

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2002

() TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-6948

SPX CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State of Incorporation)

38-1016240
(I.R.S. Employer Identification No.)

13515 Ballantyne Corporate Place, Charlotte, North Carolina 28277
(Address of Principal Executive Office)

Registrant's Telephone Number including Area Code (704) 752-4400

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.

[X] Yes [] No

Common shares outstanding August 12, 2002 40,861,085

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements

SPX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(\$ in millions)

	(Unaudited) June 30, 2002 ----	December 31, 2001 ----
ASSETS		
Current assets:		
Cash and equivalents	\$ 381.3	\$ 460.0
Accounts receivable, net	932.4	976.2
Inventories	670.4	625.5
Prepaid and other current assets	127.5	130.7
Deferred income taxes and refunds	260.6	236.6
	-----	-----
Total current assets	2,372.2	2,429.0
Property, plant and equipment	1,339.0	1,279.2
Accumulated depreciation	(498.2)	(439.7)
	-----	-----
Net property, plant and equipment	840.8	839.5
Goodwill	2,516.2	2,374.8
Intangible assets, net	525.6	686.9
Other assets	779.6	749.9
	-----	-----
Total assets	\$7,034.4	\$7,080.1
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 485.4	\$ 514.3
Accrued expenses	872.7	856.9
Current maturities of long-term debt	157.1	161.6
	-----	-----
Total current liabilities	1,515.2	1,532.8
Long-term debt	2,330.9	2,450.8
Deferred income taxes	794.0	752.6
Other long-term liabilities	611.7	603.6
	-----	-----
Total long-term liabilities	3,736.6	3,807.0
Minority Interest	13.5	25.0
Shareholders' equity:		
Common stock	426.5	416.5
Paid-in capital	1,218.0	1,139.0
Retained earnings	325.6	350.8
Accumulated other comprehensive loss	(100.5)	(90.5)
Common stock in treasury	(100.5)	(100.5)
	-----	-----
Total shareholders' equity	1,769.1	1,715.3
	-----	-----
Total liabilities and shareholders' equity	\$7,034.4	\$7,080.1
	=====	=====

The accompanying notes are an integral part of these statements.

SPX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(in millions, except per share amounts)

	Three months ended June 30,		Six months ended June 30,	
	2002 ----- ----	2001 ----- ----	2002 ----- ----	2001 ----- ----
Revenues	\$ 1,257.5	\$ 910.1	\$2,388.0	\$ 1,590.5
Costs and expenses:				
Cost of products sold	832.8	623.4	1,590.5	1,086.7
Selling, general and administrative	245.6	171.0	476.4	300.3
Intangible/goodwill amortization	2.0	14.8	3.7	25.6
Special charges	50.8	40.5	57.2	43.9
	-----	-----	-----	-----
Operating income	126.3	60.4	260.2	134.0
Other (expense) income, net	1.2	(10.4)	0.4	(8.7)
Equity earnings in joint ventures	8.3	9.0	18.6	18.4
Interest expense, net	(38.4)	(30.3)	(75.4)	(55.0)
	-----	-----	-----	-----
Income before income taxes	97.4	28.7	203.8	88.7
Provision for income taxes	(39.1)	(15.3)	(80.4)	(39.9)
	-----	-----	-----	-----
Income before change in accounting principle	58.3	13.4	123.4	48.8
Change in accounting principle	-	-	(148.6)	-
	-----	-----	-----	-----
Net income (loss)	\$ 58.3	\$ 13.4	\$ (25.2)	\$ 48.8
	=====	=====	=====	=====
Basic income (loss) per share of common stock				
Income before change in accounting principle	\$ 1.41	\$ 0.38	\$ 3.01	\$ 1.47
Change in accounting principle	-	-	(3.63)	-
	-----	-----	-----	-----
Net income (loss) per share	\$ 1.41	\$ 0.38	\$ (0.62)	\$ 1.47
	=====	=====	=====	=====
Weighted average number of common shares outstanding	41.297	35.170	40.974	33.106
Diluted income (loss) per share of common stock				
Income before change in accounting principle	\$ 1.38	\$ 0.37	\$ 2.94	\$ 1.44
Change in accounting principle	-	-	(3.54)	-
	-----	-----	-----	-----
Net income (loss) per share	\$ 1.38	\$ 0.37	\$ (0.60)	\$ 1.44
	=====	=====	=====	=====
Weighted average number of common shares outstanding	42.335	36.093	42.033	33.944

The accompanying notes are an integral part of these statements

SPX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(\$ in millions)

	Six Months Ended June 30,	
	2002 -----	2001 -----
Cash flows from (used in) operating activities:		
Net (loss) income	\$ (25.2)	\$ 48.8
Adjustments to reconcile net (loss) income to net cash from operating activities -		
Loss on sale of businesses	-	11.8
Change in accounting principle	148.6	-
Special charges	57.2	57.4
Deferred income taxes	71.6	8.1
Depreciation	56.6	39.4
Amortization of goodwill and intangibles	7.6	26.4
Amortization of original issue discount on LYONS	11.2	7.4
Employee benefits	(6.9)	(16.5)
Other, net	(3.5)	(2.9)
Changes in working capital, net of effects from acquisitions and divestitures	(89.1)	(54.3)
Changes in working capital securitizations	(14.7)	(2.9)
Cash spending on restructuring actions	(40.1)	(6.8)
	-----	-----
Net cash from operating activities	173.3	115.9
Cash flows from (used in) investing activities:		
Business and fixed asset divestitures	9.2	123.0
Business acquisitions and investments, net of cash acquired	(113.1)	(181.2)
Capital expenditures	(51.1)	(81.0)
Other, net	(4.1)	-
	-----	-----
Net cash (used in) investing activities	(159.1)	(139.2)
Cash flows from (used in) financing activities:		
Borrowings under debt agreements	-	1,466.9
Payments under debt agreements	(135.6)	(1,174.1)
Common stock issued under stock incentive programs	47.1	17.1
Common stock issued under exercise of stock warrants	24.2	-
Other, net	(28.6)	-
	-----	-----
Net cash (used in) from financing activities	(92.9)	309.9
	-----	-----
Net (decrease) increase in cash and equivalents	(78.7)	286.6
Cash and equivalents, beginning of period	460.0	73.7
	-----	-----
Cash and equivalents, end of period	\$ 381.3	\$ 360.3
	=====	=====

The accompanying notes are an integral part of these statements.

SPX CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2002
(Unaudited)
(in millions, except per share data)

1. BASIS OF PRESENTATION

In our opinion, the accompanying condensed consolidated balance sheets and related interim statements of consolidated income and cash flows include the adjustments (consisting of normal and recurring items) necessary for their fair presentation in conformity with United States generally accepted accounting principles ("GAAP"). Preparing financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from these estimates. Interim results are not necessarily indicative of results for a full year. Certain comparative amounts have been reclassified to conform to current-quarter presentation. These reclassifications had no impact on previously reported results of operations or total stockholders' equity. The information included in this Form 10-Q should be read in conjunction with the Consolidated Financial Statements contained in our 2001 Annual Report on Form 10-K, as amended by Form 10-K/A.

2. NEW ACCOUNTING PRONOUNCEMENTS

On July 20, 2001 the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 141 "Business Combinations" and SFAS No. 142 "Goodwill and Other Intangible Assets." These pronouncements change the accounting for business combinations, goodwill, and intangible assets. The requirements of SFAS No. 141 are effective for any business combination accounted for by the purchase method that is completed after June 30, 2001 and the amortization provisions of SFAS No. 142 apply to goodwill and intangible assets acquired after June 30, 2001. With respect to goodwill and intangible assets acquired prior to July 1, 2001, we adopted the provisions of SFAS No. 142, as required, on January 1, 2002. See Note 8 to the Condensed Consolidated Financial Statements for further discussion on the impact of adopting SFAS No. 141 and SFAS No. 142.

In August 2001, the FASB issued SFAS No. 143 "Accounting for Asset Retirement Obligations." The provisions of SFAS No. 143 will change the way companies must recognize and measure retirement obligations that result from the acquisition, construction, development, or normal operation of a long-lived asset. We will adopt the provisions of SFAS No. 143 as required on January 1, 2003 and at this time have not yet assessed the impact that adoption might have on our financial position and results of operations.

In August 2001, the FASB issued SFAS No. 144 "Accounting for the Impairment and Disposal of Long-Lived Assets." SFAS No. 144 supersedes SFAS No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" and also supersedes the provisions of APB Opinion No. 30 "Reporting the Results of Operations--Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual, and Infrequently Occurring Events and Transactions." SFAS No. 144 retains the requirements of SFAS No. 121 to (a) recognize an impairment loss only if the carrying amount of a long-lived asset is not recoverable from its undiscounted cash flow and (b) measure an impairment loss as the difference between the carrying amount and the fair value of the asset. SFAS No. 144 establishes a single model for accounting for long-lived assets to be disposed of by sale. As required, we have adopted the provisions of SFAS No. 144 effective January 1, 2002.

In April 2002, the FASB issued SFAS No. 145 "Rescission of Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections". This Statement rescinds SFAS No. 4, "Reporting Gains and Losses from Extinguishment of Debt," and an amendment of that Statement, SFAS No. 64, "Extinguishments of Debt Made to Satisfy Sinking-Fund Requirements." This Statement also rescinds SFAS No. 44, "Accounting for Intangible Assets of Motor Carriers." This Statement amends SFAS No. 13, "Accounting for Leases," to eliminate an inconsistency between the required accounting for sale-leaseback transactions and the required accounting for certain lease modifications that have economic effects that are similar to sale-leaseback transactions. This Statement also amends other existing authoritative pronouncements to make various technical corrections, clarify meanings, or describe their applicability under changed conditions. Effective July 1, 2002, we early adopted the provisions of SFAS No. 145. Except for the provisions regarding the gains and losses from the extinguishment of debt, we do not believe the provisions of SFAS No. 145 will have an impact on our financial position and results of operations.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." The standard requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of a commitment to an exit or disposal plan. Examples of costs covered by the standard include lease termination costs and certain employee severance costs that are associated with a restructuring, discontinued operation, plant closing, or other exit or disposal activity. Previous accounting guidance was provided by EITF Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." SFAS No. 146

replaces EITF 94-3 and is to be applied prospectively to exit or disposal activities initiated after December 31, 2002. We frequently engage in strategic restructuring and integration initiatives that include exit and disposal activities. Accordingly, we expect that SFAS No. 146 could impact the way in which we account for certain restructuring costs; however, at this time, we have not fully assessed the impact of adopting this statement.

3. ACQUISITIONS AND DIVESTITURES

We use acquisitions as a part of our strategy to acquire access to new technologies, expand our geographical reach, penetrate new markets and leverage our existing product, market, manufacturing or technical expertise. We continually review each of our businesses pursuant to our "fix, sell or grow" strategy. These reviews could result in selected acquisitions to expand an existing business or result in the disposition of an existing business. Business acquisitions and dispositions for the six months ended June 30, 2002 and 2001 are described below.

All acquisitions have been accounted for using the purchase method of accounting and, accordingly, the condensed consolidated statements of income include the results of each acquired business upon acquisition. The assets acquired and liabilities assumed are recorded at estimates of fair values as determined by independent appraisals and management based on information available and on assumptions as to future operations. We complete our reviews and determinations of the fair value of the assets acquired and liabilities assumed within one year after acquisition. These reviews include finalizing any strategic reviews of the businesses acquired and our plans to integrate their operations, evaluating the contingent and actual liabilities assumed, and obtaining final appraisals of the tangible and intangible assets acquired. The allocation of the purchase price is subject to revision for up to one year from the acquisition date.

Acquisitions--2002

During the first quarter, in the Technical Products segment, we completed three acquisitions for cash with an aggregate purchase price of \$38.2. In aggregate, the acquired companies had revenues of \$46.3 in the twelve months prior to the respective dates of acquisition. These acquisitions include the acquisition of selected assets and liabilities of Dukane Communications Systems by Edwards Systems Technology, our fire detection and integrated building life-safety systems business unit based in Cheshire, CT.

During the first quarter, in the Industrial Products segment, we completed one acquisition for a purchase price of \$13.4, which included the issuance of common stock valued at \$11.5. The acquired company had revenue of \$9.6 in the twelve months prior to the respective date of acquisition. The acquisition was made by Waukesha Electric Systems, our power systems business unit based in Waukesha, WI.

During the second quarter, in the Technical Products, segment we completed one acquisition for a purchase price of \$3.9, which included the issuance of common stock valued at \$2.9. The acquired company had revenue of \$3.0 in the twelve months prior to the date of acquisition. The acquisition was made by our Security & Investigations business unit based in Charlotte, NC.

During the second quarter, in the Flow Technology segment, we acquired Daniel Valve Company for a cash purchase price of \$72.0. Daniel Valve had revenue of \$46.7 in the twelve months prior to the date of acquisition. The acquisition was made by SPX Valves and Controls, our industrial valves, instrumentation and strainers business unit based in Sartell, Minnesota.

On July 31, 2002, we completed the acquisition of certain assets and subsidiaries of the Balcke Cooling Products Group from Babcock Borsig AG for a purchase price of approximately \$47.0, which includes debt assumed. Based in Oberhausen, Germany, Balcke Cooling is a leader in the design, manufacture and marketing of dry and wet cooling system products in the global power, chemical, petro chemical and process industries. Balcke has annual revenues in excess of \$245.0 million. This business will be integrated into our Marley Cooling Technologies business, part of our Flow Technology segment.

These acquisitions are not material individually or in the aggregate.

Acquisitions--2001

During the first quarter, in the Technical Products segment, we completed four acquisitions for cash with an aggregate purchase price of \$74.8. In aggregate, the acquired companies had revenues of \$86.9 in the twelve months prior to the respective dates of acquisition. These acquisitions included TCI International and Central Tower by Dielectric Communications, our broadcast antenna and radio frequency transmission systems business unit based in Raymond, ME.

During the first quarter, in the Industrial Products segment, we completed two acquisitions for a cash purchase price of \$32.4. In aggregate, the acquired companies had revenues of \$52.9 in the twelve months prior to the respective dates of acquisition. These acquisitions included Carfel by Filtran, our automotive filtration products business unit based in Des Plaines, IL.

During the first quarter, in the Flow Technology segment, we completed two acquisitions for cash with an aggregate purchase price of \$13.2. In aggregate, the acquired companies had revenues of \$16.7 in the twelve months prior to the respective dates of acquisition.

During the second quarter, in the Technical Products segment, we completed one acquisition for a cash purchase price of \$10.4. The acquired company had revenue of \$17.7 in the twelve months prior to the date of acquisition. The acquisition was made by Inrange Technologies, our subsidiary based in Lumberton, NJ. that designs and manufactures high-end scalable storage networking solutions.

These acquisitions are not material individually or in the aggregate.

Divestitures--2001

During the second quarter, in the Industrial Products segment, we sold substantially all the assets and liabilities of our GS Electric business for \$27.0 in cash and a \$5.0 note due one year from the date of sale; this note was collected in full during the second quarter of 2002. In the second quarter of 2001, a pre-tax loss of \$11.8 was recorded on the sale. In 2000, this business had revenues of \$75.3.

UDI Acquisition--May 24, 2001

On May 24, 2001, we completed the acquisition of United Dominion Industries Limited "UDI" in an all-stock transaction valued at \$1,066.9 including \$128.0 of cash costs related to transaction fees and corporate change in control matters. We issued a total of 9.385 shares (3.890 from treasury) to complete the transaction. We also assumed or refinanced \$884.1 of UDI debt bringing the total transaction value to \$1,951.0.

UDI, which had sales of \$2,366.2 for the twelve months ended December 31, 2000, manufactured products including: electrical test and measurement solutions; cable and pipe locating devices; laboratory testing chambers; industrial ovens; electrodynamic shakers; air filtration and dehydration equipment; material handling devices; electric resistance heaters; soil, asphalt and landfill compactors; specialty farm machinery; pumps; valves; cooling towers; boilers; leak detection equipment; and aerospace components.

The acquisition was accounted for using the purchase method of accounting in accordance with APB 16 and APB 17, and accordingly, the statements of consolidated income include the results of UDI beginning May 25, 2001. The assets acquired and liabilities assumed were recorded at fair values with useful lives as determined by independent appraisals and management. As of May 24, 2002, we have completed our review and determination of the fair value of this assets acquired and liabilities assumed.

A final summary of the assets acquired and liabilities assumed in the acquisition follows:

Estimated fair values	
Assets acquired	\$ 1,917.1
Liabilities assumed	(2,012.4)
Excess of cost over net assets acquired	1,162.2

Purchase price	\$ 1,066.9
Less cash acquired	(78.4)

Net purchase price	\$ 988.5

Of the total assets acquired, \$402.0 is allocated to identifiable intangible assets, including trademarks and patents, based on the final assessment of fair value.

For financial statement purposes, the excess of cost over net assets acquired was amortized by the straight-line method over 40 years during the period from the acquisition date through December 31, 2001. Intangible assets other than goodwill were also amortized during this period according to their respective useful lives varying from 5 to 40 years. Effective January 1, 2002, we have adopted the provisions of SFAS No. 142 and this statement requires that goodwill and indefinite-lived intangibles are no longer amortized but are reviewed for impairment annually. See Note 2 and Note 8 for further discussion of the impact of adopting SFAS No. 142.

As a result of the acquisition of UDI, we have incurred to date integration expenses for the incremental costs to exit and consolidate activities at UDI locations, to involuntarily terminate UDI employees, and for other costs to integrate operating locations and other activities of UDI with SPX. GAAP requires that these acquisition integration expenses, which are not

associated with the generation of future revenues and which do not benefit activities that will be continued, be reflected as assumed liabilities in the allocation of the purchase price to the net assets acquired. On the other hand, these same principles require that acquisition integration expenses associated with integrating SPX operations into UDI locations must be recorded as expense. These expenses are discussed in Note 5. The components of the acquisition integration liabilities included in the final purchase price allocation for UDI are as follows:

	Work force Reductions	Non-cancelable Leases	Facility Consolidation / Other	Total
Balance at March 31, 2002	\$ 13.4	\$ 7.7	\$ 11.7	\$ 32.8
Payments	(2.3)	(0.3)	(3.8)	(6.4)
Adjustments	3.7	-	6.4	10.1
	-----	-----	-----	-----
Balance at June 30, 2002	\$ 14.8	\$ 7.4	\$ 14.3	\$ 36.5

The acquisition integration liabilities are based on our current integration plan which focuses on three key areas of integration: (1) manufacturing process and supply chain rationalization, including plant closings or sales, (2) elimination of redundant administrative overhead and support activities, and (3) restructuring and repositioning sales and marketing organizations to eliminate redundancies in these activities. In total, we expect to close or sell approximately 49 former UDI manufacturing, sales and administrative facilities. As of June 30, 2002, all 49 facility closures or dispositions have been announced and 48 have been completed. With the exception of certain multi-year operating lease obligations at closed facilities, we anticipate that the liabilities related to restructuring actions will be paid within one year from the period in which the action was initiated.

Excluding businesses sold, we expected to reduce the former UDI work force by approximately 2,500 employees. As of June 30, 2002, those reductions were substantially completed. Terminated UDI employees who qualify will have their severance benefits paid out of SPX pension plan assets. These special termination benefits are accounted for as early retirement benefits and special termination benefits in accordance with SFAS No. 87 and SFAS No. 88. During the second quarter of 2002, approximately \$2.2 of pension assets were used to fund employee severance costs and of the remaining \$14.8 work force reduction obligation, we expect that approximately \$7.2 of pension assets will be used to fund these severance benefits. Other cash costs primarily represent facility holding costs, supplier cancellation fees, and the relocation of UDI personnel associated with plant closings and product rationalization. Anticipated savings from these cost reduction and integration actions are expected to exceed \$120.0 on an annualized basis.

Employee reductions associated with sold businesses approximate 851 as of June 30, 2002.

The acquisition of UDI significantly affects the comparison of the 2001 results of operations. Unaudited pro forma results of operations for the six months ended June 30, 2001 are presented below as if the acquisition of UDI, which was acquired on May 24, 2001, took place on January 1, 2001. Effective January 1, 2002, we adopted the remaining provisions of SFAS No. 141 and SFAS No. 142. SFAS No. 142 requires that goodwill and indefinite lived intangible assets are no longer amortized. Accordingly, we discontinued amortization of these assets on the date of adoption. The following 2001 pro forma results assume that the cessation of the amortization of goodwill and indefinite lived intangible assets had occurred on January 1, 2001. We believe that the following pro forma results of operations will facilitate more meaningful analysis.

The pro forma results include estimates and assumptions that management believes are reasonable. However, pro forma results do not include any anticipated cost savings or expenses of the planned integration of UDI and SPX, and are not necessarily indicative of the results that would have occurred if the business combination had been in effect on the dates indicated, or that may result in the future. The consolidated interest expense has been computed on assumptions that the refinancing of UDI debt occurred entirely under the credit agreement and not through the issuance of publicly traded or privately placed notes. Interest income was not changed from historical amounts and debt issuance costs are amortized over five years. The pro forma results assume the fair values and lives of definite lived intangible assets as determined by independent appraisals. The pro forma consolidated effective income tax rate for the combined companies includes the impact of special charges and unusual items as well as increases in foreign income tax rates due to the acquisition.

	Six months ended June 30,	
	2002 Actual	2001 Pro Forma
Revenues	\$2,388.0	\$2,484.9
Income before change in accounting principle (1)	123.4	79.0
Net (loss) income	(25.2)	79.0
Basic (loss) income per share:		
Income before change in accounting principle	\$ 3.01	\$ 1.98
Change in accounting principle	(3.63)	-
Net (loss) income per share	\$ (0.62)	\$ 1.98
Diluted (loss) income per share:		
Income before change in accounting principle	\$ 2.94	\$ 1.95
Change in accounting principle	(3.54)	-
Net (loss) income per share	\$ (0.60)	\$ 1.95

(1) We recorded a charge for a change in accounting principle of \$148.6 as a result of adopting the provisions of SFAS No. 142. See Note 8 to the Condensed Consolidated Financial Statements for more detail.

4. BUSINESS SEGMENT INFORMATION

We are a global provider of technical products and systems, industrial products and services, flow technology and service solutions. We offer a diverse collection of products, which include scalable storage networking solutions, fire detection and building life-safety products, TV and radio broadcast antennas and towers, life science products and services, transformers, compaction equipment, high-integrity die-castings, dock products and systems, cooling towers, air filtration products, valves, back-flow prevention and fluid handling devices, and metering and mixing solutions. Our products and services also include specialty service tools, diagnostic systems, service equipment, and technical information services. Our products are used by a broad array of customers in various industries, including chemical processing, pharmaceuticals, infrastructure, mineral processing, petrochemical, telecommunications, financial services, transportation and power generation.

We have aggregated certain operating segments in accordance with the criteria defined in SFAS No. 131 "Disclosures about Segments of an Enterprise and Related Information." The primary aggregation factors considered in determining the segments were the nature of products sold, production processes and types of customers for these products. Our results of operations are reported in four segments: Technical Products and Systems, Industrial Products and Services, Flow Technology, and Service Solutions.

Technical Products and Systems

The Technical Products and Systems segment focuses on solving customer problems with complete technology-based systems and services. Our emphasis is on growth through investment in new technology, new product introductions, alliances, and acquisitions. This segment includes operating units that design and manufacture scalable storage networking solutions; fire detection and integrated building life-safety systems; TV and radio transmission systems; automated fare collection systems; laboratory centrifuges, incubators, ovens, testing chambers and freezers; electrical test and measurement solutions; cable and pipe locating devices; electrodynamic shakers; industrial ovens and equipment for the manufacture of silicon crystals; and provide professional investigation and security services.

Industrial Products and Services

The strategy of the Industrial Products and Services segment is to provide "Productivity Solutions for Industry." This segment emphasizes introducing new related services and products, as well as focusing on the replacement parts and service elements of the segment. This segment includes operating units that design, manufacture and market power transformers, hydraulic systems, high-integrity aluminum and magnesium die-castings, automatic transmission filters, industrial filtration products, dock equipment, material handling devices, electric resistance heaters, soil, asphalt and landfill compactors, specialty farm machinery, and components for the aerospace industry.

Flow Technology

The Flow Technology segment designs, manufactures, and markets solutions and products that are used to process or transport fluids and in heat transfer applications. This segment includes operating units that manufacture pumps and other fluid handling machines, valves, cooling towers, boilers, and industrial mixers.

Service Solutions

Service Solutions includes operations that design, manufacture and market a wide range of specialty service tools, hand-held diagnostic systems and service equipment, inspection gauging systems, and technical and training information, primarily to the vehicle franchise dealer industry in North America and Europe. Major customers are franchised dealers of motor vehicle manufacturers, aftermarket vehicle service facilities, and independent distributors.

Inter-company sales among segments are not significant. Operating income by segment includes segment special charges; however, it does not include general corporate expenses or corporate special charges. See Note 5 to the Condensed Consolidated Financial Statements for more detail on special charges by segment.

Financial data for the company's business segments are as follows:

	Three months ended June 30		Six months ended June 30	
	2002	2001	2002	2001
Revenues:				
Technical Products and Systems	\$ 319.1	\$252.0	\$ 623.1	\$ 460.0
Industrial Products and Services	430.8	316.7	815.0	566.3
Flow Technology	316.7	172.9	596.4	244.2
Service Solutions	190.9	168.5	353.5	320.0
	-----	-----	-----	-----
	\$1,257.5	\$910.1	\$2,388.0	\$1,590.5
	=====	=====	=====	=====
Operating Income:				
Technical Products and Systems	\$ 33.8	\$ 27.5	\$ 77.5	\$ 55.8
Industrial Products and Services	45.1	35.3	98.8	69.1
Flow Technology	42.0	25.6	79.1	34.3
Service Solutions	26.6	1.9	41.5	13.2
General Corporate	(21.2)	(29.9)	(36.7)	(38.4)
	-----	-----	-----	-----
	\$ 126.3	\$ 60.4	\$ 260.2	\$ 134.0
	=====	=====	=====	=====

5. SPECIAL CHARGES

Special charges for the three and six month periods ended June 30, 2002 and 2001 include the following:

	Three months ended June 30,		Six months ended June 30,	
	2002	2001	2002	2001
Employee Benefit Costs	\$23.7	\$ 9.7	\$ 27.1	\$ 11.4
Facility Consolidation Costs	9.4	9.3	10.2	9.3
Other Cash Costs	0.9	8.7	3.1	8.7
Non-Cash Asset Write-downs	16.8	26.3	16.8	28.0
	-----	-----	-----	-----
Total	\$50.8	\$54.0	\$ 57.2	\$ 57.4
	=====	=====	=====	=====

At June 30, 2002, a total of \$53.7 of restructuring liabilities remained on the Condensed Consolidated Balance Sheet as shown below. With the exception of certain multi-year operating lease obligations at closed facilities, we anticipate that the liabilities related to restructuring actions will be paid within one year from the period in which the action was initiated. The following table summarizes the restructuring accrual activity from December 31, 2001 through June 30, 2002:

	Employee Benefit Costs	Facility Consolidation Costs	Other Cash Costs	Total Cash Costs	Non-cash Asset Write-downs	Total Special Charges
Balance at December 31, 2001	\$ 17.3	\$ 12.3	\$ 9.6	\$ 39.2		
Special Charges	27.1	10.2	3.1	40.4	\$16.8	\$57.2
	-----	-----	-----	-----	-----	-----
Cash Payments	(13.2)	(3.5)	(9.2)	(25.9)		
	-----	-----	-----	-----		
Balance at June 30, 2002	\$ 31.2	\$ 19.0	\$ 3.5	\$ 53.7		
	=====	=====	=====	=====		

Special Charges--2002

In the second quarter of 2002, we continued to employ our Value Improvement Process(R) to right-size our businesses and keep pace with changes in economic and market conditions. Consequently, we recorded special charges primarily related to new and previously announced restructuring and integration activities, which reduced operating income by \$50.8. Of this amount, \$12.7

was recorded in the Technical Products and Systems segment, \$27.0 was recorded in the Industrial Products and Services segment, \$3.2 was recorded in the Flow Technology segment, \$0.2 was recorded in the Service Solutions segment, and \$7.7 was recorded at Corporate.

The special charges recorded in the second quarter are primarily related to: facility closures and workforce reductions at Waukesha Electric Systems and Inrange Technologies, exiting certain machining operations at our hydraulic systems business, the impairment of a corporate asset held for sale, the completion of the relocation of our corporate headquarters to Charlotte, NC, and the costs associated with previously announced restructuring and integration initiatives. When completed, the restructuring initiatives announced in the second quarter of 2002 will result in the closure of three sales and service facilities and one manufacturing facility as well as reduce domestic hourly and salaried headcount by approximately 738 employees. At June 30, 2002, approximately 179 of the 738 employees had been terminated and we expect the remaining 559 to be terminated by December 31, 2002.

Operating income for the six months ended June 30, 2002 was reduced by special charges of \$57.2 primarily related to the actions described below.

In the Technical Products and Systems segment, \$13.1 of special charges have been recorded for the six months ended June 30, 2002. These charges primarily relate to the announced closure of three engineering and service facilities as well as the restructuring of certain sales, marketing, and administrative functions at Inrange Technologies. The affected facilities were located in Shelton, CT, Pittsburgh, PA, and Fairfax, VA. This restructuring will result in the consolidation of Inrange's research and development functions into its headquarters in Lumberton, NJ. When completed, these restructuring actions will result in the elimination of approximately 172 domestic salaried employees.

In the Industrial Products and Services segment, \$28.9 of special charges have been recorded for the six months ended June 30, 2002. These charges are primarily associated with employee benefit costs and asset impairments related to work force reductions and the announced closure of the Milpitas, CA manufacturing facility at Waukesha Electric Systems. Additionally, Fluid Power initiated a restructuring action that will result in the exiting of certain machining operations. When completed, these actions will result in the elimination of approximately 374 hourly and 175 salaried domestic employees.

In the Flow Technology segment, \$5.4 of special charges have been recorded for the six months ended June 30, 2002. These charges primarily relate to workforce reduction initiatives taken at our industrial mixer business as well as additional business consolidation actions taken by SPX Valves and Controls. The actions taken at SPX Valves and Controls are predominantly for the planned integration of existing valve businesses into our newly acquired Daniel Valve business. These restructuring and integration initiatives resulted in the termination of approximately 112 hourly and 38 salaried domestic employees.

In the Service Solutions segment, \$0.4 of special charges have been recorded for the six months ended June 30, 2002. These charges relate to as-incurred exit costs associated with previously announced business integration actions.

The Corporate special charges for the six months ended June 30, 2002 of \$9.4, relate to the impairment of a corporate asset held for sale and the final costs to complete the relocation of our corporate headquarters to Charlotte, NC.

Special Charges -- 2001

In the second quarter of 2001, we recorded special charges of \$54.0, \$13.5 of which relates to inventory write-downs recorded in cost of products sold. Of this amount, \$13.0 was recorded in the Technical Products and Systems segment, \$8.8 was recorded in the Industrial Products and Services segment, \$13.2 was recorded in the Service Solutions segment, and \$19.0 was recorded at Corporate.

Operating income for the six months ended June 30, 2001, was reduced by special charges of \$57.4, \$13.5 of which relates to inventory write-downs recorded in cost of products sold. These charges relate to work force reductions, asset write-downs, and other cash costs associated with plant consolidation, exiting certain product lines and facilities, and other restructuring actions. The costs of employee termination benefits relate to the elimination of approximately 597 positions, primarily manufacturing, sales and administrative personnel located in the United States.

In the Technical Products segment, \$14.1 of special charges were recorded for the six months ended June 30, 2001. These charges were primarily due to work force reductions and asset impairments associated with our data storage networks business exiting the telecom business. We recorded \$4.9 of these charges in cost of products sold.

In the Industrial Products and Services segment, \$10.2 of special charges were recorded for the six months ended June 30, 2001. These charges were primarily due to work force reductions, plant consolidation costs and asset impairments associated with

exiting a product line in our industrial ovens business and closing an industrial mixers facility in the UK. We recorded \$1.8 of these charges in cost of products sold.

In the Service Solutions segment, \$14.1 of special charges were recorded for the six months ended June 30, 2001. These charges were primarily due to work force reductions and asset impairments associated with exiting the dynamometer-based emissions business in North America and closing a facility in France. We recorded \$6.8 of these charges as a component of cost of products sold.

For the six months ended June 30, 2001, other special charges of \$19.0 were recorded at the Corporate level. Of these charges, \$4.1 primarily relates to the abandonment of an internet-based software system and the remaining charges of \$14.9 include costs associated with the announced relocation of our corporate headquarters from Muskegon, MI. to Charlotte, NC. In addition to severance, these relocation costs include non-cancelable lease obligations, facility-holding costs and asset impairments associated with a leased facility in Muskegon, MI.

6. EARNINGS PER SHARE

The following table sets forth certain calculations used in the computation of diluted earnings per share:

	Three months ended June 30,		Six months ended June 30,	
	2002	2001	2002	2001
Numerator:				
Net income (loss)	\$ 58.3	\$ 13.4	\$ (25.2)	\$ 48.8
Denominator (shares in millions):				
Weighted-average shares outstanding	41.297	35.170	40.974	33.106
Effect of dilutive securities:				
Employee stock options and warrants	1.038	0.923	1.059	0.838
Adjusted weighted-average shares and assumed conversions	42.335	36.093	42.033	33.944

7. INVENTORY

Inventory consists of the following amounts (reduced when necessary to estimated realizable values):

	June 30, 2002	December 31, 2001
Finished goods	\$ 327.4	\$265.6
Work in process	128.0	149.9
Raw material and purchased parts	230.3	224.7
Total FIFO cost	\$ 685.7	\$640.2
Excess of FIFO cost over LIFO inventory value	(15.3)	(14.7)
Total Inventory	\$ 670.4	\$625.5

8. GOODWILL AND OTHER INTANGIBLE ASSETS

On July 20, 2001, the Financial Accounting Standards Board issued SFAS No. 141 "Business Combinations" and SFAS No. 142 "Goodwill and Other Intangible Assets." These pronouncements change the accounting for business combinations, goodwill, and intangible assets. SFAS No. 141 eliminates the pooling-of-interests method of accounting for business combinations and further clarifies the criteria to recognize intangible assets separately from goodwill. SFAS No. 142 states goodwill and intangible assets deemed to have indefinite lives are no longer amortized but are reviewed for impairment annually (or more frequently if impairment indicators arise). Separable intangible assets that are not deemed to have an indefinite life will continue to be amortized over their useful lives and assessed for impairment under the provisions of SFAS No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long Lived Assets to be Disposed Of" as superseded by SFAS No. 144.

The requirements of SFAS No. 141 and amortization provisions of SFAS No. 142 were effective for any business combination initiated after July 1, 2001. We have not amortized goodwill and indefinite-lived intangibles for acquisitions completed after this date. With respect to goodwill and intangible assets acquired prior to July 1, 2001, companies are required to adopt SFAS No. 142 in their fiscal year beginning after December 15, 2001. We adopted the remaining provisions of SFAS No. 142 effective January 1, 2002. Upon adoption of this standard, we ceased amortizing all remaining goodwill and intangible assets deemed to have indefinite useful lives. The pro forma impact of this change is presented below.

