000,000 or greater than the requested Competitive Borrowing and in integral multiples of \$1,000,000. Multiple bids will be accepted by the Administrative Agent.

2/ i.e., LIBOR + or - %, in the case of Eurodollar Competitive Loans or %, in the case of Fixed Rate Loans.

EXHIBIT A-4
FORM OF COMPETITIVE BID ACCEPT/REJECT LETTER

[Date]

Chemical Bank, as Administrative Agent
for the Lenders referred to below
270 Park Avenue
New York, NY 10017

Attention: Ted Swimmer

Ladies and Gentlemen:

The undersigned, EG&G, Inc. (the "Company"), refers to the [3-Year] [364-Day] Competitive Advance and Revolving Credit Facility Agreement dated as of March 21, 1994 (as amended, modified, extended or restated from time to time, collectively, the "Credit Agreement"), among the Company, the Lenders named therein and Chemical Bank, as Administrative Agent.

In accordance with Section 2.03(c) of the Credit Agreement, we have received a summary of bids in connection with our Competitive Bid Request dated _____ and in accordance with Section 2.03(d) of the Credit Agreement, we

requests a Standby Borrowing under the Credit Agreement, and in that connection sets forth below the terms on which such Standby Borrowing is requested to be made:

- (A) Date of Standby Borrowing
(which is a Business Day) _____
- (B) Principal Amount of
Standby Borrowing 1/ \$ _____
- (C) Interest rate basis 2/ _____
- (D) Interest Period and the
last day thereof 3/ _____

Upon acceptance of any or all of the Loans made by the Lenders in response to this request, the Company shall be deemed to have represented and warranted (but only to the extent required by Section 4.01 of the Credit Agreement) that the conditions to lending specified in Section 4.01(b) and (c) of the Credit Agreement have been satisfied.

Very truly yours,

EG&G, INC.

by

Title: [Responsible Officer]

Copy to:

Chemical Bank Agency Services Corporation
Grand Central Tower
140 East 45th Street
New York, New York 10017
Attention: Sandra Miklave

1/ Not less than \$5,000,000 and in integral multiples of \$1,000,000.

2/ Eurodollar Standby Loan or ABR Loan.

3/ Which shall be subject to the definition of "Interest Period" and end not later than the Maturity Date.

EXHIBIT B
ADMINISTRATIVE QUESTIONNAIRE

EG&G, INC.

Please accurately complete the following information and return via FAX to the attention of Sandra Miklave at Chemical Bank Agency Services Corporation as soon as possible.

FAX Number: 212-622-0002

LEGAL NAME OF YOUR INSTITUTION TO APPEAR IN DOCUMENTATION:

GENERAL INFORMATION - DOMESTIC RATE LENDING OFFICE:

Institution Name:
Street Address:
City, State, Zip Code:

GENERAL INFORMATION - EURODOLLAR LENDING OFFICE:

Institution Name:
Street Address:
City, State, Zip Code:

CREDIT CONTACTS/NOTIFICATION METHODS:

Primary Contact:
Street Address:
City, State, Zip Code:
Phone Number:
FAX Number:

Backup Credit Contact:
Street Address:
City, State, Zip Code:
Phone Number:
FAX Number:

TAX WITHHOLDING:
UNITED STATES
Non-Resident Alien or Foreign Corporation or Other Foreign
Entity _____ YES _____ NO
If yes, please enclose Form 4224, 1001 or W-8. If no,
please enclose Form W-9.
Tax ID Number _____

CONTACTS/NOTIFICATION METHODS:
ADMINISTRATIVE CONTACTS - BORROWINGS, PAYDOWNS, INTEREST,
FEES, ETC.

Contact:
Street Address:
City, State, Zip Code:
Phone Number:
FAX Number:
Telex & Answer Back:

PAYMENT INSTRUCTIONS:
Name of Bank where funds are to be transferred:

Routing Transit/ABA number of Bank where funds are to be
transferred:

Name of Account, if applicable:

Account Number:
Additional Information:

BID LOAN NOTIFICATIONS:
Contact:
Street Address:
City, State, Zip Code:
Phone Number:
Fax Number:

MAILINGS:
Please specify who should receive financial information:

Name:
Street Address:
City, State, Zip Code:

It is very important that all of the above information is accurately filled in and returned promptly. If there is someone other than yourself who should receive this questionnaire, please notify us of their name and FAX number and we will FAX them a copy of the questionnaire. If you have any questions, please call Sandra Miklave at 212-622-0005, telecopy 212-622-0002.

EXHIBIT C
FORM OF

ASSIGNMENT AND ACCEPTANCE

Reference is made to the [3-Year] [364-Day] Competitive Advance and Revolving Credit Facility Agreement dated as of

March 21, 1994, (as amended, modified, extended or restated from time to time, collectively, the "Credit Agreement"), among EG&G, Inc., a Massachusetts corporation, the Lenders named therein and Chemical Bank, as Administrative Agent. Terms defined in the Credit Agreement are used herein with the same meanings.

1. The Assignor hereby sells and assigns, without recourse, to the Assignee, and the Assignee hereby purchases and assumes, without recourse, from the Assignor, effective as of the Effective Date set forth on the following page, the interests set forth on the following page (the "Assigned Interest") in the Assignor's rights and obligations under the Credit Agreement, including, without limitation, the interests set forth on the following page in the Commitment of the Assignor on the Effective Date and the Loans owing to the Assignor which are outstanding on the Effective Date, together with unpaid interest accrued on the assigned Loans to the Effective Date and the amount, if any, set forth on the following page of the Fees accrued to the Effective Date for the account of the Assignor. Each of the Assignor and the Assignee hereby makes and agrees to be bound by all the representations, warranties and agreements set forth in Section 9.04(c) of the Credit Agreement, a copy of which has been received by each such party. From and after the Effective Date (i) the Assignee shall be a party to and be bound by the provisions of the Credit Agreement and, to the extent of the interests assigned by this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and under the Credit Agreement or any other document issued in connection therewith and (ii) the Assignor shall, to the extent of the interests assigned by this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

2. This Assignment and Acceptance is being delivered to the Administrative Agent together with (i) if the Assignee is organized under the laws of a jurisdiction outside the United States, the forms prescribed by the Internal Revenue Service of the United States certifying as to the Assignee's exemption from withholding taxes with respect to all payments to be made to the Assignee under the Credit Agreement or such other documents as are necessary to indicate that all such payments are subject to such tax at a rate reduced by an applicable tax treaty, all duly completed and executed by such Assignee, (ii) if the Assignee is not already a Lender under the Credit Agreement, an Administrative Questionnaire and (iii) a processing and recordation fee of \$3,000.

3. This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of New York.

Date of Assignment:

Legal Name of Assignor:

Legal Name of Assignee:

Assignee's Address for Notices:

Effective Date of Assignment
(may not be fewer than 5 Business
Days after the Date of Assignment):

	Percentage Assigned of Facility and Commitment (set forth, to at least 8 decimals, as a percentage of the Facility and the aggregate Commitments of all Lenders thereunder)
Facility	Principal Amount Assigned (and identifying information as to individual Competitive Loans)

Commitment Assigned:	\$	%
Standby Loans:	\$	%
Competitive Loans:	\$	%
Fees Assigned (if any):	\$	%

The terms set forth above and on the preceding page are hereby agreed to: [Accepted

_____, as Assignor CHEMICAL BANK, as Administrative Agent

By: _____	By: _____
Name:	Name:
Title:	Title:

_____, as Assignee

EG&G, INC.

By: _____	By: _____
Name:	Name:
Title:	Title:

]

]

EXHIBIT D-1
FORM OF OPINION OF MURRAY GROSS, ESQ.

[Date]

To the Lenders party to the Credit Agreements referred to below and Chemical Bank, as Administrative Agent

Ladies and Gentlemen:

I am the General Counsel of EG&G, Inc., a Massachusetts corporation (the "Company"), and have acted in the capacity of General Counsel in connection with each of the 3-Year and 364-Day Competitive Advance and Revolving Credit Facility Agreements dated as of March 21, 1994 (collectively, the "Credit Agreements"), among the Company, the lenders listed in Schedule 2.01 thereto (the "Lenders"), and Chemical Bank, as administrative agent for the Lenders (in such capacity, the "Administrative Agent"). This opinion letter is being furnished to you at the request of the Company pursuant to Section 4.02(a) of the Credit Agreements. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Credit Agreements.

In connection with the opinions expressed below, I have examined the Credit Agreements (including the Exhibits thereto) and originals or copies, certified or otherwise identified to my satisfaction, of (a) such corporate records of the Company as I have considered appropriate, including copies of the articles of incorporation, as amended, and by-laws, as amended, of the Company certified as in effect on the date hereof (collectively, the "Charter Documents") and certified copies of resolutions of the board of directors of the Company and (b) such other certificates, agreements, documents and other instruments of the Company as I have deemed relevant and necessary as a basis for the opinions hereinafter expressed, and I have assumed the genuineness of

all signatures therein. The documents listed above are collectively referred to herein as the "Documents".

Based upon the foregoing, and subject to the assumptions, limitations and qualifications set forth herein, I am of the opinion that:

1. The Company (a) is a corporation duly incorporated, validly existing and in good standing under the laws of the Commonwealth of Massachusetts and is qualified to do business in every jurisdiction where such qualification is necessary except where the failure to so qualify would not have a material adverse effect on the business, consolidated financial position or consolidated results of operations of the Company and its Consolidated Subsidiaries taken as a whole, (b) has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted and (c) has the corporate power to execute, deliver and perform its obligations under each of the Documents to which it is a party and to borrow under the Credit Agreements.

2. The execution, delivery and performance by the Company of each of the Documents to which it is a party and the borrowings under the Credit Agreements (a) are within the Company's corporate powers, (b) have been duly authorized by all necessary corporate action, (c) require no action by or in respect of, or filing with, any Governmental Authority, (d) do not (i) contravene, or constitute a default under, any applicable provision of statutory law or regulation either of the United States or the Commonwealth of Massachusetts or of the Charter Documents of the Company or of any existing agreement, judgment, injunction, order, decree or other instrument binding upon the Company or (ii) result in the creation or imposition of any Lien on any asset of the Company or any of its Subsidiaries and (e) do not and will not (i) violate any order of any Governmental Authority binding upon the Company, (ii) violate, conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any existing indenture, mortgage, agreement for borrowed money, bond, note or similar instrument or any other material agreement to which the Company is a party or by which the Company or any of its property is bound.

3. There is no action, suit or proceeding pending against, or to my knowledge threatened against the Company or any of its Subsidiaries before any court or arbitrator or any governmental body, agency or official in which there is a reasonable probability of a final adverse decision which would materially adversely affect the business, consolidated financial position or consolidated results of operations of the Company and its Consolidated Subsidiaries taken as a whole or which in any manner draws into question the validity of any Document to which the Company is a party.

4. Each of the Documents to which the Company is a party has been duly executed and delivered by the Company and is a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and to general equitable principles from time to time in effect.

5. Assuming that the proceeds of the Loans are used for the purposes set forth in the Credit Agreements, the making of the Loans and such use will not violate or be inconsistent with Regulation G, T, U or X of the Board of Governors of the Federal Reserve System of the United States.

6. The Company is not (a) an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940 or (b) a "holding company" as defined in, or subject to regulation under, the Public Utility Holding Company Act of 1935, as amended.

The opinions expressed herein are limited to the laws of the Commonwealth of Massachusetts and of the United States of America.

This letter is furnished by me solely for your benefit and for the benefit of assignees of your rights and obligations under the Credit Agreements in connection with the transactions referred to in the Documents and may not, without my prior written consent, be circulated to, or relied upon by, any other person or used in any other context.

Very truly yours,

263A

EXHIBIT D-2
FORM OF OPINION OF MURRAY GROSS, ESQ.

[Date]

To the Lenders party to the Credit Agreements referred to below and Chemical Bank, as Administrative Agent

Ladies and Gentlemen:

I am the General Counsel of EG&G, Inc., a Massachusetts corporation (the "Company"), and have acted in the capacity of General Counsel in connection with (a) each of the 3-Year and 364-Day Competitive Advance and Revolving Credit Facility Agreements dated as of March 21, 1994 (collectively, as in effect on the date hereof, the "Credit Agreements"), among the Company, the lenders listed in Schedule 2.01 thereof (together with their successors and assigns, the "Lenders"), and Chemical Bank, as administrative agent for the Lenders (in such capacity, the "Administrative Agent") and (b) the Borrowing Subsidiary Agreement dated as of the date hereof (the "Borrowing Subsidiary Agreement") among the Company, [New Borrower], a [] corporation (the "New Borrower"), the Lenders and the Administrative Agent. This opinion letter is being furnished to you at the request of the Company pursuant to Section 4.03(a) of the Credit Agreements. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Credit Agreements.

In connection with the opinions expressed below, I have examined (a) the Credit Agreements (including the Exhibits thereto), (b) the Borrowing Subsidiary Agreement and (c) originals or copies, certified or otherwise identified to my satisfaction, of (i) such corporate records of the New Borrower as I have considered appropriate, including copies of the articles of incorporation, as amended, and by-laws, as amended, of the New Borrower certified as in effect on the date hereof (collectively, the "Charter Documents") and certified copies of resolutions of the board of directors of the New Borrower and (ii) such other certificates, agreements, documents and other instruments of the New Borrower as I have deemed relevant and necessary as a basis for the opinions hereinafter expressed. The documents listed above are collectively referred to herein as the "Documents".

Based upon the foregoing, and subject to the assumptions, limitations and qualifications set forth herein, I am of the opinion that:

1. The New Borrower is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and is duly qualified to do business and in good standing in each other jurisdiction in which it owns property and/or conducts its business and in

which failure to be so qualified and in good standing would have a materially adverse effect on the business of the New Borrower.

2. The execution, delivery and performance by the New Borrower of its Borrowing Subsidiary Agreement, and the performance by the New Borrower of the provisions of the Credit Agreements applicable to it, are within its corporate powers, have been duly authorized by all necessary corporate action and do not contravene (a) its Charter Documents or (b) any law or any contractual restriction binding on or affecting it.

3. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required for the due execution, delivery and performance by the New Borrower of its Borrowing Subsidiary Agreement or for the performance by the New Borrower of the provisions of the Credit Agreements applicable to it, except for those which have been duly obtained or made and are in full force and effect.

4. The Borrowing Subsidiary Agreement and the Credit Agreements are legal, valid and binding obligations of the New Borrower enforceable against it in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of the rights of creditors generally and subject to general equitable principles from time to time in effect.

The opinions expressed herein are limited to the laws of the Commonwealth of Massachusetts and of the United States of America.

This letter is furnished by me solely for your benefit and for the benefit of assignees of your rights and obligations under the Credit Agreements in connection with the transactions referred to in the Documents and may not, without my prior written consent, be circulated to, or relied upon by, any other person or used in any other context.

Very truly yours,

263A

EXHIBIT E

BORROWING SUBSIDIARY AGREEMENT dated as of _____, 19__ , among EG&G, INC., a Massachusetts corporation (the "Company"), [Name of Subsidiary], a [] corporation (the "New Subsidiary"), the Lenders named in Schedule 2.01 to the Credit Agreements referred to below (together with their successors and assigns, the "Lenders") and CHEMICAL BANK, a New York banking corporation, as Administrative Agent for the Lenders (in such capacity, the Administrative Agent).

Reference is hereby made to each of the 3-Year and 364-Day Competitive Advance and Revolving Credit Facility Agreements dated as of March 21, 1994 (collectively, the "Credit Agreements") between the Company, the Borrowing Subsidiaries (as such term is defined therein; together with the Company, the "Borrowers"), the Lenders and the Administrative Agent. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreements. Under the Credit Agreements, the Lenders have agreed, upon the terms and subject to the conditions therein set forth, to make revolving

credit loans to the Company and to wholly owned Subsidiaries that execute and deliver to the Lenders Borrowing Subsidiary Agreements in the form of this Agreement. The Company represents that the New Subsidiary is a wholly owned Subsidiary. The parties hereto agree that the guarantee of the Company contained in the Credit Agreements applies to the obligations of the New Subsidiary. In consideration of being permitted to borrow under the Credit Agreements upon the terms and subject to the conditions set forth therein, the New Subsidiary agrees that from and after the date of this Agreement it will be, and will be liable for the observance and performance of all the obligations of, a Borrowing Subsidiary under the Credit Agreements (including as a Borrower thereunder), as the same may be amended from time to time, to the same extent as if it had been one of the original parties to the Credit Agreements including, without limitation, Section 9.13 thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized officers as of the date first appearing above.

[New Subsidiary]

by _____
 Name:
 Title:

EG&G, INC.,

by _____
 Name:
 Title:

CHEMICAL BANK, as Administrative
 Agent on behalf of the Lenders,

by _____
 Name:
 Title:

Schedule 2.01
 to Credit Agreement

Lenders and Commitments

Lender	Commitment
Chemical Bank 270 Park Avenue, 9th Floor New York, New York 10017 Attention: Theodore Swimmer Telephone: (212) 270-5720 Telecopy: (212) 270-3504	\$28,000,000
The First National Bank of Boston 100 Federal Street Boston, MA 02110 Attention: Mr. Thomas F. Farley, Jr. Telephone: (617) 434-5812 Telecopy: (617) 434-0637	28,000,000
Dresdner Bank A.G., New York Branch and Grand Cayman Branch 75 Wall Street New York, NY 10005-2889 Attention: Mr. Ernest Fung Telephone: (212) 575-0237 Telecopy: (212) 921-9416	21,000,000

The Northern Trust Company 21,000,000
50 South LaSalle Street
Chicago, IL 60675
Attention: Mr. Gregory F. Werd, Jr.
Telephone: (312) 444-3504
Telecopy: (312) 444-3508

Royal Bank of Canada 21,000,000
New York Branch
c/o New York Operations Center
Pierrepont Plaza
300 Cadman Plaza West
Brooklyn, New York 11201-2701
Attention: Manager, Loans Administration
Telephone: (212) 858-7168
Telecopy: (718) 522-6292/3

with a copy to:
Royal Bank of Canada
Financial Square
New York, New York 10005-3531
Attention: Sheryl L. Greenberg
Telephone: (212) 428-6476
Telecopy: (212) 428-6459

Societe Generale 28,000,000
50 Rockefeller Plaza
New York, NY 10020
Attention: Ms. Jan Wertlieb
Telephone: (212) 830-6881
Telecopy: (212) 581-8752

Wachovia Bank of Georgia, N.A. \$28,000,000
191 Peachtree Street, N.E.
Atlanta, GA 30303
Attention: Ms. Elizabeth Colt
Telephone: (404) 332-4089
Telecopy: (404) 332-6898

CONFORMED COPY

AMENDMENT No. 1 (this "Amendment"), dated as of March 15, 1995, to the 364-Day Competitive Advance and Revolving Credit Facility Agreement (the "364-Day Agreement"), dated as of March 21, 1994, among EG&G, INC., a Massachusetts corporation (the "Company"), the Borrowing Subsidiaries (as such term is defined herein; together with the Company, the "Borrowers"), the Lenders listed in Schedule 2.01 thereof (the "Lenders") and CHEMICAL BANK, a New York banking corporation, as administrative agent for the Lenders (in such capacity, the "Administrative Agent"). Capitalized terms used herein and defined in the 364-Day Agreement have the meanings set forth in the 364-Day Agreement.

WHEREAS, the Borrowers have requested and the Administrative Agent and the Lenders are willing to amend certain provisions of the 364-Day Agreement for the limited purposes described and on the terms and conditions set forth herein;

NOW, THEREFORE, for and in consideration of the premises and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree, subject to Section 5 below, as follows:

1. The definition of the term "Maturity Date" in Section 1.01 of the 364-Day Agreement is hereby deleted and replaced by the following sentence: "Maturity Date" shall mean March 19, 1996.

2. The representations and warranties in the 364-Day Agreement are correct in all material respects on and as of the date hereof, before and after the execution and delivery of this Amendment, as though made

on and as of the date hereof and no event has occurred and is continuing, or would result from the execution and delivery of this Amendment, that constitutes a Default or Event of Default.

3. Except as otherwise expressly modified hereby, all terms and provisions of the 364-Day Agreement shall be and shall remain unchanged and the 364-Day Agreement is hereby ratified and confirmed and shall be and shall remain in full force and effect, enforceable in accordance with its terms. Any reference in the 364-Day Agreement, or in any documents or instruments required thereunder or annexes or schedules thereto, referring to the 364-Day Agreement shall be deemed to refer to the 364-Day Agreement as amended by this Amendment.

4. This Amendment may be executed in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same Amendment.

5. The Company represents and warrants that it has all requisite power and authority to enter into this Amendment, that this Amendment has been duly and validly authorized, executed and delivered by such party and this Amendment is the legal, valid and binding obligation of such party. This Amendment shall become effective only upon the receipt by the Administrative Agent of an opinion of counsel for the Company confirming the representation and warranty set forth in the preceding sentence together with evidence of the Company's authority to enter into this Amendment, in each case satisfactory to the Administrative Agent.

6. THIS AMENDMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK AS THOUGH WHOLLY-MADE AND PERFORMED WITHIN SUCH STATE.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

EG&G, INC.,

by
/s/ Tom Sauser
Name: Tom Sauser
Title: CFO

CHEMICAL BANK, individually and
as Administrative Agent for the
Lenders,

by
/s/ Claude Setton
Name: Claude Setton
Title: Vice President

THE FIRST NATIONAL BANK OF
BOSTON,

by
/s/ Thomas F. Farley, Jr.
Name: Thomas F. Farley, Jr.
Title: Director

DRESDNER BANK A.G., NEW YORK
BRANCH AND GRAND CAYMAN BRANCH,

by
/s/ Ernest Fung
Name: Ernest Fung

Title: VP

by
/s/ J.M. Leffler
Name: J.M. Leffler
Title: SVP

THE NORTHERN TRUST COMPANY,

by
/s/ Curtis C. Tatham, III
Name: Curtis C. Tatham, III
Title: Commercial Banking
Officer

ROYAL BANK OF CANADA,

by
/s/ T.L. Gleason
Name: T.L. Gleason
Title: Vice President

SOCIETE GENERALE,

by
/s/ Jan Wertlieb
Name: Jan Wertlieb
Title: Vice President

WACHOVIA BANK OF GEORGIA, N.A.,

by
/s/ Linda M. Harris
Name: Linda M. Harris
Title: SVP

CONFORMED COPY

AMENDMENT No. 2 (this "Amendment"), dated as of March 14, 1996, to the 364-Day Competitive Advance and Revolving Credit Facility Agreement, dated as of March 21, 1994, as amended by Amendment No. 1 thereto dated as of March 15, 1995 (as so amended, the "Agreement"), among EG&G, INC., a Massachusetts corporation (the "Company"), the Borrowing Subsidiaries (as such term is defined therein; together with the Company, the "Borrowers"), the Lenders listed in Schedule 2.01 thereof (the "Lenders") and CHEMICAL BANK, a New York banking corporation, as administrative agent for the Lenders (in such capacity, the "Administrative Agent"). Capitalized terms used herein and defined in the Agreement have the meanings set forth in the Agreement.

WHEREAS the Borrowers have requested and the Administrative Agent and the Lenders are willing to amend certain provisions of the Agreement for the limited purposes described and on the terms and conditions set forth herein.

NOW, THEREFORE, for and in consideration of the premises and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree, on the terms and subject to the conditions set forth herein, as follows:

SECTION 1. Amendments. (a) The preamble of the Agreement is hereby amended by deleting therefrom the reference to "\$175,000,000" and

replacing it with a reference to "\$100,000,000".

(b) Section 1.01 of the Agreement is hereby amended by:

(i) Adding the following new definitions in their proper alphabetical order:

"Amendment Effective Date" shall mean the date on which each condition to effectiveness set forth in Section 3 of Amendment No. 2 to this Agreement dated as of March 14, 1996, has been satisfied".

"Applicable Percentage" shall mean on any date, with respect to Eurodollar Standby Loans or with respect to the Facility Fee, as the case may be, the applicable percentage set forth below under the caption 'Eurodollar Spread' or 'Facility Fee Percentage', as the case may be, based upon the Ratings in effect on such date:

Category 1

Eurodollar Spread
Facility Fee Percentage

Aa3 or higher by Moody's;

Aa- or higher by S&P

.150%
.050%

Category 2

A1 or A2 by Moody's;

A+ or A by S&P

.170%

.055%

Category 3

A3 by Moody's;

A- by S&P

.190%

.060%

Category 4

Baa1 by Moody's;

BBB+ by S&P

.220%

.080%

Category 5

Baa2 by Moody's;

BBB by S&P

.225%

.125%

Category 6

Baa3 by Moody's;
BBB- by S&P

.250%

.150%

Category 7

Ba1 or lower by Moody's;
BB+ or lower by S&P

.375%

.250%

For purposes of the foregoing, (i) if the Ratings shall fall within different Categories, the Applicable Percentage shall be based upon the higher of the two Categories; provided, however, that if the difference in the Ratings is greater than one Category, the Applicable Percentage will be based on the Category which is one Category below the higher Rating; (ii) if no Ratings exist, the Applicable Percentage shall be based upon Category 7, and (iii) if any Rating shall be changed (other than as a result of a change in the rating system of Moody's or S&P), such change shall be effective as of the date on which it is first announced by the rating agency making such change. Each such change in the Applicable Percentage shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody's or S&P shall change, or if either such rating agency shall cease to be in the business of rating corporate debt obligations, the parties hereto shall negotiate in good faith to amend the references to specific ratings in this definition to reflect such changed rating system or the non-availability of ratings from such rating agency, and pending the effectiveness of any such amendment the Applicable Percentage shall be determined by reference to the rating most recently in effect prior to such change or cessation."

"'Moody's' shall mean Moody's Investors Service, Inc., or any of its successors."

"'Ratings' shall mean the ratings from time to time established by Moody's and S&P for senior, unsecured, non-credit-enhanced long-term debt of the Company."

"'S&P' shall mean Standard and Poor's Rating Group, a division of The McGraw-Hill Companies, Inc., or any of its successors."

(ii) Deleting therefrom the definition of "Consolidated Net Indebtedness" and replacing it with the following definition:

"'Consolidated Net Indebtedness' shall mean, for any date, (a) the sum of all outstanding Indebtedness of the Company and its Consolidated Subsidiaries as of such date less (b) the lesser of (i) \$50,000,000 and (ii) Eligible Investments as of such date, all determined on a consolidated basis in accordance with GAAP."

(iii) Deleting therefrom the definition of "Facility A Credit Agreement" and replacing it with the following definition:

"'Facility A Credit Agreement' shall mean the 3-Year

Competitive Advance and Revolving Credit Facility Agreement dated the date hereof among the parties hereto, as amended from time to time."