Transitional Disclosures

	Three months ended		Six months ended	
	June 30,		June 30,	
	2002	2001	2002	2001
	----	----	----	----
Reported net (loss) income	\$ 58.3	\$ 13.4	\$ (25.2)	\$ 48.8
Add back: goodwill amortization, net of tax	-	10.5	-	18.1
Add back: trademarks/tradenames amortization, net of tax	-	1.3	-	1.8
Adjusted net income	\$ 58.3	\$ 25.2	\$ (25.2)	\$ 68.7
	=====	=====	=====	=====
Basic earnings per share:				
Reported	\$ 1.41	\$ 0.38	\$ (0.62)	\$ 1.47
Add back: goodwill amortization, net of tax	-	0.30	-	0.55
Add back: trademarks/tradenames amortization, net of tax	-	0.04	-	0.05
Adjusted earnings per share	\$ 1.41	\$ 0.72	\$ (0.62)	\$ 2.07
	=====	=====	=====	=====
Diluted earnings per share:				
Reported	\$ 1.38	\$ 0.37	\$ (0.60)	\$ 1.44
Add back: goodwill amortization, net of tax	-	0.29	-	0.53
Add back: trademarks/tradenames amortization, net of tax	-	0.04	-	0.05
Adjusted earnings per share	\$ 1.38	\$ 0.70	\$ (0.60)	\$ 2.02
	=====	=====	=====	=====

In accordance with the transition rules of SFAS No. 142 effective January 1, 2002, we established our reporting units based on our current reporting structure. We then assigned all existing goodwill to the reporting units, as well as other assets and liabilities that relate to the reporting unit.

We performed our transition impairment testing as of January 1, 2002. Step 1 involved comparing the carrying values of the reported net assets of our reporting units to their fair values. Fair value was based on discounted cash flow projections but we also considered factors such as market capitalization and comparable industry price multiples. The net assets of Filtran and Fluid Power, two reporting units in our Industrial Products segment, had carrying values in excess of their fair values. For these reporting units, we performed Step 2 of the impairment testing provisions.

We engaged an independent valuation and appraisal firm to assist us with the Step 2 testing. The assets and liabilities of Filtran, our automotive filtration products business, and Fluid Power, our medium and high pressure hydraulic equipment business, were appraised at their current fair value to calculate implied goodwill for these reporting units. The recorded goodwill exceeded the implied goodwill by \$148.6, and, accordingly, this amount was required to be written-off as a transition impairment charge and recorded as a change in accounting principle. The impaired goodwill was not deductible for income tax purposes.

The following tables reflect the initial assignment of goodwill and intangible assets to the reporting units as of January 1, 2002. Thereafter, activity reflects (1) the initial allocation of purchase price for acquisitions completed during the first six months of 2002, and subsequent purchase price adjustments for acquisitions completed not more than one year prior to the date of adjustment, (2) disposals, (3) amortization, and (4) impairment charges. This information is presented first on a consolidated basis and second on a segment basis.

Consolidated:

	Unamortized		Amortized			Total
	Goodwill	Trademarks/ Tradenames	Patents	Licenses	Other	
Weighted average useful life in years			10	4	7	
January 1, 2002 gross balance	\$ 2,481.5	\$ 452.0	\$ 45.1	\$ 16.7	\$ 10.8	\$ 3,006.1
Acquisitions and related adjustments	183.3	7.4	(1.9)	4.4	3.9	197.1
Disposals	-	-	-	-	-	-
Impairment charge	(148.6)	-	-	-	-	(148.6)
June 30, 2002 gross balance	\$ 2,516.2	\$ 459.4	\$ 43.2	\$ 21.1	\$ 14.7	\$ 3,054.6
January 1, 2002 accumulated amortization			\$ (2.4)	\$ (3.1)	\$ (1.5)	\$ (7.0)
Amortization*			(2.7)	(2.1)	(1.0)	(5.8)
Disposals			-	-	-	-
June 30, 2002 accumulated amortization			\$ (5.1)	\$ (5.2)	\$ (2.5)	\$ (12.8)

* \$2.1 has been recorded as a component of cost of products sold

Estimated amortization expense:

For year ended 12/31/02	\$11.3
For year ended 12/31/03	\$11.7
For year ended 12/31/04	\$10.9
For year ended 12/31/05	\$ 8.6
For year ended 12/31/06	\$ 5.5

Segments:

	Unamortized		Amortized			Total
	Goodwill	Trademarks/ Tradenames	Patents	Licenses	Other	
Technical Products and Systems						
January 1, 2002 gross balance	\$ 574.4	\$ 62.9	\$ 19.3	\$ 16.3	\$ 9.0	\$ 681.9
Acquisitions and related adjustments	44.7	7.4	(2.3)	4.4	1.6	55.8
Disposals	-	-	-	-	-	-
Impairment charge	-	-	-	-	-	-
June 30, 2002 gross balance	\$ 619.1	\$ 70.3	\$ 17.0	\$ 20.7	\$ 10.6	\$ 737.7
January 1, 2002 accumulated amortization			\$ (0.7)	\$ (3.1)	\$ (1.3)	\$ (5.1)
Amortization*			(1.4)	(2.1)	(0.7)	(4.2)
Disposals			-	-	-	-
June 30, 2002 accumulated amortization			\$ (2.1)	\$ (5.2)	\$ (2.0)	\$ (9.3)
* \$2.1 has been recorded as a component of cost of products sold						
Industrial Products and Services						
January 1, 2002 gross balance	\$ 921.5	\$ 158.3	\$ 15.4	\$ 0.4	\$ 1.7	\$1,097.3
Acquisitions and related adjustments	25.4	-	-	-	2.3	27.7
Disposals	-	-	-	-	-	-
Impairment charge	(148.6)	-	-	-	-	(148.6)
June 30, 2002 gross balance	\$ 798.3	\$ 158.3	\$ 15.4	\$ 0.4	\$ 4.0	\$ 976.4
January 1, 2002 accumulated amortization			\$ (0.9)	\$ -	\$ (0.2)	\$ (1.1)
Amortization			(0.8)	-	(0.3)	(1.1)
Disposals			-	-	-	-
June 30, 2002 accumulated amortization			\$ (1.7)	\$ -	\$ (0.5)	\$ (2.2)
Flow Technology						
January 1, 2002 gross balance	\$ 728.5	\$ 180.3	\$ 9.4	\$ -	\$ 0.1	\$ 918.3
Acquisitions and related adjustments	88.9	-	0.4	-	-	89.3
Disposals	-	-	-	-	-	-
Impairment charge	-	-	-	-	-	-
June 30, 2002 gross balance	\$ 817.4	\$ 180.3	\$ 9.8	\$ -	\$ 0.1	\$1,007.6
January 1, 2002 accumulated amortization			\$ (0.6)	\$ -	\$ -	\$ (0.6)
Amortization			(0.4)	-	-	(0.4)
Disposals			-	-	-	-
June 30, 2002 accumulated amortization			\$ (1.0)	\$ -	\$ -	\$ (1.0)
Service Solutions						
January 1, 2002 gross balance	\$ 257.1	\$ 50.5	\$ 1.0	\$ -	\$ -	\$ 308.6
Acquisitions and related adjustments	24.3	-	-	-	-	24.3
Disposals	-	-	-	-	-	-
Impairment charge	-	-	-	-	-	-
June 30, 2002 gross balance	\$ 281.4	\$ 50.5	\$ 1.0	\$ -	\$ -	\$ 332.9
January 1, 2002 accumulated amortization			\$ (0.2)	\$ -	\$ -	\$ (0.2)
Amortization			(0.1)	-	-	(0.1)
Disposals			-	-	-	-
June 30, 2002 accumulated amortization			\$ (0.3)	\$ -	\$ -	\$ (0.3)

As a policy, we will conduct annual impairment testing of goodwill and indefinite-lived intangibles during the fourth quarter, after our reporting units have submitted their long-range operating plans. Goodwill and indefinite-lived intangibles will be reviewed for impairment more frequently if impairment indicators arise. Intangible assets that are subject to amortization will be reviewed for impairment in accordance with the provisions of SFAS No. 121 as superseded by SFAS No. 144.

9. DEBT

Our long-term debt as of June 30, 2002 and December 31, 2001 consists of the following principal amounts:

	June 30, 2002	December 31, 2001
	-----	-----
Tranche A loan	\$ 331.3	\$ 393.7
Tranche B loan	487.5	490.0
Tranche C loan	808.9	823.0
LYONs, net of unamortized discount of \$562.9 and \$574.1, respectively	846.9	835.7
Industrial revenue bond due 2002	1.0	1.0
Other borrowings	12.4	69.0
	-----	-----
	\$2,488.0	\$2,612.4
Less current maturities of long-term debt	(157.1)	(161.6)
	-----	-----
Total long-term debt	\$2,330.9	\$2,450.8
	=====	=====

Credit Facility

As of June 30, 2002, we had outstanding under our Credit Agreement:

- (a) \$331.3 of aggregate principal amount of Tranche A term loans,
- (b) \$487.5 of aggregate principal amount of Tranche B term loans, and
- (c) \$808.9 of aggregate principal amount of Tranche C term loans.
- (d) In addition, the Credit Facility provides for a commitment to provide revolving credit loans of up to \$600.0. As of June 30, 2002 the revolving credit loans stand unused; however, the aggregate available borrowing capacity is reduced by \$61.6 of letters of credit outstanding as of June 30, 2002. We also have \$1.2 of letters of credit outstanding as of June 30, 2002, which do not reduce our revolver borrowing capacity. We expect that our outstanding letters of credit will increase by approximately \$55.0 in future periods due to the July 31, 2002, acquisition of Balcke Cooling Products.

Liquid Yield Option Notes (in millions, except per LYONs amounts)

On February 6, 2001, we issued Liquid Yield Option(TM) Notes ("February LYONs") at an original price of \$579.12 per \$1,000 principal amount at maturity, which represents an aggregate initial issue price of \$576.1 and an aggregate principal amount of \$994.8 due at maturity on February 6, 2021. On May 9, 2001, we issued Liquid Yield Option(TM) Notes ("May LYONs") at an original price of \$579.12 per \$1,000 principal amount at maturity, which represents an aggregate initial issue price including the over allotment exercised by the original purchaser of \$240.3 and an aggregate principal amount \$415.0 due at maturity on May 9, 2021.

The LYONs have a yield to maturity of 2.75% per year, computed on a semi-annual bond equivalent basis, calculated from the date of issuance. We will not pay cash interest on the LYONs prior to maturity unless contingent interest becomes payable. The LYONs are unsecured and unsubordinated obligations and are debt instruments subject to United States federal income tax contingent payment debt regulations. Even if we do not pay any cash interest on the LYONs, bondholders are required to include interest in their gross income for United States federal income tax purposes. This imputed interest, also referred to as tax original issue discount, accrues at a rate equal to 9.625% on the February LYONs and 8.75% on the May LYONs. The rate at which the tax original issue discount accrues for United States federal income tax purposes exceeds the stated yield of 2.75% for the accrued original issue discount.

The LYONs are subject to conversion to SPX common shares only if certain contingencies are met. These contingencies include:

- (1) Our average stock price exceeding predetermined accretive values of SPX's stock price each quarter (see below);
- (2) During any period in which the credit rating assigned to the LYONs by either Moody's or Standard & Poor's is at or below a specified level;
- (3) Upon the occurrence of certain corporate transactions, including change in control.

In addition, a holder may surrender for conversion a LYON called for redemption even if it is not otherwise convertible at such time. The conversion rights based on predetermined accretive values of SPX's stock include, but are not limited to, the following provisions:

	February LYONS	May LYONS
	-----	-----
Initial Conversion Rate (shares of common stock per LYON)	4.8116	4.4294
Initial Stock Price	\$ 100.30	\$ 110.80
Initial Accretion Percentage	135%	120%
Accretion Percentage Decline Per Quarter	0.3125%	0.125%
Conversion Trigger Prices - Next Twelve Months:		
2002 Third Quarter	\$ 166.88	\$ 161.20
2002 Fourth Quarter	\$ 167.63	\$ 162.14
2003 First Quarter	\$ 168.38	\$ 163.08
2003 Second Quarter	\$ 169.14	\$ 164.02

Holder may surrender LYONS for conversion into shares of common stock in any calendar quarter, if, as of the last day of the preceding calendar quarter, the closing sale price of our common stock for at least 20 trading days in a period of 30 consecutive trading days ending on the last trading day of such preceding calendar quarter is more than the specified percentage, beginning at 135% and declining 0.3125% per quarter thereafter for the February LYONS, beginning at 120% and declining 0.125% per quarter thereafter for the May LYONS, of the accreted conversion price per share of common stock on the last trading day of such preceding calendar quarter. The accreted conversion price per share as of any day will equal the issue price of a LYON plus the accrued original issue discount to that day, divided by the number of shares of common stock issuable upon conversion of a LYON on that day.

We may redeem all or a portion of the February LYONS for cash at any time on or after February 6, 2006 at predetermined redemption prices. February LYONS holders may require us to purchase all or a portion of their LYONS on February 6, 2004 for \$628.57 per LYON, February 6, 2006 for \$663.86 per LYON, or February 6, 2011 for \$761.00 per LYON. We may redeem all or a portion of the May LYONS for cash at any time on or after May 9, 2005. May LYONS holders may require us to purchase all or a portion of their LYONS on May 9, 2003 for \$611.63 per LYON, May 9, 2005 for \$645.97 per LYON or May 9, 2009 for \$720.55 per LYON. For either the February LYONS or May LYONS, we may choose to pay the purchase price in cash, shares of common stock or a combination of cash and common stock.

Under GAAP, the LYONS are not included in the diluted income per share of common stock calculation unless a LYON is expected to be converted for stock or one of the three contingent conversion tests summarized above are met. If the LYONS were to be put, we expect to settle them for cash and none of the contingent conversion tests have been met, accordingly, they are not included in the diluted income per share of common stock calculation. If converted, the February LYONS and May LYONS would be exchanged for 4.787 and 1.838 shares of our common stock, respectively. If the LYONS had been converted as of January 1, 2002, the diluted income per share of common stock from continuing operations would have been \$1.27 and \$2.69 for the three and six month periods ended June 30, 2002, respectively.

Financial Derivatives

We have entered into various interest rate protection agreements ("swaps") to reduce the potential impact of increases in interest rates on floating rate long-term debt. As of June 30, 2002, we had ten outstanding swaps that effectively convert \$1,500.0 of our floating rate debt to a fixed rate, based upon LIBOR, of approximately 7.47%. These swaps are accounted for as cash flow hedges, and expire at various dates the longest expiring in November 2004. As of June 30, 2002, the pre-tax accumulated derivative loss recorded in accumulated other comprehensive loss was \$53.1 and a liability of \$53.2 has been recorded to recognize the fair value of these swaps. The ineffective portion of these swaps has been recognized in earnings as a component of interest expense and is not material. We do not enter into financial instruments for speculative or trading purposes.

We settled two interest rate swaps with a notional amount of \$200.0 at a cash cost of \$8.3 in February 2002. These interest rate swaps were previously designated as cash flow hedges and the settlement cost approximated the fair value of the swaps previously recorded as a liability and deferred loss recorded in other comprehensive income. The deferred loss recorded in other comprehensive income will be reclassified into earnings over the remaining forecasted variable rate payments on the underlying debt. Through June 30, 2002, \$2.6 of the deferred loss has been recognized as a component of interest expense and we estimate that in total, \$5.9 will be charged to earnings in 2002 with the remaining loss of \$2.4 recorded in 2003 prior to June 30.

Restated Credit Agreement (subsequent event)

On July 25, 2002, we refinanced our existing Tranche B and Tranche C term loans and amended and restated our Credit Agreement ("Restated Credit Agreement"). The primary purpose of the refinancing and amendment to our Credit Agreement was to modify certain covenant provisions to provide for enhanced overall flexibility, as well as increased flexibility for international growth, and to extend the maturity of our Tranche B and Tranche C term loans. The refinancing did not impact the terms or applicable rates on our Tranche A term loans or our revolver. We received proceeds of \$450.0 from our new Tranche B term loans and \$750.0 from our new Tranche C term loans. These proceeds and \$96.4 of cash on hand were used to pay off our existing Tranche B and Tranche C term loans.

During the third quarter of 2002, we will record a charge of approximately \$5.2 associated with the early extinguishment of debt as a result of the refinancing. During the third quarter of 2002, we will also record a charge of approximately \$4.8 for the early termination of an interest rate swap with a notional amount of \$100.0. This swap was designated as a cash flow hedge of underlying variable rate debt that was paid off in connection with the refinancing. The charge represents the cash cost to terminate the swap and approximates the fair value of the swaps previously recorded as a liability and deferred loss in accumulated other comprehensive income.

Under the Restated Credit Agreement, the term loans bear interest, at our option at either LIBOR (referred to in our Restated Credit Agreement as the Eurodollar Rate) plus the Applicable Rate or the ABR plus the Applicable Rate. The Applicable Rate for term loans is based upon the Consolidated Leverage Ratio as defined in the Restated Credit Agreement. The Applicable Rate for the term loans is as follows:

	LIBOR based borrowings -----	ABR based borrowings -----
Tranche A term loans	Between 1.5% and 2.5%	Between 0.5% and 1.5%
Tranche B term loans	2.25%	1.25%
Tranche C term loans	2.50%	1.50%

Our \$600.0 of revolving loans available under the Restated Credit Agreement are also subject to annual commitment fees between 0.25% and 0.5% on the unused portion of the loans. At June 30, 2002, and as of July 25, 2002, no amounts were borrowed against the \$600.0 revolver.

The Restated Credit Agreement contains covenants, the most restrictive of which are two financial condition covenants. The first financial condition covenant does not permit the Consolidated Leverage Ratio (as defined in the Restated Credit Agreement) on the last day of any period of four consecutive fiscal quarters to exceed 3.5 to 1.00 for the period ending June 30, 2002 and 3.25 to 1.00 thereafter. The second financial condition covenant does not permit the Consolidated Interest Coverage Ratio (as defined in the Restated Credit Agreement) for any period of four consecutive fiscal quarters to be less than 3.50 to 1.00. For the quarter ending June 30, 2002, our Consolidated Leverage Ratio was 2.65 to 1.00 and our Consolidated Interest Coverage Ratio was 6.72 to 1.00.

The Restated Credit Agreement also includes covenant provisions regarding indebtedness, liens, investments, guarantees, acquisitions, dispositions, sales and leaseback transactions, restricted payments and transactions with affiliates. As stated earlier, these provisions were modified to further enable us to execute our growth strategy, including growth in international markets. Based on available information, we do not expect these covenants to restrict our liquidity, financial condition or access to capital resources in the foreseeable future.

We may voluntarily repay the Tranche A, Tranche B and the Tranche C term loans in whole or in part at any time without penalty or premium. We are not allowed to reborrow any amounts that we repay on the Tranche A, Tranche B, or Tranche C term loans. The maturity for each loan is as follows:

	Date of Maturity -----
Revolving loans (currently not utilized)	September 30, 2004
Tranche A term loans	September 30, 2004
Tranche B term loans	September 30, 2009
Tranche C term loans	March 31, 2010

The revolving loans may be borrowed, prepaid and reborrowed. Letters of credit and swing line loans are also available under the revolving credit facility. On the date of the closing of the Restated Credit Agreement, the entirety of the revolving loans was available and no revolving loans were outstanding. The facility provides for the issuance of letters of credit in U.S. Dollars, Euros,

and Pounds Sterling at any time during the revolving availability period, in an aggregate amount not exceeding \$250.0. Standby letters of credit issued under this facility reduce the aggregate amount available under the revolving loan commitment.

We believe that current cash and equivalents, cash flows from operations and our unused revolving credit facility will be sufficient to fund working capital needs, planned capital expenditures and other operational cash requirements. We were in full compliance with all covenants included in our capital financing instruments at June 30, 2002 and at July 25, 2002, the date of the refinancing. We have not paid dividends in 2001 or 2000, and we do not intend to pay dividends on our common stock.

10. COMPREHENSIVE INCOME (LOSS)

The components of comprehensive income (loss), were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2002	2001	2002	2001
Net income (loss)	\$ 58.3	\$ 13.4	\$(25.2)	\$ 48.8
Foreign currency translation adjustments	23.7	(3.3)	(3.8)	9.9
Unrealized gain (loss) on qualifying cash flow hedges, net of related tax	(19.6)	(3.4)	(6.2)	(15.3)
SFAS 133 transition adjustment, net of related tax	-	-	-	9.9
Comprehensive income (loss)	\$ 62.4	\$ 6.7	\$(35.2)	\$ 53.3

The components of the balance sheet caption accumulated other comprehensive (loss) are as follows:

	June 30, 2002	December 31, 2001
Foreign currency translation adjustments	\$ (62.5)	\$(58.7)
Unrealized losses on qualifying cash flow hedges, net of related tax	(31.8)	(25.6)
Minimum pension liability adjustment, net of related tax	(6.2)	(6.2)
Accumulated other comprehensive (loss)	\$(100.5)	\$(90.5)

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (dollars in millions)

RESULTS OF OPERATIONS

On May 24, 2001, we completed the acquisition of United Dominion Industries Limited ("UDI"). UDI manufactured proprietary engineered and flow technology products primarily for industrial and commercial markets worldwide. UDI, which had sales of \$2,366.2 for the twelve months ended December 31, 2000, is included in our financial statements beginning May 25, 2001. Accordingly, the acquisition of UDI significantly impacts the results of operations in 2002, which include the results of UDI for the entire period including cost reductions associated with the integration of the UDI businesses, compared to 2001, which include the results of UDI from May 25, 2001. As of May 24, 2002, we have completed our review and determination of the fair values of the assets acquired and liabilities assumed with the UDI acquisition.

The requirements of Statement of Financial Accounting Standards ("SFAS") No. 141 "Business Combinations" and the amortization provisions of SFAS No. 142 "Goodwill and Other Intangible Assets" were effective for any business combination initiated after July 1, 2001. We have not amortized goodwill and indefinite-lived intangibles for acquisitions completed after this date. With respect to goodwill and intangible assets acquired prior to July 1, 2001, companies were required to adopt SFAS No. 142 in their fiscal year beginning after December 15, 2001. We adopted the remaining provisions of SFAS No. 142 effective January 1, 2002. Upon adoption of this standard, we ceased amortizing all remaining goodwill and intangible assets deemed to have indefinite useful lives. In connection with the transition provisions of SFAS No. 142, we have recorded a change in accounting principle, which resulted in a non-cash charge to earnings of \$148.6 in the first quarter of 2002.

CONSOLIDATED RESULTS OF OPERATIONS

The following unaudited information should be read in conjunction with our unaudited condensed consolidated financial statements and related notes.

	Three months ended June 30,		Six months Ended June 30,	
	2002 ----	2001 ----	2002 ----	2001 ----
Revenues	\$ 1,257.5	\$ 910.1	\$ 2,388.0	\$ 1,590.5
Gross margin	424.7	286.7	797.5	503.8
% of revenues	33.8%	31.5%	33.4%	31.7%
Selling, general and administrative expense	245.6	171.0	476.4	300.3
% of revenues	19.5%	18.8%	19.9%	18.9%
Goodwill/intangible amortization	2.0	14.8	3.7	25.6
Special charges	50.8	40.5	57.2	43.9
	-----	-----	-----	-----
Operating income	126.3	60.4	260.2	134.0
Other (expense) income, net	1.2	(10.4)	0.4	(8.7)
Equity earnings in joint ventures	8.3	9.0	18.6	18.4
Interest expense, net	(38.4)	(30.3)	(75.4)	(55.0)
	-----	-----	-----	-----
Income before income taxes	\$ 97.4	\$ 28.7	\$ 203.8	\$ 88.7
Provision for income taxes	(39.1)	(15.3)	(80.4)	(39.9)
	-----	-----	-----	-----
Income before change in accounting principle	\$ 58.3	\$ 13.4	\$ 123.4	\$ 48.8
Change in accounting principle (1)	-	-	(148.6)	-
	-----	-----	-----	-----
Net (loss) income	\$ 58.3	\$ 13.4	\$ (25.2)	\$ 48.8
	=====	=====	=====	=====
Capital expenditures	\$ 23.6	\$ 48.0	\$ 51.1	\$ 81.0
Depreciation and amortization	33.4	34.6	64.2	65.8

(1) We recorded a charge for a change in accounting principle of \$148.6 as a result of adopting the provisions of SFAS No. 142. See Note 8 to the Condensed Consolidated Financial Statements for more detail on this charge.

SEGMENT RESULTS OF OPERATIONS:

	Three months ended June 30,		Six months ended June 30,	
	2002	2001	2002	2001
Revenues:				
Technical Products and Systems	\$ 319.1	\$ 252.0	\$ 623.1	\$ 460.0
Industrial Products and Services	430.8	316.7	815.0	566.3
Flow Technology	316.7	172.9	596.4	244.2
Service Solutions	190.9	168.5	353.5	320.0
	-----	-----	-----	-----
	\$1,257.5	\$ 910.1	\$2,388.0	\$1,590.5
	=====	=====	=====	=====
Operating Income (1):				
Technical Products and Systems	\$ 46.5	\$ 40.5	\$ 90.6	\$ 69.9
Industrial Products and Services	72.1	44.1	127.7	79.3
Flow Technology	45.2	25.6	84.5	34.3
Service Solutions	26.8	15.1	41.9	27.3
General Corporate	(13.5)	(10.9)	(27.3)	(19.4)
	-----	-----	-----	-----
	\$ 177.1	\$ 114.4	\$ 317.4	\$ 191.4
	=====	=====	=====	=====

(1) Operating income excludes special charges, including those recorded in cost of products sold.

SECOND QUARTER 2002 COMPARED TO THE SECOND QUARTER 2001

Revenues -- In the second quarter of 2002, revenues of \$1,257.5 increased by \$347.4, or 38.2%, from \$910.1 in 2001. By segment, revenues increased by 26.6% in the Technical Products and Systems segment, 36.0% in the Industrial Products and Services segment, 83.2% in the Flow Technology segment and 13.3% in the Service Solutions segment. The increase in revenues is primarily due to the acquisition of UDI on May 24, 2001. Revenues in the second quarter of 2001 only included one month of the UDI businesses. Excluding the impact of all acquisitions or divestitures, the primary businesses that experienced growth in the quarter included our high-tech die-casting business in the Industrial Products and Services segment, our TV and radio transmission systems and building life safety systems businesses in the Technical Products and Systems segment and our Service Solutions segment. A decline in revenue, excluding the impact of any acquisitions or divestitures, resulted from a decline in sales of our power transformer and medium and high-pressure hydraulic equipment, which affected the Industrial Products and Services segment, a decline in demand for mixers, which influenced the Flow Technology segment, and a decline in demand for network and switching products, and the timing of contracts at our automated fare collection system and life sciences business, both of which are reported in our Technical Products and Services segment.

Operating Income -- Excluding special charges, operating income in the second quarter of 2002 was \$177.1 compared to \$114.4 in 2001. The increase in operating income is primarily due to the acquisition of UDI on May 24, 2001, cost reduction actions across the company and a favorable product mix at our Service Solutions segment. In addition, positive operating margins as a percentage of revenues were experienced in our high-tech die-casting business due to higher revenues and operating efficiencies, which affected the Industrial Products and Services segment. We also had strong revenues and favorable product mix in our TV and radio transmission systems business, which affected our Technical Products and Services segment.

FIRST SIX MONTHS OF 2002 COMPARED TO THE FIRST SIX MONTHS OF 2001

Revenues -- In the first six months of 2002, revenues of \$2,388.0 increased by \$797.5, or 50.1%, from \$1,590.5 in 2001. By segment, revenues increased by 35.4% in the Technical Products and Systems segment, 43.9% in the Industrial Products and Services segment, 144.2% in the Flow Technology segment and 10.5% in the Service Solutions segment. The increase in revenues is primarily due to the acquisition of UDI on May 24, 2001. Revenues in the first six months of 2001 only included one month of the UDI businesses. Excluding the impact of all acquisitions or divestitures, the primary businesses that experienced growth in the quarter included our high-tech die-casting business in the Industrial Products and Services segment, our TV and radio transmission systems and building life safety systems businesses in the Technical Products and Systems segment. A decline in revenue, excluding the impact of any acquisitions or divestitures, resulted from a decline in sales of our power transformer and medium and high-pressure hydraulic equipment, which affected the Industrial Products and Services segment, a decline in demand for mixers, which influenced the Flow Technology segment, a decline in demand for network and switching products business, which is reported in our Technical Products and Services segment, and lower revenues in our Service Solutions segment.

Operating Income -- Excluding special charges, operating income in the first six months of 2002 was \$317.4 compared to \$191.4 in 2001. The increase in operating income is primarily due to the acquisition of UDI on May 24, 2001, cost reduction actions

across the company and a more favorable product mix at our Service Solutions segment. In addition, positive operating margins as a percentage of revenues were experienced in our high-tech die-casting business due to higher revenues and operating efficiencies, which affected the Industrial Products and Services segment. We also had strong revenues and favorable product mix in our TV and radio transmission systems business, which affected our Technical Products and Services segment.

PRO FORMA CONSOLIDATED RESULTS OF OPERATIONS

Unaudited pro forma results of operations for the three and six month periods ended June 30, 2001 are presented below as if the acquisition of UDI, which was acquired on May 24, 2001, took place on January 1, 2001. On January 1, 2002, we adopted Statement of Financial Accounting Standards ("SFAS") No. 141 "Business Combinations" and SFAS No. 142 "Goodwill and Other Intangible Assets." SFAS No. 142 requires that goodwill and indefinite lived intangible assets are no longer amortized, accordingly we discontinued amortization of these assets on the date of adoption. The following 2001 pro forma results assume that the cessation of goodwill and indefinite lived intangible assets had occurred on January 1, 2001. We believe that the following pro forma results of operations will facilitate more meaningful analysis of our results of operations.

The pro forma results include estimates and assumptions that management believes are reasonable. However, pro forma results do not include any anticipated cost savings or expenses of the planned integration of UDI and SPX, and are not necessarily indicative of the results that would have occurred if the business combination had been in effect on the dates indicated, or that may result in the future. The consolidated interest expense has been computed on assumptions that the refinancing of UDI debt occurred entirely under the credit agreement and not through the issuance of publicly traded or privately placed notes. Interest income was not changed from historical amounts and debt issuance costs are amortized over five years. The pro forma results assume the fair values and lives of definite lived intangible assets as determined by independent appraisals. The pro forma consolidated effective income tax rate for the combined companies includes the impact of special charges and unusual items as well as increases in foreign income tax rates due to the acquisition.

	Three months ended June 30,		Six months ended June, 30	
	2002 Actual	2001 Pro-Forma	2002 Actual	2001 Pro-Forma
Revenues	\$1,257.5	\$1,274.5	\$2,388.0	\$2,484.9
Gross margin	424.7	380.0	797.5	744.7
% of revenues	33.8%	29.8%	33.4%	30.0%
Selling, general and administrative expense	245.6	252.9	476.4	506.3
% of revenues	19.5%	19.8%	19.9%	20.4%
Goodwill/intangible amortization	2.0	1.2	3.7	2.4
Special charges	50.8	40.5	57.2	43.9
Operating income	126.3	85.4	260.2	192.1
Other (expense) income, net	1.2	(14.4)	0.4	(8.4)
Equity earnings in joint ventures	8.3	9.0	18.6	18.4
Interest expense, net	(38.4)	(39.4)	(75.4)	(77.6)
Income before income taxes	\$ 97.4	\$ 40.6	\$ 203.8	\$ 124.5
Provision for income taxes	(39.1)	(14.5)	(80.4)	(45.5)
Income before change in accounting principle	\$ 58.3	\$ 26.1	\$ 123.4	\$ 79.0
Capital expenditures	\$ 23.6	\$ 66.8	\$ 51.1	\$ 118.2
Depreciation and amortization	33.4	34.7	64.2	75.4

SECOND QUARTER 2002 COMPARED TO PRO FORMA SECOND QUARTER 2001

Revenues -- In the second quarter of 2002, revenues of \$1,257.5 decreased by \$17.0, or 1.3%, from \$1,274.5 in 2001. Organic revenues, which are revenues excluding acquisitions or dispositions, declined 4.4% in the second quarter of 2002 compared to the same period in 2001. The decrease in revenues was primarily attributable to a decline in demand for dock equipment, large power transformers, medium and high-pressure hydraulic equipment and industrial and residential heating units, which affected the Industrial Products and Services segment, a decline in demand for mixers and analyzers, which influenced the Flow Technology segment, a decline in demand at our network and switching products business, and the timing of contracts at our automated fare collection system and life sciences business, all of which are reported in our Technical Products and Services segment. The primary businesses that experienced growth in the quarter included our high-tech die-casting and compaction equipment businesses in the Industrial Products and Services segment, our cooling tower and boiler business in the Flow Technology segment, our TV and radio transmission systems and building life safety systems businesses in the Technical Products and Systems segment and our Service Solutions segment.

Gross margin -- In the second quarter, gross margin increased from 29.8% in 2001 to 33.8% in 2002. The improvement was primarily due to cost reduction actions implemented in each segment, restructuring actions to integrate the UDI businesses, and a more favorable product mix in our Service Solutions segment.

Selling, general, and administrative expense ("SG&A") -- In the second quarter, SG&A declined from \$252.9 in 2001 to \$245.6 in 2002, a \$7.3 decline. The improvement is primarily driven by cost reduction and containment actions implemented throughout the company.

Special charges -- In the second quarter of 2002, we recorded special charges of \$50.8 primarily associated with facility closures and workforce reductions at Waukesha Electric Systems and Inrange Technologies, exiting certain machining operations at our hydraulic systems business, the impairment of a corporate asset held for sale, and the completion of the relocation of our corporate headquarters to Charlotte, NC. Although rising demand for energy and an aging domestic electrical grid still present good longer-term prospects for our Waukesha Electric Systems business, current conditions indicate intermediate challenges in demand and pricing for power related products. Accordingly, Waukesha is closing its Milpitas, CA. manufacturing facility and moving capacity for large power transformers to Waukesha, WI. Inrange Technologies is closing three engineering and service facilities, restructuring certain sales, marketing and administrative functions, and is consolidating the research and development function to its headquarters in Lumberton, NJ. In the second quarter of 2001, we recorded special charges of \$54.0, which includes \$13.5 recorded in cost of products sold, associated with restructuring actions and asset impairments. These charges are primarily related to work force reductions, discontinuance of certain product lines and costs associated with the announced move of our corporate headquarters.

Other (expense) income, net -- In the second quarter of 2002, other income was \$1.2 compared to other expense of (\$14.4) in 2001. In 2001, other expense primarily includes losses on the disposal of businesses. In the second quarter of 2001, we sold substantially all of the assets and liabilities of our GS Electric business and recorded a pre-tax loss of \$11.8. Also in the second quarter of 2001, UDI sold the assets and liabilities of a product line in the Marley Pump business and recorded a pre-tax loss of \$4.0.

Interest expense, net -- In the second quarter of 2002, interest expense was \$38.4 compared to \$39.4 in 2001.

Income taxes -- The effective income tax rate for the second quarter of 2002 was 40.1%. This is higher than the statutory income tax rate primarily due to lower marginal state tax rates on special charges taken during the period.

FIRST SIX MONTHS OF 2002 COMPARED TO PRO FORMA FIRST SIX MONTHS OF 2001

Revenues -- In the first six months of 2002, revenues of \$2,388.0 decreased by \$96.9, or 3.9%, from \$2,484.9 in 2001. Organic revenues, which are revenues excluding acquisitions or dispositions, declined 5.1% in the first six months of 2002 compared to the same period in 2001. The decrease in revenues was primarily attributable to a decline in demand for dock equipment, medium and high-pressure hydraulic equipment, large power transformers and industrial and residential heating units, which affected the Industrial Products and Services segment, a decline in demand for mixers, analyzers and air filtration and dehydration equipment, which influenced the Flow Technology segment, a decline in demand for network and switching products compared to the prior year, which impacted our Technical Products and Services segment, and lower revenues in our Service Solutions segment. The primary businesses that experienced growth in the first six months included our high-tech die-casting business in the Industrial Products and Services segment, our cooling tower and boiler business in the Flow Technology segment and our TV and radio transmission systems and building life safety systems businesses in the Technical Products and Systems segment.

Gross margin -- In the first six months, gross margin increased from 30.0% in 2001 to 33.4% in 2002. The improvement was primarily due to cost reduction actions implemented in each segment, restructuring actions to integrate the UDI businesses, and a more favorable product mix in our Service Solutions segment.

Selling, general, and administrative expense ("SG&A") -- In the first six months, SG&A declined from \$506.3 in 2001 to \$476.4 in 2002, a \$29.9 decline. The improvement is primarily driven by cost reduction and containment actions implemented throughout the company.

Special charges -- In the first six months of 2002, we recorded special charges of \$57.2. Of this amount, \$13.1 was recorded in the Technical Products and Systems segment, \$28.9 was recorded in the Industrial Products and Services segment, \$5.4 was recorded in the Flow Technology segment, \$0.4 was recorded in the Service Solutions segment, and \$9.4 was recorded at Corporate. These charges are primarily for workforce reductions, the consolidation of facilities and charges associated with the integration of UDI. Corporate special charges were primarily associated with the completion of the relocation of our corporate headquarters to Charlotte, NC, and the impairment of an asset held for sale. In the first six months of 2001, we recorded special charges of \$57.4, which includes \$13.5 recorded as a component of cost of products sold. Of this amount, \$14.1 was recorded in the Technical Products and Systems segment, \$10.2 was recorded in the Industrial Products and Services segment, \$14.1 was recorded in the Service Solutions segment, and \$19.0 was recorded at Corporate. These charges were primarily associated with workforce reductions, discontinuance of certain product lines, the consolidation of facilities and charges associated with the

integration of the UDI. Corporate special charges were primarily associated with the announcement of the relocation of our corporate headquarters and abandonment of an internet based software system.

Other (expense) income, net -- In the first six months of 2002, other income was \$0.4 compared to other expense of (\$8.4) in 2001. In 2001, other expense primarily includes losses on the disposal of businesses. On May 18, 2001, we sold substantially all of the assets and liabilities of our GS Electric business and recorded a pre-tax loss of \$11.8. In April 2001, UDI sold the assets and liabilities of a product line in the Marley Pump business and recorded a pre-tax loss of \$4.0. In March 2001, UDI sold other operating assets for a pre-tax gain of \$4.3.

Interest expense, net -- In the first six months of 2002, interest expense was \$75.4 compared to \$77.6 in 2001.

Income taxes -- The effective income tax rate for the first six months of 2002 was 39.5%. This is higher than the statutory income tax rate primarily due to lower marginal state tax rates on special charges taken during the period.

SEGMENT PRO FORMA RESULTS OF OPERATIONS:

Pro forma results are presented below to allow for more meaningful analysis. The pro forma results assume that the UDI acquisition had occurred on January 1, 2001 and assume that we adopted SFAS No. 142 on January 1, 2001.

	Three months ended June 30,		Three months ended June 30,	
	2002 Actual	2001 Pro-Forma	2002 Actual	2001 Pro-Forma
Revenues:				
Technical Products and Systems	\$ 319.1	\$ 275.8	\$ 623.1	\$ 523.6
Industrial Products and Services	430.8	486.4	815.0	957.3
Flow Technology	316.7	324.1	596.4	631.1
Service Solutions	190.9	188.2	353.5	372.9
	-----	-----	-----	-----
	\$1,257.5	\$1,274.5	\$2,388.0	\$2,484.9
	=====	=====	=====	=====
Operating Income (1):				
Technical Products and Systems	\$ 46.5	\$ 43.2	\$ 90.6	\$ 74.5
Industrial Products and Services	72.1	63.4	127.7	115.9
Flow Technology	45.2	26.9	84.5	48.8
Service Solutions	26.8	20.7	41.9	39.7
General Corporate	(13.5)	(14.8)	(27.3)	(29.4)
	-----	-----	-----	-----
	\$ 177.1	\$ 139.4	\$ 317.4	\$ 249.5
	=====	=====	=====	=====

(1) Pro forma operating income excludes special charges, including those recorded in cost of products sold.

SECOND QUARTER 2002 COMPARED TO PRO FORMA SECOND QUARTER 2001

Technical Products and Systems

Revenues -- Revenues in the second quarter of 2002 increased to \$319.1 from \$275.8 in the second quarter of 2001, an increase of \$43.3. The increase was due to the acquisition of Kendro Laboratory Products, L.P. in July 2001. Organic revenues declined 8.8% primarily due to a decline in demand for network and switching products for storage and data networks and the timing of contracts at our automated fare collection system and life sciences businesses compared to the second quarter of 2002. The primary businesses that experienced growth in the quarter included our and radio transmission systems and building life safety systems businesses.

Operating Income -- Operating income as a percentage of revenue declined from 15.7% in 2001 to 14.6% in 2002. Lower operating margins were primarily due to lower volumes, pricing and an unfavorable product mix at our network and switching products business and the acquisition in July 2001 of Kendro Laboratory Products, L.P., which has lower average margins than the existing technology products and systems businesses. Partially offsetting these unfavorable impacts were stronger margins at our TV and radio transmission systems business, which had higher revenues, and a favorable product mix and cost reduction actions at the acquired UDI businesses.

Industrial Products and Services

Revenues -- In the second quarter, revenues decreased from \$486.4 in 2001 to \$430.8 in 2002. The decrease was primarily due to the divestiture on May 31, 2001 of the door products business, which was contributed to a joint venture with Assa Abloy AB and the sale of GS Electric on May 18, 2001. Organic revenues declined 3.7% primarily due to a decline in demand for dock equipment, large power transformers, medium and high-pressure hydraulic equipment and industrial and residential heating units. Revenue declines were partially offset by the performance of our high-tech die-casting business, which continued to experience strong growth, and our compaction equipment businesses, which gained market share during the quarter.

Operating Income -- Operating income as a percentage of revenues improved from 13.0% in 2001 to 16.7% in 2002. Other than our dock leveling systems business and our aerospace components business, each business in the Industrial Products and Services segment had improved operating margins compared to the same period last year. Operating income primarily improved due to restructuring actions and the disposal of non-performing product lines at the acquired UDI businesses, as well as improvement in operating efficiencies and higher revenues at our high-tech die-casting business.

On July 8, 2002, a labor contract involving hourly employees at our aerospace components business expired without resolution. Based on current information, we believe that it is reasonably possible that the contract will remain unresolved in the foreseeable future. Although this event will unfavorably impact the future results of this business until the labor contract is finalized, we do not expect it to have a material unfavorable impact on the company as a whole.

Flow Technology

Revenues -- Revenues in the second quarter of 2002 decreased to \$324.1 from \$316.7 in the second quarter of 2001. The decrease is primarily due to the divestiture of the Marley Pump business, which was completed in the third quarter of 2001. Organic revenues declined 5.3% primarily due to a decline in demand for mixers and analyzers. Revenue declines were partially offset by strong demand for our cooling tower and boiler products.

Operating Income -- Second quarter operating income increased 68% to \$45.2 in 2002. Operating income as a percentage of revenues was 14.3% in 2002 compared to 8.3% in 2001. Operating income improved due to restructuring initiatives and integration actions at former UDI businesses, particularly at our cooling tower business and our valves and controls business.

Service Solutions

Revenues -- In the second quarter of 2002, revenues increased to \$190.9 from \$188.2 in the second quarter of 2001. Organic revenues increased by approximately 1.4% in the quarter.

Operating Income -- Operating income as a percentage of revenues increased from 11.0% in 2001 to 14.0% in 2002. The increase in operating margins was primarily due to lower distribution sales and strong warranty tool program revenues resulting in a positive product mix in the quarter and cost reduction actions associated with the integration of UDI businesses.

FIRST SIX MONTHS OF 2002 COMPARED TO PRO FORMA FIRST SIX MONTHS OF 2001

Technical Products and Systems

Revenues -- Revenues in the first six months of 2002 increased to \$623.1 from \$523.6 in the first six months of 2001, an increase of \$99.5. The increase was due to the acquisition of Kendro Laboratory Products, L.P. in July 2001. Organic revenues declined 6.5% primarily due to a decline in demand for network and switching products for storage and data networks. The primary businesses that experienced growth in the period included our TV and radio transmission systems and building life safety systems businesses.

Operating Income -- Operating income as a percentage of revenue improved from 14.2% in 2001 to 14.5% in 2002. Improvement in operating margins was primarily due to cost reduction actions, mainly in the acquired UDI businesses, higher revenues and improved product mix. Unfavorable impacts on operating margins included lower volumes, pricing and an unfavorable product mix at our network and switching products business and the acquisition in July 2001 of Kendro Laboratory Products, L.P., which has lower average margins than the existing technology products and systems businesses.

Industrial Products and Services

Revenues -- In the first six months, revenues decreased from \$957.3 in 2001 to \$815.0 in 2002. The decrease was primarily due to the divestiture, on May 31, 2001, of the door products business that was contributed to a joint venture with Assa Abloy AB,

and the sale of GS Electric on May 18, 2001. Organic revenues declined 3.9% primarily due to a decline in demand for dock equipment, medium and high-pressure hydraulic equipment, large power transformers, and industrial and residential heating units. Revenue declines were partially offset by our high-tech die-casting business, which continued to experience strong organic growth.

Operating Income -- Operating income as a percentage of revenues improved from 12.1% in 2001 to 15.7% in 2002. Operating income primarily improved due to restructuring actions and the disposal of non-performing product lines at the acquired UDI businesses as well as improvement in operating efficiencies and higher revenues at our high-tech die-casting business.

Flow Technology

Revenues -- Revenues in the first six months of 2002 decreased to \$596.4 from \$631.0 in the first six months of 2001. The decrease is primarily due to the divestiture of the Marley Pump business, which was completed in the third quarter of 2001, and a decline in organic revenues. Organic revenues declined 5.5% primarily due to a decline in demand for mixers and analyzers. Revenue declines were partially offset by strong demand for our cooling tower and boiler products.

Operating Income -- Operating income for the first six months increased 73.2% to \$84.5 in 2002. Operating income as a percentage of revenues was 14.2% in 2002 compared to 7.7% in 2001. Operating income improved due to restructuring initiatives and integration actions at former UDI businesses, particularly at our cooling tower business and our valves and controls business.

Service Solutions

Revenues -- In the first six months of 2002, revenues decreased to \$353.5 from \$372.9 in the first six months of 2001. Despite an increase in organic revenues of approximately 1.4% in the second quarter, revenues were lower for the cumulative six month period due to a decline in daily tool orders.

Operating Income -- Operating income as a percentage of revenues increased from 10.6% in 2001 to 11.9% in 2002. The increase in operating margins was primarily due to a positive product mix in the period and cost reduction actions associated with the integration of UDI businesses.

LIQUIDITY AND FINANCIAL CONDITION

Our liquidity needs arise primarily from capital investment in equipment and facilities, funding working capital requirements to support business growth initiatives, debt service costs, and acquisitions.

Cash Flow

	Six months ended June 30,	
	2002	2001
Cash flows from (used in):		
Operating activities	\$ 173.3	\$ 115.9
Investing activities	(159.1)	(139.2)
Financing activities	(92.9)	309.9
Net change in cash balances	\$ (78.7)	\$ 286.6

Operating Activities -- In the first six months of 2002, cash flow from operating activities increased by \$57.4 from the first six months of 2001. Operating cash flow in the first six months of 2002 includes the positive contribution of cash flow from the UDI business acquired on May 24, 2001, cash received from a legal award and improved working capital performance primarily in our mixer, TV and radio transmission systems, filtration systems and high-precision die-castings businesses as well as our Service Solutions segment. Operating cash flows included the payment of \$40.1 of cash restructuring charges in 2002 compared to \$6.8 in 2001. This increase is primarily due to restructuring actions associated with the integration of UDI as well as the completion of actions initiated in the second and fourth quarters of 2001.

Investing Activities -- In the first six months of 2002 we used \$159.1 of cash in investing activities compared to a use of \$139.2 in 2001. In 2002, we used \$113.1 of cash to acquire five companies; whereas, in 2001, we used \$181.2 of cash to acquire nine companies. In addition, in 2002 we used \$14.4 of common stock for certain acquisitions. Capital expenditures were \$51.1 in the first six months of 2002 compared to \$81.0 during the same period in 2001. The lower capital expenditures in 2002 is primarily due to a disciplined capital containment program to reduce capital spending in businesses that are experiencing intermediate reductions in organic revenues. Proceeds from investing activities in the first six months of 2001 were \$113.8 higher than the same period in 2002, primarily as a result of the divestiture of GS Electric in the second quarter of 2001, as well as cash proceeds

obtained from the sale of certain businesses and assets acquired in the UDI acquisition.

Financing Activities -- In the first six months of 2002, cash flows used in financing activities were \$92.9 compared to cash flows from financing activities of \$309.9 in 2001. In the first six months of 2002, we paid down \$135.6 of debt and we received \$71.3 of cash for common stock issued under stock incentive programs and the exercise of stock warrants. In the first six months of 2001, cash flow from financing activities reflects net proceeds of \$292.8 from the January and May amendment to the credit facility and the issuance of LYONs in February and May of 2001, the payoff of the revolving credit facility and the payment of other scheduled debt.

Total Debt

The following summarizes the total debt outstanding and unused credit availability, as of June 30, 2002:

	Total Commitment	Amount Outstanding	Available Credit Facility
	-----	-----	-----
Revolving loan (1)	\$ 600.0	\$ -	\$ 538.4
Tranche A loan	331.3	331.3	-
Tranche B loan	487.5	487.5	-
Tranche C loan	808.9	808.9	-
LYON's, net of unamortized discount of \$562.9	846.9	846.9	-
Industrial revenue bond due 2002	1.0	1.0	-
Other borrowings	12.4	12.4	-
	-----	-----	-----
Total	\$3,088.0	\$ 2,488.0	\$ 538.4
	=====	=====	=====

(1) Decreased by \$61.6 of certain facility letters of credit outstanding at June 30, 2002, which reduce the unused credit availability. We also have \$1.2 of letters of credit outstanding as of June 30, 2002 which do not reduce our unused credit availability. We expect that our outstanding letters of credit will increase by approximately \$55.0 in future periods due to the July 31, 2002, acquisition of Balcke Cooling Products.

Our credit facility is secured by substantially all of our assets and our domestic subsidiaries' assets (excluding, however, the assets of Inrange Technologies Corporation and our interest in our EGS and door product joint ventures) and requires us to maintain certain leverage and interest coverage ratios. It is further secured by a pledge of 100% of the stock of substantially all of our domestic subsidiaries and 66% of the stock of our foreign subsidiaries.

Other Financing Agreements

Our BOMAG business, part of the Industrial Products and Services segment, utilizes an accounts receivable securitization facility pursuant to which the unit has an agreement to sell, on a revolving basis without recourse, certain qualified receivables, of which \$40.3 had been sold under the agreement at June 30, 2002. The agreement continues to the end of 2002, with a notice period of three months. We expect to utilize the agreement up to the contract date, at which time we will evaluate the facility based on overall cost and our treasury strategy in Europe, where the facility resides. If we do not renew the contract, the impact on our financial condition or cash flows will not be material. Previously, BOMAG also utilized a vendor financing program that was discontinued during the second quarter of 2002.

Current Liquidity and Concentration of Credit Risk

We believe that current cash and equivalents, cash flows from operations and our unused revolving credit facility will be sufficient to fund working capital needs, planned capital expenditures, other operational cash requirements, and debt service obligations. We were in full compliance with all covenants included in our capital financing instruments at June 30, 2002 and at July 25, 2002, the date of the credit facility refinancing. We have not paid dividends in 2001 or 2000, and we do not intend to pay dividends on our common stock. Except for \$62.8 of certain standby letters of credit outstanding as of June 30, 2002, we do not have any other material guarantees, off-balance sheet arrangements or purchase commitments other than those described in our 2001 Annual Report on Form 10-K, as amended by Form 10K/A. We expect that our outstanding letters of credit will increase by approximately \$55.0 in future periods due to the July 31, 2002, acquisition of Balcke Cooling Products.

Financial instruments that potentially subject us to significant concentrations of credit risk consist of cash and temporary investments, trade accounts receivable and interest rate protection agreements.

Cash and temporary investments are placed with various high-quality financial institutions throughout the world, and exposure is limited at any one institution. We periodically evaluate the credit standing of these financial institutions.

Concentrations of credit risk arising from trade accounts receivable are due to selling to a large number of customers in a particular industry. We perform ongoing credit evaluations of our customers' financial conditions and obtain collateral or other security when appropriate.

We are exposed to credit losses in the event of nonperformance by counterparties to our interest rate protection agreements, but have no other off-balance-sheet credit risk of accounting loss. We anticipate, however, that counterparties will be able to fully satisfy their obligations under the contracts. We do not obtain collateral or other security to support financial instruments subject to credit risk, but we do monitor the credit standing of counterparties.

In addition "Factors That May Affect Future Results," included in Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2001 Annual Report on Form 10-K, as amended by Form 10-K/A, and in any future filings, should be read for an understanding of the risks, uncertainties, and trends facing our businesses.

Financial Derivatives

We have entered into various interest rate protection agreements ("swaps") to reduce the potential impact of increases in interest rates on floating rate long-term debt. As of June 30, 2002, we had ten outstanding swaps that effectively convert \$1,500.0 of our floating rate debt to a fixed rate, based upon LIBOR, of approximately 7.47%. These swaps are accounted for as cash flow hedges, and expire at various dates the longest expiring in November 2004. As of June 30, 2002, the pre-tax accumulated derivative loss recorded in accumulated other comprehensive loss was \$53.1 and a liability of \$53.2 has been recorded to recognize the fair value of these swaps. The ineffective portion of these swaps has been recognized in earnings as a component of interest expense and is not material. We do not enter into financial instruments for speculative or trading purposes.

We settled two interest rate swaps with a notional amount of \$200.0 at a cash cost of \$8.3 in February 2002. These interest rate swaps were previously designated as cash flow hedges and the settlement cost approximated the fair value of the swaps previously recorded as a liability and deferred loss recorded in other comprehensive income. The deferred loss recorded in other comprehensive income will be reclassified into earnings over the remaining forecasted variable rate payments on the underlying debt. Through June 30, 2002, \$2.6 of the deferred loss has been recognized as a component of interest expense and we estimate that, in total, \$5.9 will be charged to earnings in 2002 with the remaining loss of \$2.4 recorded in 2003 prior to June 30.

Liquid Yield Option Notes (in millions, except per LYONs amounts)

On February 6, 2001, we issued Liquid Yield Option(TM) Notes ("February LYONs") at an original price of \$579.12 per \$1,000 principal amount at maturity, which represents an aggregate initial issue price of \$576.1 and an aggregate principal amount of \$994.8 due at maturity on February 6, 2021. On May 9, 2001, we issued Liquid Yield Option(TM) Notes ("May LYONs") at an original price of \$579.12 per \$1,000 principal amount at maturity, which represents an aggregate initial issue price including the over allotment exercised by the original purchaser of \$240.3 and an aggregate principal amount \$415.0 due at maturity on May 9, 2021.

The LYONs have a yield to maturity of 2.75% per year, computed on a semi-annual bond equivalent basis, calculated from the date of issuance. We will not pay cash interest on the LYONs prior to maturity unless contingent interest becomes payable. The LYONs are unsecured and unsubordinated obligations and are debt instruments subject to United States federal income tax contingent payment debt regulations. Even if we do not pay any cash interest on the LYONs, bondholders are required to include interest in their gross income for United States federal income tax purposes. This imputed interest, also referred to as tax original issue discount, accrues at a rate equal to 9.625% on the February LYONs and 8.75% on the May LYONs. The rate at which the tax original issue discount accrues for United States federal income tax purposes exceeds the stated yield of 2.75% for the accrued original issue discount.

The LYONs are subject to conversion to SPX common shares only if certain contingencies are met. These contingencies include:

- (1) Our average stock price exceeding predetermined accretive values of SPX's stock price each quarter (see below);
- (2) During any period in which the credit rating assigned to the LYONs by either Moody's or Standard & Poor's is at or below a specified level;
- (3) Upon the occurrence of certain corporate transactions, including change in control.

In addition, a holder may surrender for conversion a LYON called for redemption even if it is not otherwise convertible at such time. The conversion rights based on predetermined accretive values of SPX's stock include, but are not limited to, the following provisions:

	February LYONs	May LYONs
	-----	-----
Initial Conversion Rate (shares of common stock per LYON)	4.8116	4.4294
Initial Stock Price	\$ 100.30	\$ 110.80
Initial Accretion Percentage	135%	120%
Accretion Percentage Decline Per Quarter	0.3125%	0.125%
Conversion Trigger Prices - Next Twelve Months:		
2002 Third Quarter	\$ 166.88	\$ 161.20
2002 Fourth Quarter	\$ 167.63	\$ 162.14
2003 First Quarter	\$ 168.38	\$ 163.08
2003 Second Quarter	\$ 169.14	\$ 164.02

Holders may surrender LYONs for conversion into shares of common stock in any calendar quarter, if, as of the last day of the preceding calendar quarter, the closing sale price of our common stock for at least 20 trading days in a period of 30 consecutive trading days ending on the last trading day of such preceding calendar quarter is more than the specified percentage, beginning at 135% and declining 0.3125% per quarter thereafter for the February LYONs, beginning at 120% and declining 0.125% per quarter thereafter for the May LYONs, of the accreted conversion price per share of common stock on the last trading day of such preceding calendar quarter. The accreted conversion price per share as of any day will equal the issue price of a LYON plus the accrued original issue discount to that day, divided by the number of shares of common stock issuable upon conversion of a LYON on that day.

We may redeem all or a portion of the February LYONs for cash at any time on or after February 6, 2006 at predetermined redemption prices. February LYONs holders may require us to purchase all or a portion of their LYONs on February 6, 2004 for \$628.57 per LYON, February 6, 2006 for \$663.86 per LYON, or February 6, 2011 for \$761.00 per LYON. We may redeem all or a portion of the May LYONs for cash at any time on or after May 9, 2005. May LYONs holders may require us to purchase all or a portion of their LYONs on May 9, 2003 for \$611.63 per LYON, May 9, 2005 for \$645.97 per LYON or May 9, 2009 for \$720.55 per LYON. For either the February LYONs or May LYONs, we may choose to pay the purchase price in cash, shares of common stock or a combination of cash and common stock.

Under GAAP, the LYONs are not included in the diluted income per share of common stock calculation unless a LYON is expected to be converted for stock or one of the three contingent conversion tests summarized above are met. If the LYONs were to be put, we expect to settle them for cash and none of the contingent conversion tests have been met, accordingly, they are not included in the diluted income per share of common stock calculation. If converted, the February LYONs and May LYONs would be exchanged for 4.787 and 1.838 shares of our common stock, respectively. If the LYONs had been converted as of January 1, 2002, the diluted income per share of common stock from continuing operations would have been \$1.27 and \$2.69 for the three and six month periods ended June 30, 2002, respectively.

Restated Credit Agreement (subsequent event)

On July 25, 2002, we refinanced our existing Tranche B and Tranche C term loans and amended and restated our Credit Agreement ("Restated Credit Agreement"). The primary purpose of the refinancing and amendment to our Credit Agreement was to modify certain covenant provisions to provide for enhanced overall flexibility, as well as increased flexibility for international growth, and to extend the maturity of our Tranche B and Tranche C term loans. The refinancing did not impact the terms or applicable rates on our Tranche A term loans or our revolver. We received proceeds of \$450.0 from our new Tranche B term loans and \$750.0 from our new Tranche C term loans. These proceeds and \$96.4 of cash on hand were used to pay off our existing Tranche B and Tranche C term loans.

During the third quarter of 2002, we will record a charge of approximately \$5.2 associated with the early extinguishment of debt as a result of the refinancing. During the third quarter of 2002, we will also record a charge of approximately \$4.8 for the early termination of an interest rate swap with a notional amount of \$100.0. This swap was designated as a cash flow hedge of underlying variable rate debt that was paid off in connection with the refinancing. The charge represents the cash cost to terminate the swap and approximates the fair value of the swaps previously recorded as a liability and deferred loss in accumulated other comprehensive income.

Under the Restated Credit Agreement, the term loans bear interest, at our option at either LIBOR (referred to in our Restated Credit Agreement as the Eurodollar Rate) plus the Applicable Rate or the ABR plus the Applicable Rate. The Applicable Rate

for term loans is based upon the Consolidated Leverage Ratio as defined in the Restated Credit Agreement. The Applicable Rate for the term loans is as follows:

	LIBOR based borrowings -----	ABR based borrowings -----
Tranche A term loans	Between 1.5% and 2.5%	Between 0.5% and 1.5%
Tranche B term loans	2.25%	1.25%
Tranche C term loans	2.50%	1.50%

Our \$600.0 of revolving loans available under the Restated Credit Agreement are also subject to annual commitment fees between 0.25% and 0.5% on the unused portion of the loans. At June 30, 2002, and as of July 25, 2002, no amounts were borrowed against the \$600.0 revolver.

The Restated Credit Agreement contains covenants, the most restrictive of which are two financial condition covenants. The first financial condition covenant does not permit the Consolidated Leverage Ratio (as defined in the Restated Credit Agreement) on the last day of any period of four consecutive fiscal quarters to exceed 3.5 to 1.00 for the period ending June 30, 2002 and 3.25 to 1.00 thereafter. The second financial condition covenant does not permit the Consolidated Interest Coverage Ratio (as defined in the Restated Credit Agreement) for any period of four consecutive fiscal quarters to be less than 3.50 to 1.00. For the quarter ending June 30, 2002, our Consolidated Leverage Ratio was 2.65 to 1.00 and our Consolidated Interest Coverage Ratio was 6.72 to 1.00.

The Restated Credit Agreement also includes covenant provisions regarding indebtedness, liens, investments, guarantees, acquisitions, dispositions, sales and leaseback transactions, restricted payments and transactions with affiliates. As stated earlier, these provisions were modified to further enable us to execute our growth strategy, including growth in international markets. Based on available information, we do not expect these covenants to restrict our liquidity, financial condition or access to capital resources in the foreseeable future.

We may voluntarily repay the Tranche A, Tranche B and the Tranche C term loans in whole or in part at any time without penalty or premium. We are not allowed to reborrow any amounts that we repay on the Tranche A, Tranche B, or Tranche C term loans. The maturity for each loan is as follows:

	Date of Maturity -----
Revolving loans (currently not utilized)	September 30, 2004
Tranche A term loans	September 30, 2004
Tranche B term loans	September 30, 2009
Tranche C term loans	March 31, 2010

The revolving loans may be borrowed, prepaid and reborrowed. Letters of credit and swing line loans are also available under the revolving credit facility. On the date of the closing of the Restated Credit Agreement, the entirety of the revolving loans was available and no revolving loans were outstanding. The facility provides for the issuance of letters of credit in U.S. Dollars, Euros, and Pounds Sterling at any time during the revolving availability period, in an aggregate amount not exceeding \$250.0. Standby letters of credit issued under this facility reduce the aggregate amount available under the revolving loan commitment.

Other Matters

Acquisitions and Divestitures -- We continually review each of our businesses pursuant to our "fix, sell or grow" strategy. These reviews could result in selected acquisitions to expand an existing business or result in the disposition of an existing business. Additionally, we have stated that we would consider a larger acquisition, more than \$1,000.0 in revenues, if certain criteria are met. There can be no assurances that these acquisitions will not have an impact on our capital financing instruments, will be integrated successfully, or that they will not have a negative effect on our operations.

Environmental and Legal Exposure -- We are subject to various environmental laws, ordinances, regulations, and other requirements of government authorities in the United States and other nations. These requirements may include, for example, those governing discharges from and materials handled as part of our operations, the remediation of soil and groundwater contaminated by petroleum products or hazardous substances or wastes, and the health and safety of our employees. Under certain of these laws, ordinances or regulations, a current or previous owner or operator of property may be liable for the costs of investigation, removal or remediation of certain hazardous substances or petroleum products on, under, or in its property, without regard to whether the owner or operator knew of, or caused, the presence of the contaminants, and regardless of whether the practices that resulted in the contamination were legal at the time they occurred. The presence of, or failure to remediate properly, these substances may have adverse effects, including, for example, substantial investigative or remedial obligations and

limitations on the ability to sell or rent that property or to borrow funds using that property as collateral. In connection with our acquisitions and divestitures, we may assume or retain significant environmental liabilities, some of which we may not be aware. In particular, we assumed additional environmental liabilities in connection with the UDI acquisition. Future developments related to new or existing environmental matters or changes in environmental laws or policies could lead to material costs for environmental compliance or cleanup. There can be no assurance that these liabilities and costs will not have a material adverse effect on our results of operations or financial position in the future.

Numerous claims, complaints and proceedings arising in the ordinary course of business, including but not limited to those relating to environmental matters, competitive issues, contract issues, intellectual property matters, personal injury and product liability claims, and workers' compensation have been filed or are pending against us and certain of our subsidiaries. Additionally, in connection with our acquisitions, we may become subject to significant claims of which we were unaware at the time of the acquisition or the claims that we were aware of may result in our incurring a significantly greater liability than we anticipated. We maintain property, cargo, auto, product, general liability, and directors' and officers' liability insurance to protect us against potential loss exposures. In addition, in connection with acquisitions, we have acquired certain rights to insurance coverage applicable to claims or litigation associated with businesses we have acquired. We expect this insurance to cover a portion of these claims. In addition, we believe we are entitled to indemnification from third parties for some of these claims.

In our opinion, these matters are either without merit or are of a kind as should not have a material adverse effect individually and in the aggregate on our financial position, results of operations, or cash flows if disposed of unfavorably. However, we cannot assure you that recoveries from insurance or indemnification claims will be available or that any of these claims or other matters will not have a material adverse effect on our financial position, results of operations or cash flows.

It is our policy to comply fully with applicable environmental requirements. An estimate of loss, including expenses, from legal actions or claims is accrued when events exist that make the loss or expenses probable and we can reasonably estimate them. Our environmental accruals cover anticipated costs, including investigation, remediation, and operation and maintenance of clean-up sites. We do not discount environmental or other legal accruals and do not reduce them by anticipated insurance recoveries. We believe that our accruals related to environmental litigation and claims are sufficient and that these items will be resolved without material effect on our financial position, results of operations and liquidity, individually and in the aggregate.

Pending Litigation -- We believe that we should ultimately prevail on a pending litigation claim with VSI Holdings, Inc. On or about October 29, 2001, we were served with a complaint by VSI Holdings, Inc. (VSI) seeking enforcement of a merger agreement that we had terminated. In its complaint, VSI asked the court to require us to complete the \$197.0 acquisition of VSI, and/or award damages to VSI and its shareholders. We do not believe the suit has merit and are defending the claim vigorously. On December 26, 2001, we filed our answer denying VSI's allegations, raising affirmative defenses and asserting a counterclaim against VSI for breach of contract. There can be no assurance that we will be successful in the litigation and if we are not successful, the outcome could have a material adverse effect on our financial condition and results of operations.

Employment -- On July 8, 2002, a labor contract involving hourly employees at our aerospace components business expired without renewal. As a result, 117 employees at this business are now on strike. Based on current information, we believe that it is reasonably possible that negotiations for a new contract will remain unresolved for the foreseeable future. Although this event will unfavorably impact the future results of this business until the labor contract is finalized, we do not expect it to have a material unfavorable impact on the company as a whole.

On July 3, 2002, our Board of Directors amended the employment agreement of our Chairman, President, and Chief Executive Officer by granting him 500,000 restricted shares of our stock at the market price of \$97.70 per share pursuant to the shareholder approved plan. The shares vest in five annual installments of 100,000 shares commencing on July 3, 2007. The grant will be fully vested on July 3, 2011. If the grant of shares had been awarded on January 1, 2002, the impact on diluted income per share of common stock for the entire year would be approximately \$0.12 per share.

As previously disclosed in our most recent proxy statement dated March 21, 2002, in connection with the relocation of our corporate headquarters to Charlotte, North Carolina, we offered relocating employees the opportunity to borrow money from us, in varying amounts depending on level of employment, to finance the purchase of his or her primary residence in the greater Charlotte area. We have completed the issuance of these loans in conjunction with the completion of our corporate headquarters relocation. As of July 30, 2002, we have made offers of relocation home loans to 37 employees, including loans to four of our executive officers with an aggregate principal amount of \$7.0.

Stock Buyback -- On February 2000, our Board of Directors authorized a share repurchase program for up to \$250.0 and as of June 30, 2002 we had \$111.2 unused. Since June 30, 2002, and through August 12, 2002, we have repurchased 0.668 shares of our stock on the open market for a total consideration of \$64.4.

Inrange Technologies Corporation, our publicly traded subsidiary, has been authorized by its Board of Directors to repurchase up to \$20.0 of its common stock. As of August 12, 2002, Inrange has repurchased \$11.6 of common stock under this program. These share repurchases are reflected as financing activities in our Condensed Consolidated Statement of Cash Flows.

Pension Income -- Our domestic pension plans have plan assets in excess of plan obligations. This over-funded position results in pension income as the increase in market value of the plans' assets exceeds costs associated with annual employee service. In the first six months of 2002, we recorded net pension income of \$14.2 compared to \$18.6 in the first six months of 2001. There can be no assurance that future periods will include similar amounts of net pension income.

Significance of Goodwill and Intangibles -- We had goodwill of \$2,516.2, net intangible assets of \$525.6 and shareholders' equity of \$1,769.1 at June 30, 2002. In accordance with SFAS No.142, we amortize our definite lived intangible assets on a straight-line basis over lives ranging from 4 to 10 years. There can be no assurance that circumstances will not change in the future that will affect the useful lives or the carrying value of our goodwill and intangible assets.

On July 20, 2001 the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 141 "Business Combinations" and SFAS No. 142 "Goodwill and Other Intangible Assets." These pronouncements change the accounting for business combinations, goodwill, and intangible assets. The requirements of SFAS No. 141 are effective for any business combination accounted for by the purchase method that is completed after June 30, 2001 and the amortization provisions of SFAS No. 142 apply to goodwill and intangible assets acquired after June 30, 2001. With respect to goodwill and intangible assets acquired prior to July 1, 2001, we adopted the provisions of SFAS No. 142, as required, on January 1, 2002. See Note 8 to the Condensed Consolidated Financial Statements for further discussion on the impact of adopting SFAS No. 141 and SFAS No. 142.