(iv) Deleting therefrom the definition of "Maturity Date" and replacing it with the following definition:

"'Maturity Date' shall mean March 12, 1997."

(c) Section 2.05(a) of the Agreement is hereby deleted in its entirety and replaced with the following sentences:

"The Company agrees to pay to each Lender, through the Administrative Agent, on each March 31, June 30, September 30 and December 31 (with the first payment being due on March 31, 1996) and on the date on which the Commitment of such Lender shall be terminated as provided herein, a facility fee (a 'Facility Fee'), at a rate per annum equal to the Applicable Percentage from time to time in effect on the average daily amount of the Commitment of such Lender, whether used or unused, during the preceding quarter (or other period commencing on the Amendment Effective Date, or ending with the Maturity Date or the date on which the Commitment of such Lender shall be terminated). All Facility Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days. The Facility Fee due to each Lender shall commence to accrue on the Amendment Effective Date, and shall cease to accrue on the earlier of the Maturity Date and the termination of the Commitment of such Lender as provided herein."

(d) Section 2.07(a)(i) of the Agreement is hereby amended by replacing the reference to "1/4 of 1%" with a reference to "the Applicable Percentage from time to time in effect".

(e) Each reference in Section 3.04(a) of the Agreement to "January 3, 1993" is hereby replaced with a reference to "January 1, 1995", and each reference in Section 3.04(b) of the Agreement to "October 3, 1993" is hereby replaced with a reference to "October 1, 1995".

(f) Schedule 2.01 to the Agreement is hereby deleted and replaced with Schedule 2.01 to this Amendment. It is understood and agreed that immediately prior to the effectiveness of this Amendment the Company shall have terminated all the Commitments then outstanding and that upon the effectiveness of this Amendment, notwithstanding the provisions of Section 2.10(b) of the Agreement, the outstanding Commitments shall be as set forth on Schedule 2.01 to this Amendment.

(g) Schedule 3.08 and Schedule 3.12(b) to the Agreement are hereby deleted and replaced, respectively, with Schedule 3.08 and Schedule 3.12(b) to this Amendment.

SECTION 2. Representations and Warranties. The Company represents and warrants as of the Amendment Effective Date to each of the Lenders and the Administrative Agent that:

(a) This Amendment has been duly authorized, executed and delivered by the Company, and this Amendment is, and the Agreement, as amended hereby, will upon the Amendment Effective Date be, the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability (whether enforcement is sought by proceedings in equity or at law).

(b) The representations and warranties set forth in Article III of the Agreement, as amended hereby, are true and correct in all material respects with the same effect as if made on the Amendment Effective Date, except to the extent such representations and warranties expressly relate to an earlier date.

(c) Immediately before and immediately after the effectiveness of this Amendment, no Event of Default or Default has occurred and is continuing.

SECTION 3. Conditions to Effectiveness. This Amendment shall

become effective as of and from the Amendment Effective Date when (a) the Administrative Agent shall have received counterparts of this Amendment that, when taken together, bear the signatures of all the parties hereto and (b) each of the following conditions precedent shall have been satisfied in respect of this Amendment:

(i) immediately prior to the effectiveness of this Amendment, the Company shall have effectively terminated all the Commitments then outstanding in accordance with Section 2.10 of the Agreement (and, solely for purposes of permitting each termination, the notice requirements of Section 2.10 are hereby waived);

(ii) the Administrative Agent shall have received the payment in full of all obligations of the Borrowers outstanding under the Agreement, this Amendment or any related agreement;

(iii) the Administrative Agent shall have received a certificate, dated the Amendment Effective Date and signed by a Financial Officer of the Company, confirming (i) that the representations and warranties set forth in Article III of the Agreement, as amended hereby, are true and correct in all material respects, with the same effect as though made on and as of the Amendment Effective Date, except to the extent that such representations and warranties expressly relate to an earlier date, and (ii) that no Event of Default or Default has occurred and is continuing;

(iv) the Administrative Agent shall have received certified copies of the resolutions of the Board of Directors of the Company approving or authorizing approval of the execution and delivery of this Amendment and the performance of the Agreement as amended hereby;

(v) the Administrative Agent shall have received a certificate of the Clerk or an Assistant Clerk of the Company, dated the Amendment Effective Date, (A) as to the absence of amendments to the certificate of incorporation or the by-laws of the Company since March 21, 1994 (or, in the event there shall have been any such amendments, setting forth copies thereof certified by the Secretary of State of Massachusetts in the case of amendments to the certificate of incorporation and by the Clerk or an Assistant Clerk of the Company in the case of amendments to the by-laws), and (B) certifying the incumbency and signatures of the officer or officers of the Company signing this Amendment;

(vi) the Administrative Agent shall have received a favorable written opinion of the General Counsel for the Company, dated the Amendment Effective Date and addressed to the Lenders, to the effect set forth in Exhibit D-1 of the Agreement, provided that, for purposes of the foregoing, references in such Exhibit to execution and delivery of the Agreement shall be deemed to refer to execution and delivery of this Amendment and other references therein to the Agreement shall be deemed to refer to the Agreement as amended hereby;

(vii) the Amendment Effective Date shall have occurred on or prior to March 19, 1996.

SECTION 4. Agreement. Except as specifically stated herein, the provisions of the Agreement are and shall remain in full force and effect. As used therein, the terms "Agreement", "herein", "hereunder", "hereinafter", "hereto", "hereof" and words of similar import shall, unless the context otherwise requires, refer to the Agreement as amended hereby.

SECTION 5. Applicable Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 6. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract.

SECTION 7. Expenses. The Company agrees to reimburse the

Administrative Agent for all reasonable out-of-pocket expenses incurred by it in connection with this Amendment, including, but not limited to, the reasonable fees, charges and disbursements of Cravath, Swaine & Moore, counsel for the Administrative Agent.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

EG&G, INC.,

by

Name:
Title:

CHEMICAL BANK, individually and as Administrative Agent for the Lenders,

by

Name:
Title:

DRESDNER BANK A.G., NEW YORK BRANCH AND GRAND CAYMAN BRANCH,

by

/s/ J. Michael Leffler
Name: J. Michael Leffler
Title: Senior Vice President

by

/s/ Ernest Fung
Name: Ernest Fung
Title: Vice President

THE FIRST NATIONAL BANK OF BOSTON,

by

Name:
Title:

THE FIRST NATIONAL BANK OF CHICAGO,

by

Name:
Title:

THE NORTHERN TRUST COMPANY,

by

/s/ Lawson E. Whiting
Name: Lawson E. Whiting
Title: Commercial Banking Officer

ROYAL BANK OF CANADA,

by

/s/ Sheryl L. Greenberg
Name: Sheryl L. Greenberg
Title: Manager

SOCIETE GENERALE,

by

/s/ Michelle Martin
Name: Michelle Martin
Title: Assistant Vice President

STANDARD CHARTERED BANK,

by

/s/ William R. Leute, II
Name: William R. Leute, III
Title: Senior Vice President

by

/s/ Gerard Lob
Name: Gerard Lob
Title: Vice President

WACHOVIA BANK OF GEORGIA, N.A.,

by

Name:
Title:

Schedule 2.01

Lender	Lenders and Commitments	Commitment
Chemical Bank 140 E. 45th Street 29th Floor New York, NY 10017 Attention: Sandra Miklave Telephone: (212) 622-0005 Telecopy: (212) 622-0002		\$16,000,000
Dresdner Bank A.G., New York Branch and Grand Cayman Branch 75 Wall Street New York, NY 10005-2889 Attention: Mr. Ernest Fung Telephone: (212) 574-0237 Telecopy: (212) 574-0130		\$10,500,000
The First National Bank of Boston 100 Federal Street Boston, MA 02110 Attention: Mr. Christopher Francis Telephone: (617) 434-2203 Telecopy: (617) 434-0637		\$10,500,000
The First National Bank of Chicago 153 W. 51st St. Equitable Building, 8th Floor Suite 4000 New York, NY 10019 Attention: Mr. Thomas M. Harkless Telephone: (212) 373-1175 Telecopy: (212) 373-1388		\$10,500,000
The Northern Trust Company 50 South LaSalle Street Chicago, IL 60675 Attention: Mr. J. Chip McCall Telephone: (312) 444-3504		\$10,500,000

Telecopy: (312) 444-3508

Royal Bank of Canada \$10,500,000
New York Branch
c/o New York Operations Center
Pierrepont Plaza
300 Cadman Plaza West
Brooklyn, NY 11201-2701
Attention: Manager, Loan Administration
Telephone: (212) 858-7168
Telecopy: (718) 522-6292/3

with a copy to:

Royal Bank of Canada
One Financial Square, 12th Floor
New York, NY 10005-3531
Attention: Sheryl L. Greenberg
Telephone: (212) 428-6476
Telecopy: (212) 428-6459

Societe Generale \$10,500,000
1221 Avenue of the Americas
New York, NY 10020
Attention: Ms. Michelle Martin
Telephone: (212) 278-7126
Telecopy: (212) 278-7430

Standard Chartered Bank \$10,500,000
7 World Trade Center
New York, NY 10048
Attention: Mr. Gerard Lob
Telephone: (212) 667-0501
Telecopy: (212) 667-0225

Wachovia Bank of Georgia, N.A. \$10,500,000
191 Peachtree Street, N.E.
Atlanta, GA 30303
Attention: Ms. Elizabeth Colt
Telephone: (404) 332-4089
Telecopy: (404) 332-6898

SCHEDULE 3.12 (a)

None

SCHEDULE 3.12 (b)

- Mound Facility, Miamisburg, Ohio
- Tooele Chemical Demilitarization Facility, Tooele, Utah
- Kennedy Space Center, Florida
- Langley Research Center, Langley, Virginia

SCHEDULE 3.12 (c)

None

SCHEDULE 3.08 Subsidiaries

Name of Company	State or Country of Incorporation or Organization	Number of Parent
1 EG&G, Inc.	Massachusetts	N/A
2 EG&G Alabama, Inc.	Alabama	1
3 EG&G Aluminum, Inc.	Delaware	33
4 EG&G Astrophysics Research Corporation	California	1
5 EG&G Automotive Research, Inc.	Texas	22
6 EG&G Birtcher, Inc.	California	33
7 EG&G Benelux B.V.	Netherlands	73 (77%) 1 (23%)
8 EG&G Canada Investments, Inc.	Canada	86
9 EG&G Canada Limited	Canada	1 (10%) 28 (43.5%) 38 (46.5%)
10 EG&G Chandler Engineering Company	Oklahoma	1
11 EG&G Defense Materials, Inc.	Utah	1
12 EG&G do Brasil Ltda.	Brazil	22 (95%) 85 (5%)
13 EG&G Dynatrend, Inc.	Delaware	1
14 EG&G E.C.	Bahrain	22
15 EG&G Energy Measurements, Inc.	Nevada	1
16 EG&G Environmental, Inc.	Delaware	1
17 EG&G Exporters Ltd.	U.S. Virgin Islands	22
18 EG&G Florida, Inc.	Florida	1
19 EG&G Flow Technology, Inc.	Arizona	1
20 EG&G Gamma Scientific, Incorporated	Delaware	22
21 EG&G GmbH	Germany	22
22 EG&G Holdings, Inc.	Massachusetts	1 (87%) 24 (6%) 71 (5%) 10 (2%)
23 EG&G Idaho, Inc.	Idaho	22
24 EG&G Instruments, Inc.	Delaware	22
25 EG&G Instruments GmbH	Germany	1
26 EG&G International, Ltd.	Cayman Islands	22
27 EG&G Japan, Inc.	Delaware	22
28 EG&G Judson Infrared, Inc.	Pennsylvania	1
29 EG&G KT Aerofab, Inc.	California	22
30 EG&G Langley, Inc.	Virginia	18
31 EG&G Ltd.	United Kingdom	22 (80.9%) 4 (19.1%)
32 EG&G Management Systems, Inc.	New Mexico	1
33 EG&G Metals, Inc.	Massachusetts	1
34 EG&G Missouri Metal Shaping Company	Missouri	22
35 EG&G Mound Applied Technologies, Inc.	Ohio	1
36 EG&G Omni, Inc.	Philippines	22
37 EG&G Power Systems, Inc.	California	1
38 EG&G Pressure Science Incorporated	Maryland	22
39 EG&G Rocky Flats, Inc.	Colorado	1
40 EG&G Sealol Eagle, Inc.	Delaware	42 (51%)
41 EG&G Sealol Ltd. (Sealol Egypt)	Egypt	22 (22%) 26 (78%)
42 EG&G Sealol, Inc.	Delaware	22
43 EG&G Services, Inc.	Delaware	1
44 EG&G Special Projects, Inc.	Nevada	1
45 EG&G Star City, Inc.	Ohio	2
46 EG&G Structural Kinematics, Inc.	Michigan	1
47 EG&G S.A.	France	26
48 EG&G SpA	Italy	22

49	EG&G Technical Services of West Virginia, Inc.	West Virginia	51	
50	EG&G Ventures, Inc.	Massachusetts	1	
51	EG&G Washington Analytical Services Center, Inc.	District of Columbia	1	
52	EG&G Watertown, Inc.	Massachusetts	73	
53	Antarctic Support Associates (Partnership)	Colorado	1 (40%)	
54	Benelux Analytical Instruments S.A.	Belgium	1 (92.3%)	
55	Berthold Analytical Instruments, Inc.	Delaware	1	
56	Berthold A.G.	Switzerland	58	
57	Berthold France S.A.	France	47	
58	Berthold GmbH	Germany	1	
59	Berthold Munchen GmbH	Germany	67 (60%)	
60	Biozone Oy	Finland	83	
61	B.A.I. GmbH	Austria	58	
62	Eagle EG&G Aerospace Co. Ltd.	Japan	1 (49%)	
63	EC III, Inc.	New Mexico	1 (50%)	
64	Heimann Optoelectronics GmbH	Germany	67	
65	Heimann Shenzhen Optoelectronics Co. Ltd.	China	64 (90%)	
66	IC Sensors, Inc.	California	1	
67	Laboratorium Prof. Dr. Rudolf Berthold GmbH & Co. KG	Germany	21 (58.0%) 25 (2.3%) 5 (39.7%)	
68	NOK EG&G Optoelectronics Corporation	Japan	1 (49%)	
69	Pribori Oy	Finland	83	
70	PT EG&G Heimann Optoelectronics	Indonesia	22	
71	Reticon Corporation	California	1	
72	Reynolds Electrical & Engineering Co., Inc.	Texas	1	
73	Rotron Incorporated	New York	1	
74	Science Support Corporation	Delaware	1	
75	Sealol Hindustan Limited	India	42 (20%)	
76	Sealol S.A.	Venezuela	42	
77	Seiko EG&G Co. Ltd.	Japan	1 (49%)	
78	Shanghai EG&G Reticon Optoelectronics Co. Ltd.	China	71 (50%)	
79	Societe Civile Immobiliere	France	1 (82.5%) 57 (17.5%)	
80	Vactec, Inc.	Missouri	1	
81	WALLAC A/S	Denmark	83	
82	WALLAC Norge AS	Norway	83	
83	WALLAC Oy	Finland	22	
84	WALLAC Sverige AB	Sweden	83	
85	WALLAC, Inc.	Maryland	1	
86	Wellesley B.V.	Netherlands	87	
87	Wickford N.V.	Netherlands Antillies	26	
88	Wright Components, Inc.	New York	1	
89	ZAO Pribori	Russia	69	

3-YEAR
COMPETITIVE ADVANCE AND
REVOLVING CREDIT FACILITY AGREEMENT

Dated as of March 21, 1994

among

EG&G, INC.,

THE LENDERS NAMED HEREIN

and

CHEMICAL BANK,

as Administrative Agent

TABLE OF CONTENTS

	Page
ARTICLE I. DEFINITIONS	1
SECTION 1.01. Defined Terms.	1
SECTION 1.02. Terms Generally.	12
ARTICLE II. THE CREDITS	12
SECTION 2.01. Commitments.	12
SECTION 2.02. Loans.	13
SECTION 2.03. Competitive Bid Procedure.	15
SECTION 2.04. Standby Borrowing Procedure.	18
SECTION 2.05. Facility Fees.	19
SECTION 2.06. Repayment of Loans; Evidence of Debt . . .	19
SECTION 2.07. Interest on Loans	20
SECTION 2.08. Default Interest	21
SECTION 2.09. Alternate Rate of Interest	21
SECTION 2.10. Termination and Reduction of Commitments	22
SECTION 2.11. Prepayment	22
SECTION 2.12. Reserve Requirements; Change in Circumstances	23
SECTION 2.13. Change in Legality	25
SECTION 2.14. Indemnity.	26
SECTION 2.15. Pro Rata Treatment.	26
SECTION 2.16. Sharing of Setoffs	27
SECTION 2.17. Payments	28
SECTION 2.18. Duty to Mitigate; Assignment of Commitments Under Certain	

	Circumstances	28
SECTION 2.19.	Taxes	29
ARTICLE III.	REPRESENTATIONS AND WARRANTIES	33
SECTION 3.01.	Corporate Existence and Power	33
SECTION 3.02.	Corporate and Governmental Authorization; Contravention	33
SECTION 3.03.	Binding Effect	33
SECTION 3.04.	Financial Information	34
SECTION 3.05.	Litigation	34
SECTION 3.06.	Compliance with ERISA	34
SECTION 3.07.	Taxes	35
SECTION 3.08.	Subsidiaries	35
SECTION 3.09.	Representations and Warranties of Each Borrowing Subsidiary	35
SECTION 3.10.	Federal Reserve Regulations	36
SECTION 3.11.	Investment Company Act; Public Utility Holding Company Act	37
SECTION		
3.12.	Environmental and Safety Matters	37
ARTICLE IV.	CONDITIONS OF LENDING	38
SECTION 4.01.	All Borrowings	38
SECTION 4.02.	Closing Date	38
SECTION 4.03.	First Borrowing by Each Borrowing Subsidiary	39
ARTICLE V.	COVENANTS	40
SECTION 5.01.	Information	40
SECTION 5.02.	Corporate Existence; Businesses and Properties	42
SECTION 5.03.	Insurance	42
SECTION 5.04.	Litigation and Other Notices	43
SECTION 5.05.	Maintaining Records; Access to Properties and Inspections	43
SECTION 5.06.	Fixed Charge Coverage	43
SECTION 5.07.	Net Debt to Capitalization Ratio	43
SECTION 5.08.	Negative Pledge	43
SECTION 5.09.	Consolidations, Mergers and Sales of Assets	45
ARTICLE VI.	EVENTS OF DEFAULT	45
ARTICLE VII.	GUARANTEE	49
ARTICLE VIII.	THE ADMINISTRATIVE AGENT	51
ARTICLE IX.	MISCELLANEOUS	55
SECTION 9.01.	Notices	55
SECTION 9.02.	Survival of Agreement	55
SECTION 9.03.	Binding Effect	56
SECTION 9.04.	Successors and Assigns	56
SECTION 9.05.	Expenses; Indemnity	59
SECTION 9.06.	Applicable Law	60
SECTION 9.07.	Waivers; Amendment	60
SECTION 9.08.	Entire Agreement	61
SECTION 9.09.	Severability	62
SECTION 9.10.	Counterparts	62
SECTION 9.11.	Headings	62
SECTION 9.12.	Right of Setoff	62
SECTION 9.13.	Jurisdiction; Consent to Service of Process	62

SECTION 9.14.	Waiver of Jury Trial	63
SECTION 9.15.	Addition of Borrowing Subsidiaries	63
SECTION 9.16.	Confidentiality.	64
SECTION 9.17.	Collateral	65
SECTION 9.18.	Interest Rate Limitation.	65

Exhibits

Exhibit A-1	Form of Competitive Bid Request
Exhibit A-2	Form of Notice of Competitive Bid Request
Exhibit A-3	Form of Competitive Bid
Exhibit A-4	Form of Competitive Bid Accept/Reject Letter
Exhibit A-5	Form of Standby Borrowing Request
Exhibit B	Administrative Questionnaire
Exhibit C	Form of Assignment and Acceptance
Exhibit D-1	Form of Opinion of Murray Gross, Esq.
Exhibit D-2	Form of Opinion of Murray Gross, Esq.
Exhibit E	Form of Borrowing Subsidiary Agreement

Schedules

Schedule 2.01	Commitments
Schedule 3.08	Subsidiaries
Schedule 3.12(a)	Environmental and Safety Matters
Schedule 3.12(b)	Environmental and Safety Matters
Schedule 3.12(c)	Environmental and Safety Matters

COMPETITIVE ADVANCE AND REVOLVING CREDIT FACILITY AGREEMENT (the "Agreement") dated as of March 21, 1994, among EG&G, INC., a Massachusetts corporation (the "Company"), the Borrowing Subsidiaries (as such term is defined herein; together with the Company, the "Borrowers"), the lenders listed in Schedule 2.01 (the "Lenders") and CHEMICAL BANK, a New York banking corporation, as administrative agent for the Lenders (in such capacity, the "Administrative Agent").

The Lenders have been requested to extend credit to the Borrowers to enable them to borrow on a standby revolving credit basis on and after the date hereof and at any time and from time to time prior to the Maturity Date a principal amount not in excess of \$75,000,000 at any time outstanding. The Lenders have also been requested to provide a procedure pursuant to which the Borrowers may invite the Lenders to bid on an uncommitted basis on short-term borrowings by the Borrowers. The proceeds of all such borrowings are to be used for general corporate purposes, including commercial paper back-up and to finance acquisitions. The Lenders are willing to extend such credit on the terms and subject to the conditions herein set forth. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in Article I.

Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms shall have the meanings specified below:

"ABR Borrowing" shall mean a Borrowing comprised of ABR Loans.

"ABR Loan" shall mean any Standby Loan bearing interest at a rate determined by reference to the Alternate Base Rate in accordance with the provisions of Article II.

"Administrative Questionnaire" shall mean an Administrative Questionnaire in the form of Exhibit B hereto.

"Affiliate" shall mean, when used with respect to a specified person, another person that directly or indirectly controls or is controlled by or is under common control with the person specified.

"Alternate Base Rate" shall mean, for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds

Effective Rate in effect on such day plus 1/2 of 1%. For purposes hereof, "Prime Rate" shall mean the rate of interest per annum publicly announced from time to time by the Administrative Agent as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective on the date such change is publicly announced as effective. "Federal Funds Effective Rate" shall mean, for any day, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as released on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so released for any day which is a Business Day, the arithmetic average (rounded upwards to the next 1/100th of 1%), as determined by the Administrative Agent, of the quotations for the day of such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it. If for any reason the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate for any reason, including the inability or failure of the Administrative Agent to obtain sufficient quotations in accordance with the terms thereof, the Alternate Base Rate shall be determined without regard to clause (b) of the first sentence of this definition until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective on the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"Assignment and Acceptance" shall mean an assignment and acceptance entered into by a Lender and an assignee in the form of Exhibit C.

"Board" shall mean the Board of Governors of the Federal Reserve System of the United States.

"Board of Directors" shall mean the Board of Directors of the Company or any duly authorized committee thereof.

"Borrowing" shall mean a group of Loans of a single Type made by the Lenders to a single Borrower (or, in the case of a Competitive Borrowing, by the Lender or Lenders whose Competitive Bids have been accepted pursuant to Section 2.03) on a single date and as to which a single Interest Period is in effect.

"Borrowing Subsidiary" shall mean any Subsidiary which shall have executed and delivered to the Administrative Agent and each Lender a Borrowing Subsidiary Agreement.

"Borrowing Subsidiary Agreement" shall mean an agreement, in the form of Exhibit E hereto, duly executed by the Company and a Subsidiary.

"Business Day" shall mean any day (other than a day which is a Saturday, Sunday or legal holiday in the State of New York) on which banks are open for business in New York City; provided, however, that, when used in connection with a Eurodollar Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

"A Change in Control" shall be deemed to have occurred if (a) any person or group of persons shall have acquired beneficial ownership of more than 50% of the outstanding Voting Shares of the Company (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended, and the applicable rules and regulations thereunder), or (b) during any period of 12 consecutive months, commencing before or after the date of this Agreement, individuals who on the first day of such period were directors of the Company (together with any replacement or additional directors who were nominated or elected by a majority of directors then in office) cease to constitute a majority of the Board of Directors of the Company.

"Closing Date" shall mean the date hereof.

"Code" shall mean the Internal Revenue Code of 1986, as the same may be amended from time to time.

"Commitment" shall mean, with respect to each Lender, the commitment of such Lender hereunder as set forth as of the Closing Date in Schedule 2.01 hereto as such Lender's Commitment may be permanently terminated or reduced from time to time pursuant to Section 2.10. The Commitment of each Lender

shall automatically and permanently terminate on the Maturity Date if not terminated earlier pursuant to the terms hereof.

"Competitive Bid" shall mean an offer by a Lender to make a Competitive Loan pursuant to Section 2.03.

"Competitive Bid Accept/Reject Letter" shall mean a notification made by a Borrower pursuant to Section 2.03(d) in the form of Exhibit A-4.

"Competitive Bid Rate" shall mean, as to any Competitive Bid, (i) in the case of a Eurodollar Loan, the Margin, and (ii) in the case of a Fixed Rate Loan, the fixed rate of interest offered by the Lender making such Competitive Bid.

"Competitive Bid Request" shall mean a request made pursuant to Section 2.03 in the form of Exhibit A-1.

"Competitive Borrowing" shall mean a Borrowing consisting of a Competitive Loan or concurrent Competitive Loans from the Lender or Lenders whose Competitive Bids for such Borrowing have been accepted under the bidding procedure described in Section 2.03.

"Competitive Loan" shall mean a Loan made pursuant to the bidding procedure described in Section 2.03. Each Competitive Loan shall be a Eurodollar Competitive Loan or a Fixed Rate Loan.

"Consolidated EBIT" shall mean, for any period, Consolidated Net Income of the Company and its Consolidated Subsidiaries excluding the effect of non-cash extraordinary items and accounting changes for such period, plus income taxes during such period, plus the aggregate amount deducted in determining such Consolidated Net Income for such period in respect of Consolidated Net Interest Expense of the Company and its Consolidated Subsidiaries for such period, all determined in accordance with GAAP.

"Consolidated Net Income" shall mean, for any period, the consolidated net income (or loss) of the Company and its Consolidated Subsidiaries for such period, determined in accordance with GAAP.

"Consolidated Net Indebtedness" shall mean, for any date, (a) the sum of all outstanding Indebtedness of the Company and its Consolidated Subsidiaries as of such date less (b) Eligible Investments as of such date, all determined on a consolidated basis in accordance with GAAP.

"Consolidated Net Interest Expense" shall mean, for any period, (a) the gross interest expense of the Company and its Consolidated Subsidiaries (excluding the amortization of transaction costs) in respect of Indebtedness included within clauses (i) through (iv) of the definition of Indebtedness for such period minus (b) interest income for such period, all determined in accordance with GAAP.

"Consolidated Subsidiary" shall mean, at any date, any Subsidiary or other entity the accounts of which would be consolidated with those of the Company in its consolidated financial statements as of such date.

"Default" shall mean any event or condition which upon notice, lapse of time or both would constitute an Event of Default.

"dollars" or "\$" shall mean lawful money of the United States of America.

"Eligible Investments" shall mean:

(a) cash and cash equivalents;

(b) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof by the Company or any Subsidiary;

(c) investments in money market funds the assets of which are invested in obligations of the type described in (b) above (irrespective of maturity); and

(d) other money market investments offered by any of the Lenders or a commercial bank having the highest credit rating available from Standard & Poor's Corporation or Moody's Investors Service, Inc. and having maturities of less than 90 days.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

"ERISA Affiliate" shall mean any trade or business (whether or not incorporated) that, together with the Company, is treated as a single employer under Section 414 of the Code.

"Eurodollar Borrowing" shall mean a Borrowing comprised of Eurodollar Loans.

"Eurodollar Competitive Loan" shall mean any Competitive Loan bearing interest at a rate determined by reference to the LIBO Rate in accordance with the provisions of Article II.

"Eurodollar Loan" shall mean any Eurodollar Competitive Loan or Eurodollar Standby Loan.

"Eurodollar Standby Loan" shall mean any Standby Loan bearing interest at a rate determined by reference to the LIBO Rate in accordance with the provisions of Article II.

"Event of Default" shall have the meaning assigned to such term in Article VI.

"Existing Facilities" shall mean (i) the \$150,000,000 Credit Agreement dated July 1, 1988 among the Company and the lenders named therein and (ii) the \$150,000,000 Credit Agreement dated August 19, 1988 among the Company, the lenders named therein and the Bank of New England as agent.

"Facility B Credit Agreement" shall mean the 364-Day Competitive Advance and Revolving Credit Facility Agreement dated the date hereof among the parties hereto.

"Facility Fee" shall have the meaning assigned to such term in Section 2.05(a).

"Financial Officer" of any corporation shall mean the chief financial officer, principal accounting officer, treasurer or assistant treasurer of such corporation.

"Fixed Rate Borrowing" shall mean a Borrowing comprised of Fixed Rate Loans.

"Fixed Rate Loan" shall mean any Competitive Loan bearing interest at a fixed percentage rate per annum (expressed in the form of a decimal to no more than four decimal places) specified by the Lender making such Loan in its Competitive Bid.

"GAAP" shall mean generally accepted accounting principles, applied on a consistent basis.

"Governmental Authority" shall mean any Federal, state, local or foreign court or governmental agency, authority, instrumentality or regulatory body.

"Guaranteed Obligations" shall mean the principal of and interest on the Loans made to, and the other obligations, monetary or otherwise, of, the Borrowing Subsidiaries under this Agreement.

"Indebtedness" of any person shall mean at any date, without duplication, (i) all obligations of such person for borrowed money (but not including non-recourse obligations of such person), (ii) all obligations of such person evidenced by bonds, debentures, notes or other similar instruments, except trade payables and reimbursement obligations in respect of performance bonds and standby letters of credit to the extent the obligations underlying such letters of credit would not be considered Indebtedness, all of which arise in the ordinary course of business, (iii) all obligations of such person to pay the deferred purchase price of property or services, except trade accounts payable and accrued expenses arising in the ordinary course of business, (iv) all obligations of such person as lessee under capital leases, (v) all Indebtedness of others secured by a Lien on any asset

of such person (but not including non-recourse obligations of such person) and (vi) all Indebtedness of others guaranteed by such person.

"Interest Payment Date" shall mean (i) as to any Eurodollar Loan for which the Interest Period is 1, 2 or 3 months, the last day of the Interest Period, (ii) as to any Eurodollar Loan for which the Interest Period is 6 months, the last day of the Interest Period and the date that would be the last day of an Interest Period commencing on the same date but having a duration of 3 months, (iii) as to any ABR Loan, the last day of March, June, September and December in each year, or if such day is not a Business Day, the next succeeding Business Day and (iv) as to any Fixed Rate Loan, the last day of the Interest Period applicable thereto.

"Interest Period" shall mean (a) as to any Eurodollar Borrowing, the period commencing on the date of such Borrowing or on the last day of the immediately preceding Interest Period applicable to such Borrowing, as the case may be, and ending on the numerically corresponding day (or, if there is no numerically corresponding day, on the last day) in the calendar month that is 1, 2, 3 or 6 months thereafter, as the Borrower may elect, (b) as to any ABR Borrowing, the period commencing on the date of such Borrowing or on the last day of the immediately preceding Interest Period applicable to such Borrowing, as the case may be, and ending on the earliest of (i) the next succeeding March 31, June 30, September 30 or December 31, (ii) the Maturity Date, and (iii) the date such Borrowing is repaid or prepaid in accordance with Section 2.06 or Section 2.11 and (c) as to any Fixed Rate Borrowing, the period commencing on the date of such Borrowing and ending on the date specified in the Competitive Bids in which the offers to make the Fixed Rate Loans comprising such Borrowing were extended, which shall not be earlier than seven days after the date of such Borrowing or later than 360 days after the date of such Borrowing; provided, however, that if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of Eurodollar Loans only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day. Interest shall accrue from and including the first day of an Interest Period to but excluding the last day of such Interest Period.

"LIBO Rate" shall mean, with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the arithmetic average of the rates at which dollar deposits approximately equal in principal amount to (i) in the case of a Standby Borrowing, the Administrative Agent's portion of such Eurodollar Borrowing and (ii) in the case of a Competitive Borrowing, a principal amount that would have been the Administrative Agent's portion of such Competitive Borrowing had such Competitive Borrowing been a Standby Borrowing, and for a maturity comparable to such Interest Period are offered to the principal London offices of the Administrative Agent (or, if the Administrative Agent does not at the time maintain a London office, the principal London office of any Affiliate of the Administrative Agent) in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"Lien" shall mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind whatsoever (including any conditional sale or other title retention agreement, any lease in the nature thereof and the filing of or agreement to give any financing statement under the Uniform Commercial Code of any jurisdiction).

"Loan" shall mean a Competitive Loan or a Standby Loan, whether made as a Eurodollar Loan, an ABR Loan or a Fixed Rate Loan, as permitted hereby.

"Margin" shall mean, as to any Eurodollar Competitive Loan, the margin (expressed as a percentage rate per annum in the form of a decimal to no more than four decimal places) to be added to or subtracted from the LIBO Rate in order to determine the interest rate applicable to such Loan, as specified in the Competitive Bid relating to such Loan.

"Margin Regulations" shall mean Regulations G, T, U and X of the Board as from time to time in effect, and all official rulings and interpretations thereunder or thereof.

"Margin Stock" shall have the meaning given such term under Regulation U of the Board.

"Material Adverse Effect" shall mean a materially adverse effect on the business, assets, operations or condition, financial or otherwise, of the Company and its Consolidated Subsidiaries taken as a whole.

"Maturity Date" shall mean March 21, 1997.

"Multiemployer Plan" shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA to which the Company or any ERISA Affiliate (other than one considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Code Section 414) is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

"person" shall mean any natural person, corporation, business trust, joint venture, association, company, partnership or government, or any agency or political subdivision thereof.

"PBGC" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA.

"Plan" shall mean any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code that is maintained for current or former employees, or any beneficiary thereof, of the Company or any ERISA Affiliate.

"Register" shall have the meaning given such term in Section 9.04(d).

"Regulation D" shall mean Regulation D of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Reportable Event" shall mean any reportable event as defined in Section 4043(b) of ERISA or the regulations issued thereunder with respect to a Plan (other than a Plan maintained by an ERISA Affiliate that is considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Code Section 414).

"Required Lenders" shall mean, at any time, Lenders having Commitments representing more than 50% of the Total Commitment or, for purposes of acceleration pursuant to clause (ii) of Article VI, Lenders holding Loans representing more than 50% of the aggregate principal amount of the Loans outstanding.

"Shareholders' Equity" shall mean, with respect to the Company at any date, (a) the sum of (i) common stock and preferred stock taken at par or stated value at such date, (ii) capital in excess of par value at such date, (iii) cumulative translation adjustments and other adjustments required by GAAP at such date and (iv) retained earnings (or deficit) at such date minus (b) treasury stock at such date, all determined in accordance with GAAP.

"Standby Borrowing" shall mean a Borrowing consisting of simultaneous Standby Loans from each of the Lenders.

"Standby Borrowing Request" shall mean a request made pursuant to Section 2.04 in the form of Exhibit A-5.

"Standby Loans" shall mean the revolving loans made pursuant to Section 2.04. Each Standby Loan shall be a Eurodollar Standby Loan or an ABR Loan.

"subsidiary" shall mean, with respect to any person (the "parent"), any corporation, association or other business entity of which securities or other ownership interests representing more than 50% of the ordinary voting power are, at the time as of which any determination is being made, owned or controlled by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Subsidiary" shall mean a subsidiary of the Company.

"Total Commitment" shall mean, at any time, the aggregate amount of Commitments of all the Lenders, as in effect at such time.

"Type", when used in respect of any Loan or Borrowing, shall refer to the Rate by reference to which interest on such Loan or on the Loans comprising such Borrowing is determined. For purposes hereof, "Rate"

shall include the LIBO Rate, the Alternate Base Rate and the Fixed Rate.

"Voting Shares" shall mean, as to any corporation, outstanding shares of stock of any class of such corporation entitled to vote in the election of directors, excluding shares entitled so to vote only upon the happening of some contingency.

"Withdrawal Liability" shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Terms Generally. The definitions in Section 1.01 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided, however, that for purposes of determining compliance with any covenant set forth in Article V, such terms shall be construed in accordance with GAAP as in effect on the date hereof applied on a basis consistent with the application used in preparing the Company's audited financial statements referred to in Section 3.04.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each Lender agrees, severally and not jointly, to make Standby Loans to the Borrowers, at any time and from time to time on and after the Closing Date hereof and until the earlier of the Maturity Date and the termination of the Commitment of such Lender, in an aggregate principal amount at any time outstanding not to exceed such Lender's Commitment minus the amount by which the Competitive Loans outstanding at such time shall be deemed to have used such Commitment pursuant to Section 2.15, subject, however, to the conditions that (i) at no time shall (A) the sum of (x) the outstanding aggregate principal amount of all Standby Loans made by all Lenders plus (y) the outstanding aggregate principal amount of all Competitive Loans made by all Lenders exceed (B) the Total Commitment and (ii) at all times the outstanding aggregate principal amount of all Standby Loans made by each Lender shall equal the product of (A) the percentage which its Commitment represents of the Total Commitment times (B) the outstanding aggregate principal amount of all Standby Loans.

Within the foregoing limits, the Borrowers may borrow, pay or prepay and reborrow Standby Loans hereunder, on and after the Closing Date and prior to the Maturity Date, subject to the terms, conditions and limitations set forth herein.

SECTION 2.02. Loans. (a) Each Standby Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their respective Commitments; provided, however, that the failure of any Lender to make any Standby Loan shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Loan required to be made by such other Lender). Each Competitive Loan shall be made in accordance with the procedures set forth in Section 2.03. The Standby Loans or Competitive Loans comprising any Borrowing shall be in an aggregate principal amount which is an integral

multiple of \$1,000,000 and not less than \$5,000,000 (or an aggregate principal amount equal to the remaining balance of the available Commitments). (b) Each Competitive Borrowing shall be comprised entirely of Eurodollar Competitive Loans or Fixed Rate Loans, and each Standby Borrowing shall be comprised entirely of Eurodollar Standby Loans or ABR Loans, as any Borrower may request pursuant to Section 2.03 or 2.04, as applicable. Each Lender may at its option make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that (i) any exercise of such option shall not affect the obligation of such Borrower to repay such Loan in accordance with the terms of this Agreement and (ii) the Borrowers shall not be liable for increased costs under Section 2.12 or 2.13 to the extent that (A) such costs could be avoided by the use of a different branch or Affiliate to make Eurodollar Loans and (B) such use would not, in the judgment of such Lender, entail any expense for which such Lender shall not be indemnified hereunder. Borrowings of more than one Type may be outstanding at the same time; provided, however, that no Borrowing shall be requested which, if made, would result in an aggregate of more than 10 separate Standby Borrowings comprised of Eurodollar Loans being outstanding hereunder at any one time. For purposes of the foregoing, Loans having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate Loans.

(c) Subject to Section 2.02(d), each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds to the Administrative Agent in New York, New York, not later than 12:00 noon, New York City time, and the Administrative Agent shall by 3:00 p.m., New York City time, credit the amounts so received to the general deposit account of the applicable Borrower with the Administrative Agent or, if a Borrowing shall not occur on such date because any condition precedent herein specified shall not have been met, return the amounts so received to the respective Lenders. Competitive Loans shall be made by the Lender or Lenders whose Competitive Bids therefor are accepted pursuant to Section 2.03 in the amounts so accepted. Standby Loans shall be made by the Lenders pro rata in accordance with

Section 2.15. Unless the Administrative Agent shall have received notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's portion of such Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such Borrowing in accordance with this paragraph (c) and the Administrative Agent may, in reliance upon such assumption, make available to the applicable Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have made such portion available to the Administrative Agent, such Lender and the applicable Borrower severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to such Borrower until the date such amount is repaid to the Administrative Agent at (i) in the case of such Borrower, the interest rate applicable at the time to the Loans comprising such Borrowing and (ii) in the case of such Lender, the Federal Funds Effective Rate. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount shall constitute such Lender's Loan as part of such Borrowing for purposes of this Agreement. (d)

Any Borrower may refinance all or any part of any Borrowing with a Borrowing of the same or a different Type made pursuant to Section 2.03 or Section 2.04, subject to the conditions and limitations set forth herein and elsewhere in this Agreement, including refinancings of Competitive Borrowings with Standby Borrowings and Standby Borrowings with Competitive Borrowings. Any Borrowing or part thereof so refinanced shall be deemed to be repaid in accordance with Section 2.06 with the proceeds of a new Borrowing hereunder and the proceeds of the new Borrowing, to the extent they do not exceed the principal amount of the Borrowing being refinanced, shall not be paid by the Lenders to the Administrative Agent or by the Administrative Agent to the applicable Borrower pursuant to Section 2.02(c); provided, however, that (i) if the principal amount extended by a Lender in a refinancing is greater than the principal amount extended by such Lender in the Borrowing being refinanced, then such Lender shall pay such difference to the Administrative Agent for distribution to the Lender described in (ii) below, (ii) if the principal amount extended by a Lender in the Borrowing being refinanced is greater than the principal amount being extended by such Lender in the refinancing, the Administrative Agent shall return the difference to such

Lender out of amounts received pursuant to (i) above and (iii) to the extent any Lender fails to pay the Agent amounts due from it pursuant to (i) above, any Loan or portion thereof being refinanced with such amounts shall not be deemed repaid in accordance with Section 2.06 and shall be payable by the Company.

SECTION 2.03. Competitive Bid Procedure. (a) In order to request Competitive Bids, a Borrower shall hand deliver or telecopy to the Administrative Agent a duly completed Competitive Bid Request in the form of Exhibit A-1 hereto, to be received by the Administrative Agent (i) in the case of a Eurodollar Competitive Borrowing, not later than 10:00 a.m., New York City time, four Business Days before a proposed Competitive Borrowing and (ii) in the case of a Fixed Rate Borrowing, not later than 10:00 a.m., New York City time, one Business Day before a proposed Competitive Borrowing. No ABR Loan shall be requested in, or made pursuant to, a Competitive Bid Request. A Competitive Bid Request that does not conform substantially to the format of Exhibit A-1 may be rejected in the Administrative Agent's sole discretion, and the Administrative Agent shall promptly notify the applicable Borrower of such rejection by telecopy. Each Competitive Bid Request shall refer to this Agreement and specify whether the Borrowing then being requested is to be a Eurodollar Borrowing or a Fixed Rate Borrowing, the date of such Borrowing (which shall be a Business Day), the aggregate principal amount thereof, which shall be in a minimum principal amount of \$5,000,000 and in an integral multiple of \$1,000,000, and the Interest Period with respect thereto (which may not end after the Maturity Date). Promptly after its receipt of a Competitive Bid Request that is not rejected as aforesaid, the Administrative Agent shall invite by telecopy (in the form set forth in Exhibit A-2 hereto) the Lenders to bid, on the terms and conditions of this Agreement, to make Competitive Loans.

(b) Each Lender invited to bid may, in its sole discretion, make one or more Competitive Bids to the applicable Borrower responsive to such Borrower's Competitive Bid Request. Each Competitive Bid by a Lender must be received by the Administrative Agent by telecopy, in the form of Exhibit A-3 hereto, (i) in the case of a Eurodollar Competitive Borrowing, not later than 9:30 a.m., New York City time, three Business Days before a proposed Competitive Borrowing and (ii) in the case of a Fixed Rate Borrowing, not later than 9:30 a.m., New York City time, on the day of a proposed Competitive Borrowing. Multiple bids will be accepted by the Administrative Agent. Competitive Bids that do not conform substantially to the format of Exhibit A-3 may be rejected by the Administrative Agent, and the Administrative Agent shall notify the Lender making such nonconforming bid of such rejection as soon as practicable. Each Competitive Bid shall refer to this Agreement and specify (x) the principal amount (which shall be in a minimum principal amount of \$5,000,000 and in an integral multiple of \$1,000,000 and which may equal the entire principal amount of the Competitive Borrowing requested) of the Competitive Loan or Loans that the Lender is willing to make, (y) the Competitive Bid Rate or Rates at which the Lender is prepared to make the Competitive Loan or Loans and (z) the Interest Period and the last day thereof. If any Lender invited to bid shall elect not to make a Competitive Bid, such Lender shall so notify the Administrative Agent by telecopy (I) in the case of Eurodollar Competitive Loans, not later than 9:30 a.m., New York City time, three Business Days before a proposed Competitive Borrowing, and (II) in the case of Fixed Rate Loans not later than 9:30 a.m., New York City time, on the day of a proposed Competitive Borrowing; provided, however, that failure by any Lender to give such notice shall not cause such Lender to be obligated to make any Competitive Loan as part of such Competitive Borrowing. A Competitive Bid submitted by a Lender pursuant to this paragraph (b) shall be irrevocable.

(c) The Administrative Agent shall promptly notify the applicable Borrower, by telecopy, of all the Competitive Bids made, the Competitive Bid Rate and the principal amount of each Competitive Loan in respect of which a Competitive Bid was made and the identity of the Lender that made each bid. The Administrative Agent shall send a copy of all Competitive Bids to such Borrower for its records as soon as practicable after completion of the bidding process set forth in this Section 2.03.

(d) The applicable Borrower may in its sole and absolute discretion, subject only to the provisions of this paragraph (d), accept or reject any Competitive Bid referred to in paragraph (c) above. Such Borrower shall notify the Administrative Agent by telephone, confirmed by telecopy in the form of a Competitive Bid Accept/Reject Letter, whether and to what extent it has decided to accept or reject any of or all the bids referred to in paragraph (c) above, (x) in the case of a Eurodollar Competitive Borrowing, not later than 10:30 a.m., New York City time, three Business Days before a proposed

Competitive Borrowing, and (y) in the case of a Fixed Rate Borrowing, not later than 10:30 a.m., New York City time, on the day of a proposed Competitive Borrowing; provided, however, that (i) the failure of such Borrower to give such notice shall be deemed to be a rejection of all the bids referred to in paragraph (c) above, (ii) such Borrower shall not accept a bid made at a particular Competitive Bid Rate if it has decided to reject a bid made at a lower Competitive Bid Rate, (iii) the aggregate amount of the Competitive Bids accepted by such Borrower shall not exceed the principal amount specified in the Competitive Bid Request, (iv) if such Borrower shall accept a bid or bids made at a particular Competitive Bid Rate but the amount of such bid or bids shall cause the total amount of bids to be accepted to exceed the amount specified in the Competitive Bid Request, then such Borrower shall accept a portion of such bid or bids in an amount equal to the amount specified in the Competitive Bid Request less the amount of all other Competitive Bids accepted with respect to such Competitive Bid Request, which acceptance, in the case of multiple bids at such Competitive Bid Rate, shall be made pro rata in accordance with the amount of each such bid at such Competitive Bid Rate, and (v) except pursuant to clause (iv) above, no bid shall be accepted for a Competitive Loan unless such Competitive Loan is in a minimum principal amount of \$5,000,000 and an integral multiple of \$1,000,000; provided further, however, that if a Competitive Loan must be in an amount less than \$5,000,000 because of the provisions of clause (iv) above, such Competitive Loan may be for a minimum of \$1,000,000 or any integral multiple thereof, and in calculating the pro rata allocation of acceptances of portions of multiple bids at a particular Competitive Bid Rate pursuant to clause (iv) the amounts shall be rounded to integral multiples of \$1,000,000 in a manner which shall be in the discretion of the applicable Borrower. A notice given pursuant to this paragraph (d) shall be irrevocable.

(e) The Administrative Agent shall promptly notify each bidding Lender whether or not its Competitive Bid has been accepted (and if so, in what amount and at what Competitive Bid Rate) by telecopy, and each successful bidder will thereupon become bound, subject to the other applicable conditions hereof, to make the Competitive Loan or Loans in respect of which its bid has been accepted.

(f) A Competitive Bid Request shall not be made within five Business Days after the date of any previous Competitive Bid Request.

(g) If the Administrative Agent shall elect to submit a Competitive Bid in its capacity as a Lender, it shall submit such bid directly to the applicable Borrower one quarter of an hour earlier than the latest time at which the other Lenders are required to submit their bids to the Administrative Agent pursuant to paragraph (b) above.

(h) All notices required by this Section 2.03 shall be given in accordance with Section 9.01.

SECTION 2.04. Standby Borrowing Procedure. In order to request a Standby Borrowing, a Borrower shall hand deliver or telecopy to the Administrative Agent a duly completed Standby Borrowing Request in the form of Exhibit A-5 (a) in the case of a Eurodollar Standby Borrowing, not later than 10:30 a.m., New York City time, three Business Days before such Borrowing, and (b) in the case of an ABR Borrowing, not later than 10:30 a.m., New York City time, on the day of such Borrowing. No Fixed Rate Loan shall be requested or made pursuant to a Standby Borrowing Request. Such notice shall be irrevocable and shall in each case specify (i) whether the Borrowing then being requested is to be a Eurodollar Standby Borrowing or an ABR Borrowing; (ii) the date of such Standby Borrowing (which shall be a Business Day) and the amount thereof; and (iii) if such Borrowing is to be a Eurodollar Standby Borrowing, the Interest Period with respect thereto, which shall not end after the Maturity Date. If no election as to the Type of Standby Borrowing is specified in any such notice, then the requested Standby Borrowing shall be an ABR Borrowing. If no Interest Period with respect to any Eurodollar Standby Borrowing is specified in any such notice, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Notwithstanding any other provision of this Agreement to the contrary, no Standby Borrowing shall be requested if the Interest Period with respect thereto would end after the Maturity Date. The Administrative Agent shall promptly advise the Lenders of any notice given pursuant to this Section 2.04 and of each Lender's portion of the requested Borrowing.

SECTION 2.05. Facility Fees. (a) The Company agrees to pay to each Lender, through the Administrative Agent, on each March 31, June 30, September 30 and December 31 (with the first payment being due on March 31, 1994) and on the date on which the Commitment of such Lender shall be terminated as provided herein, a facility fee (a "Facility Fee"), at a rate per annum equal to .125% per annum on the average daily amount of the Commitment of such Lender, whether used or

unused, during the preceding quarter (or other period commencing on the date of this Agreement, or ending with the Maturity Date or the date on which the Commitment of such Lender shall be terminated). All Facility Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days. The Facility Fee due to each Lender shall commence to accrue on the date of this Agreement, and shall cease to accrue on the earlier of the Maturity Date and the termination of the Commitment of such Lender as provided herein. (b) All Facility Fees shall be paid on the dates due, in immediately available funds, to the Administrative

Agent for distribution, if and as appropriate, among the Lenders. Once paid, none of the Facility Fees shall be refundable under any circumstances.

SECTION 2.06 Repayment of Loans; Evidence of Debt. (a) Each Borrower hereby agrees that the outstanding principal balance of each Standby Loan shall be payable on the last day of the Interest Period applicable thereto and on the Maturity Date and that the outstanding principal balance of each Competitive Loan shall be payable on the last day of the Interest Period applicable thereto. Each Loan shall bear interest on the outstanding principal balance thereof as set forth in Section 2.07.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid such Lender from time to time under this Agreement. (i) the amount of each Loan made hereunder, the Type of each Loan made and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from each Borrower and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraphs (b) and (c) of this Section 2.06 shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations therein recorded; provided, however, that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of the Borrowers to repay the Loans in accordance with their terms.

SECTION 2.07. Interest on Loans. (a) Subject to the provisions of Section 2.08, the Loans comprising each Eurodollar Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to (i) in the case of each Eurodollar Standby Loan, the LIBO Rate for the Interest Period in effect for such Borrowing plus 1/4 of 1% and (ii) in the case of each Eurodollar Competitive Loan, the LIBO Rate for the Interest Period in effect for such Borrowing plus the Margin offered by the Lender making such Loan and accepted by the applicable Borrower pursuant to Section 2.03.

(b) Subject to the provisions of Section 2.08, the Loans comprising each ABR Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be, for periods during which the Alternate Base Rate is determined by reference to the Prime Rate and 360 days for other periods) at a rate per annum equal to the Alternate Base Rate.

(c) Subject to the provisions of Section 2.08, each Fixed Rate Loan shall bear interest at a rate per annum (computed on the basis of the actual number of days elapsed over a year of 360 days) equal to the fixed rate of interest offered by the Lender making such Loan and accepted by the Borrower pursuant to Section 2.03.

(d) Interest on each Loan shall be payable on each Interest Payment Date applicable to such Loan except as otherwise provided in this Agreement. The applicable LIBO Rate or Alternate Base Rate for each

Interest Period or day within an Interest Period, as the case may be, shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.08. Default Interest. If a Borrower shall default in the payment of the principal of or interest on any Loan or any other amount becoming due hereunder, whether by scheduled maturity, notice of prepayment, acceleration or otherwise, such Borrower shall owe interest, payable on demand, to the extent permitted by law, on such defaulted

amount up to (but not including) the date of actual payment (after as well as before judgment) at a rate per annum (computed as provided in Section 2.07(b)) equal to the Alternate Base Rate plus 2%.