In August 2001, the FASB issued SFAS No. 143 "Accounting for Asset Retirement Obligations." The provisions of SFAS No. 143 will change the way companies must recognize and measure retirement obligations that result from the acquisition, construction, development, or normal operation of a long-lived asset. We will adopt the provisions of SFAS No. 143 as required on January 1, 2003 and at this time have not yet assessed the impact that adoption might have on our financial position and results of operations.

In August 2001, the FASB issued SFAS No. 144 "Accounting for the Impairment and Disposal of Long-Lived Assets." SFAS No. 144 supersedes SFAS No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" and also supersedes the provisions of APB Opinion No. 30 "Reporting the Results of Operations--Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual, and Infrequently Occurring Events and Transactions." SFAS No. 144 retains the requirements of SFAS No. 121 to (a) recognize an impairment loss only if the carrying amount of a long-lived asset is not recoverable from its undiscounted cash flow and (b) measure an impairment loss as the difference between the carrying amount and the fair value of the asset. SFAS No. 144 establishes a single model for accounting for long-lived assets to be disposed of by sale. As required, we have adopted the provisions of SFAS No. 144 effective January 1, 2002.

In April 2002, the FASB issued SFAS No. 145 "Rescission of Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections". This Statement rescinds SFAS No. 4, "Reporting Gains and Losses from Extinguishment of Debt," and an amendment of that Statement, SFAS No. 64, "Extinguishments of Debt Made to Satisfy Sinking-Fund Requirements." This Statement also rescinds SFAS No. 44, "Accounting for Intangible Assets of Motor Carriers." This Statement amends SFAS No. 13, "Accounting for Leases," to eliminate an inconsistency between the required accounting for sale-leaseback transactions and the required accounting for certain lease modifications that have economic effects that are similar to sale-leaseback transactions. This Statement also amends other existing authoritative pronouncements to make various technical corrections, clarify meanings, or describe their applicability under changed conditions. Effective July 1, 2002, we early adopted the provisions of SFAS No. 145. Except for the provisions regarding the gains and losses from the extinguishment of debt, we do not believe the provisions of SFAS No.145 will have an impact on our financial position and results of operations.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." The standard requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of a commitment to an exit or disposal plan. Examples of costs covered by the standard include lease termination costs and certain employee severance costs that are associated with a restructuring, discontinued operation, plant closing, or other exit or disposal activity. Previous accounting guidance was provided by EITF Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." SFAS No. 146 replaces EITF 94-3 and is to be applied prospectively to exit or disposal activities initiated after December 31, 2002. We frequently engage in strategic restructuring and integration initiatives that include exit and disposal activities. Accordingly, we expect that SFAS No. 146 could impact the way in which we account for certain restructuring costs; however, at this time, we have not fully assessed the impact of adopting this statement.

Economic Value Added "EVA" -- EVA is an integral part of our culture. EVA is a measure of residual income. Put most simply, EVA is net operating profit after-tax minus a charge for the cost of all capital invested in an enterprise. As such, EVA is an estimate of economic profit, or the amount by which after-tax earnings exceed or fall short of the required minimum rate of return that both shareholders and lenders could get by investing in other securities of comparable risk. The equation to calculate EVA is net operating profit after taxes less the expression of the weighted average cost of capital of the firm multiplied by total operating capital. The EVA evaluation model is important to investors because it is the system that management uses to make investment decisions and because we base our variable compensation system on the model.

Some of the statements in this document and any documents incorporated by reference constitute "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our or our industries' actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by any forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "believe," "estimate," "predict," "potential" or "continue" or the negative of those terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially because of market conditions in our industries or other factors. All of the forward-looking statements are qualified in their entirety by reference to the factors discussed under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Factors That May Affect Future Results" in our 2001 Annual Report on Form 10-K, as amended by Form 10-K/A, and in any future filings that describe risks and factors that could cause results to differ materially from those projected in these forward-looking statements.

We caution you that these risk factors may not be exhaustive. We operate in a continually changing business environment, and new risk factors emerge from time to time. We cannot predict these new risk factors, and we cannot assess the impact, if any, of these new risk factors on our businesses or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements. Accordingly, you should not rely on forward-looking statements as a prediction of actual results. In addition, our estimates of future operating results are based on our current complement of businesses, which is constantly subject to change as we implement our fix, sell or grow strategy.

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

Management does not believe our exposure to market risk has significantly changed since December 31, 2001 and does not believe that such risks will result in significant adverse impacts to financial condition or our results of operations.

PART II -- OTHER INFORMATION

ITEM 1. Legal Proceedings

Numerous claims, complaints and proceedings arising in the ordinary course of business, including but not limited to those relating to environmental matters, competitive issues, contract issues, intellectual property matters, personal injury and product liability claims, and workers' compensation have been filed or are pending against us and certain of our subsidiaries. Additionally, in connection with our acquisitions, we may become subject to significant claims of which we were unaware at the time of the acquisition or the claims that we were aware of may result in our incurring a significantly greater liability than we anticipated. We maintain property, cargo, auto, product, general liability, and directors' and officers' liability insurance to protect us against potential loss exposures. In addition, in connection with acquisitions, we have acquired certain rights to insurance coverage applicable to claims or litigation associated with businesses we have acquired. We expect this insurance to cover a portion of these claims. In addition, we believe we are entitled to indemnification from third parties for some of these claims.

In our opinion, these matters are either without merit or are of a kind as should not have a material adverse effect individually and in the aggregate on our financial position, results of operations, or cash flows if disposed of unfavorably. However, we cannot assure you that recoveries from insurance or indemnification claims will be available or that any of these claims or other matters will not have a material adverse effect on our financial position, results of operations or cash flows.

On or about October 29, 2001, we were served with a complaint by VSI Holdings, Inc. (VSI) seeking enforcement of a merger agreement that we had terminated. In its complaint, VSI asked the court to require us to complete the \$197.0 acquisition of VSI, and/or award damages to VSI and its shareholders. We do not believe the suit has merit and are defending the claim vigorously. On December 26, 2001, we filed our answer denying VSI's allegations, raising affirmative defenses and asserting a counterclaim against VSI for breach of contract. There can be no assurance that we will be successful in the litigation. If we are not successful, the outcome could have a material adverse effect on our financial condition and results of operations.

ITEM 4. Submission of Matters to a Vote of Security Holders

We held our Annual Meeting of Shareholders on April 24, 2002 at which shareholders elected two directors to three-year terms expiring in 2005, approved an amendment to our Certificate of Incorporation that increased the number of shares of authorized common stock from 100,000,000 to 200,000,000, and approved the amendment and restatement of the 1992 Stock Compensation Plan to, among other things, extend the period during which awards may be granted to December 31, 2011.

The results of the voting in connection with the above items were as follows:

	For ---	Broker non-vote -----	Withheld / Against -----	Abstain -----
Proposal 1 - Election of Directors				
J. Kermit Campbell	34,272,673	-	-	406,427
Emerson U. Fullwood	34,272,673	-	-	406,427
Proposal 2 - Amendment to the SPX Certificate of Incorporation	30,991,242	-	3,504,212	183,646
Proposal 3 - Amendment and Restatement of the SPX 1992 Stock Compensation Plan	16,083,561	2,882,909	15,479,627	233,003

ITEM 5. Other Information

None.

ITEM 6. Exhibits and Reports on Form 8-K

(a) Exhibits

- 3.1 Restated Certificate of Incorporation, as amended.
- 4.1 Amendment No. 2 to Rights Agreement dated as of June 26, 2002.
- 10.1 Amended and Restated Credit Agreement dated as of July 24, 2002.*
- 10.2 SPX Corporation 2002 Stock Compensation Plan, as amended and restated.
- 99.1 Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 99.2 Sworn Statements Pursuant to Section 21(a)(1) of the Securities Exchange Act of 1934.

* The exhibits and schedules are not filed, but SPX undertakes to furnish a copy of any exhibit or schedule to the Securities and Exchange Commission upon request.

(b) Reports on Form 8-K

On April 25, 2002, we filed a Form 8-K containing our press release dated April 23, 2002. This press release contained our first quarter 2002 earnings information.

On June 10, 2002, we filed a Form 8-K announcing that we dismissed Arthur Andersen LLP as our principal public accountants and engaged Deloitte & Touche LLP to serve as our principal public accountants for fiscal year 2002. We also announced that we dismissed KPMG LLP and Conn Geneva & Robinson as the public accountants for certain of our defined contribution benefit plans and engaged Plante & Moran LLP as the public accountants for those plans for the plan years ended December 31, 2001.

On July 25, 2002, we filed a Form 8-K containing our press release dated July 24, 2002. This press release contained our second quarter 2002 earnings information.

SIGNATURES

Pursuant to the requirements 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.

SPX CORPORATION

(Registrant)

Date: August 13, 2002

By /s/ John B. Blystone

John B. Blystone
Chairman, President and
Chief Executive Officer

Date: August 13, 2002

By /s/ Patrick J. O'Leary

Patrick J. O'Leary
Vice President Finance,
Treasurer and Chief
Financial Officer

Date: August 13, 2002

By /s/ Ron Winowiecki

Ron Winowiecki
Corporate Controller and
Chief Accounting Officer

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
SPX CORPORATION

SPX CORPORATION, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), DOES HEREBY CERTIFY:

FIRST: That at a meeting of the Board of Directors of the Corporation held on February 27, 2002, resolutions were adopted setting forth a proposed amendment of the Certificate of Incorporation of the Corporation, declaring said amendment to be advisable and directing that the amendment be considered at the Annual Meeting of Stockholders of the Corporation to be held April 24, 2002. The resolution setting forth the proposed amendment is as follows:

"RESOLVED, that the Board of Directors hereby approves the amendment of the Corporation's Certificate of Incorporation by amending and restating Article Fourth, paragraph 1 thereof to read as follows:

1. Authorized Shares. The total number of authorized shares of stock of all classes which the Corporation shall have authority to issue is two hundred three million (203,000,000), of which three million (3,000,000) shall be shares of Preferred Stock, without par value, and two hundred million (200,000,000) shall be shares of Common Stock, par value \$10 per share."

SECOND: That thereafter, pursuant to resolution of its Board of Directors, the Annual Meeting of the Stockholders of the Corporation was duly called and held, upon notice in accordance with Section 222 of the General Corporation Law of the State of Delaware at which meeting the necessary number of shares required by Section 242 of the General Corporation Law of the State of Delaware were voted in favor of the amendment.

THIRD: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, SPX CORPORATION has caused this certificate to be signed by Christopher J. Kearney, its Vice President, Secretary and General Counsel, this 16th day of May 2002.

SPX CORPORATION

By: /s/ Christopher J. Kearney

Christopher J. Kearney
Vice President, Secretary and
General Counsel

CERTIFICATE OF OWNERSHIP AND MERGER

OF

GENERAL SIGNAL HOLDINGS COMPANY

INTO

SPX CORPORATION

Pursuant to Section 253 of
the General Corporation Law of Delaware

SPX Corporation, a corporation organized and existing under the laws of the state of Delaware (this "Corporation"), DOES HEREBY CERTIFY:

FIRST: That this Corporation was incorporated on the 9th day of February 1968, pursuant to the General Corporation Law of the State of Delaware.

SECOND: That this Corporation owns all of the outstanding shares of common stock, par value \$1.00, of General Signal Holdings Company, a corporation incorporated on the 6th day of May 1982, pursuant to the General Corporation Law of the State of Delaware.

THIRD: That this Corporation, by resolutions of its Board of Directors attached hereto as Exhibit A, duly adopted on the 19th day of March, 2002 by unanimous written consent and filed with the Minute Book of this Corporation, determined to merge General Signal Holdings Company with and into this Corporation.

IN WITNESS WHEREOF, the undersigned has caused this Certificate to be signed by Christopher J. Kearney, its Vice President and Secretary, this 28th day of March, 2002.

SPX CORPORATION

By: /s/ Christopher J. Kearney

Christopher J. Kearney
Vice President and Secretary

MERGER OF GENERAL SIGNAL HOLDINGS COMPANY WITH AND INTO SPX CORPORATION

WHEREAS, SPX Corporation, a Delaware corporation ("the Company") is the record and beneficial owner of all of the issued and outstanding shares of common stock, par value \$1.00 per share (the "General Signal Holdings Stock"), of General Signal Holdings Company, a Delaware corporation ("General Signal Holdings"); and

WHEREAS, the Company desires to merge General Signal Holdings with and into the Company, which shall be the surviving corporation (such corporation in its capacity as such surviving company being hereinafter sometimes called the "Surviving Corporation") pursuant to the provisions of section 253 of the Delaware General Corporation Law (the "Merger").

NOW, THEREFORE, BE IT RESOLVED, that effective upon the filing of an appropriate Certificate of Ownership and Merger embodying these resolutions with the Secretary of State of the State of Delaware (the date and time of such filing being hereinafter referred to as the "Effective Time"), the Company shall merge General Signal Holdings with and into the Company in accordance with the Delaware General Corporation Law.

RESOLVED, that the terms and conditions of the Merger are as follows:

(1) At the Effective Time, (a) the certificate of incorporation of the Company shall be the certificate of incorporation of the Surviving Corporation until thereafter changed or amended, (b) the bylaws of the Company shall be the bylaws of the Surviving Corporation until thereafter changed or amended and (c) the directors of the Company shall be the directors of the Surviving Corporation, and the officers of the Company shall be the officers of the Surviving Corporation, in each case until their successors are duly elected or appointed and qualified in the manner provided by the certificate of incorporation and bylaws of Surviving Corporation or as otherwise provided by law.

(2) At the Effective Time, by virtue of the Merger and without any action on the part of the Company, the Surviving Corporation or General Signal Holdings, each issued and outstanding share of General Signal Holdings Stock shall be cancelled and retired.

(3) At the Effective Time, the Surviving Corporation shall succeed, without other transfer, to all rights and property of the constituent corporations to the Merger, and shall assume and be subject to all the debts and liabilities of each of the constituent corporations in the same manner as if the Surviving Corporation had itself incurred them, all with the effect set forth in the Delaware General Corporation Law.

RESOLVED, that the President or any Vice President of the Company or such other officers of the Company or such other persons as the Board may designate from time-to-time and any additional persons as such officers or designated persons may further designate (each, an "Officer" and together, the "Officers") be, and each of them hereby is, directed and authorized to make, execute and deliver, in the name and on behalf of the Company, a Certificate of Ownership and Merger setting forth a copy of these resolutions providing for the Merger of General Signal Holdings with and into the Company, and to cause the same to be filed with the Secretary of State of the State of Delaware and a certified copy thereof recorded in the Office of the Recorder of Deeds of the County of New Castle in the State of Delaware.

GENERAL AUTHORIZING RESOLUTIONS

RESOLVED, that each Officer of the Company be, and each of them hereby is, authorized to take or cause to be taken all such further actions and to execute and deliver all such further agreements, indentures, instruments of assumption, documents, certificates, and undertakings in the name of and on behalf of the Company, and to incur all fees and expenses as in his judgment shall be necessary, appropriate, or advisable to carry out and to effect the purpose and intent of the foregoing resolutions and to complete the transactions contemplated thereby.

RESOLVED, that all actions taken prior to the adoption of these resolutions by any Officer of the Company in connection with the matters referred to herein that would have been within the authority conferred hereby had these resolutions predated such actions be, and they hereby are, ratified, confirmed and approved in all respects.

CERTIFICATE OF OWNERSHIP AND MERGER
OF
GENERAL SIGNAL CORPORATION
INTO
SPX CORPORATION

Pursuant to Section 253 of
the General Corporation Law of Delaware

SPX Corporation, a corporation organized and existing under the laws of the state of Delaware (this "Corporation"), DOES HEREBY CERTIFY:

FIRST: That this Corporation was incorporated on the 9th day of February 1968, pursuant to the General Corporation Law of the State of Delaware.

SECOND: That this Corporation owns all the outstanding shares of common stock, par value \$0.01, of General Signal Corporation, a corporation incorporated on the 13th day of February 1998, pursuant to the General Corporation Law of the State of Delaware.

THIRD: That this Corporation, by resolutions of its Board of Directors attached hereto as Exhibit A, duly adopted at a meeting of its members on the 22nd day of August, 2001 and filed with the Minute Book of this Corporation, determined to merge General Signal Corporation with and into this Corporation.

IN WITNESS WHEREOF, the undersigned has caused this Certificate to be signed by Christopher J. Kearney, its Vice President, Secretary, this 31st day of December, 2001.

SPX CORPORATION

By: /s/ Christopher J. Kearney

Christopher J. Kearney
Vice President and Secretary

RESOLUTIONS
OF
THE BOARD OF DIRECTORS
OF
SPX CORPORATION

Merger of General Signal Corporation with and into SPX Corporation

WHEREAS, SPX Corporation, a Delaware corporation, (the "Company") is the record and beneficial owner of all the issued and outstanding shares of common stock, par value \$0.01 per share (the "General Signal Stock"), of General Signal Corporation, a Delaware corporation ("General Signal").

WHEREAS, the Company desires to merge General Signal with and into the Company, which shall be the surviving corporation (such corporation in its capacity as such surviving company being hereinafter sometimes called the "Surviving Corporation") pursuant to the provisions of section 253 of the Delaware General Corporation Law (the "Merger").

NOW, THEREFORE, BE IT RESOLVED, that effective upon the filing of an appropriate Certificate of Ownership and Merger embodying these resolutions with the Secretary of State of the State of Delaware (the date and time of such filing being hereinafter referred to as the "Effective Time"), the Company shall merge General Signal with and into the Company in accordance with the Delaware General Corporation Law.

RESOLVED, that the terms and conditions of the Merger are as follows:

(1) At the Effective Time, (a) the certificate of incorporation of the Company shall be the certificate of incorporation of the Surviving Corporation until thereafter changed or amended, (b) the bylaws of the Company shall be the bylaws of the Surviving Corporation until thereafter changed or amended and (c) the directors of the Company shall be the directors of the Surviving Corporation, and the officers of the Company shall be the officers of the Surviving Corporation, in each case until their successors are duly elected or appointed and qualified in the manner provided by the certificate of incorporation and bylaws of the Surviving Corporation or as otherwise provided by law.

(2) At the Effective Time, by virtue of the Merger and without any action on the part of the Company, the Surviving Corporation or General Signal, each issued and outstanding share of General Signal Stock shall be cancelled and retired.

(3) At the Effective Time, the Surviving Corporation shall succeed, without other transfer, to all rights and property of the constituent corporations to the Merger, and shall assume and be subject to all the debts and liabilities of each of the constituent corporations in the same manner as if the Surviving Corporation had itself incurred them, all with the effect set forth in the Delaware General Corporation Law.

RESOLVED, that the President or any Vice President of the Company or such other officers of the Company or such other persons as the Board may designate from time-to-time and any additional persons as such officers or designated persons may further designate (each, an "Officer" and together, the "Officers") be, and each of them hereby is, directed and authorized to make, execute and deliver, in the name and on behalf of the Company, a Certificate of Ownership and Merger setting forth a copy of these resolutions providing for the Merger of General Signal with and into the Company, and to cause the same to be filed with the Secretary of State of the State of Delaware and a certified copy thereof recorded in the Office of the Recorder of Deeds of the County of New Castle in the State of Delaware.

General Enabling Resolutions

RESOLVED, that each Officer of the Company be, and each of them hereby is, authorized to take or cause to be taken all such further actions and to execute and deliver all such further agreements, indentures, instruments of assumption, documents, certificates, and undertakings in the name of and on behalf of the Company, and to incur all fees and expenses as in his judgment shall be necessary, appropriate, or advisable to carry out and to effect the purpose and intent of the foregoing resolutions and to complete the transactions contemplated thereby.

RESOLVED, that all actions take prior to the adoption of these resolutions by any Officer of the Company in connection with the matters referred to herein that would have been within the authority conferred hereby had these resolutions predated such actions be, and they hereby are, ratified, confirmed and approved in all respects.

STATE OF DELAWARE
CERTIFICATE OF AMENDMENT
OF
RESTATED CERTIFICATE OF INCORPORATION
OF
SPX CORPORATION

SPX CORPORATION, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), DOES HEREBY CERTIFY:

FIRST: That at a meeting of the Board of Directors of the Corporation held on February 6, 1998, resolutions were adopted setting forth and proposed amendment of the Restated Certificate of Incorporation of the Corporation, declaring said amendment to be advisable and directing that the amendment be submitted to the stockholders for their consideration at the Annual Meeting of Stockholders of the Corporation to be held May 20, 1998. The resolution setting forth the proposed amendment is as follows:

RESOLVED, That Article Fourth, Section I of the Certificate of Incorporation of this Corporation be amended to read as follows:

"FOURTH. 1. Authorized Shares. The total number of authorized shares of the stock of all classes with the Corporation shall have authority to issue is one hundred three million (103,000,000), of which three million (3,000,000) shall be shares of Preferred Stock without par value and one hundred million (100,000,000) shall be shares of Common Stock of the par value of \$10 per share."

SECOND: That thereafter, pursuant to resolution of its Board of Directors, the Annual Meeting of the Stockholders of the Corporation was duly called and held, upon notice, on May 20, 1998, in accordance with Section 222 of the General Corporation Law of the State of Delaware and the Corporation's Restated Certificate of Incorporation and bylaws.

THIRD: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation law of the State of Delaware.

IN WITNESS WHEREOF, SPX CORPORATION has caused this certificate to be signed by Christopher J. Kearney, its Vice President, Secretary and General Counsel, this 12th day of June, 1998.

SPX CORPORATION

By: /s/ Christopher J. Kearney

Christopher J. Kearney
Vice President, Secretary and
General Counsel

AMENDED AND RESTATED
CERTIFICATE OF DESIGNATION, PREFERENCES AND RIGHTS
of
SERIES A JUNIOR PARTICIPATING PREFERRED STOCK
of
SPX CORPORATION

(Pursuant to Section 151 of the
Delaware General Corporation law)

SPX Corporation, a corporation organized and existing under the General Corporation Law of the State of Delaware (hereinafter called the "Corporation"), hereby certifies as follows:

1. The Corporation originally filed a Certificate of Designation, Preferences and Rights relating to the designation of a series of preferred stock titled "Series A Junior Participating Preferred Stock" (the "Old Designated Stock") on October 25, 1988.

2. No shares of Old Designated Stock have been issued.

3. The designation of the Old Designated Stock is to be changed in its entirety as provided herein.

4. The following resolution was adopted by the Board of Directors of the Corporation as required by Section 151 of the General Corporation Law at the meeting held on June 25, 1996:

RESOLVED, that pursuant to the authority granted to and vested in the Board of Directors of this Corporation (hereinafter called the "Board of Directors" or the "Board") in accordance with the provisions of the Restated Certificate of Incorporation, the Board of Directors hereby amends and restates in its entirety the Certificate of Designation, Preferences and Rights filed on October 25, 1988 with respect to the series of Preferred Stock, no par value

(the "Preferred Stock"), of the Corporation created thereby and hereby restates the designation and number of shares, and fixes the relative rights, preferences, and limitations thereof as follows:

Series A Junior Participating Preferred Stock:

SECTION 1. DESIGNATION AND AMOUNT. The shares of such series shall be designated as "Series A Junior participating Preferred Stock" (the "Series A Preferred Stock") and the number of shares constituting the Series A Preferred Stock shall be 500,000. Such number of shares may be increased or decreased by resolution of the Board of Directors; provided, that no decrease shall reduce the number of Shares of Series A Preferred Stock to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the Corporation convertible into Series A Preferred Stock.

SECTION 2. DIVIDENDS AND DISTRIBUTIONS.

(A) Subject to the rights of the holders of any shares of any series of Preferred Stock (or any similar stock) ranking prior and superior to the Series A Preferred Stock with respect to dividends, the holders of shares of Series A Preferred Stock, in preference to the holders of Common Stock, par value \$10.00 per share (the "Common Stock"), of the Corporation, and of any other junior stock, shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the tenth day of March, June, September and December in each year (each such date being referred to herein as "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) \$5 or (b) subject to the provision for adjustment hereinafter set forth, 1,000 times the aggregate per share amount of all cash dividends, and 1,000 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions, other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Preferred Stock. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the

denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Series A Preferred Stock as provided in paragraph (A) of this Section immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$5 per share on the Series A Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be not more than 60 days prior to the date fixed for the payment thereof.

SECTION 3. VOTING RIGHTS. The holders of shares of Series A Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series A Preferred Stock shall entitle the holder thereof to 1,000 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the

denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein, in any Certificate of Designations creating a series of Preferred Stock or any similar stock, or by law, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock and any other capital stock of the Corporation having general voting rights shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(C) Except as set forth herein, or as otherwise provided by law, holders of Series A Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

SECTION 4. CERTAIN RESTRICTIONS.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Series A Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on share of Series A Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends, or make any other distributions, on any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock;

(ii) declare or pay dividends, or make any other distributions, on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably on the Series A Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such junior stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Preferred Stock; or

(iv) redeem or purchase or otherwise acquire for consideration any shares of Series A Preferred Stock, or any shares of stock ranking on a parity with the Series A Preferred Stock, except in accordance with a purchase offer made in

writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Corporation shall not: permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

SECTION 5. REQUIRED SHARES. Any shares of Series A Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock any may be reissued as part of a new series of Preferred Stock subject to the conditions and restrictions on issuance set forth herein, in the Certificate of Incorporation, or in any other Certificate of Designations creating a series of Preferred Stock or any similar stock or as otherwise required by law.

SECTION 6. LIQUIDATION, DISSOLUTION OR WINDING UP. Upon any liquidation, dissolution or winding up of the Corporation, no distribution shall be made (1) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock unless, prior thereto, the holders of shares of Series A Preferred Stock shall have received \$ 1,000 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, provided that the holders of shares of Series A Preferred Stock shall be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 1,000 times the aggregate amount to be distributed per share to holders of shares of Common Stock, or (2) to the holders of shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except distributions made ratably on the Series A Preferred Stock and all such parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under the proviso in clause (1) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

SECTION 7. CONSOLIDATION, MERGER, ETC. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock

are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case each share of Series A Preferred Stock shall at the same time be similarly exchanged or changed into an amount per share, subject to the provision for adjustment hereinafter set forth, equal to 1,000 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Preferred Stock shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

SECTION 8. NO REDEMPTION. The shares of Series A Preferred Stock shall not be redeemable.

SECTION 9. RANK. The Series A Preferred Stock shall rank, with respect to the payment of dividends and the distribution of assets, junior to all series of any other class of the Corporation's Preferred Stock.

SECTION 10. AMENDMENT. The Restated Certificate of Incorporation of the Corporation shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Preferred Stock so as to affect them adversely without the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series A Preferred Stock, voting together as a single class.

IN WITNESS WHEREOF, this Amended and Restated Certificate of Designation, Preferences and Rights is executed on behalf of the Corporation by its Chairman and attested by its Secretary this 25th day of June, 1996.

SPX CORPORATION

/s/ John B. Blystone

Name: John B. Blystone
Title: Chairman & Chief Executive Officer

Attest:

/s/ James M. Sheridan

Name: James M. Sheridan
Title: Secretary

CERTIFICATION OF OWNERSHIP AND MERGER

of

SPX CREDIT CORPORATION

(a Delaware corporation)

into

SPX CORPORATION

(a Delaware corporation)

WHEREAS, SPX Credit Corporation ("SPXCC") entered into a Purchase and Sale Agreement dated as of August 14, 1995 with Textron Financial Corporation ("TFC") and SPX Corporation ("SPX") pursuant to which SPXCC sold substantially all its assets to TFC effective September 29, 1995;

WHEREAS, SPX assisted SPXCC in its efforts to wind down and liquidate any remaining assets and satisfy any remaining liabilities following September 29, 1995 by effectively assuming the liabilities of SPXCC and disposing of or satisfying any remaining assets and liabilities of SPXCC;

WHEREAS, SPXCC completed its efforts to wind down and liquidate its assets and satisfy its liabilities effective as of December 31, 1995, at or prior to which time it ceased all operations and functions;

NOW, THEREFORE, it is hereby certified that:

1. SPX is a corporation incorporated under the laws of State of Delaware.
2. SPX is the owner of all of the outstanding shares of common stock of SPXCC, also a corporation incorporated under the laws of the State of Delaware.
3. SPX hereby merges SPXCC with and into SPX and assumes all of its obligations.
4. The following is a copy of the resolutions adopted on the 24th day of April, 1996, by the Board of Directors of SPX to merge SPXCC into SPX:

RESOLVED, that SPX Credit Corporation, a wholly owned subsidiary of SPX, be merged into SPX pursuant to the laws of the State of Delaware as hereinafter provided, so that the separate existence of SPX Credit Corporation shall cease as soon

as the merger shall become effective, and thereupon SPX and SPX Credit Corporation will become a single corporation, which shall continue to exist under, and be governed by, laws of the State of Delaware.

RESOLVED that the terms and conditions of the proposed merger are as follows:

(a) From and after the effective time of the merger, all of the estate, property, rights, privileges, powers, and franchises of SPX Credit Corporation shall become vested in and be held by SPX as fully and entirely and without change or diminution as the same were before held and enjoyed by SPX Credit Corporation and SPX shall assume all of the obligations of SPX Credit Corporation pursuant to Section 253 of the General Corporation Law of the State of Delaware.

(b) From and after the effective time of the merger, SPX shall be the surviving corporation and SPX Credit Corporation shall cease to exist in accordance with Section 253 of the General Corporation Law of the State of Delaware.

RESOLVED that the proper officers of SPX be and they hereby are authorized and directed to make and execute a Certificate of Ownership and Merger setting forth a copy of these resolutions to merge SPX Credit Corporation into SPX and the date of adoption thereof, and to cause the same to be filed and recorded as provided by law, and to do all acts and things whatsoever, within the State of Delaware necessary or proper to effect this merger.

5. The proposed merger herein certified has been adopted, approved, certified, executed, and acknowledged by SPX in accordance with the laws of the State of Delaware.

Signed on May 24, 1996

SPX CORPORATION

By: /s/ James M. Sheridan

Name: James M. Sheridan
Its: Vice President

Attested:

By: /s/ James M. Sheridan

Name: James M. Sheridan
Its: Secretary

CERTIFICATE OF OWNERSHIP AND MERGER

MERGING

A.W. ANDERBERG MANUFACTURING COMPANY, OTC HOLDINGS, INC.,
TRUTH INCORPORATED, TWIN TOOL, INC. AND OWATONNA TOOL COMPANY

INTO

SPX CORPORATION

SPX Corporation, a corporation organized and existing under the laws of Delaware,

DOES HEREBY CERTIFY:

FIRST: That this corporation was incorporated on the 9th day of February, 1968, pursuant to the General Corporation Law of the State of Delaware.

SECOND: That this corporation owns all of the outstanding shares (of each class) of the stock of A.W. Anderberg Manufacturing Company, a corporation incorporated on the 17th day of MAY, 1946 pursuant to the General Corporation Law of the State of California.

That this corporation owns all of the outstanding shares (of each class) of the stock of OTC Holding, Inc., a corporation incorporated on the 8th day of July, 1926, pursuant to the Business Corporation Law of the State of Minnesota.

That this corporation owns all of the outstanding shares (of each class) of the stock of Truth Incorporated, a corporation incorporated on the 13th day of October, 1969,

pursuant to the Business Corporation Law of the State of Minnesota.

That this corporation owns all of the outstanding shares (of each class) of the stock of Twin Tool, Inc., a corporation incorporated on the 16th day of November, 1981, pursuant to the Business Corporation Law of the State of Minnesota.

That this corporation owns all of the outstanding shares (of each class) of the stock of Owatonna Tool Company, a corporation incorporated on the 26th day of December, 1984, pursuant to the Business Corporation Law of the State of Minnesota.

THIRD: That this corporation, by the following resolutions of its Board of Directors, duly adopted at a meeting held on the 24th day of October, 1990, determined to and did merge into itself said A.W. Anderberg Manufacturing Company, OTC Holdings, Inc., Truth Incorporated, Twin Tool, Inc. and Owatonna Tool Company:

RESOLVED, that SPX Corporation merge, and it hereby does merge into itself said A.W. Anderberg Manufacturing Company, OTC Holdings, Inc., Truth Incorporated, Twin Tool, Inc. and Owatonna Tool Company, and assumes all of its obligations; and

FURTHER RESOLVED, that the merger shall be effective on December 31, 1990.

FURTHER RESOLVED, that the proper officers of this corporation be and they hereby are directed to make and execute a Certificate of Ownership and Merger setting forth a copy of the resolutions to merge said A.W. Anderberg Manufacturing Company, OTC Holdings, Inc., Truth Incorporated, Twin Tool, Inc. and Owatonna Tool Company and assume its liabilities and obligations; and the date of adoption thereof, and to cause the same to be filed with the Secretary of State and a certified copy recorded in the office of the Recorder of Deeds of New Castle County and to do all acts and things whatsoever, whether within or without the State of Delaware, which may be in anywise necessary or proper to effect said merger.

FOURTH: Anything herein or elsewhere to the contrary notwithstanding, this merger may be amended or terminated and abandoned by the Board of Directors of SPX Corporation at any time prior to the date of filing the merger with the Secretary of State.

IN WITNESS WHEREOF, said SPX Corporation has caused this Certificate to be signed by Dale A. Johnson, its President and attested by James M. Sheridan, its Secretary, this 30th day of November, 1990.

SPX CORPORATION

By /s/ Dale A. Johnson

Dale A. Johnson, President

ATTEST:

By /s/ James M. Sheridan

James M. Sheridan, Secretary

CERTIFICATE OF OWNERSHIP AND MERGER

MERGING

KENT-MOORE CORPORATION

INTO

SPX CORPORATION

* * * * *

SPX Corporation, a corporation organized and existing under the laws of Delaware,

DOES HEREBY CERTIFY:

FIRST: That this corporation was incorporated on the 9th day of February, 1968, pursuant to the General Corporation Law of the State of Delaware.

SECOND: That this corporation owns all of the outstanding shares of the stock of Kent-Moore Corporation, a corporation incorporated on the 31st day of October, 1981, pursuant to the General Corporation Law of the State of Delaware.

THIRD: That this corporation, by the following resolutions of its Board of Directors, duly adopted at a meeting held on the 24th day of October, 1990, determined to and did merge into itself said Kent-Moore Corporation:

RESOLVED, that SPX Corporation merge, and it hereby does merge into itself said Kent-Moore Corporation, and assumes all of its obligations; and

FURTHER RESOLVED, that the merger shall be effective on November 30, 1990; and

FURTHER RESOLVED, that the proper officers of this corporation be and they hereby are directed to make and execute a Certificate of Ownership and Merger setting forth a copy of the resolutions to merge said Kent-Moore Corporation and assume its liabilities and obligations, and the date of adoption thereof, and to cause the same to be filed with the Secretary of State and a certified copy recorded into the office of the Recorder of Deeds of New Castle County and to do all acts and things whatsoever, whether within or without the State of Delaware, which may be in anywise necessary or proper to effect said merger; and

FOURTH: Anything herein or elsewhere to the contrary notwithstanding, this merger may be amended or terminated and abandoned by the Board of Directors of SPX Corporation at any time prior to the date of filing the merger with the Secretary of State.

IN WITNESS WHEREOF, said SPX Corporation has caused this Certificate to be signed by Dale A. Johnson, its President and attested by James M. Sheridan, its Secretary, this 12th day of November, 1990.

SPX CORPORATION

By /s/ Dale A. Johnson

Dale A. Johnson
Its President

ATTEST:

By /s/ James M. Sheridan

James M. Sheridan
Its Secretary

[SEAL]

CERTIFICATE OF DESIGNATION, PREFERENCES AND RIGHTS
OF SERIES A JUNIOR PARTICIPATING PREFERRED STOCK

of

SPX CORPORATION

Pursuant to Section 151 of the General Corporation Law
of the State of Delaware

We, Robert D. Tuttle, Chairman, and James M. Sheridan, Secretary, of SPX Corporation, a corporation organized and existing under the General Corporation Law of the State of Delaware, in accordance with the provisions of Section 103 thereof, DO HEREBY CERTIFY:

That pursuant to the authority conferred upon the Board of Directors by the Restated Certificate of Incorporation of the said Corporation, the said Board of Directors on June 25, 1986, adopted the following resolution creating a series of 500,000 shares of Preferred Stock designated as Series A Junior Participating Preferred Stock:

RESOLVED, that pursuant to the authority vested in the Board of Directors of this Corporation in accordance with the provisions of its Restated Certificate of Incorporation, a series of Preferred Stock of the Corporation be and it hereby is created, and that the designation and amount thereof and the voting powers, preferences and relative, participating, optional and other special rights of the shares of such series, and the qualifications, limitations or restrictions thereof are as follows:

Section 1. Designation and Amount. The shares of such series shall be designated as "Series A Junior Participating Preferred Stock," without par value, and the number of shares constituting such series shall be 500,000.

Section 2. Dividends and Distributions.

A. Subject to the prior and superior rights of the holders of any shares of any series of Preferred Stock ranking prior and superior to the shares of Series A Junior Participating Preferred Stock with respect to dividends, the holders of shares of Series A Junior Participating Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the tenth (10) day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend

Payment Date after the first issuance of a share or fraction of a shares of Series A Junior Participating Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) \$5.00 or (b) subject to the provisions for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock, par value \$10.00 per share, of the Corporation (the "Common Stock") since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Junior Participating Preferred Stock. In the event the Corporation shall at any time after June 25, 1986 (the "Rights Declaration Date") (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount to which holders of shares of Series A Junior Participating Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

B. The Corporation shall declare a dividend or distribution on the Series A Junior Participating Preferred Stock as provided in paragraph (A) above immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$0.5 per share on the Series A Junior Participating Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

C. Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Junior Participating Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Series A Junior Participating Preferred Stock unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or

unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Junior Participating Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Junior Participating Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Junior Participating Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 30 days prior to the date fixed for the payment thereof.

Section 3. Voting Rights. The holders of shares of Series A Junior Participating Preferred Stock shall have the following rights:

A. Subject to the provision for adjustment hereinafter set forth, each share of Series A Junior Participating Preferred Stock shall entitle the holder thereof to one vote on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the number of votes per share to which holders of shares of Series A Junior Participating Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

B. Except as otherwise provided herein or by law, the holders of shares of Series A Junior Participating Preferred Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

C. (i) If at any time dividends on any Series A Junior Participating Preferred Stock shall be in arrears in an amount equal to six (6) quarterly dividends thereon, the occurrence of such contingency shall mark the beginning of a period (herein

called a "default period") which shall extend until such time when all accrued and unpaid dividends for all previous quarterly dividend periods and for the current quarterly dividend period on all shares of Series A Junior Participating Preferred Stock then outstanding shall have been declared and paid or set apart for payment. During each default period, all holders of Preferred Stock (including holders of the Series A Junior Participating Preferred Stock) with dividends in arrears in an amount equal to six (6) quarterly dividends thereon, voting as a class, irrespective of series, shall have the right to elect two (2) Directors.

(ii) During any default period, such voting right of the holders of Series A Junior Participating Preferred Stock may be exercised initially at a special meeting called pursuant to subparagraph (iii) of this Section 3(C) or at any annual meeting of stockholders, and thereafter at annual meetings of stockholders, provided that neither such voting right nor the right of the holders of any other series of Preferred Stock, if any, to increase, in certain cases, the authorized number of Directors shall be exercised unless the holders of ten percent (10%) in number of shares of Preferred Stock outstanding shall be present in person or by proxy. The absence of a quorum of the holders of Common Stock shall not affect the exercise by the holders of Preferred Stock of such voting right. At any meeting at which the holders of Preferred Stock shall exercise such voting right initially during an existing default period, they shall have the right, voting as a class, to elect Directors to fill such vacancies, if any, in the Board of Directors as may then exist up to two (2) Directors or, if such right is exercised at an annual meeting, to elect two (2) Directors. If the number which may be so elected at any special meeting does not amount to the required number, the holders of the Preferred Stock shall have the right to make such increase in the number of Directors as shall be necessary to permit the election by them of the required number. After the holders of the Preferred Stock shall have exercised their right to elect Directors in any default period and during the continuance of such period, the number of Directors shall not be increased or decreased except by vote of the holders of Preferred Stock as herein provided or pursuant to the rights of any equity securities ranking senior to or pari passu with the Series A Junior Participating Preferred Stock.

(iii) Unless the holders of Preferred Stock shall, during an existing default period, have previously exercised their right to elect Directors, the Board of Directors may order, or any stockholder or stockholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Preferred Stock outstanding, irrespective of series, may request, the calling of a special meeting of the holders of

Preferred Stock, which meeting shall thereupon be called by the President, a Vice-President, or the Secretary of the Corporation. Notice of such meeting and of any annual meeting at which holders of Preferred Stock are entitled to vote pursuant to this paragraph (C) (iii) shall be given to each holder of record of Preferred Stock by mailing a copy of such notice to him at his last address as the same appears on the books of the Corporation. Such meeting shall be called for a time not earlier than 20 days and not later than 60 days after such order or request or in default of the calling of such meeting within 60 days after such order or request, such meeting may be called on similar notice by any stockholder or stockholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Preferred Stock outstanding. Notwithstanding the provisions of this paragraph (C) (iii), no such special meeting shall be called during the period within 60 days immediately preceding the date fixed for the next annual meeting of the stockholders.

(iv) In any default period, the holders of Common Stock, and other classes of stock of the Corporation if applicable, shall continue to be entitled to elect the whole number of Directors until the holders of Preferred Stock shall have exercised their right to elect two (2) Directors voting as a class, after the exercise of which right (x) the Directors so elected by the holders of Preferred Stock shall continue in office until their successors shall have been elected by such holders or until the expiration of the default period, and (y) any vacancy in the Board of Directors may (except as provided in paragraph (C) (ii) of this Section 3) be filled by vote of a majority of the remaining Directors theretofore elected by the holders of the class of stock which elected the Director whose office shall have become vacant. References in this paragraph (C) to Directors elected by the holders of a particular class of stock shall include Directors elected by such Directors to fill vacancies as provided in clause (y) of the foregoing sentence.

(v) Immediately upon the expiration of a default period, (x) the right of the holders of Preferred Stock as a class to elect Directors shall cease, (y) the term of any Directors elected by the holders of Preferred Stock as a class shall terminate, and (z) the number of Directors shall be such number as may be provided for in the certificate of incorporation or by-laws irrespective of any increase made pursuant to the provisions of paragraph (C) (ii) of this Section 3 (such number being subject, however, to change thereafter in any manner provided by law or in the certificate of incorporation or by-laws). Any vacancies in the Board of Directors effected by the provisions of clauses (y) and (z) in the preceding sentence may be filled by a majority of the remaining Directors.

D. Except as set forth herein, holders of Series A Junior Participating Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 4. Certain Restrictions.

A. Whenever quarterly dividends or other dividends or distributions payable on the Series A Junior Participating Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Junior Participating Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Participating Preferred Stock;

(ii) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Participating Preferred Stock, except dividends paid ratably on the Series A Junior Participating Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Participating Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Junior Participating Preferred Stock;

(iv) purchase or otherwise acquire for consideration any shares of Series A Junior Participating Preferred Stock, or any shares of stock ranking on a parity with the Series A Junior Participating Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

B. The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. Reacquired Shares. Any shares of Series A Junior Participating Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set forth herein.

Section 6. Liquidation, Dissolution or Winding Up.

A. Upon any liquidation (voluntary or otherwise), dissolution or winding up of the Corporation, no distribution shall be made to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Participating Preferred Stock unless, prior thereto, the holder of shares of Series A Junior Participating Preferred Stock shall have received \$100.00 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment (the "Series A Liquidation Preference"). Following the payment of the full amount of the Series A Liquidation Preference, no additional distributions shall be made to the holders of shares of Series A Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Common Stock shall have received an amount per share (the "Common Adjustment") equal to the quotient obtained by dividing (i) the Series A Liquidation Preference by (ii) 100 (as appropriately adjusted as set forth in subparagraph C below to reflect such events as stock splits, stock dividends and recapitalizations with respect to the Common Stock) (such number in clause (ii), the "Adjustment Number"). Following the payment of the full amount of the Series A Liquidation Preference and the Common Adjustment in respect of all outstanding shares of Series A Junior Participating Preferred Stock and Common Stock, respectively, holders of Series A Junior Participating Preferred Stock and holders of shares of Common Stock shall receive their ratable and proportionate share of the remaining assets to be distributed in the ratio of the Adjustment Number to 1 with respect to such Preferred Stock and Common Stock, on a per share basis, respectively.

B. In the event, however, that there are not sufficient assets available to permit payment in full of the Series A Liquidation Preference and the liquidation preferences of all

other series of preferred stock, if any, which rank on a parity with the Series A Junior Participating Preferred Stock, then such remaining assets shall be distributed ratably to the holders of such parity shares in proportion to their respective liquidation preferences. In the event, however, that there are not sufficient assets available to permit payment in full of the Common Adjustment, then such remaining assets shall be distributed ratably to the holders of Common Stock.

C. In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the Adjustment Number in effect immediately prior to such event shall be adjusted by multiplying such Adjustment Number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case the shares of Series A Junior Participating Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 100 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Junior Participating Preferred Stock shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. No Redemption. The shares of Series A Junior Participating Preferred Stock shall not be redeemable.

Section 9. Ranking. The Series A Junior Participating Preferred Stock shall rank junior to all other series of the

Corporation's Preferred Stock as to the payment of dividends and the distribution of assets, unless the terms of any such series shall provide otherwise.

Section 10. Amendment. The Restated Certificate of Incorporation of the Corporation shall not be further amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Junior Participating Preferred Stock so as to affect them adversely without the affirmative vote of the holders of a majority or more of the outstanding shares of Series A Junior Participating Preferred Stock, voting separately as a class.

Section 11. Fractional Shares. Series A Junior Participating Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Junior Participating Preferred Stock.

IN WITNESS WHEREOF, we have executed and subscribed this Certificate and do affirm the foregoing as true under the penalties of perjury this 19th day of October, 1988.

/s/ Robert D. Tuttle

Chairman

Attest:

/s/ James M. Sheridan

Secretary

[SEAL]

CERTIFICATE OF OWNERSHIP AND MERGER

Merging

SPAR CORPORATION
(a Delaware corporation)

into

SEALED POWER CORPORATION
(a Delaware corporation)

Pursuant to Section 253 of the
General Corporation Law of the
State of Delaware

It is hereby certified that:

1. SEALED POWER CORPORATION ("the Corporation") is a corporation incorporated under the laws of the State of Delaware.

2. The Corporation is the owner of all of the issued and outstanding shares of stock of SPAR CORPORATION ("SPAR"), a Delaware corporation.

3. The Corporation hereby merges SPAR with and into the Corporation and assumes all of its obligations.

4. The Corporation, as the surviving corporation, hereby changes its corporate name change to SPX Corporation.

5. The merger of SPAR with and into the Corporation and the corporate name change to SPX Corporation shall become effective at 5:00 p.m. (Delaware time) on April 26, 1988.

6. Set forth below is a copy of the resolutions adopted on February 17, 1988 by the Board of Directors of the Corporation authorizing the corporate name change to SPX Corporation and the merger of SPAR into the Corporation.

RESOLVED, that the Corporation shall change its name from Sealed Power Corporation to SPX Corporation.

RESOLVED, that the Corporation shall effect the corporate name change pursuant to Section 253 of the Delaware General Corporation Law by creating a wholly-owned subsidiary which shall be merged with and into the Corporation.

RESOLVED, that the proper officers of the Corporation are authorized and directed to cause the formation of SPAR Corporation ("SPAR"), under and pursuant to the laws of the State of Delaware.

RESOLVED, that, at the request of the Corporation, Robert D. Tuttle shall serve as the sole director of SPAR.

RESOLVED, that, once organized, SPAR shall be merged with and into the Corporation, with the Corporation remaining in existence after the merger as the surviving corporation, in accordance with the Delaware General Corporation Law.

RESOLVED, that the Certificate of Ownership and Merger in the form attached to these resolutions as Exhibit A is approved, and the proper officers of the Corporation are authorized and directed to execute, deliver and file the Certificate of Ownership and Merger with such modifications and amendments as such officers may deem necessary or appropriate, and to take such actions as they deem advisable to perform or file the Certificate of Ownership and Merger.

RESOLVED, that the proper officers of the Corporation are authorized and directed to execute, deliver and file any and all documents and to take any and all action with federal, state, local and foreign authorities, as they deem necessary or appropriate to effect the corporate name change and the merger of SPAR Corporation with and into the Corporation and to carry out the intent of the foregoing resolutions.

DATED: April 25, 1988.

SEALED POWER CORPORATION

By: /s/ Charles E. Johnson II

Its: President

Attest:

/s/ James M. Sheridan

Its: Secretary

Certificate of Ownership of the SEALED POWER CORPORATION a corporation organized and existing under the laws of the State of Delaware merging SPAR CORPORATION a corporation organized and existing under the laws of the State of Delaware pursuant to Section 253 of the General Corporation Law of the State of Delaware, as received and filed in this office the twenty-fifth day of April, A.D. 1988 at 10 o'clock A.M.

And I do hereby further certify that the aforesaid Corporation shall be governed by the laws of the State of Delaware.

And I do hereby further certify that the said "SEALED POWER CORPORATION", has relinquished its corporate title and assumed in place thereof "SPX CORPORATION".

[SEAL]

RESTATED CERTIFICATE OF INCORPORATION
OF
SEALED POWER CORPORATION

* * * * *

Sealed Power Corporation, a corporation organized and existing under the laws of the State of Delaware, hereby certifies that: (1) the name of the corporation is Sealed Power Corporation and the name under which the corporation was originally incorporated is 2001 Sanford Street Corporation; (2) the date of filing its original Certificate of Incorporation with the Secretary of State was February 9, 1968; (3) this Restated Certificate of Incorporation only restates and integrates and does not further amend the provisions of the Certificate of Incorporation of this corporation as heretofore amended or supplemented, and there is no discrepancy between those provisions and the provisions of this Restated Certificate of Incorporation; (4) this Certificate of Incorporation was duly adopted by the board of directors of the corporation in accordance with Section 245 of the General Corporation Law of the State of Delaware; and (5) the text of the Certificate of Incorporation as heretofore amended or supplemented is restated as follows:

FIRST. The name of the corporation is SEALED POWER CORPORATION.

SECOND. The address of its registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

THIRD. The nature of the business, or objects or purposes to be conducted or promoted by the Corporation are:

(a) To manufacture, purchase or otherwise acquire invest in, or mortgage, pledge, sell, assign and transfer or otherwise dispose of, trade, deal in and with goods, wares and merchandise and property of every class and description, including but not limited to the manufacture and sale of automotive engine parts and related products.

(b) To have one or more offices, to carry on all or any of its operations and business and without restriction or limit as to amount to purchase or otherwise acquire, hold, own, mortgage, sell, convey or otherwise dispose of, real and personal property of every class and descriptor in any of the states, districts, territories or possessions of the United States, and in any and all foreign countries, subject to the laws of such state, district, territory, possession or country.

(c) To purchase, hold, sell and transfer the shares of its own capital stock; provided it shall not use its funds or property for the purchase of its own shares of capital stock when such use would cause any impairment of its capital except as otherwise permitted by law, and

provided further that shares of its own capital stock belonging to it shall not be voted upon directly or indirectly.

(d) To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH. 1. Authorized Shares. The total number of shares of stock of all classes which the Corporation shall have authority to issue is fifty-three million (53,000,000), of which three million (3,000,000) shall be shares of Preferred Stock without par value and fifty million (50,000,000) shall be shares of Common Stock of the par value of \$10 per share.

2. Preferred Stock. (a) The Preferred Stock shall be issuable in series, and in connection with the issuance of any series of Preferred Stock and to the extent now or hereafter permitted by the laws of the State of Delaware, the Board of Directors is authorized to fix by resolution the designation of each series, the stated value of the shares of each series, the dividend rate of each series and the date or dates and other provisions respecting the payment of dividends, the provisions, if any, for a sinking fund for the shares of each series, the preferences of the shares of each series in the event of the liquidation or dissolution of the Corporation, the provisions, if any, respecting the redemption of the shares of each series and, subject to requirements of the laws of the State of Delaware, the voting rights (except that such shares shall not have more than one vote per share), the terms, if any, upon which the shares of each series shall be convertible into or exchangeable for any other shares of stock of the Corporation and any other relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, of the shares of each series.

(b) Preferred Stock of any series redeemed, converted, exchanged, purchased, or otherwise acquired by the Corporation shall constitute authorized but unissued Preferred Stock.

(c) All shares of any series of Preferred Stock, as between themselves, shall rank equally and be identical; and all series of Preferred Stock, as between themselves, shall rank equally and be identical except as set forth in resolutions of the Board of Directors authorizing the issuance of such series.

3. Common Stock. (a) After dividends to which the holders of Preferred Stock may then be entitled under the resolutions creating any series thereof have been declared and after the Corporation shall have set apart the amounts required pursuant to such resolutions for the purchase or redemption of any series of Preferred Stock, the holders of Common Stock shall be entitled to have dividends declared in cash, property, or other securities of the Corporation out of any net profits or net assets of the Corporation legally available therefor.

(b) In the event of the liquidation or dissolution of the Corporation's business and after the holders of Preferred Stock shall have received amounts to which they are entitled under the resolutions creating such series, the holders of Common Stock shall be entitled to receive ratably the balance of the Corporation's net assets available for distribution.

(c) Each share of Common Stock shall be entitled to one vote, but shall not be entitled to vote for the election of any directors who may be elected by vote of the Preferred Stock voting as a class.

4. Preemptive Rights. No holder of any shares of the Corporation shall have any preemptive right to subscribe for or to acquire any additional shares of the Corporation of the same or of any other class, whether now or hereafter authorized or any options or warrants giving the right to purchase any such shares, or any bonds, notes, debentures or other obligations convertible into any such shares.

FIFTH. The name and mailing address of each incorporator is as follows:

NAME ----	MAILING ADDRESS -----
B. J. Consono	100 West Tenth Street Wilmington, Delaware
F. J. Obara, Jr.	100 West Tenth Street Wilmington, Delaware
A. D. Grier	100 West Tenth Street Wilmington, Delaware

SIXTH. The Corporation is to have perpetual existence.

SEVENTH. The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever.

EIGHTH. Except as otherwise fixed by resolution of the Board of Directors pursuant to the provisions of Article FOURTH hereof relating to the rights of the holders of Preferred Stock to elect directors as a class, the number of the directors of the Corporation shall be fixed from time to time by or pursuant to the By-Laws of the Corporation. The directors, other than those who may be elected by the holders of Preferred Stock, shall be classified, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible. The first class shall be initially elected for a term expiring at the next ensuing annual meeting, the second class shall be initially elected for a term expiring one year thereafter, and the third class shall be elected for a term expiring two years thereafter, with each class to hold office until its successor is elected and qualified. At each annual meeting of the stockholders of the Corporation held after the

initial classification and election of directors, the successors of the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election.

Advance notice of stockholder nominations for the election of directors shall be given in the manner provided in the By-Laws of the Corporation.

Except as otherwise fixed by resolution of the Board of Directors pursuant to the provisions of Article FOURTH hereof relating to the rights of the holders of Preferred Stock to elect directors as a class, newly created directorships resulting from any increase in the number of directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of directors in which the new directorship was created (subject to the requirements of this Article EIGHTH that all classes be as nearly equal in number as possible) or in which the vacancy occurred and until such director's successor shall have been elected and qualified. No decrease in the number of directors constituting the Board of Directors shall shorten the term of an incumbent director.

Subject to the rights of the holders of Preferred Stock to elect directors as a class, a director may be removed only for cause and only by the affirmative vote of the holders of 80% of the combined voting power of the then outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class.

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized:

1. To adopt, amend and repeal the By-Laws of the Corporation. Any by-laws adopted by the directors under the powers conferred hereby may be amended or repealed by the directors or by the stockholders. Notwithstanding the foregoing or any other provision in this Certificate of Incorporation or the By-Laws of the Corporation to the contrary. Article II, Sections 3 and 7 and Article III, Sections 1, 2 and 3 of the By-Laws shall not be amended or repealed and no provision inconsistent therewith shall be adopted without the affirmative vote of the holders of at least 80% of the voting power of all the shares of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

2. To fix and determine, and to vary the amount of, the working capital of the Corporation, and to determine the use or investment of any assets of the Corporation, to set apart out of any of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and to abolish any such reserve or reserves.

3. To authorize the purchase or other acquisition of shares of stock of the Corporation or any of its bonds, debentures, notes, scrip, warrants or other securities or evidences of indebtedness.

4. Except as otherwise provided by law, to determine the places within or without the State of Delaware, where any or all of the books of the Corporation shall be kept.

5. To authorize the sale, lease or other disposition of any part or parts of the properties of the Corporation and to cease to conduct the business connected therewith or again to resume the same, as it may deem best.

6. To authorize the borrowing of money, the issuance of bonds, debentures and other obligations or evidences of indebtedness of the Corporation, secured or unsecured, and the inclusion of provisions as to redeemability and convertibility into shares of stock of the Corporation or otherwise; and the mortgaging or pledging, as security for money borrowed or bonds, notes, debentures or other obligations issued by the Corporation, of any property of the Corporation, real or personal, then owned or thereafter acquired by the Corporation.

In addition to the powers and authorities herein or by statute expressly conferred upon it, the Board of Directors may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject, nevertheless, to the provisions of the laws of the State of Delaware, of this Certificate of Incorporation and of the By-Laws of the Corporation.

Subject to any limitation in the By-Laws, the members of the Board of Directors shall be entitled to reasonable fees, salaries or other compensation for their services, as determined from time to time by the Board of Directors, and to reimbursement for their expenses as such members. Nothing herein contained shall preclude any director from serving the Corporation or its subsidiaries or affiliates in any other capacity and receiving compensation therefor.

Notwithstanding anything contained in this Certificate of Incorporation to the contrary, the affirmative vote of the holders of at least 80% of the voting power of all shares of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to alter, amend, adopt any provision inconsistent with or repeal this Article EIGHTH.

NINTH. Both stockholders and directors shall have power, if the By-Laws so provide, to hold their meetings and to have one or more offices within or without the State of Delaware.

Except as otherwise fixed by resolution of the Board of Directors pursuant to the provision of Article FOURTH hereof relating to the rights of the holders of Preferred Stock, any action required or

permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders. Except as otherwise required by law and subject to the rights of the holders of Preferred Stock, special meetings of stockholders may be called only by the Chairman on his own initiative, the President on his own initiative or by the Board of Directors pursuant to a resolution approved by a majority of the entire Board of Directors. Notwithstanding anything contained in this Certificate of Incorporation to the contrary, the affirmative vote of the holders of at least 80% of the voting power of all shares of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to alter, amend, adopt any provision inconsistent with or repeal this Article NINTH.

TENTH. Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the Corporation or of any creditor or stockholder thereof, or on the application of any receiver or receivers appointed for this Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of Section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this Corporation, as the case may be, and also on this Corporation.

ELEVENTH. Except as otherwise provided in this Certificate of Incorporation, the Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

TWELFTH. No contract or other transaction between the Corporation and any person, firm, association or Corporation and no other act of this Corporation shall, in the absence of fraud, be invalidated or in any way affected by the fact that any of the directors of the Corporation are, directly or indirectly, pecuniarily or otherwise interested in such contract, transaction or other act or related to or interested in such

person, firm, association or corporation as director, stockholder, officer, employee, member or otherwise. Any director of the Corporation individually, or any firm or association of which any director may be a member, may be a party to, or may be pecuniarily or otherwise interested in, any contract or transaction of the Corporation, provided that the fact that he individually or such firm or association is so interested shall be disclosed or known to the Board of Directors or a majority of such members thereof as shall be present at any meeting of the Board of Directors, or of any committee of directors having the powers of the full Board, at which action upon any such contract, transaction or other act is taken, and if such fact shall be so disclosed or known any director of this Corporation so related or otherwise interested may be counted in determining the presence of a quorum at any meeting of the Board of Directors or of such committee at which action upon any such contract, transaction or act shall be taken and may vote thereat with respect to such action with like force and effect as if he were not so related or interested. Any director of the Corporation may vote upon any contract or other transaction between the Corporation and any subsidiary or affiliated corporation without regard to the fact that he is also a director of such subsidiary or affiliated corporation.

THIRTEENTH. (a) A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law of the State of Delaware, or (iv) for any transaction from which the director derived an improper personal benefit. If the General Corporation Law of the State of Delaware, or any other applicable law, is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law of the State of Delaware, or any other applicable law, as so amended. Any repeal, or modification of this Section (a) by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

(b)(1) Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she or a person of whom he or she is the legal representative is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer or employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a

director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the General Corporation Law of the State of Delaware, or any other applicable law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expenses, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that except as provided in paragraph (2) of the Section (b) with respect to proceedings seeking to enforce rights to indemnification, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. The right to indemnification conferred in this Section (b) shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that if the General Corporation Law of the State of Delaware, or any other applicable law, requires, the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the Corporation of an undertaking by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Section(b) or otherwise.

(2) If a claim under paragraph (1) of this Section (b) is not paid in full by the Corporation within thirty days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law of the State of Delaware, or any other applicable law, for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, stockholders or Independent legal counsel) to have made a determination prior to the commencement of such action that indemnification of claimant

is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, or any other applicable law, nor an actual determination by the Corporation (including its Board of Directors, stockholders or independent legal counsel) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(3) The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Section (b) shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, By-Law, agreement, vote of stockholders or disinterested directors or otherwise.

(4) The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the General Corporation Law of the State of Delaware, or any other applicable law.

(5) The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification, and rights to be paid by the Corporation the expenses incurred in defending any proceeding in advance of its final disposition, to any employee or agent of the Corporation to the fullest extent of the provisions of this Section (b) with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

(6) Any repeal or modification of this Section (b) by the stockholders of the Corporation shall not adversely affect any right or protection of a director, officer, employee or agent of the Corporation existing at the time of such repeal or modification.

FOURTEENTH. In determining whether an "Acquisition Proposal" is in the best interests of the Corporation and its stockholders, the Board of Directors shall consider all factors it deems relevant including, without limitation, the following:

(a) the consideration being offered in the Acquisition Proposal, not only in relation to the then current market price, but also in relation to the then current value of the Corporation in a freely negotiated transaction and in relation to the Board of Directors' estimate of the future value of the Corporation as an independent entity; and

(b) the social, legal and economic effects upon employees, suppliers, customers and on the communities in which the Corporation is located, as well as on the long term business prospects of the Corporation.

"Acquisition Proposal" means any proposal of any person (i) for a tender offer, exchange offer or any other method of acquiring any equity securities of the Corporation with a view to acquiring control of the Corporation, (ii) to merge or consolidate the Corporation with another corporation, or (iii) to purchase or otherwise acquire all or substantially all of the properties and assets of the Corporation.

The Article shall not be interpreted to create any rights on behalf of third persons, such as employees, suppliers, or customers.

FIFTEENTH. 1. Higher Vote for Certain Business Combinations. A higher than majority stockholder vote to approve certain Business Combinations shall be required as follows (all capitalized terms being used as subsequently defined in this Article FIFTEENTH):

(a) Any merger or consolidation of the Corporation or any Subsidiary with (i) any Substantial Stockholder or (ii) any other corporation (whether or not itself a Substantial Stockholder) which is, or after such merger or consolidation would be, an Affiliate or Associate of a Substantial Stockholder; or

(b) Any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions) to or with any Substantial Stockholder or any Affiliate or Associate of any Substantial Stockholder of any assets of the Corporation or any Subsidiary having an aggregate Fair Market Value of \$10,000,000 or more; or

(c) The issuance or transfer by the Corporation or any Subsidiary (in one transaction or a series of transactions) of any securities of the Corporation or any Subsidiary to any Substantial Stockholder or any Affiliate or Associate of any Substantial Stockholder in exchange for cash, securities or other consideration (or a combination thereof) having an aggregate Fair Market Value of \$10,000,000 or more; or

(d) The adoption of any plan or proposal for the liquidation or dissolution of the Corporation proposed by or on behalf of any Substantial Stockholder or any Affiliate or Associate of any Substantial Stockholder; or

(e) Any reclassification of securities (including any reverse stock split), or recapitalization of the Corporation, or any merger or consolidation of the Corporation with any Subsidiary or any other transaction (whether or not with or into or otherwise involving a Substantial Stockholder) which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class of equity or convertible securities of the Corporation or any Subsidiary which is directly or indirectly owned by any Substantial Stockholder or any Affiliate or Associate of any Substantial Stockholder;

shall require the affirmative vote of the holders of at least 80% of the voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors (the "Voting Stock"), voting together as a single class. Such affirmative vote shall be required notwithstanding the fact that no vote may be required, or that a lesser percentage may be specified, by law or in any agreement with any national securities exchange or otherwise.

2. Definition of "Business Combination." The term "Business Combination" as used in this Article FIFTEENTH shall mean any transaction which is referred to in any one or more of subparagraphs (a) through (e) of paragraph 1.

3. When Higher Vote Is Not Required. The provisions of paragraph 1 of this Article FIFTEENTH shall not be applicable to any particular Business Combination, and such Business Combination shall require only such affirmative vote. If any, as is required by law, any other provision of this Certificate of Incorporation or any agreement with any national securities exchange, if in the case of a Business Combination that does not involve any cash or other consideration being received by the stockholders of the Corporation, solely in their capacities as stockholders, the condition specified in the following subparagraph (a) is met, or if in the case of any other Business Combination, the conditions specified in either of the following subparagraphs (a) or (b) are met:

(a) The Business Combination shall have been approved by at least two-thirds of the Continuing Directors.

(b) All of the following conditions shall have been met:

(i) The aggregate amount of the cash and the Fair Market Value as of the date of the consummation of the Business Combination (the "Consummation Date") of the consideration other than cash to be received per share by holders of Common Stock of the Corporation in such Business Combination shall be an amount at least equal to the highest of the following (it being intended that the requirements of this subparagraph (b) (i) shall be required to be met with respect to all shares of Common Stock outstanding, whether or not the Substantial Stockholder has previously acquired any Common Stock):

(A) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid in order to acquire any shares of Common Stock beneficially owned by the Substantial Stockholder which were acquired (1) within the two-year period immediately prior to the first public announcement of the proposal of the Business Combination (the "Announcement Date") or (2) in the transaction in which it became a Substantial Stockholder, whichever is higher, plus interest compounded annually from the date on which the Substantial Stockholder became a Substantial Stockholder through the Consummation Date at the prime rate of interest of Harris

Trust and Savings Bank (or other major bank headquartered in Chicago, Illinois, selected by a majority of the Continuing Directors) from time to time in effect in Chicago, less the aggregate amount of any cash dividends paid, and the Fair Market Value of any dividends paid in other than cash, per share of Common Stock from the date on which the Substantial Stockholder became a Substantial Stockholder through the Consummation Date in an amount up to but not exceeding the amount of such interest payable per share of Common Stock; or

(B) the Fair Market Value per share of Common Stock on the Announcement Date or on the date on which the Substantial Stockholder become such Substantial Stockholder (the "Determination Date"), whichever is higher; or

(C) the price per share equal to the Fair Market Value per share of Common Stock determined pursuant to clause (B) immediately preceding, multiplied by the ratio of (i) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid in order to acquire any shares of Common Stock beneficially owned by the Substantial Stockholder which were acquired within the two-year period immediately prior to the Announcement Date to (ii) the Fair Market Value per share of Common Stock on the first day in such two-year period on which the Substantial Stockholder beneficially owned any shares of Common Stock.

(ii) The aggregate amount of the cash and the Fair Market Value as of the Consummation Date of the consideration other than cash to be received per share by holders of shares of any class of outstanding Voting Stock, other than Common Stock, shall be the amount at least equal to the highest of the following (it being intended that the requirements of this subparagraph (b)(ii) shall be required to be met with respect to every such class of outstanding Voting Stock, whether or not the Substantial Stockholder beneficially owns any shares of a particular class of Voting Stock):

(A) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid in order to acquire any shares of such class of Voting Stock beneficially owned by the Substantial Stockholder which were acquired (1) within the two-year period immediately prior to the Announcement Date or (2) in the transaction in which it became a Substantial Stockholder, whichever is higher, plus interest compounded annually from the date on which the Substantial Stockholder became a Substantial Stockholder through the Consummation Date at the prime rate of interest of Harris Trust and Savings Bank (or other major bank headquartered in Chicago, Illinois, selected by a majority of the Continuing Directors) from time to time in effect in Chicago, less the aggregate amount of any cash dividends paid, and the Fair Market Value of

any dividends paid in other than cash, per share of such class of Voting Stock from the date on which the Substantial Stockholder became a Substantial Stockholder through the Consummation Date in an amount up to but not exceeding the amount of such interest payable per share of such class of Voting Stock; or

(B) the Fair Market Value per share of such class of Voting Stock on the Announcement Date or on the Determination Date, whichever is higher; or

(C) the price per share equal to the Fair Market Value per share of such class of Voting Stock determined pursuant to clause (B) immediately preceding, multiplied by the ratio of (i) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid in order to acquire any shares of such class of Voting Stock beneficially owned by the Substantial Stockholder which were acquired within the two-year period immediately prior to the Announcement Date to (ii) the Fair Market Value per share of such class of Voting Stock on the first day in such two-year period on which the Substantial Stockholder beneficially owned any shares of such class of Voting Stock; or

(D) the highest preferential amount per share to which the holders of shares of such class of Voting Stock are entitled in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation.

(iii) The consideration to be received by holders of a particular class of outstanding Voting Stock (including Common Stock) shall be in cash or in the same form as was previously paid for shares of such class of Voting Stock which are beneficially owned by the Substantial Stockholder. If the Substantial Stockholder beneficially owns any shares of any class of Voting Stock which were acquired with varying forms of consideration, the form of consideration to be received by holders of such class of Voting Stock shall be either cash or in the form used to acquire the largest number of shares of such class of Voting Stock previously beneficially owned by it.