SECTION 2.09. Alternate Rate of Interest. (a) In the event, and on each occasion, that on the day two Business Days prior to the commencement of any Interest Period for a Eurodollar Borrowing the Administrative Agent shall have determined (i) that dollar deposits in the principal amounts of the Eurodollar Loans comprising such Borrowing are not generally available in the London interbank market or (ii) that reasonable means do not exist for ascertaining the LIBO Rate, the Administrative Agent shall, as soon as practicable thereafter, give teletype notice of such determination to the Borrowers and the Lenders. In the event of any such determination under clauses (i) or (ii) above, until the Administrative Agent shall have advised the Borrowers and the Lenders that the circumstances giving rise to such notice no longer exist, (x) any request by a Borrower for a Eurodollar Competitive Borrowing pursuant to Section 2.03 shall be of no force and effect and shall be denied by the Administrative Agent and (y) any request by a Borrower for a Eurodollar Standby Borrowing pursuant to Section

2.04 shall be deemed to be a request for an ABR Borrowing.

(b)

In the event a Lender notifies the Administrative Agent that the rates at which dollar deposits are being offered will not adequately and fairly reflect the cost to such Lender of making or maintaining its Eurodollar Loan during such Interest Period, the Administrative Agent shall notify the applicable Borrower of such notice and until the Lender shall have advised the Administrative Agent that the circumstances giving rise to such notice no longer exist, any request by such Borrower for a Eurodollar Standby Borrowing shall be deemed a request for an ABR Borrowing for the same Interest Period with respect to such Lender.

(c) Each determination by the Administrative Agent hereunder shall be made in good faith and shall be conclusive absent manifest error.

SECTION

2.10. Termination and Reduction of Commitments. (a) The Commitments shall be automatically terminated on the Maturity Date. (b) Upon at least three Business Days' prior irrevocable teletype notice to the Administrative Agent, the Company may at any time in whole permanently terminate, or from time to time in part permanently reduce, the Total Commitment; provided, however, that (i) each partial reduction of the Total Commitment shall be in an integral multiple of \$1,000,000 and in a minimum principal amount of \$5,000,000 and (ii) no such termination or reduction shall be made which would reduce the Total Commitment to an amount less than the aggregate outstanding principal amount of the Competitive Loans.

(c) Each reduction in the Total Commitment hereunder shall be made ratably among the Lenders in accordance with their respective Commitments. The Company shall pay to the Administrative Agent for the account of the Lenders, on each date of reduction of any portion of the Total Commitment, the Facility Fees on the amount of the Commitments so terminated accrued through the date of such termination or reduction.

SECTION 2.11. Prepayment. (a) Each Borrower shall have the right at any time and from time to time to prepay any Standby Borrowing, in whole or in part, upon giving teletype notice (or telephone notice promptly confirmed by teletype) to the Administrative Agent: (i) before 10:00 a.m., New York City time, three Business Days prior to prepayment, in the case of Eurodollar Loans, and (ii) before 10:00 a.m., New York City time, one Business Day prior to prepayment, in the case of ABR Loans; provided, however, that each partial prepayment shall be in an amount which is an integral multiple of \$1,000,000 and not less than \$5,000,000. No prepayment may be made in respect of any Competitive Borrowing.

(b) On the date of any termination or reduction of the Commitments pursuant to Section 2.10, the Borrowers shall pay or prepay so much of the Standby Borrowings as shall be necessary in order that the aggregate principal amount of the Competitive Loans and Standby Loans outstanding will not exceed the Total Commitment, after giving effect to such termination or reduction.

(c) Each notice of prepayment shall specify the prepayment date and the principal amount of each Borrowing (or portion thereof) to be prepaid, shall be irrevocable and shall commit the applicable Borrower to prepay such Borrowing (or portion thereof) by the amount stated therein on the date stated therein. All prepayments under this Section 2.11 shall be subject to Section 2.14 but otherwise without premium or penalty. All prepayments under this Section 2.11 shall be accompanied by accrued interest on the principal amount being prepaid to the date of payment.

SECTION 2.12. Reserve Requirements; Change in Circumstances. (a) Notwithstanding any other

provision herein, if after the date of this Agreement any change in applicable law or regulation or in the interpretation or administration thereof by any Governmental Authority charged with the interpretation or administration thereof (whether or not having the force of law) shall result in the imposition, modification or applicability of any reserve, special deposit or similar requirement against assets of, deposits with or for the account of or credit extended by any Lender, or shall result in the imposition on any Lender or the London interbank market of any other condition affecting this Agreement, such Lender's Commitment or any Eurodollar Loan or Fixed Rate Loan made by such Lender, and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurodollar Loan or Fixed Rate Loan or to reduce the amount of any sum received or receivable by such Lender with respect to any Eurodollar Loan or Fixed Rate Loan hereunder (whether of principal, interest or otherwise) by an amount deemed by such Lender to be material, then such additional amount or amounts as will compensate such Lender for such additional costs or reduction will be paid by the Borrowers to such Lender upon demand. Notwithstanding the foregoing, no Lender shall be entitled to request compensation under this paragraph with respect to any Competitive Loan if the change giving rise to such request was applicable to such Lender at the time of submission of the Competitive Bid pursuant to which such Competitive Loan was made.

(b) If any Lender shall have determined that the adoption after the date hereof of any law, rule, regulation or guideline arising out of the July 1988 report of the Basle Committee on Banking Regulations and Supervisory Practices entitled "International Convergence of Capital Measurement and Capital Standards," or the adoption after the date hereof of any other law, rule, regulation or guideline regarding capital adequacy, or any change in any of the foregoing or in the interpretation or administration of any of the foregoing by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender (or any lending office of such Lender) 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 reducing the rate of return on such Lender's capital as a consequence of this Agreement, such Lender's Commitment or the Loans made by such Lender pursuant hereto to a level below that which such Lender could have achieved but for such adoption, change or compliance (taking into consideration such Lender's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time such additional amount or amounts as will compensate such Lender for such reduction will be paid by the Borrowers to such Lender.

(c) A certificate of each Lender setting forth such amount or amounts as shall be necessary to compensate such Lender as specified in paragraph (a) or (b) above, as the case may be, shall be delivered to the Company promptly by such Lender upon becoming aware of any costs pursuant to paragraphs (a) or (b) above and shall be conclusive absent manifest error. The Company shall pay each Lender the amount shown as due on any such certificate delivered by it within 10 days after its receipt of the same.

(d) Failure on the part of any Lender to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital with respect to any period shall not constitute a waiver of such Lender's right to demand compensation with respect to such period or any other period. The protection of this Section shall be available to each Lender regardless of any possible contention of the invalidity or inapplicability of the law, rule, regulation, guideline or other change or condition which shall have occurred or been imposed. No Lender shall be entitled to compensation under this Section 2.12 for any costs incurred or reduction suffered with respect to any date unless such Lender shall have notified the Company that it will demand compensation for such costs or reductions not more than 90 days after the later of (i) such date and (ii) the date on which such Lender shall have become aware of such costs or reductions. Notwithstanding any other provision of this Section 2.12, no Lender shall demand compensation for any increased cost or reduction referred to above if it shall not at the time be the general policy or practice of such Lender to demand such compensation in similar circumstances under comparable provisions of other credit agreements, if any.

SECTION 2.13. Change in Legality. (a) Notwithstanding any other provision herein, if any change in any law or regulation or in the interpretation thereof by any Governmental Authority charged with the administration or interpretation thereof shall make it unlawful for any Lender to make or maintain any Eurodollar Loan or to give effect to its obligations as contemplated hereby with respect to any Eurodollar Loan, then, by written notice to the Company and to the

Administrative Agent, such Lender may: (i) declare that Eurodollar Loans will not thereafter be made by such Lender hereunder, whereupon such Lender shall not submit a Competitive Bid in response to a request for Eurodollar Competitive Loans and any request for a Eurodollar Standby Borrowing shall, as to such Lender only, be deemed a request for an ABR Loan unless such declaration shall be subsequently withdrawn; and

(ii) require that all outstanding Eurodollar Loans made by it be converted to ABR Loans, in which event all such Eurodollar Loans shall be automatically converted to ABR Loans as of the effective date of such notice as provided in paragraph (b) below. In the event any Lender shall exercise its rights under (i) or (ii) above, all payments and prepayments of principal which would otherwise have been applied to repay the Eurodollar Loans that would have been made by such Lender or the converted Eurodollar Loans of such Lender shall instead be applied to repay the ABR Loans made by such Lender in lieu of, or resulting from the conversion of, such Eurodollar Loans. (b) For purposes of this Section 2.13, a notice by any Lender shall be effective as to each Eurodollar Loan, if lawful, on the last day of the Interest Period currently applicable to such Eurodollar Loan; in all other cases such notice shall be effective on the date of receipt.

SECTION 2.14. Indemnity. The Borrowers shall indemnify each Lender against any out-of-pocket loss or expense which such Lender may sustain or incur as a consequence of (a) any failure to borrow or to refinance any Loan hereunder after irrevocable notice of such borrowing or refinancing has been given pursuant to Section 2.03 or 2.04, (b) any payment, prepayment or conversion, or assignment required under Section 2.18, of a Eurodollar Loan required by any other provision of this Agreement (other than Section 2.13) or otherwise made or deemed made on a date other than the last day of the Interest Period, if any, applicable thereto, (c) any default in payment or prepayment of the principal amount of any Loan or any part thereof or interest accrued thereon, as and when due and payable (at the due date thereof, whether by scheduled maturity, acceleration, irrevocable notice of prepayment or otherwise) or (d) the occurrence of any Event of Default, including, in each such case, any loss or reasonable expense sustained or incurred or to be sustained or incurred in liquidating or employing deposits from third parties acquired to effect or maintain such Loan or any part thereof as a Eurodollar Loan or a Fixed Rate Loan. Such loss or reasonable expense shall include an amount equal to the excess, if any, as reasonably determined by such Lender, of (i) its cost of obtaining the funds for the Loan being paid, prepaid, refinanced or not borrowed or so assigned (assumed to be the LIBO Rate applicable thereto or, in the case of a Fixed Rate Loan, the fixed rate of interest applicable thereto) for the period from the date of such payment, prepayment, refinancing or failure to borrow or refinance or such assignment, to the last day of the Interest Period for such Loan (or, in the case of a failure to borrow or refinance the Interest Period for such Loan which would have commenced on the date of such failure) over (ii) the amount of interest (as reasonably determined by such Lender) that would be realized by such Lender in reemploying in similar investments the funds so paid, prepaid or not borrowed or refinanced or so assigned for the remainder of such period or Interest Period, as the case may be. A certificate of any Lender setting forth any amount or amounts which such Lender is entitled to receive pursuant to this Section 2.14 shall be delivered to the Borrowers and shall be conclusive absent manifest error.

SECTION 2.15. Pro Rata Treatment. Except as required under Section 2.12, each payment or prepayment of principal of any Standby Borrowing, each payment of interest on the Standby Loans, each payment of the Facility Fees, each reduction of the Commitments and each refinancing of any Borrowing with a Standby Borrowing of any Type, shall be allocated pro rata among the Lenders in accordance with their respective Commitments (or, if such Commitments shall have expired or been terminated, in accordance with the respective principal amounts of their outstanding Standby Loans). Each payment of principal of any Competitive Borrowing shall be allocated pro rata among the Lenders participating in such Borrowing in accordance with the respective principal amounts of their outstanding Competitive Loans comprising such Borrowing. Each payment of interest on any Competitive Borrowing shall be allocated pro rata among the Lenders participating in such Borrowing in accordance with the respective amounts of accrued and unpaid interest on their outstanding Competitive Loans comprising such Borrowing. For purposes of determining the available Commitments of the Lenders at any time, each outstanding Competitive Borrowing shall be deemed to have utilized the Commitments of the Lenders (including those Lenders which shall not have made Loans as part of such Competitive Borrowing) pro rata in accordance with such respective Commitments. Each Lender agrees that in computing

such Lender's portion of any Borrowing to be made hereunder, the Administrative Agent may, in its discretion, round each Lender's percentage of such Borrowing to the next higher or lower whole dollar amount.

SECTION 2.16. Sharing of Setoffs. Each Lender agrees that if it shall, through the exercise of a right of banker's lien, setoff or counterclaim, or pursuant to a secured claim under Section 506 of Title 11 of the United States Code or other security or interest arising from, or in lieu of, such secured claim, received by such Lender under any applicable bankruptcy, insolvency or other similar law or otherwise, or by any other means, obtain payment (voluntary or involuntary) in respect of any Standby Loan or Loans as a result of which the unpaid principal portion of its Standby Loans shall be proportionately less than the unpaid principal portion of the Standby Loans of any other Lender, it shall be deemed simultaneously to have purchased from such other Lender at face value, and shall promptly pay to such other Lender the purchase price for, a participation in the Standby Loans of such other Lender, so that the aggregate unpaid principal amount of the Standby Loans and participations in the Standby Loans held by each Lender shall be in the same proportion to the aggregate unpaid principal amount of all Standby Loans then outstanding as the principal amount of its Standby Loans prior to such exercise of banker's lien, setoff or counterclaim or other event was to the principal amount of all Standby Loans outstanding prior to such exercise of banker's lien, setoff or counterclaim or other event; provided, however, that, if any such purchase or purchases or adjustments shall be made pursuant to this Section 2.16 and the payment giving rise thereto shall thereafter be recovered, such purchase or purchases or adjustments shall be rescinded to the extent of such recovery and the purchase price or prices or adjustment restored without interest. Any Lender holding a participation in a Standby Loan deemed to have been so purchased may exercise any and all rights of banker's lien, setoff or counterclaim with respect to any and all moneys owing to such Lender by reason thereof as fully as if such Lender had made a Standby Loan in the amount of such participation.

SECTION 2.17. Payments. (a) The Borrowers shall make each payment (including principal of or interest on any Borrowing and any Facility Fees or other amounts) hereunder from an account in the United States not later than 12:00 noon, New York City time, on the date when due in dollars to the Administrative Agent at its offices at 270 Park Avenue, New York, New York, in immediately available funds. (b) Whenever any payment (including principal of or interest on any Borrowing or any Facility Fees or other amounts) hereunder shall become due, or otherwise would occur, on a day that is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of interest or Facility Fees, if applicable.

SECTION 2.18. Duty to Mitigate; Assignment of Commitments Under Certain Circumstances. (a) Any Lender (or Transferee) claiming any additional amounts payable pursuant to Section 2.12 or Section 2.19 or exercising its rights under Section 2.13 shall use reasonable efforts (consistent with legal and regulatory restrictions) to file any certificate or document requested by the Company or to change the jurisdiction of its applicable lending office if the making of such a filing or change would avoid the need for or reduce the amount of any such additional amounts which may thereafter accrue or avoid the circumstances giving rise to such exercise and would not, in the sole determination of such Lender (or Transferee), be otherwise disadvantageous to such Lender (or Transferee). (b) In the event that any Lender shall have delivered a notice or certificate pursuant to Section 2.09(b), 2.12 or 2.13, or the Borrower shall be required to make additional payments to any Lender under Section 2.19, the Company shall have the right, at its own expense (which shall include the processing and recordation fee referred to in Section 9.04(b)), upon notice to such Lender and the Administrative Agent, to require such Lender to transfer and assign without recourse (in accordance with and subject to the restrictions contained in Section 9.04) all interests, rights and obligations contained hereunder to another financial institution approved by the Administrative Agent (which approval shall not be unreasonably withheld) which shall assume such obligations; provided that (i) no such assignment shall conflict with any law, rule or regulation or order of any Governmental Authority and (ii) the assignee or the Borrowers, as the case may be, shall pay to the affected Lender in immediately available funds on the date of such assignment the principal of and interest accrued to the date of payment on the Loans made by it hereunder and all other amounts accrued for its account or owed to it hereunder.

SECTION 2.19. Taxes. (a) Any and all payments to the Lenders hereunder shall be made, in accordance with Section 2.17, free and clear of and without deduction for any and all current or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding (i) income taxes imposed on the net income of the Administrative Agent or any Lender (or any transferee or assignee thereof, including a participation holder (any such entity a "Transferee")) and (ii) franchise taxes imposed on the net income of the Administrative Agent or any Lender (or Transferee), in each case by the jurisdiction under the laws of which the Administrative Agent or such Lender (or Transferee) is organized or any political subdivision thereof (all

such nonexcluded taxes, levies, imposts, deductions, charges, withholdings and liabilities, collectively or individually, "Taxes"). If any Borrower shall be required to deduct any Taxes from or in respect of any sum payable hereunder to any Lender (or any Transferee) or the Administrative Agent, (i) the sum payable shall be increased by the amount (an "additional amount") necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.19) such Lender (or Transferee) or the Administrative Agent (as the case may be) shall receive an amount equal to the sum it would have received had no such deductions been made, (ii) such Borrower shall make such deductions and (iii) such Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law. (b)

In addition, the Borrowers shall pay to the relevant Governmental Authority in accordance with applicable law any current or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies that arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement ("Other Taxes"). (c) The Borrowers shall indemnify each Lender (or Transferee) and the Administrative Agent for the full amount of Taxes and Other Taxes paid by such Lender (or Transferee) or the Administrative Agent, as the case may be, and any liability (including penalties, interest and expenses (including reasonable attorney's fees and expenses)) arising therefrom or with respect thereto. A certificate as to the amount of such payment or liability prepared by a Lender, or the Administrative Agent on its behalf, absent manifest error, shall be final, conclusive and binding for all purposes. Such indemnification shall be made within 30 days after the date the Lender (or Transferee) or the Administrative Agent, as the case may be, makes written demand therefor. (d) If a Lender (or

Transferee) or the Administrative Agent shall become aware that it is entitled to claim a refund from a Governmental Authority in respect of Taxes or Other Taxes as to which it has been indemnified by the Borrowers, or with respect to which the Borrowers have paid additional amounts, pursuant to this Section 2.19, it shall promptly notify the Borrowers of the availability of such refund claim and shall, within 30 days after receipt of a request by the Borrowers, make a claim to such Governmental Authority for such refund at the Borrowers' expense. If a Lender (or Transferee) or the Administrative Agent receives a refund (including pursuant to a claim for refund made pursuant to the preceding sentence) in respect of any Taxes or Other Taxes as to which it has been indemnified by the Borrowers or with respect to which the Borrowers have paid additional amounts pursuant to this Section 2.19, it shall within 30 days from the date of such receipt pay over such refund to the Borrowers (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrowers under this Section 2.19 with respect to the Taxes or Other Taxes giving rise to such refund), without interest (other than interest paid by the relevant Governmental Authority with respect to such refund); provided, however, that the Borrowers, upon the request of such Lender (or Transferee) or the Administrative Agent, agree to repay the amount paid over to the Borrowers (plus penalties, interest or other charges) to such Lender (or Transferee) or the Administrative Agent in the event such Lender (or Transferee) or the Administrative Agent is required to repay such refund to such Governmental Authority. (e)

As soon as practicable after the date of any payment of Taxes or Other Taxes by the Borrowers to the relevant Governmental Authority, the Borrowers will deliver to the Administrative Agent, at its address referred to in Section 9.01, the original or a certified copy of a receipt issued by such Governmental Authority evidencing payment thereof.

(f) Without prejudice to the survival of any other agreement contained herein, the agreements and obligations contained in this Section 2.19 shall survive the payment in full of the principal of and interest on all Loans made hereunder for a period of 3 years. (g) Each Lender

(or Transferee) that is organized under the laws of a jurisdiction other than the United States, any State thereof or the District of Columbia (a "Non-U.S. Lender") shall deliver to the Company and the Administrative Agent two copies of either United States Internal Revenue Service Form 1001 or Form 4224, or, in the case of a Non-U.S. Lender claiming exemption from U.S. Federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a Form W-8, or any subsequent versions thereof or successors thereto (and, if such Non-U.S. Lender delivers a Form W-8, a certificate representing that such Non-U.S. Lender is not a bank for purposes of Section 881(c) of the Code, is not a 10-percent shareholder (within the meaning of Section 871(h)(3)(B) of the Code) of the Company and is not a controlled foreign corporation related to the Company (within the meaning of Section 864(d)(4) of the Code)), properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from, or reduced rate of, U.S. Federal withholding tax on payments by the Company under this Agreement. Such forms shall be delivered by each Non-U.S. Lender on or before the date it becomes a party to this Agreement (or, in the case of a Transferee that is a participation holder, on or before the date such participation holder becomes a Transferee hereunder) and on or before the date, if any, such

Non-U.S. Lender changes its applicable lending office by designating a different lending office (a "New Lending Office"). In addition, each Non-U.S. Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Lender. Notwithstanding any other provision of this Section 2.19(g), a Non-U.S. Lender shall not be required to deliver any form pursuant to this Section 2.19(g) that such Non-U.S. Lender is not legally able to deliver.

(h) The Borrowers shall not be required to indemnify any Non-U.S. Lender, or to pay any additional amounts to any Non-U.S. Lender, in respect of United States Federal withholding tax pursuant to paragraph (a) or (c) above to the extent that (i) the obligation to withhold amounts with respect to United States Federal withholding tax existed on the date such Non-U.S. Lender became a party to this Agreement (or, in the case of a Transferee that is a participation holder, on the date such participation holder became a Transferee hereunder) or, with respect to payments to a New Lending Office, the date such Non-U.S. Lender designated such New Lending Office with respect to a Loan; provided, however, that this clause (i) shall not apply to any Transferee or New Lending Office that becomes a Transferee or New Lending Office as a result of an assignment, participation, transfer or designation made at the request of the Company; and provided further, however, that this clause (i) shall not apply to the extent the indemnity payment or additional amounts any Transferee, or Lender (or Transferee) through a New Lending Office, would be entitled to receive (without regard to this clause (i)) do not exceed the indemnity payment or additional amounts that the person making the assignment, participation or transfer to such Transferee, or Lender (or Transferee) making the designation of such New Lending Office, would have been entitled to receive in the absence of such assignment, participation, transfer or designation or (ii) the obligation to pay such additional amounts would not have arisen but for a failure by such Non-U.S. Lender to comply with the provisions of paragraph (g) above. (i) Any Lender (or Transferee) claiming any indemnity payment or additional amounts payable pursuant to this Section 2.19 shall use reasonable efforts (consistent with legal and regulatory restrictions) to file any certificate or document reasonably requested in writing by the Company or to change the jurisdiction of its applicable lending office if the making of such a filing or change would avoid the need for or reduce the amount of any such indemnity payment or additional amounts that may thereafter accrue and would not, in the sole determination of such Lender (or Transferee), be otherwise disadvantageous to such Lender (or Transferee). (j) Nothing contained in this Section 2.19 shall require any Lender (or Transferee) or the Administrative Agent to make available any of its tax returns (or any other information that it deems to be confidential or proprietary).

ARTICLE III

Representations and Warranties The Company represents and warrants to each of the Lenders that: SECTION 3.01. Corporate Existence and Power. The Company and each Borrowing Subsidiary is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

SECTION 3.02. Corporate and Governmental Authorization; Contravention. The execution, delivery and performance by the Company of this Agreement (a) is within the Company's corporate powers, (b) has been duly authorized by all necessary corporate action, (c) requires no action by or in respect of, or filing with, any Governmental Authority and (d) does not (i) contravene, or constitute a default under, any applicable provision of law or regulation either of the United States or a particular state thereof or of the certificate of incorporation or by-laws of the Company or of any agreement, judgment, injunction, order, decree or other instrument binding upon the Company or (ii) result in the creation or imposition of any Lien on any asset of the Company or any of its Subsidiaries. SECTION 3.03. Binding Effect. This Agreement constitutes a valid and binding agreement of the Company, enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of the rights of its creditors generally and subject to general legal and equitable principles with respect to the availability of particular remedies. SECTION 3.04. Financial Information. (a) The consolidated balance sheet of the Company and its Consolidated Subsidiaries as of January 3, 1993 and the related consolidated statements of earnings and changes in financial position for the fiscal year then ended, reported on by Arthur Andersen & Co. and set forth in the Company's annual report on Form 10-K for the fiscal year ended January 3, 1993, a copy of which has been delivered

to each of the Lenders, fairly present, in conformity with GAAP, the consolidated financial position of the Company and its Consolidated Subsidiaries as of such date and their consolidated results of operations and changes in financial position for such fiscal year.

(b) The unaudited consolidated balance sheet of the Company and its Consolidated Subsidiaries as of October 3, 1993 and the related unaudited consolidated statements of earnings and changes in financial position for the nine months then ended, set forth in the Company's quarterly report on Form 10-Q for the fiscal quarter ended October 3, 1993, a copy of which has been delivered to each of the Lenders, fairly present, in conformity with GAAP applied on a basis consistent with the financial statements referred to in paragraph (a) of this Section 3.04, the consolidated financial position of the Company and its Consolidated Subsidiaries as of such date and their consolidated results of operations and changes in financial position for such nine month period (subject to normal year-end adjustments). SECTION 3.05. Litigation. There is no action, suit or proceeding pending against, or to the knowledge of the Company threatened against or affecting, the Company or any of its Subsidiaries before any court or arbitrator or any governmental body, agency or official in which there is a reasonable possibility of a final adverse decision which could materially adversely affect the business, consolidated financial position or consolidated results of operations of the Company and its Consolidated Subsidiaries taken as a whole or which in any manner draws into question the validity of this Agreement.

SECTION 3.06. Compliance with ERISA. The Company and each ERISA Affiliate has fulfilled its obligations under the minimum funding standards of ERISA and the Code with respect to each Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Code relating to the Plans, and has not incurred any liability to the PBGC or a Plan under Title IV of ERISA.

SECTION 3.07. Taxes. United States Federal income tax returns of the Company and its Subsidiaries have been examined and closed through the fiscal year ended January 3, 1988. The Company and its Subsidiaries have filed all United States Federal income tax returns and all other material tax returns which are required to be filed by them and have paid all material taxes due pursuant to such returns or pursuant to any assessment received by the Company or any Subsidiary which the Company or any Subsidiary is not disputing in a good faith manner. The charges, accruals and reserves on the books of the Company and its Subsidiaries in respect of taxes or other governmental charges are, in the opinion of the Company, adequate. SECTION 3.08.

Subsidiaries. Attached hereto as Schedule 3.08 is a schedule which correctly identifies all Subsidiaries as of the date of this Agreement. Except as noted on Schedule 3.08, all of the issued and outstanding shares of the capital stock of each Subsidiary is duly issued and outstanding, fully paid and non-assessable and except for directors' qualifying shares and shares issued solely for the purpose of satisfying local requirements concerning the minimum number of shareholders is owned by the Company or a Subsidiary free and clear of any mortgage, pledge, lien or encumbrance. SECTION 3.09.