(iv) After such Substantial Stockholder has become a Substantial Stockholder and prior to the consummation of such Business Combination: (A) except as approved by at least two-thirds of the Continuing Directors, there shall have been no failure to declare and pay at the regular date therefor any full quarterly dividends (whether or not cumulative) on any outstanding Preferred Stock of the Corporation; (B) there shall have been (1) no reduction in the annual rate of dividends paid on the Common Stock (except as necessary to reflect any subdivision of the Common Stock), except as approved by at least two-thirds of the Continuing Directors, and (2) an increase in such annual rate of dividends as necessary to prevent any

such reduction in the event of any reclassification (including any reverse stock split), recapitalization, reorganization or any similar transaction which has the effect of reducing the number of outstanding shares of Common Stock, unless the failure so to increase such annual rate is approved by at least two-thirds of the Continuing Directors: and (C) such Substantial Stockholder shall not have become the beneficial owner of any additional shares of Voting Stock except as part of the transaction which results in such Substantial Stockholder becoming a Substantial Stockholder.

(v) After such Substantial Stockholder has become a Substantial Stockholder, such Substantial Stockholder shall not have received the benefit, directly or indirectly (except proportionately as a stockholder), of any loans, advances, guarantees, pledges or other financial assistance or any tax credits or other tax advantages provided by the Corporation, whether in anticipation of or in connection with such Business Combination or otherwise.

(vi) A proxy or information statement describing the proposed Business Combination and complying with the requirements of the Securities Exchange Act of 1934 and the rules and regulations thereunder (or any subsequent provisions replacing such Act, rules or regulations) shall be mailed to public stockholders of the Corporation at least 30 days prior to the consummation of such Business Combination (whether or not such proxy or information statement is required to be mailed pursuant to such Act or subsequent provisions).

(vii) All per share prices shall be adjusted to reflect any intervening stock splits, stock dividends and reverse stock splits.

4. Certain Definitions, for the purposes of this Article FIFTEENTH:

(a) A "person" shall mean any individual, firm, corporation or other entity.

(b) "Substantial Stockholder" shall mean any person (other than the Corporation or any Subsidiary) who or which:

(i) is the beneficial owner, directly or indirectly, or more than 10% of the voting power of the outstanding Voting Stock; or

(ii) is an Affiliate of the Corporation and at any time within the two-year period immediately prior to the date in question was the beneficial owner, directly or indirectly, of 10% or more of the voting power of the then outstanding Voting Stock; or

(iii) is an assignee of or has otherwise succeeded to any shares of Voting Stock which were at any time within the two-year period immediately prior to the date in question beneficially owned by any Substantial Stockholder, if such assignment or succession

shall have occurred in the course of a transaction or series of transactions not involving a public offering within the meaning of the Securities Act of 1933.

(c) A person shall be "beneficial owner" of any Voting Stock:

(i) which such person or any of its Affiliates or Associates beneficially owns, directly or indirectly; or

(ii) which such person or any of its Affiliates or Associates has (A) the right to acquire (whether such right is exercisable immediately or only after the passage of time), pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, or (B) the right to vote pursuant to any agreement, arrangement or understanding; or

(iii) which are beneficially owned, directly or indirectly, by any other person with which such person or any of its Affiliates or Associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any shares of Voting Stock.

(d) For the purpose of determining whether a person is a Substantial Stockholder pursuant to subparagraph (b) of this paragraph 4, the number of shares of Voting Stock deemed to be outstanding shall include shares deemed owned by a Substantial Stockholder through application of subparagraph (c) of this paragraph 4, but shall not include any other shares of Voting Stock which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

(e) "Affiliate" or "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as in effect on March 1, 1985 (the term "registrant" in said Rule 12b-2 meaning in this case the Corporation).

(f) "Subsidiary" means any corporation of which a majority of any class of equity security is owned, directly or indirectly, by the Corporation; provided, however, that for the purposes of the definition of Substantial Stockholder set forth in subparagraph (b) of this paragraph 4, the term "Subsidiary" shall mean only a corporation of which a majority of each class of equity security is owned, directly or indirectly, by the Corporation.

(g) "Continuing Director" means any member of the Board of Directors of the Corporation (the "Board") who is unaffiliated with and not a representative of the Substantial Stockholder and was a member of the Board prior to the time that the Substantial Stockholder became a Substantial Stockholder, and any successor of a Continuing Director who is

unaffiliated with and not representative of the Substantial Stockholder and is recommended to succeed a Continuing Director by at least two-thirds of the Continuing Directors then on the Board.

(h) "Fair Market Value" means: (i) in the case of stock, the highest closing sale price during the 30-day period immediately preceding the date in question of a share of such stock on the Composite Tape for the New York Stock Exchange--Listed Stocks, or if such stock is not quoted on the Composite Tape, on the New York Stock Exchange, or, if such stock is not listed on such Exchange, on the principal United States securities exchange registered under the Securities Exchange Act of 1934 on which such stock is listed, or, if such stock is not listed on any such exchange, the highest closing sale price, or if none, the highest closing bid quotation, with respect to a share of such stock during the 30-day period preceding the date in question on the National Association of Securities Dealers, Inc. Automated Quotations System or any system then in use, or if no such quotations are available, the fair market value on the date in question of a share of such stock as determined by at least a two-thirds of the Continuing Directors in good faith; and (ii) in the case of property other than cash or stock, the fair market value of such property on the date in question as determined by at least two-thirds of the Continuing Directors in good faith.

(i) In the event of any Business Combination in which the Corporation survives, the phrase "consideration other than cash to be received" as used in subparagraphs (b)(i) and (ii) of paragraph 3 shall include the Common Shares or the shares of any other class of outstanding Voting Stock retained by the holders of such shares, or both.

5. Powers of Continuing Directors: At least two-thirds of the Continuing Directors of the Corporation shall have the power and duty to determine, on the basis of information known to them after reasonable inquiry, all facts necessary to determine compliance with this Article FIFTEENTH, including without limitation (i) whether a person is a Substantial Stockholder, (ii) the number of shares of Voting Stock beneficially owned by any person, (iii) whether a person is an Affiliate or Associate of another, (iv) whether the requirements of subparagraph (b) of paragraph 3 have been met with respect to any Business Combination, and (v) whether the assets which are the subject of any Business Combination have, or the consideration to be received for the issuance or transfer of securities by the Corporation or any Subsidiary in any Business Combination has, an aggregate Fair Market Value of \$10,000,000 or more, and the good faith determination of at least two-thirds of the Continuing Directors on such matters shall be conclusive and binding for all the purposes of this Article FIFTEENTH.

6. No Effect on Fiduciary Obligations of Interested Stockholders. Nothing contained in this Article FIFTEENTH shall be construed to relieve the Board of Directors or any Substantial Stockholder from any fiduciary obligation imposed by law.

7. Amendment, Repeal, etc. Notwithstanding any other provisions of this Certificate or Incorporation of the By-Laws of the Corporation (and notwithstanding the fact that a lesser percentage may be specified by law, the other sections of this Certificate of Incorporation or the By-Laws of the Corporation), the affirmative vote of the stockholders holding not less than 80% of the outstanding Voting Stock, voting together as a single class, shall be required to amend or repeal, or to adopt any provisions inconsistent with, this Article FIFTEENTH of this Certificate of Incorporation; provided, however, that the preceding provisions of this paragraph 7 shall not be applicable to any amendment to this Article FIFTEENTH, and such amendment shall require only such affirmative vote as is required by law and any other provisions of this Certificate of Incorporation, if such amendment shall have been approved by at least two-thirds of the Continuing Directors.

IN WITNESS WHEREOF, Sealed Power Corporation has caused this certificate to be signed by James M. Sheridan, its Vice President, and attested by Majorie M. Stauffer, its Assistant Secretary, this 11 day of December, 1987.

SEALED POWER CORPORATION

By: /s/ James M. Sheridan

Vice President

Attest:

By: /s/ Majorie M. Stauffer

Assistant Secretary

SPX CORPORATION
and
EQUISERVE TRUST COMPANY, N.A., Rights Agent

AMENDMENT NO. 2
to
RIGHTS AGREEMENT

AMENDMENT NO. 2 TO RIGHTS AGREEMENT, effective as of June 26, 2002, between SPX CORPORATION, a Delaware corporation (the "Company"), and EQUISERVE TRUST COMPANY, N.A., as successor Rights Agent to The Bank of New York (the "Rights Agent").

A. The Company and the Rights Agent entered into a Rights Agreement dated as of June 25, 1996, as amended effective October 22, 1997 (the "Rights Agreement"), which the Company now desires to amend in certain respects and the Rights Agent, by executing this Agreement, acknowledges such amendments in accordance with Section 27 of the Rights Agreement. Accordingly, it is agreed as follows:

1. Section 25(a) of the Rights Agreement is hereby deleted and replaced in its entirety with the following:

(a) In case the Company shall propose (i) to pay any dividend payable in stock of any class to the holders of its Preferred Shares or to make any other distribution to the holders of its Preferred Shares (other than a regular quarterly cash dividend), (ii) to offer to the holders of its Preferred Shares rights or warrants to subscribe for or to purchase any additional Preferred Shares or shares of stock of any class or any other securities, rights or options, (iii) to effect any reclassification of its Preferred Shares (other than a reclassification involving only the subdivision of outstanding Preferred Shares), (iv) to effect any consolidation or merger into or with, or to effect any sale or other transfer (or to permit one or more of its Subsidiaries to effect any sale or other transfer), in one or more transactions, of 50% or more of the assets or earning power of the Company and its Subsidiaries (taken as a whole) to, any other Person, (v) to effect the liquidation, dissolution or winding up of the Company, or (vi) to declare or pay any dividend on the Common Shares payable in Common Shares or to effect a subdivision, combination or consolidation of the Common Shares (by reclassification or otherwise than by payment of dividends in Common Shares), then, in each such case, the Company shall give to each holder of a Right Certificate, in accordance with Section 26 hereof, a notice of such proposed action, which shall specify the record date for the purposes of such stock dividend, or distribution of rights or warrants, or the date on which such reclassification, consolidation, merger, sale, transfer, liquidation, dissolution, or winding up is to take place and the date of participation therein by the holders of the Common Shares and/or Preferred Shares, if any such date is to be fixed, and such notice shall be so given in the case of any action covered by clause (i) or (ii) above at least 10 days prior to the record date for determining holders of the Preferred Shares for purposes of such action, in the case of any action covered by clause (vi) above as soon as practicable after the distribution date of any dividend or the effective date of any subdivision, combination or

consolidation of the Common Shares, and in the case of any such other action, at least 10 days prior to the date of the taking of such proposed action or the date of participation therein by the holders of the Common Shares and/or Preferred Shares, whichever shall be the earlier.

B. As promptly as practicable following the date of this Amendment, the Company shall cause the legend on the certificates for the Common Stock referring to the Rights Agreement to be supplemented so as to make reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 to Rights Agreement to be duly executed as of the day and year first above written.

ATTEST

SPX CORPORATION

By /s/ Christopher J. Kearney

Title: Secretary

By /s/ John B. Blystone

Title: Chairman, President and
Chief Executive Officer

ATTEST

EQUISERVE TRUST COMPANY, N.A.

By /s/ Kathleen M. Voss

Title: Customer Service Manager

By /s/ John H. Ruocco

Title: Senior Account Manager

=====
\$2,131,250,000
FOURTH AMENDED AND RESTATED
CREDIT AGREEMENT

dated as of October 6, 1998,

as Amended and Restated as of July 24, 2002,

among

SPX CORPORATION,

The Foreign Subsidiary Borrowers Party Hereto,

The Lenders Party Hereto,

BANK ONE, N.A.,
as Syndication Agent,

BANK OF AMERICA, N.A.,
COMERICA BANK,
FLEET NATIONAL BANK,
THE BANK OF NOVA SCOTIA
and
WACHOVIA BANK N.A.
as Documentation Agents,

and

JPMORGAN CHASE BANK,
as Administrative Agent

J.P. MORGAN SECURITIES INC.,
as Sole Lead Arranger and Sole Bookrunner
=====

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- C Form of Assignment and Acceptance
- D-1 Form of Legal Opinion of Fried, Frank, Harris, Shriver & Jacobson
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- D-3 Matters to be Covered by Foreign Subsidiary Opinion
- E Form of Addendum
- F Form of Exemption Certificate
- G Form of Consent and Confirmation
- H Form of Prepayment Option Notice
- I Form of Borrowing Subsidiary Agreement
- J Form of Borrowing Subsidiary Termination

FOURTH AMENDED AND RESTATED CREDIT AGREEMENT, dated as of October 6, 1998, as amended and restated as of July 24, 2002, among SPX CORPORATION, a Delaware corporation (the "Parent Borrower"), the Foreign Subsidiary Borrowers (as hereinafter defined) party hereto, the Lenders party hereto, BANK ONE, N.A., as Syndication Agent, BANK OF AMERICA, N.A., COMERICA BANK, FLEET NATIONAL BANK, THE BANK OF NOVA SCOTIA and WACHOVIA BANK N.A., as Documentation Agents, and JPMORGAN CHASE BANK, as Administrative Agent.

W I T N E S S E T H :

WHEREAS, the Parent Borrower, as borrower, entered into the Credit Agreement, dated as of October 6, 1998 (the "Original Credit Agreement"), as amended and restated as of February 10, 2000, as amended and restated as of January 31, 2001, as amended and restated as of May 24, 2001, and as further amended through the date hereof (the "Existing Credit Agreement"), with the several banks and other financial institutions or entities parties thereto, the documentation agent named therein and JPMorgan Chase Bank (formerly The Chase Manhattan Bank), as administrative agent;

WHEREAS, the parties hereto have agreed to amend and restate the Existing Credit Agreement as provided in this Agreement, which Agreement shall become effective upon the satisfaction of certain conditions precedent set forth in Section 4.1 hereof; and

WHEREAS, it is the intent of the parties hereto that this Agreement not constitute a novation of the obligations and liabilities existing under the Existing Credit Agreement and which remain outstanding or evidence repayment of any of such obligations and liabilities and that this Agreement amend and restate in its entirety the Existing Credit Agreement and re-evidence the obligations of the Parent Borrower and any Foreign Subsidiary Borrowers outstanding thereunder;

NOW, THEREFORE, in consideration of the above premises, the parties hereto hereby agree that on the Amendment/Restatement Effective Date (as defined below) the Existing Credit Agreement shall be amended and restated in its entirety as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR": when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

"Adjusted LIBO Rate": with respect to any Eurocurrency Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

"Administrative Agent": JPMorgan Chase Bank, in its capacity as administrative agent for the Lenders hereunder and, unless the context otherwise requires, in its capacity as Collateral Agent; it being understood that (a) matters concerning Qualified Global Currency Loans (other than Canadian

Dollar Loans) will be administered by Chase Manhattan International Limited and therefore all notices concerning such Loans will be required to be given at the London Administrative Office and (b) matters concerning Canadian Dollar Loans will be administered by The Bank of Nova Scotia and therefore all notices concerning such Loans will be required to be given at the Canadian Administrative Office.

"Administrative Office": the New York Administrative Office, the London Administrative Office or the Canadian Administrative Office, as applicable.

"Administrative Questionnaire": an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate": as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, either to (a) vote 10% or more of the securities having ordinary voting power for the election of directors (or persons performing similar functions) of such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

"Aggregate Available Global Revolving Commitments": as at any date of determination with respect to all Global Revolving Lenders, an amount in Dollars equal to the Available Global Revolving Commitments of all Global Revolving Lenders on such date.

"Alternate Base Rate": for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Base CD Rate in effect on such day plus 1% and (c) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. 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 respect thereof, the Alternate Base Rate shall be determined without regard to clause (c) 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, the Base CD Rate or the Federal Funds Effective Rate shall be effective from and including the effective date of such change in the Prime Rate, the Base CD Rate or the Federal Funds Effective Rate, respectively.

"Alternative Currency": any currency that is freely available, freely transferable and freely convertible into Dollars and in which dealings in deposits are carried on in the London interbank market, provided that such currency is reasonably acceptable to the Administrative Agent and the applicable Issuing Lender.

"Alternative Currency LC Exposure": at any time, the sum of (a) the Dollar Equivalent of the aggregate undrawn and unexpired amount of all outstanding Alternative Currency Letters of Credit at such time plus (b) the Dollar Equivalent of the aggregate principal amount of all LC Disbursements in respect of Alternative Currency Letters of Credit that have not yet been reimbursed at such time.

"Alternative Currency Letter of Credit": a Letter of Credit denominated in an Alternative Currency.

"AMCA": AMCA/Brookfield International Sales Corporation, a Delaware corporation and a Wholly Owned Subsidiary Guarantor.

"Amendment/Restatement Effective Date": the date on which the conditions precedent set forth in Section 4.1 shall be satisfied, which date is July 25, 2002.

"Applicable Percentage": with respect to any Domestic Revolving Lender, the percentage of the total Domestic Revolving Commitments represented by such Lender's Domestic Revolving Commitment. If the Domestic Revolving Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Domestic Revolving Commitments most recently in effect, giving effect to any assignments.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

"Applicable Rate": with respect to any Loans, for any day, the applicable rate per annum set forth below, based upon the Consolidated Leverage Ratio as of the most recent determination date:

Consolidated Leverage Ratio	Applicable Rate for Eurocurrency Loans that are Revolving Loans, Swingline Loans or Tranche A Term Loans	Applicable Rate for ABR Loans that are Revolving Loans, Swingline Loans or Tranche A Term Loans	Applicable Rate for Eurocurrency Loans that are Tranche B Term Loans	Applicable Rate for ABR Loans that are Tranche B Term Loans	Applicable Rate for Eurocurrency Loans that are Tranche C Term Loans	Applicable Rate for ABR Loans that are Tranche C Term Loans	Commitment Fee Rate
Greater than or equal to 4.00 to 1.0	2.50%	1.50%	2.25%	1.25%	2.50%	1.50%	0.500%
Greater than or equal to 3.50 to 1.0 and less than 4.00 to 1.0	2.25%	1.25%	2.25%	1.25%	2.50%	1.50%	0.375%
Greater than or equal to 3.00 to 1.0 and less than 3.50 to 1.0	2.00%	1.00%	2.25%	1.25%	2.50%	1.50%	0.300%
Greater than or equal to 2.50 to 1.0 and less than 3.00 to 1.0	1.75%	0.75%	2.25%	1.25%	2.50%	1.50%	0.300%
Less than 2.50 to 1.0	1.50%	0.50%	2.25%	1.25%	2.50%	1.50%	0.250%

For purposes of the foregoing, (a) the Consolidated Leverage Ratio shall be determined as of the end of each fiscal quarter of the Parent Borrower's fiscal year based upon the Parent Borrower's consolidated financial statements delivered pursuant to Section 5.1(a) or (b), and (b) each change in the Applicable Rate resulting from a change in the Consolidated Leverage Ratio shall be effective during the period commencing on and including the date of delivery to the Administrative Agent of such consolidated financial statements indicating such change and ending on the date immediately preceding the effective date of the next such change; provided that (i) subject to clause (ii) below, until the delivery pursuant to Section 5.1(b) of the Parent Borrower's consolidated financial statements for the fiscal quarter

ended June 30, 2002, the Consolidated Leverage Ratio shall be determined as of the end of the Parent Borrower's fiscal quarter ended March 31, 2002 based upon the Parent Borrower's financial statements for the period of four consecutive fiscal quarters ended March 31, 2002 delivered to the Administrative Agent prior to the Amendment/Restatement Effective Date, which financial statements shall contain all information and calculations necessary for determining the Consolidated Leverage Ratio as of March 31, 2002, and (ii) the Consolidated Leverage Ratio shall be deemed to be greater than or equal to 4.00 to 1.0 (A) at any time that an Event of Default has occurred and is continuing or (B) at the option of the Administrative Agent or at the request of the Required Lenders, if the Parent Borrower fails to deliver the consolidated financial statements required to be delivered by it pursuant to Section 5.1(a) or (b), during the period from the expiration of the time for delivery thereof until such consolidated financial statements are delivered.

"Assa Abloy JV": Assa Abloy Door Group, LLC, a Delaware limited liability company formed pursuant to the Master Transaction Agreement dated April 12, 2001 between Assa Abloy AB and UDI.

"Assessment Rate": for any day, the annual assessment rate in effect on such day that is payable by a member of the Bank Insurance Fund classified as "well-capitalized" and within supervisory subgroup "B" (or a comparable successor risk classification) within the meaning of 12 C.F.R. Part 327 (or any successor provision) to the Federal Deposit Insurance Corporation for insurance by such Corporation of time deposits made in Dollars at the offices of such member in the United States; provided that if, as a result of any change in any law, rule or regulation, it is no longer possible to determine the Assessment Rate as aforesaid, then the Assessment Rate shall be such annual rate as shall be determined by the Administrative Agent to be representative of the cost of such insurance to the Lenders.

"Asset Swap": the exchange by the Parent Borrower or a Subsidiary of any portion of its assets for other assets which, or Capital Stock of a Person all or substantially all of the assets of which, are of a type used in the business of the Parent Borrower or in a related business, or a combination of any such assets or Capital Stock of such a Person and cash or Permitted Investments.

"Assignment and Acceptance": an assignment and acceptance in the form of Exhibit C or any other form approved by the Administrative Agent.

"Attributable Debt": in respect of a Sale/Leaseback Transaction, as at the time of determination, the present value (discounted at the interest rate assumed in making calculations in accordance with FAS 13) of the total obligations of the Parent Borrower or the relevant Subsidiary, as lessee, for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended).

"Available Global Revolving Commitments": as at any date of determination with respect to any Global Revolving Lender, an amount in Dollars equal to the excess, if any, of (a) the amount of such Lender's Global Revolving Commitment in effect on such date over (b) the Global Revolving Exposure of such Lender on such date.

"Base CD Rate": the sum of (a) the Three-Month Secondary CD Rate multiplied by the Statutory Reserve Rate plus (b) the Assessment Rate.

"Board": the Board of Governors of the Federal Reserve System of the United States of America.

"BOMAG": BOMAG Holding, Inc., a Delaware corporation.

"BOMAG Purchaser Cancellation Right": the right, exercisable by Parkhaus GmbH at any time prior to May 15, 2003, to return to AMCA the BOMAG Transferred Equity, together with any dividends received by Parkhaus GmbH in respect of the BOMAG Transferred Equity, in exchange for a cancellation of the BOMAG Receivable.

"BOMAG Receivable": the obligation of Parkhaus GmbH to pay to AMCA, as the purchase price for the BOMAG Transferred Equity, an amount equal to 48,700,000 Deutsch Marks plus interest thereon at the rate of 8% per annum, calculated from May 22, 2001, which amount shall be payable on May 15, 2003.

"BOMAG Seller Cancellation Right": the right, exercisable by AMCA at any time from July 1, 2001 until December 31, 2002, to repurchase from Parkhaus GmbH the BOMAG Transferred Equity and have returned to it any dividends received by Parkhaus GmbH in respect of the BOMAG Transferred Equity, in exchange for a cancellation of the BOMAG Receivable.

"BOMAG Transferred Equity": 5.1% of the Capital Stock of BOMAG.

"Borrowers": the collective reference to the Parent Borrower and the Foreign Subsidiary Borrowers.

"Borrowing": (a) Loans of the same Class and Type, made, converted or continued on the same date and, in the case of Eurocurrency Loans, as to which a single Interest Period is in effect, or (b) a Swingline Loan.

"Borrowing Request": a request by the relevant Borrower for a Borrowing in accordance with Section 2.3.

"Borrowing Subsidiary Agreement": a Borrowing Subsidiary Agreement, substantially in the form of Exhibit I.

"Borrowing Subsidiary Termination": a Borrowing Subsidiary Termination, substantially in the form of Exhibit J.

"Business Day": any day that is not a Saturday, Sunday or other day on which commercial banks in New York City or (except in the case of Dollar-denominated Loans) London are authorized or required by law to remain closed; provided that (a) with respect to any borrowings, disbursements and payments in respect of and calculations, interest rates and Interest Periods pertaining to Eurocurrency Loans, such day is also a day on which banks are open for general business in the principal financial center of the country of the relevant currency and (b) with respect to notices and determinations in connection with, and payments of principal and interest on, Loans denominated in Euros, such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (TARGET) (or, if such clearing system ceases to be operative, such other clearing system (if any) determined by the Administrative Agent to be a suitable replacement) is open for settlement of payment in Euros.

"Calculation Date": two Business Days prior to the last Business Day of each calendar quarter (or any other day selected by the Administrative Agent (each, an "Optional Calculation Date")); provided that each date that is on or about the date of any borrowing request or rollover request with respect to any Qualified Global Currency Loan or of any issuance or maturity extension of a Letter of Credit denominated in an Alternative Currency shall also be a "Calculation Date" with respect to the relevant Qualified Global Currency or Alternative Currency, as the case may be.

"Canadian Administrative Office": as defined in Schedule 1.7.

"Canadian B/A": a Bankers' Acceptance as defined in Schedule 1.7.

"Canadian Commitment": as defined in Schedule 1.7.

"Canadian Contract Period": with respect to any Canadian B/A, the term thereof pursuant to subsection 2.3(b)(4) of Schedule 1.7.

"Canadian Lender": as defined in Schedule 1.7.

"Canadian Dollar Loan": a C\$ Loan as defined in Schedule 1.7.

"Canadian dollars": lawful currency of Canada.

"Capital Lease Obligations": with respect to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Capital Stock": shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any and all warrants, rights or options to purchase any of the foregoing (other than any Indebtedness convertible into Capital Stock, until such conversion).

"Change in Law": (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender or Issuing Lender (or, for purposes of Section 2.16(b), by any lending office of such Lender or Issuing Lender or by such Lender's or Issuing Lender's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

"Change of Control": (a) the acquisition of ownership, directly or indirectly, beneficially, by any "person" or "group" (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof) of Capital Stock representing more than 35% of either the aggregate ordinary voting power or the aggregate equity value represented by the issued and outstanding Capital Stock of the Parent Borrower; (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Parent Borrower by Persons who were neither (i) nominated by the board of directors of the Parent Borrower nor (ii) appointed by directors so nominated; or (c) the occurrence of a "Change of Control" (or any comparable concept) as defined in the Subordinated Debt Documents or the LYONs Documents.

"Class": when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Domestic Revolving Loans, Global Revolving Loans, Tranche A Term Loans, Tranche B Term Loans, Tranche C Term Loans or Swingline Loans and, when used in reference to any Commitment, refers to whether such Commitment is a Domestic Revolving Commitment, a Global Revolving Commitment, a Tranche B Commitment or a Tranche C Commitment.

"Code": the Internal Revenue Code of 1986, as amended from time to time.

"Collateral": all property of the Loan Parties, now owned or hereafter acquired, upon which a Lien is purported to be created by any Security Document.

"Collateral Agent": JPMorgan Chase Bank, in its capacities as (a) collateral agent under the Guarantee and Collateral Agreement for the Lenders, (b) collateral agent under the Mortgages, and (c) collateral agent under any other Security Document.

"Collateral Date": each date on which, pursuant to Section 5.1, the Parent Borrower delivers annual financial statements in respect of its fiscal year or quarterly financial statements in respect of the second quarter of its fiscal year.

"Commitment": a Domestic Revolving Commitment, a Global Revolving Commitment a Tranche B Commitment or a Tranche C Commitment or any combination thereof (as the context requires).

"Consent and Confirmation": the Consent and Confirmation, substantially in the form of Exhibit G, to be executed and delivered by the Parent Borrower and the Subsidiary Guarantors on the Amendment/Restatement Effective Date.

"Consideration": in connection with any acquisition or Investment, the consideration paid by the Parent Borrower or any of its Subsidiaries in connection therewith (including consideration in the form of issuance of Capital Stock of the Parent Borrower or any Subsidiary and assumption of Indebtedness but excluding, for the purposes of any calculation made pursuant to Section 6.5, consideration in the form of issuance of Capital Stock of the Parent Borrower).

"Consolidated EBITDA": for any period, Consolidated Net Income for such period plus, without duplication and to the extent reflected as a charge in the statement of such Consolidated Net Income for such period, the sum of (a) income tax expense, (b) interest expense, amortization or write-off of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness (including the Loans, letters of credit, bankers' acceptances and net costs under Hedging Agreements), (c) depreciation and amortization expense, (d) amortization or write-off of intangibles (including, but not limited to, goodwill) and organization costs, (e) any extraordinary or non-recurring non-cash expenses or non-cash losses, provided that in the event that the Parent Borrower or any Subsidiary makes any cash payment in respect of any such extraordinary or non-recurring non-cash expense, such cash payment shall be deducted from Consolidated EBITDA in the period in which such cash payment is made, (f) losses on Dispositions of assets outside of the ordinary course of business, (g) extraordinary or non-recurring cash charges resulting from severance, integration and other adjustments made as a result of Permitted Acquisitions or the acquisition of all of the outstanding Capital Stock of UDI, provided that (i) the amounts referred to in this clause (g) shall not, in the aggregate, exceed (A) \$40,000,000 on an after-tax basis in respect of Permitted Acquisitions and (B) \$125,000,000 on an after-tax basis in respect of the acquisition of UDI and (ii) the charges in respect of the acquisition of UDI shall have been taken on or prior to May 24, 2002, and (h) non-cash compensation expenses arising from the sale of stock, the granting of stock options, the granting of stock appreciation rights and similar arrangements, and minus, to the extent included in the statement of such Consolidated Net Income for such period, (a) any extraordinary or non-recurring non-cash income or non-cash gains and (b) gains on Dispositions of assets outside of the ordinary course of business, all as determined on a consolidated basis; provided that in determining Consolidated EBITDA for such period, the cumulative effect of any change in accounting principles (effected either through cumulative effect adjustment or a retroactive application) shall be excluded. For the purposes of calculating Consolidated EBITDA for any period of four consecutive fiscal quarters (each, a "Reference Period") pursuant to any determination of the Consolidated Leverage Ratio, if during such Reference Period (or, in the case of pro forma calculations,

during the period from the last day of such Reference Period to and including the date as of which such calculation is made) the Parent Borrower or any Subsidiary shall have made a Material Disposition or Material Acquisition, Consolidated EBITDA for such Reference Period shall be calculated after giving pro forma effect thereto as if such Material Disposition or Material Acquisition occurred on the first day of such Reference Period (with the Reference Period for the purposes of pro forma calculations being the most recent period of four consecutive fiscal quarters for which the relevant financial information is available), without giving effect to cost savings. As used in this definition, "Material Acquisition" means any acquisition of property or series of related acquisitions of property that (a) constitutes assets comprising all or substantially all of an operating unit of a business or constitutes all or substantially all of the common stock of a Person and (b) involves Consideration in excess of \$25,000,000; and "Material Disposition" means any Disposition of property or series of related Dispositions of property that (a) involves assets comprising all or substantially all of an operating unit of a business or constitutes all or substantially all of the common stock of a Subsidiary and (b) yields gross proceeds to the Parent Borrower or any of its Subsidiaries in excess of \$25,000,000.

"Consolidated Interest Coverage Ratio": for any period, the ratio of (a) Consolidated EBITDA for such period to (b) Consolidated Interest Expense for such period.

"Consolidated Interest Expense": for any period, the sum of (a) total cash interest expense (including that attributable to Capital Lease Obligations) of the Parent Borrower and its Subsidiaries for such period with respect to all outstanding Indebtedness of the Parent Borrower and its Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs or net income under Hedging Agreements in respect of such Indebtedness to the extent such net costs or net income, as the case may be, are allocable to such period in accordance with GAAP), (b) total dividend payments made by the Parent Borrower or any of its Subsidiaries to any Person (other than the Parent Borrower or any Wholly Owned Subsidiary Guarantor) during such period in respect of preferred Capital Stock and (c) to the extent not otherwise included in "interest expense" (or any like caption) on a consolidated income statement of the Parent Borrower and its Subsidiaries for such period, any other discounts, fees and expenses comparable to or in the nature of interest under any Qualified Receivables Transaction.

"Consolidated Leverage Ratio": as at the last day of any period, the ratio of (a) Consolidated Total Debt on such day to (b) Consolidated EBITDA for such period.

"Consolidated Net Income": for any period, the consolidated net income (or loss) of the Parent Borrower and its Subsidiaries, determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of the Parent Borrower or is merged into or consolidated with the Parent Borrower or any of its Subsidiaries and (b) the income (or deficit) of any Person (other than a Subsidiary of the Parent Borrower) in which the Parent Borrower or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Parent Borrower or such Subsidiary in the form of dividends or similar distributions.

"Consolidated Senior Debt": all Consolidated Total Debt other than Subordinated Debt.

"Consolidated Senior Leverage Ratio": as of the last day of any period, the ratio of (a) Consolidated Senior Debt on such day to (b) Consolidated EBITDA for such period.

"Consolidated Total Debt": at any date, the sum of (a) the aggregate principal amount of all Indebtedness of the Parent Borrower and its Subsidiaries at such date (excluding the face amount of undrawn letters of credit), determined on a consolidated basis in accordance with GAAP, calculated net of

the amount of cash and cash equivalents, in excess of \$50,000,000, that would (in conformity with GAAP) be set forth on a consolidated balance sheet of the Parent Borrower and its Subsidiaries for such date, provided that the netting of such cash and cash equivalent amounts shall not be used in calculating the Consolidated Leverage Ratio for purposes of determining the Applicable Rate plus (b) without duplication of amounts included in clause (a) above, an amount equal to the aggregate cash proceeds received by the Parent Borrower or any Subsidiary from the financing of accounts receivable (and assets related thereto) or, if greater, the aggregate principal amount of Indebtedness associated with such financing, in each case pursuant to any Qualified Receivables Transaction which are outstanding at such date.

"Contractual Obligation": as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Control": the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Default": any event or condition which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default (including, in any event, a "Default" under and as defined in the Subordinated Debt Documents).

"Determination Date": each date that is two Business Days after any Calculation Date or Optional Calculation Date.

"Disclosed Matters": the matters disclosed in Schedule 3.4.

"Disposition": with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. "Dispose" and "Disposed of" have meanings correlative thereto.

"Documentation Agents": the collective reference to Bank of America, N.A., Comerica Bank, Fleet National Bank, The Bank of Nova Scotia and Wachovia Bank N.A., in their capacity as documentation agents.

"Dollar Equivalent": on any date of determination, (a) for the purposes of determining compliance with Article VI or the existence of an Event of Default under Article VII (other than for the purpose of determining amounts outstanding hereunder, in which case clause (b) below shall govern), with respect to any amount denominated in a currency other than Dollars, the equivalent in Dollars of such amount, determined in good faith by the Parent Borrower in a manner consistent with the way such amount is or would be reflected on the Parent Borrower's audited consolidated financial statements for the fiscal year in which such determination is made and (b) with respect to any amount hereunder denominated in an Alternative Currency or a Qualified Global Currency, the amount of Dollars that may be purchased with such amount of such currency at the Exchange Rate (determined as of the most recent Calculation Date) with respect to such currency on such date.

"Dollars" or "\$" refers to lawful money of the United States of America.

"Domestic Revolving Availability Period": the period from and including the Effective Date to but excluding the earlier of the Domestic Revolving Maturity Date and the date of termination of the Domestic Revolving Commitments.

"Domestic Revolving Commitment": with respect to each Lender, the commitment, if any, of such Lender to make Domestic Revolving Loans and to acquire participations in Letters of Credit and Swingline Loans hereunder, as such commitment may be changed from time to time pursuant to this Agreement. The amount of each Lender's Domestic Revolving Commitment as of the Amendment/Restatement Effective Date is set forth on Schedule 1.1A, or in the Assignment and Acceptance pursuant to which such Lender shall have assumed its Domestic Revolving Commitment, as applicable. The aggregate amount of the Domestic Revolving Commitments is \$500,000,000 as of the Amendment/Restatement Effective Date.

"Domestic Revolving Exposure": with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender's Domestic Revolving Loans and its LC Exposure and Swingline Exposure at such time.

"Domestic Revolving Facility": as defined in the definition of Facility.

"Domestic Revolving Lender": a Lender with a Domestic Revolving Commitment or with Domestic Revolving Exposure.

"Domestic Revolving Loan": a Loan made pursuant to Section 2.1(a)(iii).

"Domestic Revolving Maturity Date": September 30, 2004.

"Domestic Subsidiary": any Subsidiary other than a Foreign Subsidiary.

"Effective Date": the date on which the conditions specified in Section 4.1 of the Original Credit Agreement were satisfied, which date was October 6, 1998.

"Emerson JV": EGS LLC.

"EMU": Economic and Monetary Union as contemplated in the Treaty.

"Endorsements": as defined in Section 4.1(c).

"Environmental Laws": all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to health and safety matters.

"Environmental Liability": any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Parent Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"ERISA": the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate": any trade or business (whether or not incorporated) that, together with the Parent Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event": (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Parent Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Parent Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Parent Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Parent Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Parent Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"Euro": the single currency of Participating Member States introduced in accordance with the provisions of Article 109(1)4 of the Treaty and, in respect of all payments to be made under this Agreement in Euros, means immediately available, freely transferable funds.

"Eurocurrency": when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

"Event of Default": as defined in Article VII.

"Exchange Rate": on any day, with respect to any Alternative Currency or Qualified Global Currency, the rate at which such Alternative Currency or Qualified Global Currency may be exchanged into Dollars, as set forth at approximately 11:00 a.m., London time, on such day on the applicable Reuters World Spot Page. In the event that any such rate does not appear on any Reuters World Spot Page, the Exchange Rate shall be determined by reference to such other publicly available service for displaying exchange rates reasonably selected by the Administrative Agent in consultation with the Parent Borrower for such purpose or, at the discretion of the Administrative Agent in consultation with the Parent Borrower, such Exchange Rate shall instead be the arithmetic average of the spot rates of exchange of the Administrative Agent in the market where its foreign currency exchange operations in respect of such Alternative Currency are then being conducted, at or about 11:00 a.m., local time, on such day for the purchase of the applicable Alternative Currency for delivery two Business Days later, provided that, if at the time of any such determination, for any reason, no such spot rate is being quoted, the Administrative Agent may use any other reasonable method it deems appropriate to determine such rate, and such determination shall be presumed correct absent manifest error.

"Excluded Taxes": with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of any Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch

profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which any Borrower is located, (c) in the case of any Borrowing by the Parent Borrower, with respect to any Lender (other than an assignee pursuant to a request by the Parent Borrower under Section 2.20(b)), any United States withholding tax that is (i) imposed on amounts payable to such Lender at the time such Lender becomes a party to this Agreement or (ii) is attributable to such Lender's failure to comply with Section 2.18(e), except to the extent that such Lender (or its assignor, if any) was entitled, to receive additional amounts from any Borrower with respect to such withholding tax pursuant to Section 2.18(a) and (d) United States withholding taxes imposed other than as a result of a Change in Law (it being understood that for this purpose the term Change in Law shall not include final Treasury regulations under Section 1441 of the Code becoming effective).

"Existing Credit Agreement": as defined in the recitals hereto.

"Existing Letters of Credit": as defined in Section 2.5(a).

"Existing Mortgagee Title Policy": as defined in Section 4.1(c).

"Facility": each of (a) the Tranche A Term Loans made under the Original Credit Agreement (the "Tranche A Term Facility"), (b) the Tranche B Commitments and the Tranche B Term Loans made hereunder (the "Tranche B Term Facility"), (c) the Tranche C Commitments and the Tranche C Term Loans made hereunder (the "Tranche C Term Facility"), (d) the Domestic Revolving Commitments and the extensions of credit made hereunder (the "Domestic Revolving Facility") and (e) the Global Revolving Commitments and the Global Revolving Loans made hereunder (the "Global Revolving Facility" and, together with the Domestic Revolving Facility, the "Revolving Facility").

"Federal Funds Effective Rate": for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Financial Officer": the chief financial officer, principal accounting officer, treasurer or controller of the Parent Borrower.

"Foreign Subsidiary": any Subsidiary (a) that is organized under the laws of a jurisdiction other than the United States of America or any State thereof or the District of Columbia or (b) that is a Foreign Subsidiary Holdco.

"Foreign Subsidiary Borrower": any Foreign Subsidiary of the Parent Borrower designated as a Foreign Subsidiary Borrower by the Parent Borrower pursuant to Section 2.22 that has not ceased to be a Foreign Subsidiary Borrower pursuant to such Section.

"Foreign Subsidiary Holdco": any Domestic Subsidiary that has no material assets other than the Capital Stock of one or more Foreign Subsidiaries, and other assets relating to an ownership interest in any such Capital Stock.

"Foreign Subsidiary Opinion": with respect to any Foreign Subsidiary Borrower, a legal opinion of counsel to such Foreign Subsidiary Borrower addressed to the Administrative Agent and the Lenders covering the matters set forth on Exhibit D-3, with such assumptions, qualifications and

deviations therefrom as the Administrative Agent shall approve (such approval not to be unreasonably withheld).

"GAAP": generally accepted accounting principles in the United States of America.

"Global Revolving Availability Period": the period from and including May 24, 2001 to but excluding the earlier of the Global Revolving Maturity Date and the date of termination of the Global Revolving Commitments.

"Global Revolving Facility": as defined in the definition of Facility.

"Global Revolving Commitment": with respect to each Lender, the commitment, if any, of such Lender to make Global Revolving Loans hereunder, expressed as an amount representing the maximum aggregate amount of such Lender's Global Revolving Exposure hereunder, as such commitment may be changed from time to time pursuant to this Agreement. The amount of each Lender's Global Revolving Commitment as of the Amendment/Restatement Effective Date is set forth on Schedule 1.1A, or in the Assignment and Acceptance pursuant to which such Lender shall have assumed its Global Revolving Commitment, as applicable. The aggregate amount of the Global Revolving Commitments is \$100,000,000 as of the Amendment/Restatement Effective Date.

"Global Revolving Exposure": with respect to any Lender at any time, the sum of (a) the aggregate outstanding principal amount of such Lender's Global Revolving Loans at such time that are denominated in Dollars plus (b) the Dollar Equivalent at such time of the aggregate outstanding principal amount of such Lender's Global Revolving Loans at such time that are denominated in Qualified Global Currencies.

"Global Revolving Lender": a Lender with a Global Revolving Commitment or with Global Revolving Exposure.

"Global Revolving Loan": a Loan made pursuant to Section 2.1(a)(iv), including Canadian Dollar Loans and any Canadian B/A accepted in accordance with Schedule 1.7.

"Global Revolving Maturity Date": September 30, 2004.

"Governmental Authority": any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government (including, without limitation, any European central bank or other similar agency, authority or regulatory body), any securities exchange and any self-regulatory organization (including the National Association of Insurance Commissioners).

"GSX": General Signal Corporation, a Delaware corporation.

"Guarantee: with respect to any Person (the "guarantor"), any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or

any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

"Guarantee and Collateral Agreement": the Guarantee and Collateral Agreement, dated as of October 6, 1998, made by the Parent Borrower and the Subsidiary Guarantors in favor of the Collateral Agent, a copy of which is attached as Exhibit A-1, as the same may be amended, supplemented or otherwise modified from time to time.

"Hazardous Materials": all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Hedging Agreement": any interest rate agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price swap or hedging arrangement or option.

"Incur": as defined in Section 6.2. "Incurrence" and "Incurred" shall have a correlative meanings.

"Indebtedness": with respect to any Person, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services (other than current trade payables or liabilities for deferred payment for services to employees and former employees, in each case incurred in the ordinary course of business and payable in accordance with customary practices), (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (f) all Guarantees by such Person of Indebtedness of others, (g) all Capital Lease Obligations of such Person, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (i) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, (j) all preferred and/or redeemable Capital Stock of any Subsidiary of such Person that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is six months after the Tranche C Maturity Date and (k) for the purposes of Section 6.2 only, all obligations of such Person in respect of Hedging Agreements. The Indebtedness of any Person (i) shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor and (ii) shall exclude customer deposits in the ordinary course of business.

"Indemnified Taxes": Taxes other than Excluded Taxes.

"Information Memorandum": the Confidential Information Memorandum dated June 2002 relating to the Parent Borrower and the Facilities.

"Inrange": Inrange Technologies Corporation, a Delaware corporation.

"Inrange Class A Common Stock": Class A Common Stock, par value \$.01 per share, of Inrange. -

"Inrange Class B Common Stock": Class B Common Stock, par value \$.01 per share, of Inrange.

"Inrange Common Stock": the collective reference to Inrange Class A Common Stock and Inrange Class B Common Stock.

"Interest Election Request": a request by the relevant Borrower to convert or continue a Revolving Borrowing or Term Borrowing in accordance with Section 2.7.

"Interest Payment Date": (a) with respect to any ABR Loan (other than a Swingline Loan), the last day of each March, June, September and December, (b) with respect to any Eurocurrency Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurocurrency Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period, and (c) with respect to any Swingline Loan, the day that such Loan is required to be repaid.

"Interest Period": with respect to any Eurocurrency Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter, as the relevant Borrower may elect; provided, that (a) 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 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 and (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Investments": as defined in Section 6.5.

"Issuing Lender": as the context may require, (a) JPMorgan Chase Bank, with respect to Letters of Credit issued by it, (b) and any other Domestic Revolving Lender that becomes an Issuing Lender pursuant to Section 2.5(1), with respect to Letters of Credit issued by it, and (c) any Domestic Revolving Lender that has issued an Existing Letter of Credit, with respect to such Existing Letter of Credit and, in each case its successors in such capacity as provided in Section 2.5(i). Any Issuing Lender may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Lender, in which case the term "Issuing Lender" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

"Judgment Currency": as defined in Section 9.16.

"Judgment Currency Conversion Rate": as defined in Section 9.16.

"LC Disbursement": a payment made by the applicable Issuing Lender pursuant to a Letter of Credit.

"LC Exposure": at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the relevant Borrower at such time. The LC Exposure of any Domestic Revolving Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

"Lender Affiliate": (a) with respect to any Lender, (i) an Affiliate of such Lender or (ii) any entity (whether a corporation, partnership, trust or otherwise) that is engaged in making, purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the ordinary course of its business and is administered or managed by a Lender or an Affiliate of such Lender and (b) with respect to any Lender that is a fund which invests in bank loans and similar extensions of credit, any other fund that invests in bank loans and similar extensions of credit and is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"Lenders": the Persons listed on Schedule 1.1A and any other Person that shall have become a party hereto pursuant to an Assignment and Acceptance, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Acceptance. Unless the context otherwise requires, the term "Lenders" includes the Swingline Lender and each Issuing Lender.

"Letter of Credit": any letter of credit issued pursuant to this Agreement, including the Existing Letters of Credit.

"LIBO Rate": with respect to any Eurocurrency Borrowing, for any Interest Period, the rate appearing on the relevant page of the Telerate screen (or any successor to or substitute for such screen, providing rate quotations comparable to those currently provided on such page of such screen, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to deposits in Dollars or the relevant Qualified Global Currency, as the case may be, in the relevant interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for deposits in such currency with a maturity comparable to such Interest Period. If such rate is not available at such time for any reason, and in all cases in the case of sterling-denominated Loans, the "LIBO Rate" with respect to such Eurocurrency Borrowing for such Interest Period shall be the rate at which deposits in the relevant currency of \$5,000,000 (or the appropriate equivalent thereof) and for a maturity comparable to such Interest Period are offered by the principal London office 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": with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Loan": any loan made by any Lender pursuant to this Agreement.

"Loan Documents": this Agreement, the Security Documents, each Borrowing Subsidiary Agreement and each Borrowing Subsidiary Termination.

"Loan Parties": the Borrowers and the Subsidiary Guarantors.

"London Administrative Office": the Administrative Agent's office located at 125 London Wall, London, or such other office in London as may be designated by the Administrative Agent by written notice to the Parent Borrower and the Lenders.

"LYONs": the collective reference to (a) the LYONs described in (i) the offering memorandum dated March 10, 2001 and (ii) the offering memorandum dated May 9, 2001 (collectively, the "LYONs Offering Memoranda"), (b) the notes issued upon conversion of the LYONs upon the occurrence of a Tax Event (as defined in the LYONs Documents) on the terms described in the LYONs Offering Memoranda and (c) any Indebtedness of the Parent Borrower incurred to refinance any of the foregoing so long as (i) such Indebtedness has no scheduled principal payments prior to the date that is six months after the Tranche C Maturity Date and (ii) the terms thereof are not materially more restrictive than the Indebtedness being refinanced, as agreed by the Administrative Agent.

"LYONs Contingent Interest": the payment of contingent interest on or after February 1, 2006, as described in the Summary section of the LYONs Offering Memoranda under the caption "Contingent Interest".

"LYONs Documents": all indentures, instruments, agreements and other documents evidencing or governing the LYONs or providing for any other right in respect thereof.

"LYONs Offering Memoranda": as defined in the definition of LYONs.

"LYONs Put/Conversion Rights": the collective reference to (a) the ability of holders of the LYONs to require purchase of the LYONs through the payment of cash or issuance of common stock or a combination of cash and common stock on specified scheduled dates, as described in the Summary section of the LYONs Offering Memoranda under the caption "Purchase of the LYONs at the Option of the Holder" and (b) the ability of the holders of the LYONs to surrender LYONs for conversion into common stock of the Parent Borrower if specific conditions are satisfied, as described in the Summary section of the LYONs Offering Memoranda under the caption "Conversion Rights".

"Majority Facility Lenders": with respect to any Facility, the holders of more than 50% of the aggregate unpaid principal amount of the Term Loans or Revolving Exposure, as the case may be, outstanding under such Facility (or, in the case of the Revolving Facility, prior to any termination of the Revolving Commitments, the holders of more than 50% of the Revolving Commitments).

"Material Adverse Effect": a material adverse effect on (a) the business, property, operations or condition (financial or otherwise) of the Parent Borrower and its Subsidiaries taken as a whole, (b) the ability of the Loan Parties, taken as a whole, to perform any of their obligations under any Loan Document or (c) the rights of or benefits available to the Lenders under any Loan Document.

"Material Indebtedness": Indebtedness (other than the Loans and Letters of Credit), or obligations in respect of one or more Hedging Agreements, of any one or more of the Parent Borrower and its Subsidiaries in an aggregate principal amount exceeding \$50,000,000. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of the Parent Borrower or any Subsidiary in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Parent Borrower or such Subsidiary would be required to pay if such Hedging Agreement were terminated at such time.

"Material Subsidiary": (a) any Subsidiary listed on Schedule 1.1B and (b) any other Subsidiary of the Parent Borrower created or acquired after the Amendment/Restatement Effective Date

that, together with its Subsidiaries, has aggregate assets (excluding assets that would be eliminated upon consolidation in accordance with GAAP), at the time of determination, in excess of \$50,000,000.

"Moody's": Moody's Investors Service, Inc.

"Mortgage": a mortgage, deed of trust, assignment of leases and rents, leasehold mortgage or other security document granting a Lien on any Mortgaged Property to secure the obligations of any Loan Party under any Loan Document. Each Mortgage shall be satisfactory in form and substance to the Administrative Agent.

"Mortgage Amendment": as defined in Section 4.1(j).

"Mortgaged Property": each parcel of real property owned by a Loan Party and identified on Schedule 1.1C and the improvements thereto, together with each other parcel of real property and improvements thereto with respect to which a Mortgage is granted to the Administrative Agent or the Collateral Agent.

"Multiemployer Plan": a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Proceeds": with respect to any event (a) the cash proceeds received in respect of such event including (i) any cash received in respect of any non-cash proceeds, but only as and when received, (ii) in the case of a casualty, insurance proceeds, and (iii) in the case of a casualty or a condemnation or similar event, condemnation awards and similar payments, net of (b) the sum of (i) all reasonable fees and out-of-pocket expenses paid by the Parent Borrower and the Subsidiaries to third parties (other than Affiliates) in connection with such event, (ii) in the case of a Disposition of an asset (including pursuant to a condemnation or similar proceeding), the amount of all payments required to be made by the Parent Borrower and the Subsidiaries as a result of such event to repay Indebtedness (other than Loans) or to repay any other Contractual Obligation secured by such asset or otherwise subject to mandatory prepayment or repayment as a result of such event, and (iii) the amount of all taxes paid (or reasonably estimated to be payable) by the Parent Borrower and the Subsidiaries (including all taxes paid in connection with the repatriation of the Net Proceeds of a Disposition), and the amount of any reserves established by the Parent Borrower and the Subsidiaries to fund contingent liabilities reasonably estimated to be payable, in each case that are directly attributable to such event (as determined reasonably and in good faith by the chief financial officer of the Parent Borrower).

"New York Administrative Office": the Administrative Agent's office located at 270 Park Avenue, New York, New York, or such other office in New York City as may be designated by the Administrative Agent by written notice to the Parent Borrower and the Lenders.

"Obligation Currency": as defined in Section 9.16.

"Obligations": the collective reference to the unpaid principal of and interest on the Loans and Reimbursement Obligations and all other obligations and liabilities of the Borrowers (including, without limitation, interest accruing at the then applicable rate provided herein after the maturity of the Loans and Reimbursement Obligations and interest accruing at the then applicable rate provided herein after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) to the Administrative Agent or any Lender (or, in the case of any Hedging Agreement, any Lender or any Affiliate of any Lender), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, the other Loan Documents, any Letter of Credit, any

Hedging Agreement with any Lender or any Affiliate of any Lender or any other document made, delivered or given in connection with any of the foregoing, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Administrative Agent or to the Lenders that are required to be paid by any Borrower pursuant to the terms of any of the foregoing agreements).

"Old Tranche B Term Loans": Tranche B Term Loans made under (and as defined in) the Existing Credit Agreement.

"Old Tranche C Term Loans": Tranche C Term Loans made under (and as defined in) the Existing Credit Agreement.

"Optional Calculation Date": as defined in the definition of Calculation Date.

"Original Credit Agreement": as defined in the recitals hereto.

"Other Taxes": any and all present or future stamp or documentary taxes or any other excise charges or similar levies arising from the execution, delivery or enforcement of any Loan Document.

"Parent Borrower": as defined in the preamble.

"Participant": as defined in Section 9.4(e).

"Participating Member State": each state so described in any EMU legislation.

"PBGC": the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Permitted Acquisition": any acquisition by the Parent Borrower or any Subsidiary of all or substantially all of the Capital Stock of, or all or substantially all of the assets of, or of a business, unit or division of, any Person; provided that (a) the Parent Borrower shall be in compliance, on a pro forma basis after giving effect to such acquisition, with the covenants contained in Section 6.1, in each case recomputed as at the last day of the most recently ended fiscal quarter of the Parent Borrower for which the relevant information is available as if such acquisition had occurred on the first day of each relevant period for testing such compliance (as demonstrated, in the case of any acquisition for which the aggregate Consideration is greater than or equal to \$50,000,000, in a certificate of a Financial Officer delivered to the Administrative Agent (i) in the case of any acquisition for which the aggregate Consideration is greater than or equal to \$100,000,000, prior to the consummation of such acquisition and (ii) in the case of any acquisition for which the aggregate Consideration is less than \$100,000,000, concurrently with the first delivery of financial statements pursuant to Section 5.1(a) or (b) following the consummation of such acquisition), (b) no Default or Event of Default shall have occurred and be continuing, or would occur after giving effect to such acquisition, (c) the Capital Stock and substantially all of the other property so acquired (including substantially all of the property of any Person whose Capital Stock is directly or indirectly acquired) are useful in the business of industrial products and other goods and services, (d) the Capital Stock and substantially all of the other property so acquired (including substantially all of the property of any Person whose Capital Stock is directly or indirectly acquired when such Person becomes a direct or indirect Wholly Owned Subsidiary of the Parent Borrower in accordance with clause (e), below, but excluding real property, Capital Stock and other assets to the extent such real property, Capital Stock, or other assets, as applicable, are not required by Section 5.11 to become Collateral) shall constitute and become Collateral, (e) any Person whose Capital Stock is directly or

indirectly acquired shall be, after giving effect to such acquisition, a majority owned Subsidiary and within ninety (90) days of such acquisition shall be a direct or indirect Wholly Owned Subsidiary of the Parent Borrower and (f) any such acquisition shall have been approved by the Board of Directors or comparable governing body of the relevant Person (unless such relevant Person is a majority owned Subsidiary prior to such acquisition).

"Permitted Encumbrances": (a) Liens imposed by law for taxes that are not yet due or are being contested in compliance with Section 5.5; (b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 90 days or are being contested in compliance with Section 5.5; (c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations; (d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety, indemnity, release and appeal bonds, performance bonds and other obligations of a like nature, and guarantees thereof, in each case in the ordinary course of business; (e) deposits securing liabilities to insurance carriers under insurance or self-insurance arrangements; and (f) easements, ground leases, zoning restrictions, building codes, rights-of-way, minor defects or irregularities in title and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Parent Borrower or any Subsidiary. Notwithstanding the foregoing, the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"Permitted Investments": (a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by 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; (b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody's; (c) investments in certificates of deposit, banker's acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof which has a combined capital and surplus and undivided profits of not less than \$500,000,000 or, in the case of Foreign Subsidiaries, any local office of any commercial bank organized under the laws of the relevant local jurisdiction or any OECD country or any political subdivision thereof which has a combined capital and surplus and undivided profits of not less than \$500,000,000 and cash pooling arrangements among Foreign Subsidiaries (sometimes intermediated by a commercial bank); and (d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above.

"Permitted Subsidiary Acquisition": any acquisition by Inrange or any of its Subsidiaries of all or any portion of the Capital Stock, or all or any portion of the assets, of any Person.

"Person": any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan": 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 or Section 302 of ERISA, and in respect of which the Parent Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Prepayment Event":

(a) any Disposition of property or series of related Dispositions of property (excluding any such Disposition permitted by paragraph (a), (b), (c), (e), (f), (g), (h), (i) or (k) of Section 6.6) that yields aggregate gross proceeds to the Parent Borrower or any of the Subsidiary Guarantors (valued at the initial principal amount thereof in the case of non-cash proceeds consisting of notes or other debt securities and valued at fair market value in the case of other non-cash proceeds) in excess of \$10,000,000; or

(b) any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property of the Parent Borrower or any Subsidiary Guarantor that yields Net Proceeds in excess of \$10,000,000; or

(c) the incurrence by the Parent Borrower or any Subsidiary Guarantor of any Subordinated Debt, unless the Consolidated Senior Leverage Ratio, on a pro forma basis after giving effect to such incurrence and the application of proceeds thereof, is less than 3.00 to 1.00, computed as at the last day of the most recently ended fiscal quarter of the Parent Borrower for which the relevant information is available for the period of four consecutive fiscal quarters ending on such day as if such incurrence had occurred on the first day of such period.

"Prime Rate": the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

"Pro Forma Financial Statements": as defined in Section 4.1(j).

"Qualified Foreign Global Currency": any Qualified Global Currency other than Dollars borrowed in New York City.

"Qualified Global Currency": (a) sterling, Euros, Dollars (borrowed in New York City), Australian dollars, Swiss francs and Canadian dollars (borrowed in London), (b) any other eurocurrency designated by the Parent Borrower with the consent of the Administrative Agent and each Global Revolving Lender and (c) with respect to Loans made by Canadian Lenders, Canadian dollars (borrowed in Canada).

"Qualified Global Currency Borrowing": any Borrowing comprised of Qualified Global Currency Loans.

"Qualified Global Currency Loan": any Loan denominated in a Qualified Global Currency.

"Qualified Receivables Transaction": any transaction or series of transactions that may be entered into by the Parent Borrower or any Subsidiary pursuant to which the Parent Borrower or any Subsidiary may sell, convey or otherwise transfer to (a) a Receivables Entity (in the case of a transfer by the Parent Borrower or any Subsidiary) or (b) any other Person (in the case of a transfer by a Receivables Entity), or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of the Parent Borrower or any Subsidiary, and any assets related thereto including, without limitation, all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, the proceeds of such accounts receivable and other

assets which are customarily transferred, or in respect of which security interests are customarily granted in connection with asset securitizations involving accounts receivable.

"Receivables Entity": any Subsidiary (or another Person to which the Parent Borrower or any Subsidiary transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable and which is designated by the Board of Directors of the Parent Borrower as a Receivables Entity:

(a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which:

(i) is guaranteed by the Parent Borrower or any Subsidiary (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings);

(ii) is recourse to or obligates the Parent Borrower or any Subsidiary in any way other than pursuant to Standard Securitization Undertakings; or

(iii) subjects any property or asset of the Parent Borrower or any Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(b) with which neither the Parent Borrower nor any Subsidiary has any material contract, agreement, arrangement or understanding (except in connection with a purchase money note or Qualified Receivables Transaction permitted by Section 6.6(c)) other than (i) on terms no less favorable to the Parent Borrower or such Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Parent Borrower or (ii) for the payment of fees in the ordinary course of business in connection with servicing accounts receivable; and

(c) to which neither the Parent Borrower nor any Subsidiary has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

"Register" has the meaning set forth in Section 9.4(c).

"Reimbursement Obligation": the obligation of each relevant Borrower to reimburse the applicable Issuing Lender pursuant to Section 2.5 for amounts drawn under Letters of Credit.

"Related Parties": with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents, trustees and advisors of such Person and such Person's Affiliates.

"Release Date": as defined in Section 9.14.

"Required Lenders": at any time, Lenders having Revolving Exposures, Term Loans and unused Commitments representing at least 51% of the sum of the total Revolving Exposures, outstanding Term Loans and unused Commitments at such time.

"Requirement of Law": as to any Person, the Certificate of Incorporation and By-Laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or

determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Reset Date": as defined in Section 1.5(a).

"Restricted Payment": (a) any dividend or other distribution (whether in cash, securities or other property) with respect to any Capital Stock of the Parent Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Capital Stock of the Parent Borrower or any Subsidiary or any option, warrant or other right to acquire any such Capital Stock of the Parent Borrower or any Subsidiary and (b) any payment or other distribution (whether in cash, securities or other property) of or in respect of principal of or interest on the LYONS, or any payment or other distribution (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation, conversion or termination of the LYONS.

"Revolving Commitments": the aggregate of the Domestic Revolving Commitments and the Global Revolving Commitments.

"Revolving Exposure": with respect to any Lender at any time, the sum of such Lender's Domestic Revolving Exposure and Global Revolving Exposure.

"Revolving Facility": as defined in the definition of Facility.

"Revolving Lenders": Domestic Revolving Lenders and Global Revolving Lenders.

"Revolving Loans": Domestic Revolving Loans and Global Revolving Loans.

"Risk Management Subsidiary": any Subsidiary (a) that is formed for the purpose of better controlling the costs associated with certain post-retirement benefit obligations, workers' compensation claims, severance, deferred compensation, keyman life insurance reserves, environmental liabilities and other liabilities, (b) that is a Subsidiary Guarantor and a "Grantor" for the purposes of the Guarantee and Collateral Agreement and (c) all of the Capital Stock of which, to the extent owned by the Parent Borrower or any Domestic Subsidiary, is pledged as Collateral under the Guarantee and Collateral Agreement.

"S&P": Standard & Poor's.

"Sale/Leaseback Transaction": as defined in Section 6.7.

"Security Documents": the Guarantee and Collateral Agreement, the Mortgages and any other security documents granting a Lien on any property of any Person to secure the obligations of any Loan Party under any Loan Document.

"Specified Indebtedness": (a) any Indebtedness Incurred pursuant to Section 6.2(g), (h) or (k) and (b) any secured Indebtedness Incurred pursuant to Section 6.2(j) or (o).

"Standard Securitization Undertakings": representations, warranties, covenants and indemnities entered into by the Parent Borrower or any Subsidiary which are reasonably customary in securitization of accounts receivable transactions.

"Statutory Reserve Rate": a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board or by any other Governmental Authority, domestic or foreign, with jurisdiction over the Administrative Agent or any Lender (including any branch, Affiliate or other funding office thereof making or holding a Loan) (a) with respect to the Base CD Rate, for new negotiable nonpersonal time deposits in Dollars of over \$100,000 with maturities approximately equal to three months and (b) with respect to the Adjusted LIBO Rate applicable to any Borrowing, for any category of liabilities which includes deposits by reference to which the Adjusted LIBO Rate in respect of such Borrowing is determined. Such reserve percentages shall include those imposed pursuant to Regulation D of the Board. Eurocurrency Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Subordinated Debt": any Indebtedness incurred by the Parent Borrower pursuant to Section 6.2(b).

"Subordinated Debt Documents": all indentures, instruments, agreements and other documents evidencing or governing the Subordinated Debt or providing for any Guarantee or other right in respect thereof.

"Subsidiary": with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more Subsidiaries of the parent or by the parent and one or more Subsidiaries of the parent. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Parent Borrower.

"Subsidiary Guarantor": any Subsidiary that has guaranteed the Obligations pursuant to the Guarantee and Collateral Agreement.

"Swingline Exposure": at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Lender at any time shall be its Applicable Percentage of the total Swingline Exposure at such time.

"Swingline Lender": JPMorgan Chase Bank, in its capacity as lender of Swingline Loans hereunder.

"Swingline Loan": a Loan made pursuant to Section 2.4.

"Syndication Agent": Bank One, N.A., in its capacity as syndication agent.

"Taxes": any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"Term Loans": Tranche A Term Loans, Tranche B Term Loans and Tranche C Term Loans.

"Three-Month Secondary CD Rate": for any day, the secondary market rate for three-month certificates of deposit reported as being in effect on such day (or, if such day is not a Business Day, the next preceding Business Day) by the Board through the public information telephone line of the Federal Reserve Bank of New York (which rate will, under the current practices of the Board, be published in Federal Reserve Statistical Release H.15(519) during the week following such day) or, if such rate is not so reported on such day or such next preceding Business Day, the average of the secondary market quotations for three-month certificates of deposit of major money center banks in New York City received at approximately 10:00 a.m., New York City time, on such day (or, if such day is not a Business Day, on the next preceding Business Day) by the Administrative Agent from three negotiable certificate of deposit dealers of recognized standing selected by it.

"Total Consolidated Assets": as at any date of determination, the total assets of the Parent Borrower and its consolidated Subsidiaries, determined in accordance with GAAP, as of the last day of the fiscal quarter ended immediately prior to the date of such determination.

"Total Domestic Exposure": at any time, the sum of the total Domestic Revolving Exposures.

"Total Global Exposure": at any time, the sum of the total Global Revolving Exposures.

"Tranche A Lender": a Lender with an outstanding Tranche A Term Loan.

"Tranche A Maturity Date": September 30, 2004.

"Tranche A Term Facility": as defined in the definition of Facility.

"Tranche A Term Loan": a Tranche A Term Loan made pursuant to Section 2.1(a) of the Original Credit Agreement. The aggregate principal amount of Tranche A Term Loans outstanding on the Amendment/Restatement Effective Date is \$331,250,000.

"Tranche B Commitment": with respect to each Lender, the commitment, if any, of such Lender to make a Tranche B Term Loan hereunder (or to convert all or part of such Lender's Old Tranche B Term Loan or Old Tranche C Term Loan into a Tranche B Term Loan hereunder) on the Amendment/Restatement Effective Date. The aggregate principal amount of the Lenders' Tranche B Commitments is \$450,000,000.

"Tranche B Lender": a Lender with a Tranche B Commitment or an outstanding Tranche B Term Loan.

"Tranche B Maturity Date": September 30, 2009.

"Tranche B Term Facility": as defined in the definition of Facility.

"Tranche B Term Loan": a Loan made pursuant to Section 2.1(a)(i) or converted from an Old Tranche B Term Loan or an Old Tranche C Term Loan pursuant to Section 2.1(b)(i).

"Tranche C Commitment": with respect to each Lender, the commitment, if any, of such Lender to make a Tranche C Term Loan hereunder (or to convert all or part of such Lender's Old Tranche

B Term Loan or Old Tranche C Term Loan into a Tranche C Term Loan hereunder) on the Amendment/Restatement Effective Date. The aggregate principal amount of the Lenders' Tranche C Commitments is \$750,000,000.

"Tranche C Lender": a Lender with a Tranche C Commitment or an outstanding Tranche C Term Loan.

"Tranche C Maturity Date": March 31, 2010.

"Tranche C Term Facility": as defined in the definition of Facility.

"Tranche C Term Loan": a Loan made pursuant to Section 2.1(a)(ii) or converted from an Old Tranche B Term Loan or an Old Tranche C Term Loan pursuant to Section 2.1(b)(ii).

"Transactions": the execution, delivery and performance by each Loan Party of the Loan Documents to which it is to be a party, the borrowing of Loans, the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

"Treaty": the Treaty establishing the European Economic Community, being the Treaty of Rome of March 25, 1957 as amended by the Single European Act 1986 and the Maastricht Treaty (which was signed on February 7, 1992 and came into force on November 1, 1993) and as may from time to time be further amended, supplemented or otherwise modified.

"Type": when used in reference to any Loan or Borrowing, refers to the rate by reference to which interest on such Loan, or on the Loans comprising such Borrowing, is determined and the currency in which such Loan, or the Loans comprising such Borrowing, are denominated. For purposes hereof, "rate" shall include the Adjusted LIBO Rate, the Alternate Base Rate and any interest rate applicable to Canadian Dollar Loans, and "currency" shall include Dollars and any Qualified Global Currency permitted hereunder.

"UCC": for any jurisdiction, the Uniform Commercial Code applicable in such jurisdiction.

"UDI": United Dominion Industries Limited, a Canadian corporation succeeded by amalgamation by United Dominion Industries Corporation, a Nova Scotia unlimited liability company.

"Wholly Owned Domestic Subsidiary": any Domestic Subsidiary that is a Wholly Owned Subsidiary of the Parent Borrower.

"Wholly Owned Subsidiary": as to any Person, any other Person all of the Capital Stock of which (other than directors' qualifying shares required by law) is owned by such Person directly and/or through other Wholly Owned Subsidiaries.

"Wholly Owned Subsidiary Guarantor": any Subsidiary Guarantor that is a Wholly Owned Subsidiary of the Parent Borrower, provided that, in any event, each Risk Management Subsidiary shall be deemed to constitute a Wholly Owned Subsidiary Guarantor for the purposes of Sections 6.2 and 6.5.

"Withdrawal Liability": 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 1.2. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a "Revolving Loan") or by Type (e.g., a "Eurocurrency Loan") or by Class and Type (e.g., a "Eurocurrency Revolving Loan"). Borrowings also may be classified and referred to by Class (e.g., a "Revolving Borrowing") or by Type (e.g., a "Eurocurrency Borrowing") or by Class and Type (e.g., a "Eurocurrency Revolving Borrowing").

SECTION 1.3. Terms Generally. The definitions of terms herein shall apply equally to 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". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights and (f) where applicable, any amount (including, without limitation, minimum borrowing, prepayment or repayment amounts) expressed in Dollars shall, when referring to any currency other than Dollars, be deemed to mean an amount of such currency having a Dollar Equivalent approximately equal to such amount.