Representations and Warranties of Each Borrowing Subsidiary. Each Borrowing Subsidiary shall be deemed by the execution and delivery of a Borrowing Subsidiary Agreement to have represented and warranted as of the date thereof as follows: (a) It is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and is duly qualified to do business and in good standing in each other jurisdiction in which it owns property and/or conducts its business and in which failure to be so qualified and in good standing would have a materially adverse effect on the business of such Borrowing Subsidiary. (b) The execution, delivery and performance by it of its Borrowing Subsidiary Agreement, and the performance by it of the provisions of this Agreement applicable to it, are within its corporate powers, have been duly authorized by all necessary corporate action and do not contravene (i) its charter or by-laws (or the equivalent thereof) or (ii) any law or regulation or any agreement, judgment, injunction, order, decree or other instrument binding on or affecting it. (c) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required for the due execution, delivery and performance by it of its Borrowing Subsidiary Agreement or for the performance by it of the provisions of this Agreement applicable to it, except for those which have been duly obtained or made and are in full force and effect. (d) It is not in breach of or default under any agreement to which it is a party or which is binding on it or any of its assets to an extent or in a manner which would have a material adverse effect on its ability to perform its obligations hereunder after taking into consideration its other financial obligations. (e)

This Agreement is a legal, valid and binding obligation of such Borrowing Subsidiary enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization,

moratorium or similar laws affecting the enforcement of the rights of its creditors generally and subject to general legal and equitable principles with respect to the availability of particular remedies.

(f) The proceeds of each Loan made to it will be used solely for general corporate purposes, including the acquisition of new businesses.

SECTION 3.10. Federal Reserve Regulations. (a) Neither any Borrower nor any Subsidiary is engaged principally, or as a substantial part of its activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock (within the meaning of Regulation U).

(b) No part of the proceeds of any Loan has been or will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, in any manner or for any purpose that has resulted or will result in a violation of Regulation U.

SECTION 3.11. Investment Company Act; Public Utility Holding Company Act. Neither any Borrower nor any Subsidiary is (a) an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940 or (b) a "holding company" as defined in, or subject to regulation under, the Public Utility Holding Company Act of 1935.

SECTION 3.12. Environmental and Safety Matters. (a) With respect to all facilities owned and operated by the Company and its Subsidiaries, or at which the

Company or any of its Subsidiaries has a leasehold interest, other than any facilities referred to in (b) below, except as set forth in Schedule 3.12(a) (i) the Company and each Subsidiary is in compliance in all material respects with all Federal, state, local and other statutes, ordinances, orders, judgments, rulings and regulations relating to environmental pollution or to environmental regulation or control or to employee health or safety (collectively "Environmental Laws") except where the failure to be in compliance so would not be reasonably likely, individually or in the aggregate, to result in a Material Adverse Effect; (ii) neither the Company nor any Subsidiary has received notice of any material failure so to comply, which non-compliance neither has been remedied nor is the subject of the Company's good faith efforts to achieve compliance, except where the failure to be in compliance would not be reasonably likely, individually or in the aggregate, to result in a Material Adverse Effect and (iii) the Company is aware of no events, conditions or circumstances involving environmental pollution or contamination or employee health or safety that in its judgment would be reasonably likely to result in a Material Adverse Effect.

(b) With respect to the Federally owned or operated facilities listed on Schedule 3.12(b) at which the Company and/or its Subsidiaries are the management and operations contractor or such facilities at which the Company and/or its Subsidiaries may act as such after the date of this Agreement, except as set forth in Schedule 3.12(c) neither the Company nor any of its Subsidiaries has received notice of any claim under any Environmental Laws which in its judgment would be reasonably likely to result in a Material Adverse Effect.

ARTICLE IV Conditions of Lending

The

obligations of the Lenders to make Loans hereunder are subject to the satisfaction of the following conditions: SECTION 4.01.

All Borrowings. On the date of each Borrowing: (a) The Administrative Agent shall have received a notice of such Borrowing as required by Section 2.03 or Section 2.04, as applicable.

(b) The representations and warranties set forth in Article III (except in the case of a refinancing that does not increase the aggregate principal amount of Loans of any Lender outstanding, the representations set forth in Section 3.05 and 3.12) hereof shall be true and correct in all material respects on and as of the date of such Borrowing with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date. (c) At the

time of and immediately after such Borrowing no Event of Default or Default shall have occurred and be continuing. Each Borrowing shall be deemed to constitute a representation and warranty by the applicable Borrower on the date of such Borrowing as to the matters specified in paragraphs (b) and (c) of this Section 4.01.

SECTION 4.02. Closing Date. On the Closing Date:

(a) The Administrative Agent shall have received the favorable written opinion of Murray Gross, Esq., dated the Closing Date and addressed to the Lenders and satisfactory to Cravath, Swaine & Moore, counsel for the Administrative Agent, to the effect set forth in Exhibit D-1 hereto.

(b) The Administrative Agent shall have received (i) a copy of the certificate of incorporation, including all amendments thereto, of the Company, certified as of a recent date by the Secretary of State of its state of incorporation, and a certificate as to the good standing of the Company as of a recent date from such Secretary of State; (ii) a certificate of the Clerk or an Assistant Clerk of the Company dated the Closing Date and certifying (A) that attached thereto is a true and complete copy of the by-laws of the Company as in effect on the Closing Date and at all times since a date prior to the date of the resolutions described in clause (B) below, (B) that attached thereto is a true and

complete copy of resolutions duly adopted by the Board of Directors of the Company authorizing the execution, delivery and performance of this Agreement and the Borrowings hereunder, and that such resolutions have not been modified, rescinded or amended and are in full force and effect, (C) that the certificate of incorporation referred to in clause (i) above has not been amended since the date of the last amendment thereto shown on the certificate of good standing furnished pursuant to such clause (i) and (D) as to the incumbency and specimen signature of each officer executing this Agreement or any other document delivered in connection herewith on behalf of the Company; and (iii) a certificate of another officer of the Company as to the incumbency and specimen signature of the Clerk or Assistant Clerk executing the certificate pursuant to (ii) above. (c) The Administrative Agent shall have received a certificate, dated the Closing Date and signed by a Financial Officer of the Company, confirming compliance with the conditions precedent set forth in paragraphs (b) and (c) of Section 4.01. (d) The Administrative Agent shall have received evidence of the termination of the Existing Facilities.

SECTION 4.03. First Borrowing by Each Borrowing Subsidiary. On the first date on which Loans are made to each Borrowing Subsidiary:

(a) The Administrative Agent shall have received the favorable written opinion of Murray Gross, Esq., dated the date of such Loans, addressed to the Lenders and satisfactory to Cravath, Swaine & Moore, counsel for the Administrative Agent, to the effect set forth in Exhibit D-2 hereto. (b) Each Lender shall have received a copy of the Borrowing Subsidiary Agreement executed by such Borrowing Subsidiary. (c) Such Loans shall not violate any law, rule or regulation binding on any of the Lenders. (d) Each Lender shall have received from the Company an unaudited consolidated balance sheet and related consolidated statements of earnings and changes in financial position for the fiscal year most recently ended of such Borrowing Subsidiary.

ARTICLE V

Covenants The Company covenants and agrees with each Lender and the Administrative Agent that so long as this Agreement shall remain in effect or the principal of or interest on any Loan, any Facility Fees or any other amounts payable hereunder shall be unpaid, unless the Required Lenders shall otherwise consent in writing:

SECTION 5.01. Information. The Company will deliver to each of the Lenders: (a) as soon as available and in any event within 90 days after the end of each fiscal year of the Company, a consolidated balance sheet of the Company and its Consolidated Subsidiaries as of the end of such fiscal year and the related consolidated statements of earnings and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Arthur Andersen & Co. or other independent public accountants of nationally recognized standing acceptable to the Required Lenders and accompanied by an opinion of such accountants (which shall not be qualified in any material respect) to the effect that such consolidated financial statements fairly present the financial condition and results of operations of the Company and the Consolidated Subsidiaries in accordance with GAAP; (b) as soon as available and in any event within 45 days after the end of each of the first three quarters of each fiscal year of the Company, a consolidated balance sheet of the Company and its Consolidated Subsidiaries as of the end of such quarter and the related consolidated statements of earnings and cash flows for such quarter and for the portion of the Company's fiscal year ended at the end of such quarter, setting forth in each case in comparative form the figures for the corresponding quarter and the corresponding portion of the Company's previous fiscal year, all certified (subject to normal year-end adjustments) as to fairness of presentation, compliance with GAAP and consistency by a Financial Officer of the Company; (c) simultaneously with the delivery of each set of financial statements referred to in clauses (a) and (b) above, a certificate of a Financial Officer of the Company (i) setting forth in reasonable detail the calculations required to establish whether the Company was in compliance with the requirements of Sections 5.06 and 5.07 on the date of such financial statements and (ii) stating whether there exists on the date of such certificate any Default and, if any Default then exists, setting forth the details thereof and the action which the Company is taking or proposes to take with respect thereto;

(d) forthwith upon the occurrence of any Default, a certificate of the chief financial officer or the chief accounting officer of the Company setting forth the details thereof and the action which the Company is taking or proposes to take with respect thereto;

(e) promptly upon the mailing thereof to the shareholders of the Company generally, copies of all financial statements, reports and proxy statements so mailed; (f) promptly upon the filing thereof, copies of all annual or quarterly reports and upon request by any Lender copies of all registration statements (other than the exhibits thereto and any registration statements on Form S-8 or its equivalent) which the Company shall have filed with the Securities and Exchange Commission; (g) (i) as soon as possible after, and in any event within 30 days after the Company or any ERISA Affiliate knows or has reason to know that, any Reportable Event has occurred that alone or together with any other Reportable Event could reasonably be expected to result in liability of the Company to the PBGC in an aggregate amount exceeding \$5,000,000, a statement of a Financial Officer setting forth details as to such Reportable Event and the action that the Company proposes to take with respect thereto, together with a copy of the notice, if any, of such Reportable Event given to the PBGC, (ii) promptly after receipt thereof, a copy of any notice that the Company or any ERISA Affiliate may receive from the PBGC relating to the intention of the PBGC to terminate any Plan or Plans (other than a Plan maintained by an ERISA Affiliate that is considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Code Section 414) or to appoint a trustee to administer any such Plan, (iii) within 10 days after the due date for filing with the PBGC pursuant to Section 412(n) of the Code a notice of failure to make a required installment or other payment with respect to a Plan, a statement of a Financial Officer setting forth details as to such failure and the action that the Company proposes to take with respect thereto, together with a copy of any such notice given to the PBGC and (iv) promptly and in any event within 30 days after receipt thereof by the Company or any ERISA Affiliate from the sponsor of a Multiemployer Plan, a copy of each notice received by the Company or any ERISA Affiliate concerning (A) the imposition of Withdrawal Liability or (B) a determination that a Multiemployer Plan is, or is expected to be, terminated or in reorganization, both within the meaning of Title IV of ERISA; and (h) from time to time such additional information regarding the financial position or business of the Company as any Lender may reasonably request.

SECTION 5.02. Corporate Existence; Businesses and Properties.

(a) The Company will, and will cause each Borrowing Subsidiary to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its corporate existence.

(b) Except to the extent that failure to do so would not have a Material Adverse Effect, the Company will, and will cause each Borrowing Subsidiary to, (i) do or cause to be done all things necessary to preserve, renew and keep in full force and effect all rights, licenses, permits and franchises material to the conduct of the business of the Company and the Subsidiaries, taken as a whole, (ii) comply with all laws and regulations applicable to it and (iii) conduct its business in substantially the same manner as heretofore conducted or as at the time permitted under applicable law. SECTION

5.03. Insurance. The Company will, and will cause each Subsidiary to, keep its insurable properties adequately insured at all times by financially sound and reputable insurers, and maintain such other insurance, to such extent and against such risks, including fire and other risks insured against by extended coverage, as is customary with companies similarly situated and in the same or similar businesses.

SECTION 5.04. Litigation and Other Notices. The Company will give each Lender prompt written notice of the following:

(a) the filing or commencement of, or any written threat or written notice of intention of any person to file or commence, any action, suit or proceeding which could reasonably be expected to result in a Material Adverse Effect; and (b) any development in the business or affairs of the Company or any Subsidiary that has resulted in a Material Adverse Effect. SECTION 5.05.

Maintaining Records; Access to Properties and Inspections. The Company will, and will cause each Subsidiary to, maintain financial records in accordance with GAAP and, upon reasonable notice, at all reasonable times, permit (a) any authorized representative designated by any Lender to discuss the affairs, finances and condition of the Company and the Subsidiaries with a Financial Officer of the Company and such other officers as the Company shall deem appropriate and (b) any authorized representative designated by the Administrative Agent or the Required Lenders to visit and inspect the properties of the Company and of any Subsidiary. SECTION 5.06. Fixed

Charge Coverage. The Company will not permit the ratio of (a) Consolidated EBIT to (b) Consolidated Net Interest Expense for any period

of four consecutive fiscal quarters ending on the last day of any fiscal quarter to be less than 5:1. SECTION 5.07. Net Debt to Capitalization Ratio. The Company will not permit on any date the ratio of (a) Consolidated Net Indebtedness on such date to (b) the sum of (i) Shareholders' Equity on such date and (ii) Consolidated Net Indebtedness on such date to be greater than 0.35:1.00.

SECTION 5.08. Negative Pledge. Neither the Company nor any Consolidated Subsidiary will create, assume or suffer to exist any Lien securing Indebtedness on any asset now owned or hereafter acquired by it, except: (a) Liens on all or part of the assets of Consolidated Subsidiaries securing Indebtedness owing by Consolidated Subsidiaries to the Company and Consolidated Subsidiaries; (b) mortgages on real property or security interests in personal property securing Indebtedness of the Company and Consolidated Subsidiaries in an aggregate amount not exceeding ten percent (10%) of the consolidated total assets of the Company and the Consolidated Subsidiaries; (c) Liens to secure taxes, assessments and other governmental charges or claims for labor, material or supplies to the extent that payment thereof shall not at the time be required to be made in accordance with Section 3.07 hereof; (d) deposits or pledges made in connection with, or to secure payment of, workmen's compensation, unemployment insurance, old age, pension or other social security obligations; (e) Liens in respect of judgments or awards not exceeding \$1,000,000 in the aggregate at any time, and any other Liens with respect to which the execution or enforcement thereof is being effectively stayed and the claims secured thereby are being contested in good faith by appropriate proceedings; (f) Liens of carriers, warehousemen, mechanics and materialmen, and other like Liens, in existence less than 120 days from the date of creation thereof; (g) encumbrances consisting of easements, rights of way, zoning restrictions, restrictions on the use of real property and defects and irregularities in the title thereto, landlord's or lessor's liens under leases to which the Company or a Consolidated Subsidiary is a party, and other similar encumbrances none of which in the opinion of the Company interferes materially with the use of the property in the ordinary conduct of the business of the Company and the Consolidated Subsidiaries; and similar encumbrances on interests in real estate located outside the United States, which defects do not individually or in the aggregate have a material adverse effect on the business of the Company individually or of the Company and the Consolidated Subsidiaries on a consolidated basis; and (h) notwithstanding the provisions of subsection (b) hereof, security interests in Margin Stock if, and to the extent that, the value of all such Margin Stock owned by the Company and its Consolidated Subsidiaries exceeds 25% of the value of the total assets of the Company and its Consolidated Subsidiaries subject to this Section 5.08.

SECTION 5.09. Consolidations, Mergers and Sales of Assets. (a) The Company will not (i) consolidate or merge with or into any other person unless (A) the Company shall be the surviving entity and (B) immediately thereafter no Default or Event of Default shall have occurred and be continuing or (ii) sell, lease or otherwise transfer all or any substantial part of its assets to any other person. The Company will not sell, lease or otherwise transfer any of its assets to any other person except for full and adequate consideration. (b) No Borrowing Subsidiary will (i) consolidate or merge with or into any other person unless (A) if the surviving entity shall be other than such Borrowing Subsidiary, (x) such surviving entity or the Company shall have assumed in writing all obligations of such Borrowing Subsidiary relating to this Agreement and (y) such surviving entity shall be 100% owned by the Company and (B) no Default or Event of Default shall have occurred and be continuing either before or immediately after such consolidation or merger or (ii) sell, lease or otherwise transfer all or any substantial part of its assets to any other person. No Borrowing Subsidiary will sell, lease or otherwise transfer any of its assets to any other person except for full and adequate consideration.

ARTICLE VI Events of Default
In case of the happening of any of the following events (each an "Event of Default"):
(a) any representation or warranty made or deemed made in or in connection with the execution and delivery of this Agreement or the Borrowings hereunder or any representation, warranty, statement or information contained in any report, certificate, financial statement or other instrument furnished in connection with this Agreement shall prove to have been incorrect in any material respect when so made, deemed made or furnished;
(b) default shall be made in the

payment of any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise; (c) default shall be made in the payment of any interest on any Loan or any Facility Fee or any other amount (other than an amount referred to in paragraph (b) above) due hereunder, when and as the same shall become due and payable, and such default shall continue unremedied for a period of three Business Days; (d) default shall be made in the due observance or performance of any covenant, condition or agreement contained in Sections 5.02 or 5.06 through 5.09;

(e) default shall be made in the due observance or performance of any covenant, condition or agreement contained herein (other than those specified in paragraphs (b), (c) or (d) above) and such default shall continue unremedied for a period of 10 days after notice thereof from the Administrative Agent or any Lender to the Company; (f) the Company or any Subsidiary shall (i) fail to pay any principal or interest, regardless of amount, due in respect of any Indebtedness in an aggregate principal amount in excess of \$15,000,000, when and as the same shall become due and payable, or (ii) fail to observe or perform any other term, covenant, condition or agreement contained in any agreement or instrument evidencing or governing any such Indebtedness if the effect of any failure referred to in this clause (ii) is to cause, or to permit the holder or holders of such Indebtedness or a trustee on its or their behalf (with or without the giving of notice, the lapse of time or both) to cause, such Indebtedness to become due prior to its stated maturity; (g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of the Company or any Subsidiary, or of a substantial part of the property or assets of the Company or a Subsidiary, under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal or state bankruptcy, insolvency, receivership or similar law, (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Company or any Subsidiary or for a substantial part of the property or assets of the Company or a Subsidiary or (iii) the winding up or liquidation of the Company or any Subsidiary; and such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered; (h) the Company or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal or state bankruptcy, insolvency, receivership or similar law, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in paragraph (g) above, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Company or any Subsidiary or for a substantial part of the property or assets of the Company or any Subsidiary, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) become unable, admit in writing its inability or fail generally to pay its debts as they become due or (vii) take any action for the purpose of effecting any of the foregoing; (i) one or more final and nonappealable judgments for the payment of money in an aggregate amount in excess of \$5,000,000 shall be rendered against the Company, any Subsidiary or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to levy upon assets or properties of the Company or any Subsidiary to enforce any such final and nonappealable judgment or judgments aggregating in excess of \$5,000,000; (j) a Reportable Event or Reportable Events, or a failure to make a required installment or other payment (within the meaning of Section 412(n)(1) of the Code), shall have occurred with respect to any Plan or Plans that reasonably could be expected to result in liability of the Company to the PBGC or to a Plan in an aggregate amount exceeding \$5,000,000 and, within 30 days after the reporting of any such Reportable Event to the Administrative Agent, the Administrative Agent shall have notified the Company in writing that (i) the Required Lenders have made a determination that, on the basis

of such Reportable Event or Reportable Events or the failure to make a required payment, there are reasonable grounds (A) for the termination of such Plan or Plans by the PBGC, (B) for the appointment by the appropriate United States District Court of a trustee to administer such Plan or Plans or (C) for the imposition of a lien in favor of a Plan and (ii) as a result thereof an Event of Default exists hereunder; or a trustee shall be appointed by a United States District Court to administer any such Plan or Plans; or the PBGC shall institute proceedings to terminate any Plan or Plans;

(k) (i) the Company or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that it has incurred Withdrawal Liability to such Multiemployer Plan, (ii) the Borrower or such ERISA Affiliate does not have reasonable grounds for contesting such Withdrawal Liability or is not in fact contesting such Withdrawal Liability in a timely and appropriate manner and (iii) the amount of the Withdrawal Liability specified in such notice, when aggregated with all other amounts required to be paid to Multiemployer Plans in connection with Withdrawal Liabilities (determined as of the date or dates of such notification), exceeds \$5,000,000 or requires payments exceeding \$1,000,000 in any year; (1) the Company or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or is being terminated, within the meaning of Title IV of ERISA, if solely as a result of such reorganization or termination the aggregate annual contributions of the Company and its ERISA Affiliates to all Multiemployer Plans that are then in reorganization or have been or are being terminated have been or will be increased over the amounts required to be contributed to such Multiemployer Plans for their most recently completed plan years by an amount exceeding \$1,000,000; or (m) a Change in Control shall occur; then, and in every such event (other than an event with respect to the Company described in paragraph (g) or (h) above), and at any time thereafter during the continuance of such event, the Administrative Agent, at the request of the Required Lenders, shall, by notice to the Company, take either or both of the following actions, at the same or different times: (i) terminate forthwith the Commitments and (ii) declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Facility Fees and all other liabilities of the Borrowers accrued hereunder, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived anything contained herein to the contrary notwithstanding; and, in any event with respect to the Company described in paragraph (g) or (h) above, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and any unpaid accrued Facility Fees and all other liabilities of the Borrowers accrued hereunder shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived anything contained herein to the contrary notwithstanding.

ARTICLE VII

Guarantee The Company unconditionally and irrevocably guarantees the due and punctual payment and performance, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, of the Guaranteed Obligations. The Company further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from it and that it will remain bound upon its guarantee notwithstanding any extension or renewal of any Guaranteed Obligations. The Company waives presentment to, demand of payment from and protest to the Borrowing Subsidiaries of any of the Guaranteed Obligations, and also waives notice of acceptance of its guarantee and notice of protest for nonpayment. The obligations of the Company hereunder shall not be affected by (a) the failure of any Lender or the Administrative Agent to assert any claim or demand or to enforce any right or remedy against the Borrowing Subsidiaries under the provisions of this Agreement or otherwise; (b) any rescission, waiver, amendment or modification of any of the terms or provisions of this Agreement, any guarantee or any other agreement; or (c) the failure of any Lender or the Administrative Agent to exercise any right or remedy against any other guarantor of the Guaranteed Obligations.

The Company further agrees that its guarantee constitutes a

guarantee of payment when due and not of collection, and waives any right to require that any resort be had by the Administrative Agent or any Lender to any security, if any, held for payment of the Guaranteed Obligations or to any balance of any deposit account or credit on its books, in favor of the Borrowing Subsidiaries or any other person.

The obligations of the Company hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including, without limitation, any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of the Company hereunder shall not be discharged or impaired or otherwise affected by the failure of the Administrative Agent or any Lender to assert any claim or demand or to enforce any remedy under this Agreement, any guarantee or any other agreement, by any waiver or modification of any provision of any thereof, by any default, failure or delay, wilful or otherwise, in the performance of the Guaranteed Obligations, or by any other act or omission which may or might in any manner or to any extent vary the risk of the Company or otherwise operate as a discharge of the Company as a matter of law or equity.

To the extent permitted by applicable law, the Company waives any defense based on or arising out of any defense available to the Borrowing Subsidiaries, including any defense based on or arising out of any disability of the Borrowing Subsidiaries, or the unenforceability of the Guaranteed Obligations or any part thereof from any cause, or the cessation from any cause of the liability of the Borrowing Subsidiaries, other than final payment in full of the Guaranteed Obligations. The Administrative Agent and the Lenders may, at their election, foreclose on any security held by one or more of them by one or more judicial or non-judicial sales, or exercise any other right or remedy available to them against the Borrowing Subsidiaries, or any security without affecting or impairing in any way the liability of the Company hereunder except to the extent the Guaranteed Obligations have been fully and finally paid. The Company waives any defense arising out of any such election even though such election operates to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of the Company against any Borrowing Subsidiary or any security.

The Company further agrees that its guarantee shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any Guaranteed Obligation is rescinded or must otherwise be restored by any Lender upon the bankruptcy or reorganization of any Borrowing Subsidiary or otherwise.

In furtherance of the foregoing and not in limitation of any other right which the Administrative Agent or any Lender may have at law or in equity against the Company by virtue hereof, upon the failure of any Borrowing Subsidiary to pay any Guaranteed

Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, the Company hereby promises to and will, upon receipt of written demand by the Administrative Agent or any Lender, forthwith pay or cause to be paid to the Administrative Agent or such Lender in cash the amount of such unpaid Guaranteed Obligation.

Upon payment by the Company of any sums to the Administrative Agent or any Lender, as provided above, all rights of the Company against the other Borrowers

arising as a result thereof by way of right of subrogation or otherwise shall in all respects be subordinated and junior in right of payment to the prior indefeasible payment in full of all the Guaranteed Obligations to the Administrative Agent and the Lenders; provided, however, that to the extent any right of subrogation that the Company might have pursuant to this Agreement or otherwise would constitute the Company a "creditor" of any Borrower within the meaning of Section 547 of Title 11 of the United States Code as now in effect or hereafter amended, or any comparable provision of any successor statute, the Company hereby irrevocably waives and releases such right of subrogation.

ARTICLE

VIII The Administrative Agent

In order to expedite the transactions contemplated by this Agreement, Chemical Bank is hereby appointed to act as Administrative Agent on behalf of the Lenders. Each of the Lenders hereby irrevocably authorizes the Administrative Agent to take such actions on behalf of such Lender or holder and to exercise such powers as are specifically delegated to the Administrative Agent by the terms and provisions hereof, together with such actions and powers as are reasonably incidental thereto. The Administrative Agent is hereby expressly authorized by the Lenders, without hereby limiting any implied authority, (a) to receive on behalf of the Lenders all payments of principal of and interest on the Loans and all other amounts due to the Lenders hereunder, and promptly to distribute to each Lender its proper share of each payment so received; (b) to give notice on behalf of each of the Lenders to the Borrowers of any Event of Default of which the Administrative Agent has actual knowledge acquired in connection with its agency hereunder; and

(c) to distribute promptly to each Lender copies of all notices, financial statements and other materials delivered by the Borrowers pursuant to this Agreement as received by the Administrative Agent.

Neither the Administrative Agent nor any of its directors, officers, employees or agents shall be liable as such for any action taken or omitted by any of them except for its or his or her own gross negligence or willful misconduct, or be responsible for any statement, warranty or representation herein or the contents of any document delivered in connection herewith, or be required to ascertain or to make any inquiry concerning the performance or observance by the Borrowers of any of the terms, conditions, covenants or agreements contained in this Agreement. The Administrative Agent shall not be responsible to the Lenders for the due execution, genuineness, validity, enforceability or effectiveness of this Agreement or other instruments or agreements. The Administrative Agent may deem and treat the Lender that makes any Loan as the holder of the indebtedness resulting therefrom for all purposes hereof until it shall have received notice from such Lender, given as provided herein, of the transfer thereof. The Administrative Agent shall in all cases be fully protected in acting, or refraining from acting, in accordance with written instructions signed by the Required Lenders and, except as otherwise specifically provided herein, such instructions and any action or inaction pursuant thereto shall be binding on all the Lenders. The Administrative Agent shall, in the absence of knowledge to the contrary, be entitled to rely on any instrument or document believed by it in good faith to be genuine and correct and to have been signed or sent by the proper person or persons. Neither the Administrative Agent nor any of its directors, officers, employees or agents shall have any responsibility to the Borrowers on account of the failure of or delay in performance or breach by any other Lender of any of its obligations hereunder or to any Lender on account of the failure of or delay in performance or breach by any other Lender or the Borrowers of any of their respective obligations hereunder or in connection herewith. The Administrative Agent may execute any and all duties hereunder by or through agents or employees and shall be entitled to rely upon the advice of legal counsel selected by it with respect to all matters arising hereunder and shall not be liable for any action taken or suffered in good faith by it in accordance with the advice of such counsel.

The Lenders hereby acknowledge that the Administrative Agent shall be under no duty to take any discretionary action permitted to be taken by it pursuant to the provisions of this Agreement unless it shall be requested in writing to do so by the Required Lenders.

Subject to the appointment and acceptance of a successor Administrative Agent as provided below, the Administrative Agent may resign at any time by notifying the Lenders and the Company. Upon any such resignation, the Required Lenders shall have the right to appoint a successor Administrative Agent reasonably acceptable to the Company. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then, the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, having a combined capital and surplus of at least \$500,000,000 or an Affiliate of any such bank. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor bank, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 9.05 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Administrative Agent.

With respect to the Loans made by it hereunder, the Administrative Agent in its individual capacity and not as Administrative Agent shall have the same rights and powers as any other Lender and may exercise the same as though it were not the Administrative Agent, and the Administrative Agent and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrowers or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent. Each Lender agrees (i) to reimburse the Administrative Agent, on demand, in the amount of its pro rata share (based on its Commitment hereunder or, if the Commitments shall have been terminated, the amount of its outstanding Loans) of any out-of-pocket expenses incurred for the benefit of the Lenders by the Administrative Agent, including

reasonable counsel fees and compensation of agents paid for services rendered on behalf of the Lenders, which shall not have been reimbursed by the Borrowers and (ii) to indemnify and hold harmless the Administrative Agent and any of its directors, officers, employees or agents, on demand, in the amount of such pro rata share, from and against any and all liabilities, taxes, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against it in its capacity as the Administrative Agent in any way relating to or arising out of this Agreement or any action taken or omitted by it under this Agreement to the extent the same shall not have been reimbursed by the Borrowers; provided that no Lender shall be liable to the Administrative Agent for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or willful misconduct of the Administrative Agent or any of its directors, officers, employees or agents. Each Lender agrees that any allocation made in good faith by the Administrative Agent of expenses or other amounts referred to in this paragraph between this Agreement and the Facility B Credit Agreement shall be conclusive and binding for all purposes. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement or any related agreement or any document furnished hereunder or thereunder.

ARTICLE IX

Miscellaneous SECTION 9.01. Notices. Except as otherwise expressly provided herein, notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed or sent by telecopy, as follows: (a) if to any Borrower, to EG&G, Inc., 45 William Street, Wellesley, Massachusetts 02181, Attention of Treasurer, (Telecopy No. 617-431-4279); (b) if to the Administrative Agent, to it at 270 Park Avenue, New York, New York 10017, Attention of Ted Swimmer, (Telecopy No. 212-270-2625); and (c) if to a Lender, to it at its address (or telecopy number) set forth in Schedule 2.01 or in the Assignment and Acceptance pursuant to which such Lender became a party hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt if delivered by hand or overnight courier service or sent by telecopy to such party as provided in this Section 9.01 or in accordance with the latest unrevoked direction from such party given in accordance with this Section 9.01. SECTION 9.02. Survival of Agreement. All covenants, agreements, representations and warranties made by the Borrowers herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the Lenders and shall survive the making by the Lenders of the Loans regardless of any investigation made by the Lenders or on their behalf, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any Facility Fee or any other amount payable under this Agreement is outstanding and unpaid or the Commitments have not been terminated. SECTION 9.03. Binding Effect. This Agreement shall become effective when it shall have been executed by the Company and the Administrative Agent and when the Administrative Agent shall have received copies hereof (teletyped or otherwise) which, when taken together, bear the signature of each Lender, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Borrowers shall not have the right to assign any rights hereunder or any interest herein without the prior consent of all the Lenders.

SECTION 9.04. Successors and Assigns. (a) Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of any party that are contained in this Agreement shall bind and inure to the benefit of its successors and assigns. (b) Each Lender may assign to one or more assignees all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided, however, that (i) except in the case of an assignment to a Lender or a domestic Affiliate of a Lender, the Company must give its prior written consent to such assignment (which consent shall not be unreasonably withheld), (ii) the amount of the Commitment of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$10,000,000, (iii) the parties to each such assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, and a processing and recordation fee of \$3,000 and (iv) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire. Upon acceptance and recording pursuant to paragraph (e) of this Section 9.04, from and after the effective date specified in each Assignment and Acceptance, which effective date shall be at least five Business Days after the execution thereof, (A) the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement and (B) the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto (but shall continue to be entitled to the benefits of Sections 2.12, 2.14, 2.19 and 9.05, as well as to any Facility Fees accrued for its account hereunder and not yet paid)). Notwithstanding the foregoing, any Lender assigning its rights and obligations under this Agreement may retain any Competitive Loans made by it outstanding at such time, and in such case shall retain its rights hereunder in respect of any Loans so retained until such Loans have been repaid in full in accordance with this Agreement. (c) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the assignee thereunder shall be deemed to confirm to and agree with each other and the other parties hereto as follows: (i) such assigning Lender warrants that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim, (ii) except as set forth in (i) above, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto or the financial condition of the Borrowers or the performance or observance by the Borrowers of any obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such assignee represents and warrants that it is legally authorized to enter into such Assignment and Acceptance; (iv) such assignee confirms that it has received a copy of this Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.01 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (v) such assignee will independently and without reliance upon the Administrative Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (vi) such assignee appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all the obligations which by the terms of this Agreement are required to be performed by it as a Lender. (d) The Administrative Agent shall maintain at one of its offices in the City of New York a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and the principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive in the absence of manifest error and the Borrowers, the Administrative Agent and the Lenders

may treat each person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by each party hereto, at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee together with an Administrative Questionnaire completed in respect of the assignee (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) above and, if required, the written consent of the Company to such assignment, the Administrative Agent shall (i) accept such Assignment and Acceptance and (ii) record the information contained therein in the Register.

(f) Each Lender may sell participations to one or more banks or other entities in all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided, however, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) each participating bank or other entity shall be entitled to the benefit of the cost protection provisions contained in Sections 2.12, 2.14 and 2.19 to the same extent as if it was the selling Lender (but limited to the amount that could have been claimed by the selling Lender had it continued to hold the interest of such participating bank or other entity), except that all claims made pursuant to such Sections shall be made through such selling Lender, and (iv) the Borrowers, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such selling Lender in connection with such Lender's rights and obligations under this Agreement, and such selling Lender shall retain the sole right to enforce the obligations of the Borrowers relating to the Loans and to approve any amendment, modification or waiver of any provision of this Agreement (other than amendments, modifications or waivers decreasing any fees payable hereunder or the amount of principal of or the rate at which interest is payable on the Loans, extending any scheduled principal payment date or date fixed for the payment of interest on the Loans or changing or extending the Commitments).

(g) Any Lender or participant may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section, disclose to the assignee or participant or proposed assignee or participant any information relating to the Borrowers furnished to such Lender; provided that, prior to any such disclosure, each such assignee or participant or proposed assignee or participant shall execute an agreement whereby such assignee or participant shall agree (subject to customary exceptions) to preserve the confidentiality of any such information.

(h) The Borrowers shall not assign or delegate any rights and duties hereunder without the prior written consent of all Lenders.

(i) Any Lender may at any time pledge all or any portion of its rights under this Agreement to a Federal Reserve Bank; provided that no such pledge shall release any Lender from its obligations hereunder or substitute any such Bank for such Lender as a party hereto. In order to facilitate such an assignment to a Federal Reserve Bank, each Borrower shall, at the request of the assigning Lender, duly execute and deliver to the assigning Lender a promissory note or notes evidencing the Loans made to such Borrower by the assigning Lender hereunder.

SECTION 9.05. Expenses; Indemnity. (a) The Borrowers and severally, to pay the fees and disbursements of counsel for the Administrative Agent in connection with entering into this Agreement and in connection with any amendments, modifications or waivers of the provisions hereof, and agree, jointly and severally, to pay the reasonable out-of-pocket expenses incurred by the Administrative Agent or any Lender in connection with the enforcement or protection of their rights in connection with this Agreement or the Loans made hereunder, including the reasonable fees and disbursements of counsel for the Administrative Agent or any Lender.

(b) The Borrowers agree, jointly and severally, to indemnify the Administrative Agent, each Lender, each of their Affiliates and the directors, officers, employees and agents of the foregoing (each such person being called an "Indemnitee") against, and to hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable counsel fees and expenses, incurred by or asserted against any Indemnitee arising out of (i) the execution or delivery of this Agreement or any agreement or instrument contemplated thereby, the performance by the parties thereto of their respective obligations thereunder or the consummation of the transactions contemplated thereby, (ii) the use of the proceeds of the Loans or (iii) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are finally determined by a court of competent

jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnitee or from such Indemnitee's violation of the Federal securities laws prohibiting insider trading. (c)

The provisions of this Section shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the invalidity or unenforceability of any term or provision of this Agreement or any investigation made by or on behalf of the Administrative Agent or any Lender. All amounts due under this Section shall be payable on written demand therefor.

SECTION 9.06. Applicable Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

SECTION 9.07. Waivers; Amendment. (a) No failure or delay of the Administrative Agent or any Lender in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power.

The rights and remedies of the Administrative Agent and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies which they would otherwise have. No waiver of any provision of this Agreement or consent to any departure therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any Borrower or any Subsidiary in any case shall entitle such party to any other or further notice or demand in similar or other circumstances. (b) Neither this

Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrowers and the Required Lenders; provided, however, that no such agreement shall (i) decrease the principal amount of, or extend the maturity of or any scheduled principal payment date or date for the payment of any interest on any Loan, or waive or excuse any such payment or any part thereof, or decrease the rate of interest on any Loan, without the prior written consent of each Lender affected thereby, (ii) increase the Commitment or decrease the Facility Fee of any Lender or extend any date for payment thereof without the prior written consent of such Lender, (iii) amend or modify the provisions of Section 2.15 or Section 9.04(h), the provisions of this Section or the definition of the "Required Lenders," or (iv) release the Company from any of its obligations under Article VII hereof without the prior written consent of each Lender; provided further, however, that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder without the prior written consent of the Administrative Agent. Each Lender shall be bound by any waiver, amendment or modification authorized by this Section and any consent by any Lender pursuant to this Section shall bind any assignee of its rights and interests hereunder.

SECTION 9.08. Entire Agreement. This Agreement constitutes the entire contract among the parties relative to the subject matter hereof. Any previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement. Nothing in this Agreement, expressed or implied, is intended to confer upon any party other than the parties hereto any rights, remedies, obligations or liabilities under or by reason of this Agreement.

SECTION 9.09. Severability. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 9.10. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract, and shall become effective as provided in Section 9.03.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender to or for the credit or account of the Company and any Borrowing Subsidiary now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand

under this Agreement and although such obligations may be unmatured. Each Lender agrees promptly to notify the Company after such setoff and application made by such Lender, but the failure to give such notice shall not affect the validity of such setoff and application. The rights of each Lender under this Section are in addition to other rights and remedies (including, without limitation, other rights of setoff) which such Lender may have.

SECTION 9.13. Jurisdiction;

Consent to Service of Process. (a) Each Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Subject to the foregoing and to paragraph (b) below, nothing in this Agreement shall affect any right that any party hereto may otherwise have to bring any action or proceeding relating to this Agreement against any other party hereto in the courts of any jurisdiction.

(b)

Each Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any New York State or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.14. Waiver of Jury

Trial. Each party hereto hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any litigation directly or indirectly arising out of, under or in connection with this Agreement. Each party hereto (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and other parties hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certification in this Section.

SECTION 9.15. Addition of Borrowing

Subsidiaries. Each wholly owned Subsidiary of the Company which shall deliver to the Administrative Agent a Borrowing Subsidiary Agreement executed by such Subsidiary and the Company shall, upon such delivery and without further act, become a party hereto and a Borrower hereunder with the same effect as if it had been an original party to this Agreement.

SECTION 9.16. Confidentiality. Each Lender and the Administrative Agent agree to keep confidential the Information (as defined below), except that any such Lender and the Administrative Agent shall be permitted to disclose Information (a) to such of its officers, directors, employees, agents and representatives as need to know such Information; (b) to the extent required by applicable laws and regulations or by any subpoena or similar legal process, including with respect to the enforcement of this Agreement, provided that such Lender and the Administrative Agent shall use reasonable efforts to notify the Company of such prospective disclosure a reasonable time prior to any such disclosure and shall take such actions reasonably requested by the Company to assist the Company in obtaining a protective order or confidential treatment with respect to such Information (it being understood that failure to give such notice after having made any such reasonable efforts shall not result in any liability hereunder to such Lender or the Administrative Agent, as the case may be); (c) to the extent requested by any bank regulatory authority; (d) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Agreement, (ii) becomes available to such Lender or the Administrative Agent on a non-confidential basis from a source other than the Company and its Affiliates or (iii) was available to such Lender or the Administrative Agent on a non-confidential basis prior to its

disclosure to such Lender or the Administrative Agent by the Company or its Affiliates; (e) to any actual or prospective assignee or participant in any rights of such Lender or the Administrative Agent under this Agreement, provided that such assignee or participant delivers to the Administrative Agent or such Lender, as applicable, a confidentiality letter containing substantially the undertakings set forth in this Section 9.16 and (f) to the extent the Company shall have consented to such disclosure in writing. As used in this Section 9.16, "Information" shall mean any materials, documents and information (other than annual reports, prospectuses, proxy statements and other materials distributed to the Company's shareholders) that the Company or any of its Subsidiaries may have furnished or may hereafter furnish to the Administrative Agent or any Lender in connection with Sections 4.03(d), 5.01, 5.04 and 5.05 of this Agreement.

SECTION 9.17. Collateral. Each of the Lenders represents to each of the other Lenders that it in good faith is not relying upon any Margin Stock (as defined in Regulation U) as collateral in the extension or maintenance of the credit provided for in this Agreement.

SECTION 9.18. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the applicable interest rate, together with all fees and charges which are treated as interest under applicable law (collectively the "Charges"), as provided for herein or in any other document executed in connection herewith, or otherwise contracted for, charged, received, taken or reserved by any Lender, shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by such Lender in accordance with applicable law, all Charges payable to such Lender shall be limited to the Maximum Rate.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

EG&G, INC.,
by
/s/ John F. Alexander, II
Name: John F. Alexander, II
Title: Corporate Controller Acting Chief Financial Officer

CHEMICAL BANK, individually and as Administrative Agent,
by
/s/ John J. Huber, III
Name: John J. Huber, III
Title: Managing Director

THE FIRST NATIONAL BANK OF BOSTON,
by
/s/ Thomas F. Farley, Jr.
Name: Thomas F. Farley, Jr.
Title: Vice President

DRESDNER BANK A.G., NEW YORK BRANCH AND GRAND CAYMAN BRANCH,
by
/s/ Ernest Fung
Name: Ernest Fung

Title: Vice President

by
/s/ J. M. Leffler
Name: J. M. Leffler
Title: First Vice President

THE NORTHERN TRUST COMPANY,

by
/s/ Greg Werd
Name: Greg Werd
Title: Vice President

ROYAL BANK OF CANADA,

by
/s/ Sheryl L. Greenberg
Name: Sheryl L. Greenberg
Title: Manager

SOCIETE GENERALE,

by
/s/ Jan Wertlieb
Name: Jan Wertlieb
Title: Vice President

WACHOVIA BANK OF GEORGIA,
N.A.,

by
/s/ Linda M. Harris
Name: Linda M. Harris
Title: Senior Vice President

EXHIBIT A-1

FORM OF

COMPETITIVE BID REQUEST

Chemical Bank, as Administrative Agent for
the Lenders referred to below
270 Park Avenue
New York, NY 10017

[Date]

Attention: Ted Swimmer

Ladies and Gentlemen:

The undersigned, EG&G, Inc., a Massachusetts corporation (the "Company"), refers to the [3-Year] [364-Day] Competitive Advance and Revolving Credit Facility Agreement dated as of March 21, 1994 (as amended, modified, extended or restated from time to time, collectively, the "Credit Agreement"), among the Company, the Lenders named therein and Chemical Bank, as Administrative Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The Company hereby gives you notice pursuant to Section 2.03(a) of the Credit Agreement that it requests a Competitive Borrowing under the Credit Agreement, and in that connection sets forth below the terms on which such Competitive Borrowing is requested to be made:

- (A) Interest Rate Basis _____
- (B) Date of Competitive Borrowing
(which is a Business Day) _____
- (C) Interest Period and the last

day thereof

(D) Principal Amount of _____
Competitive Borrowing \$ _____ \$ _____ \$ _____

Upon acceptance of any or all of the Loans offered by the Lenders in response to this request, the Company shall be deemed to affirm as of such date the representations and warranties made in the Credit Agreement to the extent specified in Article IV thereof.

Very truly yours,

EG&G, INC.

by

Title: [Responsible Officer]

Copy to:
Chemical Bank Agency Services Corporation
Grand Central Tower
140 East 45th Street
New York, New York 10017
Attention: Sandra Miklave

EXHIBIT A-2

FORM OF

COMPETITIVE BID INVITATION

[Name of Lender]
[Address]

[Date]

Ladies and Gentlemen:

Reference is made to the [3-Year] [364-Day] Competitive Advance and Revolving Credit Facility Agreement dated as of March 21, 1994 (as amended, modified, extended or restated from time to time, collectively, the "Credit Agreement"), among EG&G, Inc., a Massachusetts corporation (the "Company"), the Lenders named therein and Chemical Bank, as Administrative Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The Company made a Competitive Bid Request on [date], 19 , pursuant to Section 2.03(a) of the Credit Agreement, and in that connection you are invited to submit a Competitive Bid by [Date]/[Time]. Your Competitive Bid must comply with Section 2.03(b) of the Credit Agreement and the terms set forth below on which the Competitive Bid Request was made:

- (A) Interest Rate Basis
- (B) Date of Competitive Borrowing
- (C) Interest Period and the last day thereof
- (D) Principal Amount of Competitive Borrowing \$ _____

Very truly yours,

CHEMICAL BANK, as
Administrative Agent,

by

Title:

EXHIBIT A-3

FORM OF
COMPETITIVE BID

Chemical Bank, as Administrative Agent
for the Lenders referred to below,
270 Park Avenue
New York, NY 10017

[Date]

Attention: Ted Swimmer

Ladies and Gentlemen:

The undersigned, [Name of Lender], refers to the [3-Year] [364-Day] Competitive Advance and Revolving Credit Facility Agreement dated as of March 21, 1994 (as amended, modified, extended or restated from time to time, collectively, the "Credit Agreement"), among EG&G, Inc., a Massachusetts corporation (the "Company"), the Lenders named therein and Chemical Bank, as Administrative Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The undersigned hereby makes a Competitive Bid pursuant to Section 2.03(b) of the Credit Agreement, in response to the Competitive Bid Request made by the Company on [date], 19 , and in that connection sets forth below the terms on which such Competitive Bid is made:

- (A) Interest Period and last day thereof _____
- (B) Principal Amount \$ _____ \$ _____ \$ _____
- (C) Competitive Bid Rate _____

The undersigned hereby confirms that it is prepared, subject to the conditions set forth in the Credit Agreement, to extend credit to the Company upon acceptance by the Company of this bid in accordance with Section 2.03(d) of the Credit Agreement.

Very truly yours,

[NAME OF LENDER],

by

Title:

Copy to:
Chemical Bank Agency Services Corporation
Grand Central Tower
140 East 45th Street
New York, New York 10017
Attention: Sandra Miklave

EXHIBIT A-4
FORM OF COMPETITIVE BID ACCEPT/REJECT LETTER

[Date]

Chemical Bank, as Administrative Agent
for the Lenders referred to below
270 Park Avenue
New York, NY 10017

Attention: Ted Swimmer

Ladies and Gentlemen:

The undersigned, EG&G, Inc. (the "Company"), refers to the [3-Year] [364-Day] Competitive Advance and Revolving Credit Facility Agreement dated as of March 21, 1994 (as amended, modified, extended or restated from time to time, collectively, the "Credit Agreement"), among the Company, the Lenders named therein and Chemical Bank, as Administrative Agent.

In accordance with Section 2.03(c) of the Credit Agreement, we have received a summary of bids in connection with our Competitive Bid Request dated _____ and in accordance with Section 2.03(d) of the Credit Agreement, we hereby accept the following bids for maturity on [date]:

Principal Amount

\$
\$

Fixed Rate/Margin

[%]/[+/- . %]

Lender

We hereby reject the following bids:

Principal Amount

\$
\$

Fixed Rate/Margin

[%]/[+/- . %]

Lender

The \$ _____ should be deposited in Chemical Bank account number [_____] on [date].

Very truly yours,

EG&G, INC.

by

Name:
Title:

Copy To:
Chemical Bank Agency Services Corporation
Grand Central Tower
140 East 45th Street
New York, NY 10017
Attention: Sandra Miklave

EXHIBIT A-5

FORM OF
STANDBY BORROWING REQUEST

Chemical Bank, as Administrative Agent
for the Lenders referred to below,
270 Park Avenue
New York, NY 10017

[Date]

Attention: Ted Swimmer

Ladies and Gentlemen:

The undersigned, EG&G, Inc., a Massachusetts corporation (the "Company"), refers to the [3-Year] [364-Day] Competitive Advance and Revolving Credit Facility Agreement dated as of March 21, 1994 (as amended, modified, extended or restated from time to time, collectively, the "Credit Agreement"), among the Company, the Lenders named therein and Chemical Bank, as Administrative Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The Company hereby gives you notice pursuant to Section 2.04 of the Credit Agreement that it requests a Standby Borrowing under the Credit Agreement, and in that connection sets forth below the terms on which such Standby Borrowing is requested to be made:

- (A) Date of Standby Borrowing
(which is a Business Day) _____
- (B) Principal Amount of Standby Borrowing \$ _____
- (C) Interest rate basis _____
- (D) Interest Period and the last day thereof _____

Upon acceptance of any or all of the Loans made by the Lenders in response to this request, the Company shall be deemed to have represented and warranted (but only to the extent required by Section 4.01 of the Credit Agreement) that the conditions to lending specified in Section 4.01(b) and (c) of the Credit Agreement have been satisfied.

Very truly yours,

EG&G, INC.

by

Title: [Responsible Officer]

Copy to:
Chemical Bank Agency Services Corporation
Grand Central Tower
140 East 45th Street
New York, New York 10017
Attention: Sandra Miklave

EXHIBIT B

ADMINISTRATIVE QUESTIONNAIRE

EG&G, INC.

Please accurately complete the following information and return via FAX to the attention of Sandra Miklave at Chemical Bank Agency Services Corporation as soon as possible.
FAX Number: 212-622-0002

LEGAL NAME OF YOUR INSTITUTION TO APPEAR IN DOCUMENTATION:

GENERAL INFORMATION - DOMESTIC RATE LENDING OFFICE:
Institution Name:
Street Address:
City, State, Zip Code:

Reference is made to the [3-Year] [364-Day] Competitive Advance and Revolving Credit Facility Agreement dated as of March 21, 1994, (as amended, modified, extended or restated from time to time, collectively, the "Credit Agreement"), among EG&G, Inc., a Massachusetts corporation, the Lenders named therein and Chemical Bank, as Administrative Agent. Terms defined in the Credit Agreement are used herein with the same meanings.

1. The Assignor hereby sells and assigns, without recourse, to the Assignee, and the Assignee hereby purchases and assumes, without recourse, from the Assignor, effective as of the Effective Date set forth on the following page, the interests set forth on the following page (the "Assigned Interest") in the Assignor's rights and obligations under the Credit Agreement, including, without limitation, the interests set forth on the following page in the Commitment of the Assignor on the Effective Date and the Loans owing to the Assignor which are outstanding on the Effective Date, together with unpaid interest accrued on the assigned Loans to the Effective Date and the amount, if any, set forth on the following page of the Fees accrued to the Effective Date for the account of the Assignor. Each of the Assignor and the Assignee hereby makes and agrees to be bound by all the representations, warranties and agreements set forth in Section 9.04(c) of the Credit Agreement, a copy of which has been received by each such party. From and after the Effective Date (i) the Assignee shall be a party to and be bound by the provisions of the Credit Agreement and, to the extent of the interests assigned by this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and under the Credit Agreement or any other document issued in connection therewith and (ii) the Assignor shall, to the extent of the interests assigned by this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

2. This Assignment and Acceptance is being delivered to the Administrative Agent together with (i) if the Assignee is organized under the laws of a jurisdiction outside the United States, the forms prescribed by the Internal Revenue Service of the United States certifying as to the Assignee's exemption from withholding taxes with respect to all payments to be made to the Assignee under the Credit Agreement or such other documents as are necessary to indicate that all such payments are subject to such tax at a rate reduced by an applicable tax treaty, all duly completed and executed by such Assignee, (ii) if the Assignee is not already a Lender under the Credit Agreement, an Administrative Questionnaire and (iii) a processing and recordation fee of \$3,000. 3. This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of New York. Date of Assignment:

Legal Name of Assignor:

Legal Name of Assignee:

Assignee's Address for Notices:

Effective Date of Assignment
(may not be fewer than 5 Business
Days after the Date of Assignment):

Percentage Assigned of
Facility and Commitment
(set forth, to at least 8
decimals, as a percentage of

all signatures therein. The documents listed above are collectively referred to herein as the "Documents".

Based upon the foregoing, and subject to the assumptions, limitations and qualifications set forth herein, I am of the opinion that:

1. The Company (a) is a corporation duly incorporated, validly existing and in good standing under the laws of the Commonwealth of Massachusetts and is qualified to do business in every jurisdiction where such qualification is necessary except where the failure to so qualify would not have a material adverse effect on the business, consolidated financial position or consolidated results of operations of the Company and its Consolidated Subsidiaries taken as a whole, (b) has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted and (c) has the corporate power to execute, deliver and perform its obligations under each of the Documents to which it is a party and to borrow under the Credit Agreements.

2. The execution, delivery and performance by the Company of each of the Documents to which it is a party and the borrowings under the Credit Agreements (a) are within the Company's corporate powers, (b) have been duly authorized by all necessary corporate action, (c) require no action by or in respect of, or filing with, any Governmental Authority, (d) do not (i) contravene, or constitute a default under, any applicable provision of statutory law or regulation either of the United States or the Commonwealth of Massachusetts or of the Charter Documents of the Company or of any existing agreement, judgment, injunction, order, decree or other instrument binding upon the Company or (ii) result in the creation or imposition of any Lien on any asset of the Company or any of its Subsidiaries and (e) do not and will not (i) violate any order of any Governmental Authority binding upon the Company, (ii) violate, conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any existing indenture, mortgage, agreement for borrowed money, bond, note or similar instrument or any other material agreement to which the Company is a party or by which the Company or any of its property is bound.

3. There is no action, suit or proceeding pending against, or to my knowledge threatened against the Company or any of its Subsidiaries before any court or arbitrator or any governmental body, agency or official in which there is a reasonable probability of a final adverse decision which would materially adversely affect the business, consolidated financial position or consolidated results of operations of the Company and its Consolidated Subsidiaries taken as a whole or which in any manner draws into question the validity of any Document to which the Company is a party.

4. Each of the Documents to which the Company is a party has been duly executed and delivered by the Company and is a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and to general equitable principles from time to time in effect.

5. Assuming that the proceeds of the Loans are used for the purposes set forth in the Credit Agreements, the making of the Loans and such use will not violate or be inconsistent with Regulation G, T, U or X of the Board of Governors of the Federal Reserve System of the United States.

6. The Company is not (a) an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940 or (b) a "holding company" as defined in, or subject to regulation under, the Public Utility Holding Company Act of 1935, as amended.

The opinions expressed herein are limited to the laws of the Commonwealth of Massachusetts and of the United States of America.

This letter is furnished by me solely for your benefit and for the benefit of assignees of your rights and obligations under the Credit Agreements in connection with the transactions referred to in the Documents and may not, without my prior written consent, be circulated to, or relied upon by, any other person or used in any other context.

Very truly yours,

263A

EXHIBIT D-2
FORM OF OPINION OF MURRAY GROSS, ESQ.

[Date]

To the Lenders party to the Credit Agreements referred to below and Chemical Bank, as Administrative Agent

Ladies and Gentlemen:

I am the General Counsel of EG&G, Inc., a Massachusetts corporation (the "Company"), and have acted in the capacity of General Counsel in connection with (a) each of the 3-Year and 364-Day Competitive Advance and Revolving Credit Facility Agreements dated as of March 21, 1994 (collectively, as in effect on the date hereof, the "Credit Agreements"), among the Company, the lenders listed in Schedule 2.01 thereof (together with their successors and assigns, the "Lenders"), and Chemical Bank, as administrative agent for the Lenders (in such capacity, the "Administrative Agent") and (b) the Borrowing Subsidiary Agreement dated as of the date hereof (the "Borrowing Subsidiary Agreement") among the Company, [New Borrower], a [] corporation (the "New Borrower"), the Lenders and the Administrative Agent. This opinion letter is being furnished to you at the request of the Company pursuant to Section 4.03(a) of the Credit Agreements. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Credit Agreements.

In connection with the opinions expressed below, I have examined (a) the Credit Agreements (including the Exhibits thereto), (b) the Borrowing Subsidiary Agreement and (c) originals or copies, certified or otherwise identified to my satisfaction, of (i) such corporate records of the New Borrower as I have considered appropriate, including copies of the articles of incorporation, as amended, and by-laws, as amended, of the New Borrower certified as in effect on the date hereof (collectively, the "Charter Documents") and certified copies of resolutions of the board of directors of the New Borrower and (ii) such other certificates, agreements, documents and other instruments of the New Borrower as I have deemed relevant and necessary as a basis for the opinions hereinafter expressed. The documents listed above are collectively referred to herein as the "Documents".

Based upon the foregoing, and subject to the assumptions, limitations and qualifications set forth herein, I am of the opinion that:

1. The New Borrower is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and is duly qualified to do business and in good standing in each other jurisdiction in which it owns property and/or conducts its business and in which failure to be so qualified and in good standing would have a materially adverse effect on the business of the New Borrower.

2. The execution, delivery and performance by the New Borrower of its Borrowing Subsidiary Agreement, and the performance by the New Borrower of the provisions of the Credit Agreements applicable to it, are within its corporate powers, have been duly authorized by all necessary corporate action and do not contravene (a) its Charter Documents or (b) any law or any contractual restriction binding on or affecting it.

3. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required for the due execution, delivery and performance by the New Borrower of its Borrowing Subsidiary Agreement or for the performance by the New Borrower of the provisions of the Credit Agreements applicable to it, except for those which have been duly obtained or made and are in full force and effect.

4. The Borrowing Subsidiary Agreement and the Credit Agreements are legal, valid and binding obligations of the New Borrower enforceable against it in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of the rights of creditors generally and subject to general equitable principles from time to time in effect.

The opinions expressed herein are limited to the laws of the Commonwealth of Massachusetts and of the United States of America.

This letter is furnished by me solely for your benefit and for the benefit of assignees of your rights and obligations under the Credit Agreements in connection with the transactions referred to in the Documents and may not, without my prior written consent, be circulated to, or relied upon by, any other person or used in any other context.

Very truly yours,

263A

EXHIBIT E

BORROWING SUBSIDIARY AGREEMENT dated as of _____, 19____, among EG&G, INC., a Massachusetts corporation (the "Company"), [Name of Subsidiary], a [_____] corporation (the "New Subsidiary"), the Lenders named in Schedule 2.01 to the Credit Agreements referred to below (together with their successors and assigns, the "Lenders") and CHEMICAL BANK, a New York banking corporation, as Administrative Agent for the Lenders (in such capacity, the Administrative Agent).

Reference is hereby made to each of the 3-Year and 364-Day Competitive Advance and Revolving Credit Facility Agreements dated as of March 21, 1994 (collectively, the "Credit Agreements") between the Company, the Borrowing Subsidiaries (as such term is defined therein; together with the Company, the "Borrowers"), the Lenders and the Administrative Agent. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreements. Under the Credit Agreements, the Lenders have agreed, upon the terms and subject to the conditions therein set forth, to make revolving credit loans to the Company and to wholly owned Subsidiaries that execute and deliver to the Lenders Borrowing Subsidiary Agreements in the form of this Agreement. The Company represents that the New Subsidiary is a wholly owned Subsidiary. The parties hereto agree that the guarantee of the Company contained in the Credit Agreements applies to the obligations of the New Subsidiary. In consideration of being permitted to borrow under the Credit Agreements upon the terms and subject to the conditions set forth therein, the New Subsidiary agrees that from and after the date of this Agreement it will be, and will be liable for the observance and performance of all the obligations of, a Borrowing Subsidiary under the Credit Agreements (including as a Borrower thereunder), as the same may be amended from time to time, to the same extent

as if it had been one of the original parties to the Credit Agreements including, without limitation, Section 9.13 thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized officers as of the date first appearing above.

[New Subsidiary]

by _____
Name:
Title:

EG&G, INC.,

by _____
Name:
Title:

CHEMICAL BANK, as Administrative
Agent on behalf of the Lenders,

by _____
Name:
Title:

Schedule 2.01
to Credit Agreement

Lender	Lenders and Commitments	Commitment
Chemical Bank 270 Park Avenue, 9th Floor New York, New York 10017 Attention: Theodore Swimmer Telephone: (212) 270-5720 Telecopy: (212) 270-3504		\$12,000,000
The First National Bank of Boston 100 Federal Street Boston, MA 02110 Attention: Mr. Thomas F. Farley, Jr. Telephone: (617) 434-5812 Telecopy: (617) 434-0637		12,000,000
Dresdner Bank A.G., New York Branch and Grand Cayman Branch 75 Wall Street New York, NY 10005-2889 Attention: Mr. Ernest Fung Telephone: (212) 575-0237 Telecopy: (212) 921-9416		9,000,000
The Northern Trust Company 50 South LaSalle Street Chicago, IL 60675 Attention: Mr. Gregory F. Werd, Jr. Telephone: (312) 444-3504 Telecopy: (312) 444-3508		9,000,000
Royal Bank of Canada New York Branch c/o New York Operations Center Pierrepont Plaza 300 Cadman Plaza West Brooklyn, New York 11201-2701 Attention: Manager, Loans Administration		9,000,000

Telephone: (212) 858-7168
Telecopy: (718) 522-6292/3

with a copy to:

Royal Bank of Canada
Financial Square
New York, New York 10005-3531
Attention: Sheryl L. Greenberg
Telephone: (212) 428-6476
Telecopy: (212) 428-6459
Societe Generale
50 Rockefeller Plaza
New York, NY 10020
Attention: Ms. Jan Wertlieb
Telephone: (212) 830-6881
Telecopy: (212) 581-8752

12,000,000

Wachovia Bank of Georgia, N.A.
191 Peachtree Street, N.E.
Atlanta, GA 30303
Attention: Ms. Elizabeth Colt
Telephone: (404) 332-4089
Telecopy: (404) 332-6898

\$12,000,000

CONFORMED COPY

AMENDMENT No. 1 (this "Amendment"), dated as of March 15, 1995, to the 3-Year Competitive Advance and Revolving Credit Facility Agreement (the "3-Year Agreement"), dated as of March 21, 1994, among EG&G, INC., a Massachusetts corporation (the "Company"), the Borrowing Subsidiaries (as such term is defined herein; together with the Company, the "Borrowers"), the Lenders listed in Schedule 2.01 thereof (the "Lenders") and CHEMICAL BANK, a New York banking corporation, as administrative agent for the Lenders (in such capacity, the "Administrative Agent"). Capitalized terms used herein and defined in the 3-Year Agreement have the meanings set forth in the 3-Year Agreement.

WHEREAS, the Borrowers have requested and the Administrative Agent and the Lenders are willing to amend certain provisions of the 3-Year Agreement for the limited purposes described and on the terms and conditions set forth herein;

NOW, THEREFORE, for and in consideration of the premises and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree, subject to Section 5 below, as follows:

1. The definition of the term "Maturity Date" in Section 1.01 of the 3-Year Agreement is hereby deleted and replaced by the following sentence: "Maturity Date" shall mean March 21, 1998.

2. The representations and warranties in the 3-Year Agreement are correct in all material respects on and as of the date hereof, before and after the execution and delivery of this Amendment, as though made on and as of the date hereof and no event has occurred and is continuing, or would result from the execution and delivery of this Amendment, that constitutes a Default or Event of Default.

3. Except as otherwise expressly modified hereby, all terms and provisions of the 3-Year Agreement shall be and shall remain unchanged and the 3-Year Agreement is hereby ratified and confirmed and shall be and shall remain in full force and effect, enforceable in accordance with its terms. Any reference in the 3-Year Agreement, or in any documents or instruments required thereunder or annexes or schedules thereto, referring to the 3-Year Agreement shall be deemed to refer to the 3-Year Agreement as amended by this Amendment.

4. This Amendment may be executed in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same Amendment.

5. The Company represents and warrants that it has all requisite power and authority to enter into this Amendment, that this Amendment has been duly and validly authorized, executed and delivered by such party and this Amendment is the legal, valid and binding obligation of such party. This Amendment shall become effective only upon the receipt by the Administrative Agent of an opinion of counsel for the Company confirming the representation and warranty set forth in the preceding sentence together with evidence of the Company's authority to enter into this Amendment, in each case satisfactory to the Administrative Agent.

6. THIS AMENDMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK AS THOUGH WHOLLY-MADE AND PERFORMED WITHIN SUCH STATE.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

EG&G, INC.,

by
/s/ Tom Sauser
Name: Tom Sauser
Title: CFO

CHEMICAL BANK, individually and
as Administrative Agent for the
Lenders,

by
/s/ Claude Setton
Name: Claude Setton
Title: Vice President

THE FIRST NATIONAL BANK OF
BOSTON,

by
/s/ Thomas F. Farley, Jr.
Name: Thomas F. Farley, Jr.
Title: Director

DRESDNER BANK A.G., NEW YORK
BRANCH AND GRAND CAYMAN BRANCH,

by
/s/ Ernest Fung
Name: Ernest Fung
Title: Vice President

by
/s/ J.M. Leffler
Name: J.M. Leffler
Title: SVP

THE NORTHERN TRUST COMPANY,

by
/s/ Curtis C. Tatham, III
Name: Curtis C. Tatham, III
Title: Commercial Banking
Officer

ROYAL BANK OF CANADA,

by

/s/ T.L. Gleason
Name: T.L. Gleason
Title: Vice President

SOCIETE GENERALE,

by
/s/ Jan Wertlieb
Name: Jan Wertlieb
Title: Vice President

WACHOVIA BANK OF GEORGIA, N.A.,

by
/s/ Linda M. Harris
Name: Linda M. Harris
Title: SVP

CONFORMED COPY

AMENDMENT No. 2 (this "Amendment"), dated as of March 14, 1996, to the 3-Year Competitive Advance and Revolving Credit Facility Agreement, dated as of March 21, 1994, as amended by Amendment No. 1 thereto dated as of March 15, 1995 (as so amended, the "Agreement"), among EG&G, INC., a Massachusetts corporation (the "Company"), the Borrowing Subsidiaries (as such term is defined therein; together with the Company, the "Borrowers"), the Lenders listed in Schedule 2.01 thereof (the "Lenders") and CHEMICAL BANK, a New York banking corporation, as administrative agent for the Lenders (in such capacity, the "Administrative Agent"). Capitalized terms used herein and defined in the Agreement have the meanings set forth in the Agreement.

WHEREAS the Borrowers have requested and the Administrative Agent and the Lenders are willing to amend certain provisions of the Agreement for the limited purposes described and on the terms and conditions set forth herein.

NOW, THEREFORE, for and in consideration of the premises and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree, on the terms and subject to the conditions set forth herein, as follows:

SECTION 1. Amendments. (a) All references to "3-Year" in the Agreement are hereby deleted and replaced by references to "5-Year".

(b) The preamble of the Agreement is hereby amended by deleting therefrom the reference to "\$75,000,000" and replacing it with a reference to "\$100,000,000".

(c) Section 1.01 of the Agreement is hereby amended by:

(i) Adding the following new definitions in their proper alphabetical order:

"Amendment Effective Date" shall mean the date on which each condition to effectiveness set forth in Section 3 of Amendment No. 2 to this Agreement dated as of March 14, 1996, has been satisfied".

"Applicable Percentage" shall mean on any date, with respect to Eurodollar Standby Loans or with respect to the Facility Fee, as the case may be, the applicable percentage set forth below under the caption 'Eurodollar Spread' or 'Facility Fee Percentage', as the case may be, based upon the Ratings in effect on such date:

Category 1
Eurodollar Spread
Facility Fee Percentage

Aa3 or higher by Moody's;
AA- or higher by S&P

.130%
.070%

Category 2

A1 or A2 by Moody's;
A+ or A by S&P

.145%
.080%

Category 3

A3 by Moody's;
A- by S&P

.160%
.090%

Category 4

Baa1 by Moody's;
BBB+ by S&P

.175%
.125%

Category 5

Baa2 by Moody's;
BBB by S&P

.200%
.150%

Category 6

Baa3 by Moody's;
BBB- by S&P

.2125%
.1875%

Category 7

Ba1 or lower by Moody's;
BB+ or lower by S&P

.375%

.250%

For purposes of the foregoing, (i) if the Ratings shall fall within different Categories, the Applicable Percentage shall be based upon the higher of the two Categories; provided, however, that if the difference in the Ratings is greater than one Category, the Applicable Percentage will be based on the Category which is one Category below the higher Rating; (ii) if no Ratings exist, the Applicable Percentage shall be based upon Category 7, and (iii) if any Rating shall be changed (other than as a result of a change in the rating system of Moody's or S&P), such change shall be effective as of the date on which it is first announced by the rating agency making such change. Each such change in the Applicable Percentage shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody's or S&P shall change, or if either such rating agency shall cease to be in the business of rating corporate debt obligations, the parties hereto shall negotiate in good faith to amend the references to specific ratings in this definition to reflect such changed rating system or the non-availability of ratings from such rating agency, and pending the effectiveness of any such amendment the Applicable Percentage shall be determined by reference to the rating most recently in effect prior to such change or cessation."

"'Moody's' shall mean Moody's Investors Service, Inc., or any of its successors."

"'Ratings' shall mean the ratings from time to time established by Moody's and S&P for senior, unsecured, non-credit-enhanced long-term debt of the Company."

"'S&P' shall mean Standard and Poor's Rating Group, a division of The McGraw-Hill Companies, Inc., or any of its successors."

(ii) Deleting therefrom the definition of "Consolidated Net Indebtedness" and replacing it with the following definition:

"'Consolidated Net Indebtedness' shall mean, for any date, (a) the sum of all outstanding Indebtedness of the Company and its Consolidated Subsidiaries as of such date less (b) the lesser of (i) \$50,000,000 and (ii) Eligible Investments as of such date, all determined on a consolidated basis in accordance with GAAP."

(iii) Deleting therefrom the definition of "Facility B Credit Agreement" and replacing it with the following definition:

"'Facility B Credit Agreement' shall mean the 364-Day Competitive Advance and Revolving Credit Facility Agreement dated the date hereof among the parties hereto, as amended from time to time."

(iv) Deleting therefrom the definition of "Maturity Date" and replacing it with the following definition:

"'Maturity Date' shall mean the fifth anniversary of the Amendment Effective Date."

(d) Section 2.05(a) of the Agreement is hereby deleted in its entirety and replaced with the following sentences:

"The Company agrees to pay to each Lender, through the Administrative Agent, on each March 31, June 30, September 30 and December 31 (with the first payment being due on March 31, 1996) and on the date on which the Commitment of such Lender shall be terminated as provided herein, a facility fee (a 'Facility Fee'), at a rate per

annum equal to the Applicable Percentage from time to time in effect on the average daily amount of the Commitment of such Lender, whether used or unused, during the preceding quarter (or other period commencing on the Amendment Effective Date, or ending with the Maturity Date or the date on which the Commitment of such Lender shall be terminated). All Facility Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days. The Facility Fee due to each Lender shall commence to accrue on the Amendment Effective Date, and shall cease to accrue on the earlier of the Maturity Date and the termination of the Commitment of such Lender as provided herein."

(e) Section 2.07(a) (i) of the Agreement is hereby amended by replacing the reference to "1/4 of 1%" with a reference to "the Applicable Percentage from time to time in effect".

(f) Each reference in Section 3.04(a) of the Agreement to "January 3, 1993" is hereby replaced with a reference to "January 1, 1995", and each reference in Section 3.04(b) of the Agreement to "October 3, 1993" is hereby replaced with a reference to "October 1, 1995".

(g) Schedule 2.01 to the Agreement is hereby deleted and replaced with Schedule 2.01 to this Amendment. It is understood and agreed that immediately prior to the effectiveness of this Amendment the Company shall have terminated all the Commitments then outstanding and that upon the effectiveness of this Amendment, notwithstanding the provisions of Section 2.10(b) of the Agreement, the outstanding Commitments shall be as set forth on Schedule 2.01 to this Amendment.

(h) Schedule 3.08 and Schedule 3.12(b) to the Agreement are hereby deleted and replaced, respectively, with Schedule 3.08 and Schedule 3.12(b) to this Amendment.

SECTION 2. Representations and Warranties. The Company represents and warrants as of the Amendment Effective Date to each of the Lenders and the Administrative Agent that:

(a) This Amendment has been duly authorized, executed and delivered by the Company, and this Amendment is, and the Agreement, as amended hereby, will upon the Amendment Effective Date be, the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability (whether enforcement is sought by proceedings in equity or at law).

(b) The representations and warranties set forth in Article III of the Agreement, as amended hereby, are true and correct in all material respects with the same effect as if made on the Amendment Effective Date, except to the extent such representations and warranties expressly relate to an earlier date.

(c) Immediately before and immediately after the effectiveness of this Amendment, no Event of Default or Default has occurred and is continuing.

SECTION 3. Conditions to Effectiveness. This Amendment shall become effective as of and from the Amendment Effective Date when (a) the Administrative Agent shall have received counterparts of this Amendment that, when taken together, bear the signatures of all the parties hereto and (b) each of the following conditions precedent shall have been satisfied in respect of this Amendment:

(i) immediately prior to the effectiveness of this Amendment, the Company shall have effectively terminated all the Commitments then outstanding in accordance with Section 2.10 of the Agreement (and, solely for purposes of permitting each termination, the notice requirements of Section 2.10 are hereby waived);

(ii) the Administrative Agent shall have received the payment in full of all obligations of the Borrowers outstanding under the Agreement, this Amendment or any related agreement;

(iii) the Administrative Agent shall have received a certificate, dated the Amendment Effective Date and signed by a Financial Officer of the Company, confirming (i) that the representations and warranties set forth in Article III of the Agreement, as amended hereby, are true and correct in all material respects, with the same effect as though made on and as of the Amendment Effective Date, except to the extent that such representations and warranties expressly relate to an earlier date, and (ii) that no Event of Default or Default has occurred and is continuing;

(iv) the Administrative Agent shall have received certified copies of the resolutions of the Board of Directors of the Company approving or authorizing approval of the execution and delivery of this Amendment and the performance of the Agreement as amended hereby;

(v) the Administrative Agent shall have received a certificate of the Clerk or an Assistant Clerk of the Company, dated the Amendment Effective Date, (A) as to the absence of amendments to the certificate of incorporation or the by-laws of the Company since March 21, 1994 (or, in the event there shall have been any such amendments, setting forth copies thereof certified by the Secretary of State of Massachusetts in the case of amendments to the certificate of incorporation and by the Clerk or an Assistant Clerk of the Company in the case of amendments to the by-laws), and (B) certifying the incumbency and signatures of the officer or officers of the Company signing this Amendment;

(vi) the Administrative Agent shall have received a favorable written opinion of the General Counsel for the Company, dated the Amendment Effective Date and addressed to the Lenders, to the effect set forth in Exhibit D-1 of the Agreement, provided that, for purposes of the foregoing, references in such Exhibit to execution and delivery of the Agreement shall be deemed to refer to execution and delivery of this Amendment and other references therein to the Agreement shall be deemed to refer to the Agreement as amended hereby;

(vii) the Amendment Effective Date shall have occurred on or prior to March 19, 1996.

SECTION 4. Agreement. Except as specifically stated herein, the provisions of the Agreement are and shall remain in full force and effect. As used therein, the terms "Agreement", "herein", "hereunder", "hereinafter", "hereto", "hereof" and words of similar import shall, unless the context otherwise requires, refer to the Agreement as amended hereby.

SECTION 5. Applicable Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 6. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract.

SECTION 7. Expenses. The Company agrees to reimburse the Administrative Agent for all reasonable out-of-pocket expenses incurred by it in connection with this Amendment, including, but not limited to, the reasonable fees, charges and disbursements of Cravath, Swaine & Moore, counsel for the Administrative Agent.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

EG&G, INC.,

by

Name:
Title:

CHEMICAL BANK, individually and as
Administrative Agent for the Lenders,

by

Name:
Title:

DRESDNER BANK A.G., NEW YORK BRANCH
AND GRAND CAYMAN BRANCH,

by

/s/ J. Michael Leffler
Name: J. Michael Leffler
Title: Senior Vice President

by

/s/ Ernest Fung
Name: Ernest Fung
Title: Vice President

THE FIRST NATIONAL BANK OF BOSTON,

by

Name:
Title:

THE FIRST NATIONAL BANK OF CHICAGO,

by

Name:
Title:

THE NORTHERN TRUST COMPANY,

by

/s/ Lawson E. Whiting
Name: Lawson E. Whiting
Title: Commercial Banking
Officer

ROYAL BANK OF CANADA,

by

/s/ Sheryl L. Greenberg
Name: Sheryl L. Greenberg
Title: Manager

SOCIETE GENERALE,

by

/s/ Michelle Martin
Name: Michelle Martin
Title: Assistant Vice President

STANDARD CHARTERED BANK,

by

/s/ William R. Leute, III
Name: William R. Leute III

Title: Senior Vice President

by

/s/ Gerard Lob
Name: Gerard Lob
Title: Vice President

WACHOVIA BANK OF GEORGIA,
N.A.,

by

Name:
Title:

Schedule 2.01

Lenders and Commitments

Lender	Commitment
Chemical Bank 140 E. 45th Street 29th Floor New York, NY 10017 Attention: Sandra Miklave Telephone: (212) 622-0005 Telecopy: (212) 622-0002	\$16,000,000
Dresdner Bank A.G., New York Branch and Grand Cayman Branch 75 Wall Street New York, NY 10005-2889 Attention: Mr. Ernest Fung Telephone: (212) 574-0237 Telecopy: (212) 574-0130	\$10,500,000
The First National Bank of Boston 100 Federal Street Boston, MA 02110 Attention: Mr. Christopher Francis Telephone: (617) 434-2203 Telecopy: (617) 434-0637	\$10,500,000
The First National Bank of Chicago 153 W. 51st Street Equitable Building, 8th Floor Suite 4000 New York, NY 10019 Attention: Mr. Thomas M. Harkless Telephone: (212) 373-1175 Telecopy: (212) 373-1388	\$10,500,000
The Northern Trust Company 50 South LaSalle Street Chicago, IL 60675 Attention: Mr. J. Chip McCall Telephone: (312) 444-3504 Telecopy: (312) 444-3508	\$10,500,000
Royal Bank of Canada New York Branch c/o New York Operations Center Pierrepoint Plaza 300 Cadman Plaza West Brooklyn, NY 11201-2701 Attention: Manager, Loan Administration Telephone: (212) 858-7168 Telecopy: (718) 522-6292/3	\$10,500,000

with a copy to:
Royal Bank of Canada
One Financial Square, 12th Floor

New York, NY 10005-3531
 Attention: Sheryl L. Greenberg
 Telephone: (212) 428-6476
 Telecopy: (212) 428-6459

Societe Generale \$10,500,000
 1221 Avenue of the Americas
 New York, NY 10020
 Attention: Ms. Michelle Martin
 Telephone: (212) 278-7126
 Telecopy: (212) 278-7430

Standard Chartered Bank \$10,500,000
 7 World Trade Center
 New York, NY 10048
 Attention: Mr. Gerard Lob
 Telephone: (212) 667-0501
 Telecopy: (212) 667-0225

Wachovia Bank of Georgia, N.A. \$10,500,000
 191 Peachtree Street, N.E.
 Atlanta, GA 30303
 Attention: Ms. Elizabeth Colt
 Telephone: (404) 332-4089
 Telecopy: (404) 332-6898

SCHEDULE 3.12 (a)

None

SCHEDULE 3.12 (b)

- Mound Facility, Miamisburg, Ohio
- Tooele Chemical Demilitarization Facility, Tooele, Utah
- Kennedy Space Center, Florida
- Langley Research Center, Langley, Virginia

SCHEDULE 3.12 (c)

None

SCHEDULE 3.08 Subsidiaries

Name of Company	State or Country of Incorporation or Organization	Number of Parent
1 EG&G, Inc.	Massachusetts	N/A
2 EG&G Alabama, Inc.	Alabama	1
3 EG&G Aluminum, Inc.	Delaware	33
4 EG&G Astrophysics Research Corporation	California	1
5 EG&G Automotive Research, Inc.	Texas	22
6 EG&G Birtcher, Inc.	California	33
7 EG&G Benelux B.V.	Netherlands	73 (77%) 1 (23%)
8 EG&G Canada Investments, Inc.	Canada	86
9 EG&G Canada Limited	Canada	1 (10%) 28 (43.5%) 38 (46.5%)
10 EG&G Chandler Engineering Company	Oklahoma	1
11 EG&G Defense Materials, Inc.	Utah	1
12 EG&G do Brasil Ltda.	Brazil	22 (95%) 85 (5%)
13 EG&G Dynatrend, Inc.	Delaware	1
14 EG&G E.C.	Bahrain	22
15 EG&G Energy Measurements, Inc.	Nevada	1
16 EG&G Environmental, Inc.	Delaware	1
17 EG&G Exporters Ltd.	U.S. Virgin Islands	22

18	EG&G Florida, Inc.	Florida	1
19	EG&G Flow Technology, Inc.	Arizona	1
20	EG&G Gamma Scientific, Incorporated	Delaware	22
21	EG&G GmbH	Germany	22
22	EG&G Holdings, Inc.	Massachusetts	1 (87%) 24 (6%) 71 (5%) 10 (2%)
23	EG&G Idaho, Inc.	Idaho	22
24	EG&G Instruments, Inc.	Delaware	22
25	EG&G Instruments GmbH	Germany	1
26	EG&G International, Ltd.	Cayman Islands	22
27	EG&G Japan, Inc.	Delaware	22
28	EG&G Judson Infrared, Inc.	Pennsylvania	1
29	EG&G KT Aerofab, Inc.	California	22
30	EG&G Langley, Inc.	Virginia	18
31	EG&G Ltd.	United Kingdom	22 (80.9%) 4 (19.1%)
32	EG&G Management Systems, Inc.	New Mexico	1
33	EG&G Metals, Inc.	Massachusetts	1
34	EG&G Missouri Metal Shaping Company	Missouri	22
35	EG&G Mound Applied Technologies, Inc.	Ohio	1
36	EG&G Omni, Inc.	Philippines	22
37	EG&G Power Systems, Inc.	California	1
38	EG&G Pressure Science Incorporated	Maryland	22
39	EG&G Rocky Flats, Inc.	Colorado	1
40	EG&G Sealol Eagle, Inc.	Delaware	42 (51%)
41	EG&G Sealol Ltd. (Sealol Egypt)	Egypt	22 (22%) 26 (78%)
42	EG&G Sealol, Inc.	Delaware	22
43	EG&G Services, Inc.	Delaware	1
44	EG&G Special Projects, Inc.	Nevada	1
45	EG&G Star City, Inc.	Ohio	2
46	EG&G Structural Kinematics, Inc.	Michigan	1
47	EG&G S.A.	France	26
48	EG&G SpA	Italy	22
49	EG&G Technical Services of West Virginia, Inc.	West Virginia	51
50	EG&G Ventures, Inc.	Massachusetts	1
51	EG&G Washington Analytical Services Center, Inc.	District of Columbia	1
52	EG&G Watertown, Inc.	Massachusetts	73
53	Antarctic Support Associates (Partnership)	Colorado	1 (40%)
54	Benelux Analytical Instruments S.A.	Belgium	1 (92.3%)
55	Berthold Analytical Instruments, Inc.	Delaware	1
56	Berthold A.G.	Switzerland	58
57	Berthold France S.A.	France	47
58	Berthold GmbH	Germany	1
59	Berthold Munchen GmbH	Germany	67 (60%)
60	Biozone Oy	Finland	83
61	B.A.I. GmbH	Austria	58
62	Eagle EG&G Aerospace Co. Ltd.	Japan	1 (49%)
63	EC III, Inc.	New Mexico	1 (50%)
64	Heimann Optoelectronics GmbH	Germany	67
65	Heimann Shenzhen Optoelectronics Co. Ltd.	China	64 (90%)
66	IC Sensors, Inc.	California	1
67	Laboratorium Prof. Dr. Rudolf Berthold GmbH & Co. KG	Germany	21 (58.0%) 25 (2.3%) 5 (39.7%)
68	NOK EG&G Optoelectronics Corporation	Japan	1 (49%)
69	Pribori Oy	Finland	83
70	PT EG&G Heimann Optoelectronics	Indonesia	22
71	Reticon Corporation	California	1
72	Reynolds Electrical & Engineering Co., Inc.	Texas	1
73	Rotron Incorporated	New York	1
74	Science Support Corporation	Delaware	1
75	Sealol Hindustan Limited	India	42 (20%)
76	Sealol S.A.	Venezuela	42
77	Seiko EG&G Co. Ltd.	Japan	1 (49%)
78	Shanghai EG&G Reticon Optoelectronics Co. Ltd.	China	71 (50%)

79	Societe Civile Immobiliere	France	1 (82.5%)	57 (17.5%)
80	Vactec, Inc.	Missouri	1	
81	WALLAC A/S	Denmark	83	
82	WALLAC Norge AS	Norway	83	
83	WALLAC Oy	Finland	22	
84	WALLAC Sverige AB	Sweden	83	
85	WALLAC, Inc.	Maryland	1	
86	Wellesley B.V.	Netherlands	87	
87	Wickford N.V.	Netherlands Antillies	26	
88	Wright Components, Inc.	New York	1	
89	ZAO Pribori	Russia	69	

EXHIBIT 10.5

EG&G, Inc.

EMPLOYMENT AGREEMENT

This Agreement made as of the 1st day of November, 1993, between EG&G, Inc., a Massachusetts corporation (hereinafter called the "Company"), and John F. Alexander, II of Southborough, Massachusetts (hereinafter referred to as the "Employee").

WITNESSETH:

WHEREAS, the Employee has been employed in a management position with the Company; and

WHEREAS, the Employee hereby agrees to continue to perform such services and duties of a management nature as shall be assigned to him; and

WHEREAS, the Employee hereby agrees to the compensation herein provided and agrees to serve the Company to the best of his ability during the period of this Agreement.

NOW, THEREFORE, in consideration of the sum of One Dollar, and of the mutual covenants herein contained, the parties agree as follows:

1. a) Except as hereinafter otherwise provided, the Company agrees to continue to employ the Employee in a management position with the Company, and the Employee agrees to remain in the employment of the Company in that capacity for a period of one year from the date hereof and from year to year thereafter until such time as this Agreement is terminated.

b) The Company will, during each year of the term of this Agreement, place in nomination before the Board of Directors of the Company the name of the Employee for election as an Officer of the Company except when a notice of termination has been given in accordance with Paragraph 5(b).
2. The Employee agrees that, during the specified period of employment, he shall, to the best of his ability, perform his duties, and shall not engage in any business, profession or occupation which would conflict with the rendition of the agreed upon services, either directly or indirectly, without the prior approval of the Board of Directors.
3. During the period of his employment under this Agreement, the Employee shall be compensated for his services as follows:
 - a) Except as otherwise provided in this Agreement, he shall be paid a salary during the period of this Agreement at a base rate to be determined by the Company on an annual basis. Except as provided in Subparagraph 3d, such annual base salary shall under no circumstances be fixed at a rate below the annual base rate then currently in effect.
 - b) He shall be reimbursed for any and all monies expended by him in connection with his employment for reasonable and necessary expenses on behalf of the Company in accordance with the policies of the Company then in effect;
 - c) He shall be eligible to participate under any and all bonus, benefit, pension, compensation, and option plans which are, in accordance with company policy, available to persons in his position (within the limitation as stipulated by such plans). Such eligibility shall not automatically entitle him to participate in any such plan;
 - d) if, because of adverse business conditions or for other reasons, the Company at any time puts into effect salary reductions applicable to all management employees of the Company generally, the salary payments required to be made under this Agreement to the Employee during any period in which such general reduction is in effect may be reduced by the same percentage as is applicable to all management employees of the Company generally. Any benefits made available to

the Employee which are related to base salary shall also be reduced in accordance with any salary reduction;

4. a) During the period of his employment by the Company or for any period which the Company shall continue to pay the Employee his salary under this Agreement, whichever shall be the longer, the Employee shall not directly or indirectly own, manage, control, operate, be employed by, participate in or be connected with the ownership, management, operation or control of any business which competes with the Company or its subsidiaries, provided, however, that the foregoing shall not apply to ownership of stock in a publicly held corporation which ownership is disclosed to the Board of Directors nor shall it apply to any other relationship which is disclosed to and approved by the Board of Directors.
- b) During the period of his employment by the Company and two years following the Company's last payment of salary to him, the Employee shall not utilize or disclose to others any proprietary or confidential information of any type or description which term shall be construed to mean any information developed or identified by the Company which is intended to give it an advantage over its competitors or which could give a competitor an advantage if obtained by him. Such information includes, but is not limited to, product or process design, specifications, manufacturing methods, financial or statistical information about the Company, marketing or sales information about the Company, sources or supply, lists of customers, and the Company's plans, strategies, and contemplated actions.
- c) During the period of his employment by the Company or for any period during which the Company shall continue to pay the Employee his salary under this Agreement, whichever shall be longer, the Employee shall not in any way whatsoever aid or assist any party seeking to cause, initiate or effect a Change in Control of the Company as defined in Paragraph 6 without the prior approval of the Board of Directors.

5. Except for the Employee covenants set forth in Paragraph 4 which covenants shall remain in effect for the periods stated therein, and subject to Paragraph 6, this Agreement shall terminate upon the happening of any of the following events and (except as provided herein) all the Company's obligation under this Agreement, including, but not limited to, making payments to the Employee shall cease and terminate:

- a) On the effective date set forth in any resignation submitted by the Employee and accepted by the Company, or if no effective date is agreed upon, the date of receipt of such letter.
- b) One year after written notice of termination is given by either party to the other party.
- c) At the end of the month in which the Employee shall have attained the age of sixty-five years;
- d) At the death of the Employee;
- e) At the termination of the Employee for cause. As used in the Agreement, the term "cause" shall mean:
 - 1) Misappropriating any funds or property of the Company;
 - 2) Unreasonable refusal to perform the duties assigned to him under this Agreement;
 - 3) Conviction of a felony;
 - 4) Continuous conduct bringing notoriety to the Company and having an adverse effect on the name or public image of the Company;
 - 5) Violation of the Employee's covenants as set forth in Paragraph 4 above; or
 - 6) Continued failure by the Employee to observe any of the provisions of this Agreement after being informed of such breach.

f) At termination of the Employee by the Company without cause.

g) Twelve months after written notice of termination is given by the Company to the Employee based on a determination by the Board of Directors that the Employee is disabled (which, for purposes of this Agreement, shall mean that the Employee is unable to perform his regular duties, with such determination to be made by the Board of Directors, in reliance upon the opinion of the Employee's physician or upon the opinion of one or more physicians selected by the Company). Such notice shall be given by the Company to the Employee on the 106th day of continuous disability of the Employee. Notwithstanding the foregoing, if, during the twelve-month notice period referred to above, the Employee is no longer disabled and is able to return to work, such notice of employment termination shall be rescinded, and the employment of the Employee shall continue in accordance with the terms of this Agreement. During the first 106 days of continuous disability of the Employee, the Company will make periodic payments to the Employee in an amount equal to the difference between his base salary and the benefits provided by the Company's Short-Term Disability Income Plan. During the twelve-month notice period following 106 days of continuous disability, the Company will make periodic payments to the Employee in an amount equal to the difference between his base salary and the benefits provided by the Company's Long-Term Disability Plan. If the employment of the Employee terminates at the end of such twelve-month notice period, the Company will make periodic payments to the Employee, up to the amount remaining in his sick leave reserve account, in an amount equal to the difference between his base pay and the post-employment benefits provided to him under the Company's Long-Term Disability Plan. Due to the fact that payments to the Employee under the Company's Long-Term Disability Plan are not subject to federal income taxes, the payments to be made directly by the Company pursuant to the two preceding sentences shall be reduced such that the total amount received by the Employee (from the Company and from the Long-Term Disability Plan), after payment of any income taxes, is equal to the amount that the Employee would have received had he been paid his base salary, after payment of any income taxes on such base salary.

h) Notwithstanding the foregoing provisions, in the event of the termination of the Employee by the Company without cause, the Employee shall, until the expiration of his then current employment term or one year from the date of such termination, whichever is later, (i) continue to receive his Full Salary (as defined below), which shall be payable in accordance with the payment schedule in effect immediately prior to his employment termination, and (ii) continue to be entitled to participate in all employee benefit plans and arrangements of the Company (such as life, health and disability insurance and automobile arrangements) to the same extent (including coverage of dependents, if any) and upon the same terms as were in effect immediately prior to his termination. For purposes of this Agreement, "Full Salary" shall mean the Employee's annual base salary, plus the amount of any bonus or incentive payments received by the Employee with respect to the last full fiscal year of the Company for which all bonus or incentive payments to be made have been made.

6. a) In the event that there is a Change in Control of the Company (as defined below), the provisions of this Agreement shall be amended as follows:

1) Paragraph 1a shall be amended to read in its entirety as follows:

"Except as hereinafter otherwise provided, the Company agrees to continue to employ the Employee in a management position with the Company, and the Employee agrees to remain in the employment in the Company in that capacity, for a period of five (5) years less one day from the date of the Change in Control. Except as provided in Paragraph 3d, the Employee's salary as set forth in Paragraph 3a and his other employee benefits pursuant to the plans described in Paragraph 3c shall not be decreased during such

period."

2) Paragraph 5a shall be amended by the addition of the following provision at the end of such paragraph:

" , provided that the Employee agrees not to resign, except for Good Reason (as defined below), during the one-year period following the date of the Change in Control."

3) Paragraph 5b shall be deleted in its entirety.

4) Paragraph 5h shall be amended to read in its entirety as follows:

"Notwithstanding the foregoing provisions, in the event of the termination of the Employee by the Company without cause, or the resignation of the Employee for Good Reason, the Employee shall (i) receive, on the date of his employment termination, a cash payment in an amount equal to his Full Salary (as defined below) multiplied by the number of years (including any portions thereof) remaining until the expiration of his then current employment term or five years from the date of such termination, whichever is later (it being agreed that such amount shall not be discounted based upon the present value of such amount), and (ii) continue to be entitled to participate in all employee benefit plans and arrangements of the Company (such as life, health and disability insurance and automobile arrangements) to the same extent (including coverage of dependents, if any) and upon the same terms as were in effect immediately prior to his termination. For purposes of this Agreement, "Full Salary" shall mean the Employee's annual base salary, plus the amount of any bonus or incentive payments received by the Employee with respect to the last full fiscal year of the Company for which all bonus or incentive payments to be made have been made. Payments under this Paragraph 5h shall be made without regard to whether the deductibility of such payments (or any other "parachute payments," as that term is defined in Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), to or for the benefit of the Employee) would be limited or precluded by Section 280G and without regard to whether such payments (or any other "parachute payments" as so defined) would subject the Employee to the federal excise tax levied on certain "excess parachute payments" under Section 4999 of the Code; provided that if the total of all "parachute payments" to or for the benefit of the Employee, after reduction for all federal, state and local taxes (including the tax described in Section 4999 of the Code, if applicable) with respect to such payments (the "Total After-Tax Payments"), would be increased by the limitation or elimination of any payment under this Paragraph 5h, amounts payable under this Paragraph 5h shall be reduced to the extent, and only to the extent, necessary to maximize the Total After-Tax Payments. The determination as to whether and to what extent payments under this Paragraph 5h are required to be reduced in accordance with the preceding sentence shall be made at the Company's expense by Arthur Andersen LLP or by such other certified public accounting firm as the Board of Directors of the Company may designate prior to a Change in Control of the Company. In the event of any underpayment or overpayment under this Paragraph 5h as determined by Arthur Andersen LLP (or such other firm as may have been designated in accordance with the preceding sentence), the amount of such underpayment or overpayment shall forthwith be paid to the Employee or refunded to the Company, as the case may be, with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code."

5) Paragraph 8 shall be amended to read in its entirety as follows:

"The Employee may pursue any lawful remedy he deems necessary or appropriate for enforcing his rights under this Agreement following a Change in Control of the Company, and all costs incurred by the Employee in connection therewith (including without limitation attorneys' fees) shall be promptly reimbursed to him by the Company, regardless of the outcome of such endeavor."

b) For purposes of this Agreement, a "Change in Control of the Company" shall occur or be deemed to have occurred only if (i) any "person", as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportion as their ownership of stock in the Company), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding securities; (ii) during any period of two consecutive years ending during the term of this Agreement, individuals who at the beginning of such period constitute the Board of Directors of the Company, and any new director whose election by the Board of Directors or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who were either directors at the beginning of the period or whose election or whose nomination for election was previously so approved, cease for any reason to constitute a majority of the Board of Directors; (iii) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or (iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

c) For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following events, except as provided in Paragraph 3d: (i) a reduction in the Employee's base salary as in effect on the date hereof or as the same may be increased from time to time; (ii) a failure by the Company to pay annual cash bonuses to the Employees in an amount at least equal to the most recent annual cash bonuses paid to the Employee; (iii) a failure by the Company to maintain in effect any material compensation or benefit plan in which the Employee participated immediately prior to the Change in Control, unless an equitable arrangement has been made with respect to such plan, or a failure to continue the Employee's participation therein on a basis not materially less favorable than existed immediately prior to the Change in Control; (iv) any significant and substantial diminution in the Employee's position, duties, responsibilities or title as in effect immediately prior to the Change in Control; (v) any requirement by the Company that the location at which the Employee performs his principal duties be changed to a new location outside a radius of 25 miles from the Employee's principal place of employment immediately prior to the Change in Control; or (vi) any requirement by the Company that the Employee travel on an overnight basis to an extent not substantially consistent with the Employee's business travel obligations immediately prior to the Change in Control. Notwithstanding the foregoing, the resignation shall not be considered to be for Good Reason if any such circumstances are fully corrected prior to the date of resignation.

7. Neither the Employee nor, in the event of his death, his legal representative, beneficiary or estate, shall have the power to

transfer, assign, mortgage or otherwise encumber in advance any of the payments provided for in this Agreement, nor shall any payments nor assets or funds of the Company be subject to seizure for the payment of any debts, judgments, liabilities, bankruptcy or other actions.

8. Any controversy relating to this Agreement and not resolved by the Board of Directors and the Employee shall be settled by arbitration in the City of Boston, Commonwealth of Massachusetts, pursuant to the rules then obtaining of the American Arbitration Association, and judgment upon the award may be entered in any court having jurisdiction, and the Board of Directors and Employee agree to be bound by the arbitration decision on any such controversy. Unless otherwise agreed by the parties hereto, arbitration will be by three arbitrators selected from the panel of the American Arbitration Association. The full cost of any such arbitration shall be borne by the Company.

9. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof shall not be deemed a waiver of such term, covenant, or condition, nor shall any waiver or relinquishment of any right or power hereunder at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times by either party.

10. All notices or other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered personally to the Employee or to the General Counsel of the Company or when mailed by registered or certified mail to the other party (if to the Company, at 45 William Street, Wellesley, Massachusetts 02181, attention General Counsel; if to the Employee, at the last known address of the Employee as set forth in the records of the Company).

11. This Agreement has been executed and delivered and shall be construed in accordance with the laws of the Commonwealth of Massachusetts. This Agreement is and shall be binding on the respective legal representatives or successors of the parties, but shall not be assignable except to a successor to the Company by virtue of a merger, consolidation or acquisition of all or substantially all of the assets of the

Company. All previous employment contracts between the Employee and the Company or any of the Company's present or former subsidiaries or affiliates is hereby canceled and of no effect.

IN WITNESS WHEREOF, the Company has caused its seal to be hereunto affixed and these presents to be signed by its proper officers, and the Employee has hereunto set his hand and seal the day and year first above written.

EG&G, INC.

(SEAL)

By:/s/John M. Kucharski
John M. Kucharski,
Chairman and Chief
Executive Officer

Employee:/s/John F. Alexander, II
John F. Alexander, II

EXHIBIT 21

Subsidiaries of the Registrant

As of March 22, 1996, the following is a list of the parent (Registrant) and its subsidiaries, together with their subsidiaries. Except as noted, all voting securities of the listed subsidiaries are 100% beneficially owned by the Registrant or a subsidiary thereof.

Name of Company	State or Country of Incorporation or Organization	Number of Parent
1 EG&G, Inc.	Massachusetts	N/A
2 EG&G Alabama, Inc.	Alabama	1
3 EG&G Aluminum, Inc.	Delaware	33
4 EG&G Astrophysics Research Corporation	California	1
5 EG&G Automotive Research, Inc.	Texas	22
6 EG&G Birtcher, Inc.	California	33
7 EG&G Benelux B.V.	Netherlands	73 (77%) 1 (23%)
8 EG&G Canada Investments, Inc.	Canada	86
9 EG&G Canada Limited	Canada	1 (10%) 28 (43.5%) 38 (46.5%)
10 EG&G Chandler Engineering Company	Oklahoma	1
11 EG&G Defense Materials, Inc.	Utah	1
12 EG&G do Brasil Ltda.	Brazil	22 (95%) 85 (5%)
13 EG&G Dynatrend, Inc.	Delaware	1
14 EG&G E.C.	Bahrain	22
15 EG&G Energy Measurements, Inc.	Nevada	1
16 EG&G Environmental, Inc.	Delaware	1
17 EG&G Exporters Ltd.	U.S. Virgin Islands	22
18 EG&G Florida, Inc.	Florida	1
19 EG&G Flow Technology, Inc.	Arizona	1
20 EG&G Gamma Scientific, Incorporated	Delaware	22
21 EG&G GmbH	Germany	22
22 EG&G Holdings, Inc. 10 (2%)	Massachusetts	1 (87%) 24 (6%) 71 (5%)
23 EG&G Idaho, Inc.	Idaho	22
24 EG&G Instruments, Inc.	Delaware	22
25 EG&G Instruments GmbH	Germany	1
26 EG&G International, Ltd.	Cayman Islands	22
27 EG&G Japan, Inc.	Delaware	22
28 EG&G Judson Infrared, Inc.	Pennsylvania	1
29 EG&G KT Aerofab, Inc.	California	22
30 EG&G Langley, Inc.	Virginia	18
31 EG&G Ltd.	United Kingdom	22 (80.9%) 4 (19.1%)
32 EG&G Management Systems, Inc.	New Mexico	1
33 EG&G Metals, Inc.	Massachusetts	1
34 EG&G Missouri Metal Shaping Company	Missouri	22
35 EG&G Mound Applied Technologies, Inc.	Ohio	1
36 EG&G Omni, Inc.	Philippines	22
37 EG&G Power Systems, Inc.	California	1
38 EG&G Pressure Science Incorporated	Maryland	22
39 EG&G Rocky Flats, Inc.	Colorado	1
40 EG&G Sealol Eagle, Inc.	Delaware	42 (51%)
41 EG&G Sealol Ltd. (Sealol Egypt)	Egypt	22 (22%) 26 (78%)
42 EG&G Sealol, Inc.	Delaware	22
43 EG&G Services, Inc.	Delaware	1
44 EG&G Special Projects, Inc.	Nevada	1
45 EG&G Star City, Inc.	Ohio	2
46 EG&G Structural Kinematics, Inc.	Michigan	1
47 EG&G S.A.	France	26
48 EG&G SpA	Italy	22
49 EG&G Technical Services of West Virginia, Inc.	West Virginia	51
50 EG&G Ventures, Inc.	Massachusetts	1
51 EG&G Washington Analytical Services Center, Inc.	District of Columbia	1
52 EG&G Watertown, Inc.	Massachusetts	73
53 Antarctic Support Associates (Partnership)	Colorado	1 (40%)
54 Benelux Analytical Instruments S.A.	Belgium	1 (92.3%)
55 Berthold Analytical Instruments, Inc.	Delaware	1
56 Berthold A.G.	Switzerland	58
57 Berthold France S.A.	France	47
58 Berthold GmbH	Germany	1

59 Berthold Munchen GmbH	Germany	67 (60%)
60 Biozone Oy	Finland	83
61 B.A.I. GmbH	Austria	58
62 Eagle EG&G Aerospace Co. Ltd.	Japan	1 (49%)
63 EC III, Inc.	New Mexico	1 (50%)
64 Heimann Optoelectronics GmbH	Germany	67
65 Heimann Shenzhen Optoelectronics Co. Ltd.	China	64 (90%)
66 IC Sensors, Inc.	California	1
67 Laboratorium Prof. Dr. Rudolf 5(39.7%)	Germany	21 (58.0%) 25 (2.3%)
68 NOK EG&G Optoelectronics Corporation	Japan	1 (49%)
69 Pribori Oy	Finland	83
70 PT EG&G Heimann Optoelectronics	Indonesia	22
71 Reticon Corporation	California	1
72 Reynolds Electrical & Engineering Co., Inc.	Texas	1
73 Rotron Incorporated	New York	1
74 Science Support Corporation	Delaware	1
75 Sealol Hindustan Limited	India	42 (20%)
76 Sealol S.A.	Venezuela	42
77 Seiko EG&G Co. Ltd.	Japan	1 (49%)
78 Shanghai EG&G Reticon Optoelectronics Co. Ltd	China	71 (50%)
79 Societe Civile Immobiliere	France	1 (82.5%) 57 (17.5%)
80 Vactec, Inc.	Missouri	1
81 WALLAC A/S	Denmark	83
82 WALLAC Norge AS	Norway	83
83 WALLAC Oy	Finland	22
84 WALLAC Sverige AB	Sweden	83
85 WALLAC, Inc.	Maryland	1
86 Wellesley B.V.	Netherlands	87
87 Wickford N.V.	Netherlands Antillies	26
88 Wright Components, Inc.	New York	1
89 ZAO Pribori	Russia	69

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