SECTION 1.4. Accounting Terms; GAAP. 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 that if at any time after the date hereof there shall occur any change in respect of GAAP from that used in the preparation of audited financial statements referred to in Section 5.1 in a manner that would have a material effect on any matter which is material to Article VI, the Parent Borrower and the Administrative Agent will, within five Business Days of notice from the Administrative Agent or the Parent Borrower, as the case may be, to that effect, commence, and continue in good faith, negotiations with a view towards making appropriate amendments to the provisions hereof acceptable to the Required Lenders, to reflect as nearly as possible the effect of Article VI as in effect on the date hereof; provided further that, until such notice shall have been withdrawn or the relevant provisions amended in accordance herewith, Article VI shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective.

SECTION 1.5. Exchange Rates. (a) Not later than 1:00 p.m., New York City time, on each Calculation Date, the Administrative Agent shall (i) determine the Exchange Rate as of such Calculation Date to be used for calculating the Dollar Equivalent amounts of each currency in which a Global Revolving Loan, Alternative Currency Letter of Credit or unreimbursed LC Disbursement is denominated and (ii) give notice thereof to the Parent Borrower. The Exchange Rates so determined shall become effective on the first Business Day immediately following the relevant Calculation Date (a "Reset Date"), shall remain effective until the next succeeding Reset Date and shall for all purposes of this Agreement (other than for the purpose of converting into Dollars, under Sections 2.5(d), (e), (h), (j) and (k) and 2.13(b), the obligations of the Borrowers and the Domestic Revolving Lenders in respect of LC Disbursements that have not been reimbursed when due) be the Exchange Rates employed in converting any amounts between the applicable currencies.

(b) Not later than 5:00 p.m., New York City time, on each Reset Date, the Administrative Agent shall (i) determine the Global Revolving Exposure or the Alternative Currency LC Exposure, as the case may be, on such date (after giving effect to any Global Revolving Loans to be made or any Alternative Currency Letters of Credit to be issued, renewed, extended or terminated in connection with such determination) and (ii) notify the Parent Borrower and, if applicable, each Issuing Lender of the results of such determination.

SECTION 1.6. Currency Conversion. (a) If more than one currency or currency unit are at the same time recognized by the central bank of any country as the lawful currency of that country, then (i) any reference in the Loan Documents to, and any obligations arising under the Loan Documents in, the currency of that country shall be translated into or paid in the currency or currency unit of that country designated by the Administrative Agent and (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognized by the central bank for conversion of that currency or currency unit into the other, rounded up or down by the Administrative Agent as it deems appropriate.

(a) If a change in any currency of a country occurs, this Agreement shall be amended (and each party hereto agrees to enter into any supplemental agreement necessary to effect any such amendment) to the extent that the Administrative Agent specifies to be necessary to reflect the change in currency and to put the Lenders in the same position, so far as possible, that they would have been in if no change in currency had occurred.

SECTION 1.7. Canadian Borrowing Provisions. Certain borrowing and administrative provisions applicable to Canadian Dollar Loans are set forth in Schedule 1.7 and, in the event of any inconsistency between Schedule 1.7 and the other provisions of this Agreement as they relate to Canadian Dollar Loans, Schedule 1.7 shall govern.

ARTICLE II

THE CREDITS

SECTION 2.1. Commitments. (a) Subject to the terms and conditions set forth herein, each relevant Lender agrees (i) to make a Tranche B Term Loan (or, pursuant to paragraph (b)(i) below, to convert all or part of such Lender's Old Tranche B Term Loan or Old Tranche C Term Loan into a Tranche B Term Loan hereunder) in Dollars to the Parent Borrower on the Amendment/Restatement Effective Date in a principal amount not exceeding its Tranche B Commitment, (ii) to make a Tranche C Term Loan (or, pursuant to paragraph (b)(ii) below, to convert all or part of such Lender's Old Tranche B Term Loan or Old Tranche C Term Loan into a Tranche C Term Loan hereunder) in Dollars to the Parent Borrower on the Amendment/Restatement Effective Date in a principal amount not exceeding its Tranche C Commitment, (iii) to severally make Domestic Revolving Loans in Dollars to the Parent Borrower from time to time during the Domestic Revolving Availability Period in an aggregate principal amount that will not result in such Lender's Domestic Revolving Exposure exceeding such Lender's Domestic Revolving Commitment and (iv) to severally make Global Revolving Loans in Dollars or one or more Qualified Global Currencies (as specified in the Borrowing Requests with respect thereto) to any Borrower from time to time during the Global Revolving Availability Period in an aggregate principal amount that will not result in (A) such Lender's Global Revolving Exposure exceeding such Lender's Global Revolving Commitment or (B) the aggregate outstanding principal amount of such Lender's Canadian Dollar Loans at such time exceeding such Lender's Canadian Commitment. Within the foregoing limits and subject to the terms and conditions set forth herein, the Parent Borrower may borrow, prepay and reborrow Domestic Revolving Loans and any Borrower may borrow, prepay and reborrow Global Revolving Loans. Amounts repaid in respect of Term Loans may not be reborrowed. All Tranche A Term Loans,

Domestic Revolving Loans, Global Revolving Loans and Letters of Credit outstanding under the Existing Credit Agreement on the Amendment/Restatement Effective Date shall remain outstanding to the Parent Borrower in the currency in which they were made or issued, as applicable, hereunder on the terms set forth herein.

(b) Notwithstanding the foregoing, in connection with the making of any Term Loan pursuant to paragraph (a) above, by delivering written notice to the Administrative Agent at least three Business Days prior to the Amendment/Restatement Effective Date, (i) any Lender of Old Tranche B Term Loans or Old Tranche C Term Loans may elect to convert all or part of the outstanding principal amount of such Lender's Old Tranche B Term Loans or Old Tranche C Term Loans into a principal amount of Tranche B Term Loans hereunder equal to the principal amount so converted and (ii) any Lender of Old Tranche B Term Loans or Old Tranche C Term Loans may elect to convert all or part of the outstanding principal amount of such Lender's Old Tranche B Term Loans or Old Tranche C Term Loans into a principal amount of Tranche C Term Loans hereunder equal to the principal amount so converted. On the Amendment/Restatement Effective Date, such Old Tranche B Term Loans shall be converted for all purposes of this Agreement into Tranche B Term Loans and Tranche C Term Loans (as applicable) hereunder, such Old Tranche C Term Loans shall be converted for all purposes of this Agreement into Tranche B Term Loans and Tranche C Term Loans (as applicable) hereunder, and the Administrative Agent shall record in the Register the aggregate amount of Old Tranche B Term Loans and Old Tranche C Term Loans converted into Tranche B Term Loans and the aggregate amount of Old Tranche B Term Loans and Old Tranche C Term Loans converted into Tranche C Term Loans. Any written notice to the Administrative Agent delivered by an applicable Lender pursuant to this Section shall specify (v) the amount of such Lender's Tranche B Commitment and Tranche C Commitment, as applicable, (w) the principal amount of Old Tranche B Term Loans held by such Lender that are to be converted into Tranche B Term Loans, (x) the principal amount of Old Tranche B Term Loans held by such Lender that are to be converted into Tranche C Term Loans, (y) the principal amount of Old Tranche C Term Loans held by such Lender that are to be converted into Tranche B Term Loans and (z) the principal amount of Old Tranche C Term Loans held by such Lender that are to be converted into Tranche C Term Loans.

SECTION 2.2. Loans and Borrowings. (a) Each Loan (other than a Swingline Loan) shall be made as part of a Borrowing consisting of Loans of the same Class and Type made by the Lenders ratably in accordance with their respective Commitments of the applicable Class; provided that (i) each Global Revolving Loan (other than Canadian Dollar Loans) shall be made by the Global Revolving Lenders ratably in accordance with their respective Available Global Revolving Commitments and (ii) each Canadian Dollar Loan shall be made by the Canadian Lenders ratably in accordance with their respective Canadian Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder.

(b) Subject to Section 2.15, (i) each Revolving Borrowing denominated in Dollars and each Term Borrowing shall be comprised entirely of ABR Loans or Eurocurrency Loans as the relevant Borrower may request in accordance herewith and (ii) each Qualified Global Currency Borrowing shall be comprised entirely of Eurocurrency Loans. Each Swingline Loan shall be an ABR Loan. Each Lender at its option may make any Eurocurrency Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the relevant Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurocurrency Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$10,000,000. At the time that each ABR Revolving Borrowing is made, such Borrowing shall be in

an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000; provided that (i) an ABR Domestic Revolving Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Domestic Revolving Commitments or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.5(e) and (ii) an ABR Global Revolving Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Global Revolving Commitments. Each Swingline Loan shall be in an amount that is an integral multiple of \$500,000 and not less than \$1,000,000. No more than 20 Eurocurrency Borrowings may be outstanding at any one time under the Facilities other than the Global Revolving Facility. Unless otherwise agreed by the Administrative Agent, no more than 10 Eurocurrency Borrowings may be outstanding at any one time under the Global Revolving Facility.

(d) Notwithstanding any other provision of this Agreement, a Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Domestic Revolving Maturity Date, Global Revolving Maturity Date, Tranche A Maturity Date, Tranche B Maturity Date or Tranche C Maturity Date, as applicable.

SECTION 2.3. Requests for Borrowings. To request a Revolving Borrowing, a Tranche B Term Borrowing or a Tranche C Term Borrowing, the relevant Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a Eurocurrency Borrowing, not later than 11:00 a.m., New York City time (or if the request is delivered in London, 11:00 a.m., London time), three Business Days before the date of the proposed Borrowing or (b) in the case of an ABR Borrowing, not later than 11:00 a.m., New York City time, one Business Day before the date of the proposed Borrowing; provided that any such notice of an ABR Domestic Revolving Borrowing to finance the reimbursement of an LC Disbursement as contemplated by Section 2.5(e) may be given not later than 10:00 a.m., New York City time, on the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by delivery to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and (x) signed by the Parent Borrower and, in the case of Borrowings by a Foreign Subsidiary Borrower, such Foreign Subsidiary Borrower or (y) in the case of Borrowings by a Foreign Subsidiary Borrower, signed by the Parent Borrower or such Foreign Subsidiary Borrower, as specified by the Parent Borrower by prior written notice to the Administrative Agent. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.2: (i) the Borrower requesting such Borrowing (and be signed on behalf of such Borrower); (ii) the Class and Type of the requested Borrowing; (iii) the aggregate amount of such Borrowing; (iv) the date of such Borrowing, which shall be a Business Day; (v) in the case of a Eurocurrency Borrowing, the initial Interest Period to be applicable thereto; (vi) the location and number of the relevant Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.6; and (vii) the currency of such Borrowing (which shall be in Dollars in the case of Term Loans, Domestic Revolving Loans and Swingline Loans, and otherwise shall be in Dollars or a Qualified Global Currency). If no election as to the currency of a Global Revolving Borrowing is specified in any such notice, then the requested Borrowing shall be denominated in Dollars. If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing if denominated in Dollars or a Eurocurrency Borrowing if denominated in a Qualified Global Currency. If no Interest Period is specified with respect to any requested Eurocurrency Borrowing, then the relevant Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each relevant Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.4. Swingline Loans. (a) Subject to the terms and conditions set forth herein, the Swingline Lender agrees to make Swingline Loans to the Parent Borrower from time to time during the Domestic Revolving Availability Period, in an aggregate principal amount at any time outstanding

that will not result in (i) the aggregate principal amount of outstanding Swingline Loans exceeding \$30,000,000 or (ii) the sum of the total Domestic Revolving Exposures exceeding the total Domestic Revolving Commitments; provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the Parent Borrower may borrow, prepay and reborrow Swingline Loans.

(b) To request a Swingline Loan, the Parent Borrower shall notify the Administrative Agent of such request by telephone (confirmed by telecopy promptly thereafter), not later than 12:00 noon, New York City time, on the day of a proposed Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and amount of the requested Swingline Loan. The Administrative Agent will promptly advise the Swingline Lender of any such notice received from the Parent Borrower. The Swingline Lender shall make each Swingline Loan available to the Parent Borrower by means of a credit to the general deposit account of the Parent Borrower with the Swingline Lender (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in Section 2.5(e), by remittance to the applicable Issuing Lender) by 3:00 p.m., New York City time, on the requested date of such Swingline Loan.

(c) The Swingline Lender may by written notice given to the Administrative Agent not later than 12:00 noon, New York City time, on any Business Day require the Domestic Revolving Lenders to acquire participations on such Business Day in all or a portion of the Swingline Loans outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which Domestic Revolving Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Domestic Revolving Lender, specifying in such notice such Lender's Applicable Percentage of such Swingline Loans. Each Domestic Revolving Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Administrative Agent, for the account of the Swingline Lender, such Lender's Applicable Percentage of such Swingline Loans. Each Domestic Revolving Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or Event of Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Domestic Revolving Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.6 with respect to Loans made by such Lender (and Section 2.6 shall apply, mutatis mutandis, to the payment obligations of the Domestic Revolving Lenders), and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Domestic Revolving Lenders. The Administrative Agent shall notify the Parent Borrower of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from the Parent Borrower (or other party on behalf of the Parent Borrower) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Domestic Revolving Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interests may appear. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve the Parent Borrower of its obligation to repay such Swingline Loan.

SECTION 2.5. Letters of Credit. (a) General. Subject to the terms and conditions set forth herein, any Borrower may request the issuance of Letters of Credit for its own account, in a form reasonably acceptable to the Administrative Agent and the applicable Issuing Lender, at any time and from time to time during the Domestic Revolving Availability Period. Notwithstanding the foregoing, the

account party for each Letter of Credit shall be the Parent Borrower or the relevant Foreign Subsidiary Borrower, as specified by the Administrative Agent and the applicable Issuing Lender in consultation with the Parent Borrower. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by a Borrower to, or entered into by a Borrower with, the applicable Issuing Lender relating to any Letter of Credit, the terms and conditions of this Agreement shall control. The letters of credit identified on Schedule 2.5 (the "Existing Letters of Credit") shall be deemed to be "Letters of Credit" for all purposes of this Agreement and the other Loan Documents.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the relevant Borrower shall deliver to the applicable Issuing Lender and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice specifying the name of the relevant Borrower and requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the currency in which such Letter of Credit is to be denominated (which shall be Dollars or, subject to Section 2.21, an Alternative Currency), the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the applicable Issuing Lender, the relevant Borrower also shall submit a letter of credit application on such Issuing Lender's standard form in connection with any request for a Letter of Credit. Following receipt of such notice and prior to the issuance of the requested Letter of Credit, the Administrative Agent shall calculate the Dollar Equivalent of such Letter of Credit and shall notify the Parent Borrower, the relevant Borrower and the applicable Issuing Lender of the amount of the Total Domestic Exposure after giving effect to (i) the issuance of such Letter of Credit, (ii) the issuance or expiration of any other Letter of Credit that is to be issued or will expire prior to the requested date of issuance of such Letter of Credit and (iii) the borrowing or repayment of any Domestic Revolving Loans or Swingline Loans that (based upon notices delivered to the Administrative Agent by the Parent Borrower) are to be borrowed or repaid prior to the requested date of issuance of such Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Parent Borrower and the relevant Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the LC Exposure shall not exceed \$250,000,000, (ii) the LC Exposure with respect to Letters of Credit denominated in Dollars, pounds sterling and Euros shall not exceed \$250,000,000, (iii) the Alternative Currency LC Exposure with respect to Letters of Credit denominated in any Alternative Currency (other than pounds sterling or Euros) shall not exceed \$75,000,000 and (iv) the Total Domestic Exposure shall not exceed the total Domestic Revolving Commitments.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Domestic Revolving Maturity Date, provided that notwithstanding the foregoing, Letters of Credit having an aggregate face amount not in excess of \$75,000,000 may provide for an expiration date that is more than one year after the date of issuance, so long as such expiration date does not extend beyond the date referred to in clause (ii) above.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the applicable Issuing Lender or the Lenders, the applicable Issuing Lender hereby grants to each Domestic Revolving Lender, and each Domestic Revolving Lender hereby acquires from such Issuing Lender, a participation

in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Domestic Revolving Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent in Dollars, for the account of such Issuing Lender, such Lender's Applicable Percentage of (i) each LC Disbursement made by such Issuing Lender in Dollars and (ii) the Dollar Equivalent, using the Exchange Rates on the date such payment is required, of each LC Disbursement made by such Issuing Lender in an Alternative Currency and, in each case, not reimbursed by the relevant Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to such Borrower for any reason (or, if such reimbursement payment was refunded in an Alternative Currency, the Dollar Equivalent thereof using the Exchange Rates on the date of such refund). Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or Event of Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If the applicable Issuing Lender shall make any LC Disbursement in respect of a Letter of Credit, the relevant Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement in Dollars, or (subject to the two immediately succeeding sentences) the applicable Alternative Currency, not later than 12:00 noon, New York City time or the relevant local time, as applicable, on the date that such LC Disbursement is made, if such Borrower shall have received notice of such LC Disbursement prior to 10:00 a.m., New York City time or the relevant local time, as applicable, on such date, or, if such notice has not been received by such Borrower prior to such time on such date, then not later than 12:00 noon, New York City time or the relevant local time, as applicable, on the Business Day immediately following the day that such Borrower receives such notice; provided that, in the case of any LC Disbursement made in Dollars, the relevant Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.3 or 2.4 that such payment be financed in Dollars with an ABR Domestic Revolving Borrowing or Swingline Loan in an equivalent amount and, to the extent so financed, such Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Domestic Revolving Borrowing or Swingline Loan. If the relevant Borrower's reimbursement of, or obligation to reimburse, any amounts in any Alternative Currency would subject the Administrative Agent, the applicable Issuing Lender or any Lender to any stamp duty, ad valorem charge or similar tax that would not be payable if such reimbursement were made or required to be made in Dollars, such Borrower shall, at its option, either (x) pay the amount of any such tax requested by the Administrative Agent, the relevant Issuing Lender or Lender or (y) reimburse each LC Disbursement made in such Alternative Currency in Dollars, in an amount equal to the Dollar Equivalent, calculated using the applicable Exchange Rate on the date such LC Disbursement is made, of such LC Disbursement. If the relevant Borrower fails to make such payment when due, then (i) if such payment relates to an Alternative Currency Letter of Credit, automatically and with no further action required, such Borrower's obligation to reimburse the applicable LC Disbursement shall be permanently converted into an obligation to reimburse the Dollar Equivalent, calculated using the Exchange Rates on the date when such payment was due, of such LC Disbursement and (ii) the Administrative Agent shall promptly notify the applicable Issuing Lender and each other Domestic Revolving Lender of the applicable LC Disbursement, the Dollar Equivalent thereof (if such LC Disbursement relates to an Alternative Currency Letter of Credit), the payment then due from such Borrower in respect thereof and such Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Domestic Revolving Lender shall pay to the Administrative Agent in Dollars its Applicable Percentage of the payment then due from the relevant Borrower (determined as provided in clause (i) above, if such payment relates to an Alternative Currency Letter of Credit), in the same manner as provided in Section 2.6 with respect to

Loans made by such Lender (and Section 2.6 shall apply, mutatis mutandis, to the payment obligations of the Domestic Revolving Lenders), and the Administrative Agent shall promptly pay to the applicable Issuing Lender in Dollars the amounts so received by it from the Domestic Revolving Lenders. Promptly following receipt by the Administrative Agent of any payment from any Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the applicable Issuing Lender or, to the extent that Domestic Revolving Lenders have made payments pursuant to this paragraph to reimburse such Issuing Lender, then to such Lenders and such Issuing Lender as their interests may appear. Any payment made by a Domestic Revolving Lender pursuant to this paragraph to reimburse any Issuing Lender for any LC Disbursement (other than the funding of ABR Domestic Revolving Loans or a Swingline Loan as contemplated above) shall not constitute a Loan and shall not relieve any Borrower of its obligation to reimburse such LC Disbursement.

(f) Obligations Absolute. A Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit, any application for the issuance of a Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the applicable Issuing Lender under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, such Borrower's obligations hereunder. Neither the Administrative Agent, the Lenders nor any Issuing Lender, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the applicable Issuing Lender; provided that neither of the foregoing sentences shall be construed to excuse such Issuing Lender from liability to a Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by each Borrower to the extent permitted by applicable law) suffered by such Borrower that are caused by such Issuing Lender's gross negligence, willful misconduct or failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of an Issuing Lender (as finally determined by a court of competent jurisdiction), such Issuing Lender shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, an Issuing Lender may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. The applicable Issuing Lender shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. Such Issuing Lender shall promptly notify the Administrative Agent and the relevant Borrower by telephone (confirmed by telecopy promptly thereafter) of such demand for payment and whether such Issuing Lender has made or will make an LC Disbursement thereunder; provided that any

failure to give or delay in giving such notice shall not relieve the relevant Borrower of its obligation to reimburse such Issuing Lender and the Domestic Revolving Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If an Issuing Lender shall make any LC Disbursement, then, unless the relevant Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that such Borrower reimburses such LC Disbursement, at the rate per annum then applicable to ABR Domestic Revolving Loans; provided that, if such Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.14(c) shall apply; provided further that, in the case of an LC Disbursement made under an Alternative Currency Letter of Credit, the amount of interest due with respect thereto shall (i) in the case of any LC Disbursement that is reimbursed on or before the Business Day immediately succeeding such LC Disbursement, (A) be payable in the applicable Alternative Currency and (B) if not reimbursed on the date of such LC Disbursement, bear interest at a rate equal to the rate reasonably determined by the applicable Issuing Lender to be the cost to such Issuing Lender of funding such LC Disbursement plus the Applicable Margin applicable to Eurocurrency Revolving Loans at such time and (ii) in the case of any LC Disbursement that is reimbursed after the Business Day immediately succeeding such LC Disbursement (A) be payable in Dollars, (B) accrue on the Dollar Equivalent, calculated using the Exchange Rates on the date such LC Disbursement was made, of such LC Disbursement and (C) bear interest at the rate per annum then applicable to ABR Revolving Loans, subject to Section 2.14(c). Interest accrued pursuant to this paragraph shall be for the account of the applicable Issuing Lender, except that interest accrued on and after the date of payment by any Domestic Revolving Lender pursuant to paragraph (e) of this Section to reimburse such Issuing Lender shall be for the account of such Lender to the extent of such payment.

(i) Replacement of any Issuing Lender. Any Issuing Lender may be replaced at any time by written agreement among the Parent Borrower, the Administrative Agent, the replaced Issuing Lender and the successor Issuing Lender. The Administrative Agent shall notify the Lenders of any such replacement of such Issuing Lender. At the time any such replacement shall become effective, the Parent Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Lender pursuant to Section 2.13(b). From and after the effective date of any such replacement, (i) the successor Issuing Lender shall have all the rights and obligations of such Issuing Lender under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Lender" shall be deemed to refer to such successor or to any previous Issuing Lender, or to such successor and all previous Issuing Lenders, as the context shall require. After the replacement of an Issuing Lender hereunder, the replaced Issuing Lender shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Lender under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(j) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that a Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Domestic Revolving Lenders with LC Exposure representing at least 51% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, such Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Domestic Revolving Lenders, an amount in Dollars and in cash equal to the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that (i) the portions of such amount attributable to undrawn Alternative Currency Letters of Credit or LC Disbursements in an Alternative Currency that the Borrowers are not late in reimbursing shall be deposited in the applicable Alternative Currencies in the actual amounts of such undrawn Letters of Credit and LC Disbursements and (ii) the obligation to deposit such cash collateral shall become

effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to any Borrower described in paragraph (h) or (i) of Article VII. For the purposes of this paragraph, the Alternative Currency LC Exposure shall be calculated using the Exchange Rates on the date notice demanding cash collateralization is delivered to a Borrower. Each Borrower also shall deposit cash collateral pursuant to this paragraph as and to the extent required by Section 2.11(d). Each such deposit pursuant to this paragraph or pursuant to Section 2.11(d) shall be held by the Administrative Agent as collateral for the payment and performance of the obligations of each Borrower under this Agreement. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the relevant Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the applicable Issuing Lender for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the relevant Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Domestic Revolving Lenders with LC Exposure representing at least 51% of the total LC Exposure), be applied to satisfy other obligations of such Borrower under this Agreement. If a Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to such Borrower within three Business Days after all Events of Default have been cured or waived. If a Borrower is required to provide an amount of cash collateral hereunder pursuant to Section 2.11(d), such amount (to the extent not applied as aforesaid) shall be returned to such Borrower as and to the extent that, after giving effect to such return, such Borrower would remain in compliance with Section 2.11(d), and no Event of Default shall have occurred and be continuing.

(k) Conversion. In the event that the Loans become immediately due and payable on any date pursuant to Article VII, all amounts (i) that a Borrower is at the time or thereafter becomes required to reimburse or otherwise pay to the Administrative Agent in respect of LC Disbursements made under any Alternative Currency Letter of Credit (other than amounts in respect of which such Borrower has deposited cash collateral pursuant to Section 2.5(j), if such cash collateral was deposited in the applicable Alternative Currency to the extent so deposited or applied), (ii) that the Domestic Revolving Lenders are at the time or thereafter become required to pay to the Administrative Agent and the Administrative Agent is at the time or thereafter becomes required to distribute to the applicable Issuing Lender pursuant to paragraph (e) of this Section in respect of unreimbursed LC Disbursements made under any Alternative Currency Letter of Credit and (iii) of each Domestic Revolving Lender's participation in any Alternative Currency Letter of Credit under which an LC Disbursement has been made shall, automatically and with no further action required, be converted into the Dollar Equivalent, calculated using the Exchange Rates on such date (or in the case of any LC Disbursement made after such date, on the date such LC Disbursement is made), of such amounts. On and after such conversion, all amounts accruing and owed to the Administrative Agent, the applicable Issuing Lender or any Lender in respect of the Obligations described in this paragraph shall accrue and be payable in Dollars at the rates otherwise applicable hereunder.

(l) Additional Issuing Lenders. The Parent Borrower may, at any time and from time to time with the consent of the Administrative Agent (which consent shall not be unreasonably withheld) and such Domestic Revolving Lender, designate one or more additional Domestic Revolving Lenders to act as an issuing lender under the terms of this Agreement, provided that the total number of Domestic Revolving Lenders so designated at any time plus the total number of Issuing Lenders pursuant to clause (c) of the definition of the term "Issuing Lenders" at such time shall not exceed five. Any Domestic Revolving Lender designated as Issuing Lender pursuant to this paragraph (1) shall be deemed

to be an "Issuing Lender" for the purposes of this Agreement (in addition to being a Domestic Revolving Lender) with respect to Letters of Credit issued by such Domestic Revolving Lender.

(m) Reporting. Each Issuing Lender will report in writing to the Administrative Agent (i) on the first Business Day of each week, the aggregate face amount of Letters of Credit issued by it and outstanding as of the last Business Day of the preceding week, (ii) on or prior to each Business Day on which such Issuing Lender expects to issue, amend, renew or extend any Letter of Credit, the date of such issuance or amendment, and the aggregate face amount of Letters of Credit to be issued, amended, renewed or extended by it and outstanding after giving effect to such issuance, amendment, renewal or extension (and such Issuing Lender shall advise the Administrative Agent on such Business Day whether such issuance, amendment, renewal or extension occurred and whether the amount thereof changed), (iii) on each Business Day on which such Issuing Lender makes any LC Disbursement, the date of such LC Disbursement and the amount of such LC Disbursement and (iv) on any Business Day on which any Borrower fails to reimburse an LC Disbursement required to be reimbursed to such Issuing Lender on such day, the date of such failure, the relevant Borrower and amount of such LC Disbursement.

SECTION 2.6. Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders, in immediately available funds, not later than 12:00 noon, New York City time, in the case of fundings to an account in New York City, or 12:00 noon, local time, in the case of fundings to an account in another jurisdiction; provided that Swingline Loans shall be made as provided in Section 2.4. The Administrative Agent will make such Loans available to the relevant Borrower by promptly crediting the amounts so received, in like funds, to an account designated by such Borrower in the applicable Borrowing Request, which account must be in the name of such Borrower and, as applicable, in London or in the financial center of the country of the currency of the Loan; provided that ABR Domestic Revolving Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.5(e) shall be remitted by the Administrative Agent to the applicable Issuing Lender. Unless otherwise agreed by the Administrative Agent, the Tranche B Term Loans and Tranche C Term Loans made on the Amendment/Restatement Effective Date shall initially be ABR Loans.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount in the required currency. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and such Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon in such currency, for each day from and including the date such amount is made available to such Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent to represent its cost of overnight or short-term funds in the relevant currency (which determination shall be conclusive absent manifest error) or (ii) in the case of a Borrower, the interest rate applicable to such Borrowing. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.7. Interest Elections. (a) Each Revolving Borrowing and Term Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurocurrency Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, a Borrower may elect to convert such Borrowing to a different Type or to continue such

Borrowing and, in the case of a Eurocurrency Borrowing, may elect Interest Periods therefor, all as provided in this Section. A Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. Notwithstanding the foregoing, a Borrower may not (i) elect to convert the currency in which any Loans are denominated, (ii) elect to convert Qualified Global Currency Loans from Eurocurrency Loans to ABR Loans, (iii) elect an Interest Period for Eurocurrency Loans that does not comply with Section 2.2(d), (iv) elect to convert any ABR Loans to Eurocurrency Loans that would result in the number of Eurocurrency Borrowings exceeding the maximum number of Eurocurrency Borrowings permitted under Section 2.2(c), (v) elect an Interest Period for Eurocurrency Loans unless the aggregate outstanding principal amount of Eurocurrency Loans (including any Eurocurrency Loans made to such Borrower in the same currency on the date that such Interest Period is to begin) to which such Interest Period will apply complies with the requirements as to minimum principal amount set forth in Section 2.2(c) or (vi) elect to convert or continue any Swingline Borrowings.

(b) To make an election pursuant to this Section, a Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.3 if such Borrower were requesting a Revolving Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by delivery to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the relevant Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.2 and paragraph (a) of this Section: (i) the Borrowing to which such Interest Election Request applies; (ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day; (iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing; and (iv) if the resulting Borrowing is a Eurocurrency Borrowing, the Interest Period to be applicable thereto after giving effect to such election. If any such Interest Election Request requests a Eurocurrency Borrowing but does not specify an Interest Period, then the relevant Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each relevant Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the relevant Borrower fails to deliver a timely Interest Election Request with respect to a Eurocurrency Borrowing denominated in Dollars prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing. If the relevant Borrower fails to deliver a timely Interest Election Request with respect to a Eurocurrency Borrowing denominated in a Qualified Global Currency prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall automatically continue as a Eurocurrency Loan having an Interest Period of one month. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Parent Borrower, then, so long as an Event of Default is continuing (i) no outstanding Borrowing denominated in Dollars may be converted to or continued as a Eurocurrency Borrowing, (ii) unless repaid, each Eurocurrency Borrowing denominated in Dollars shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto and (iii) no Borrowing denominated in a Qualified Global Currency having an Interest Period in excess of one month may be made or continued.

SECTION 2.8. Termination and Reduction of Commitments. (a) Unless previously terminated, (i) the Tranche B Commitments shall terminate at 5:00 p.m., New York City time, on the Amendment/Restatement Effective Date, (ii) the Tranche C Commitments shall terminate at 5:00 p.m., New York City time, on the Amendment/Restatement Effective Date, (iii) the Domestic Revolving Commitments shall terminate on the Domestic Revolving Maturity Date and (iv) the Global Revolving Commitments shall terminate on the Global Revolving Maturity Date.

(b) The Parent Borrower may at any time terminate, or from time to time reduce, the Commitments of any Class; provided that (i) each reduction of the Commitments of any Class shall be in an amount that is an integral multiple of \$1,000,000 and not less than \$10,000,000 and (ii) the Parent Borrower shall not terminate or reduce the Revolving Commitments if, after giving effect to any concurrent prepayment of the Revolving Loans in accordance with Section 2.11, (i) the Total Domestic Exposure would exceed the total Domestic Revolving Commitments or (ii) the Total Global Exposure would exceed the total Global Revolving Commitments.

(c) The Parent Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section, at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Parent Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination of the Revolving Commitments delivered by the Parent Borrower may state that such notice is conditioned upon the effectiveness or closing of other credit facilities, debt financings or Dispositions, in which case such notice may be revoked by the Parent Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments of any Class shall be made ratably among the Lenders in accordance with their respective Commitments of such Class.

SECTION 2.9. Evidence of Debt. (a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of each Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(b) The Administrative Agent, on behalf of the Borrowers, shall maintain the Register pursuant to Section 9.4(c) and a subaccount for each Lender in which it shall record (i) the amount of each Loan made hereunder (whether or not evidenced by a promissory note), the Class and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal and/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 for the account of the Lenders and each Lender's share thereof.

(c) The entries made in the accounts maintained pursuant to paragraph (a) or (b) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided 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 obligation of any Borrower to repay the Loans in accordance with the terms of this Agreement.

(d) Any Lender may request that Loans of any Class made by it be evidenced by a promissory note. In such event, each applicable Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender and its registered assigns and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and

interest thereon shall at all times (including after assignment pursuant to Section 9.4) be represented by one or more promissory notes in such form payable to such payee and its registered assigns.

SECTION 2.10. Repayment of Loans. (a) The Parent Borrower shall repay Tranche A Term Borrowings on each date set forth below in the aggregate principal amount set forth opposite such date:

Date ----	Amount -----
September 30, 2002	\$ 31,250,000
December 31, 2002	\$ 37,500,000
March 31, 2003	\$ 37,500,000
June 30, 2003	\$ 37,500,000
September 30, 2003	\$ 37,500,000
December 31, 2003	\$ 37,500,000
March 31, 2004	\$ 37,500,000
June 30, 2004	\$ 37,500,000
September 30, 2004	\$ 37,500,000

(b) The Parent Borrower shall repay Tranche B Term Borrowings on each date set forth below in the aggregate principal amount set forth opposite such date:

Date ----	Amount -----
September 30, 2002	\$ 1,125,000
December 31, 2002	\$ 1,125,000
March 31, 2003	\$ 1,125,000
June 30, 2003	\$ 1,125,000
September 30, 2003	\$ 1,125,000
December 31, 2003	\$ 1,125,000
March 31, 2004	\$ 1,125,000
June 30, 2004	\$ 1,125,000
September 30, 2004	\$ 1,125,000
December 31, 2004	\$ 1,125,000
March 31, 2005	\$ 1,125,000
June 30, 2005	\$ 1,125,000
September 30, 2005	\$ 1,125,000
December 31, 2005	\$ 1,125,000
March 31, 2006	\$ 1,125,000
June 30, 2006	\$ 1,125,000
September 30, 2006	\$ 1,125,000
December 31, 2006	\$ 1,125,000
March 31, 2007	\$ 1,125,000
June 30, 2007	\$ 1,125,000
September 30, 2007	\$ 1,125,000
December 31, 2007	\$ 1,125,000
March 31, 2008	\$ 1,125,000
June 30, 2008	\$ 1,125,000
September 30, 2008	\$ 1,125,000
December 31, 2008	\$105,468,750
March 31, 2009	\$105,468,750
June 30, 2009	\$105,468,750

September 30, 2009 \$105,468,750

(c) The Parent Borrower shall repay Tranche C Term Borrowings on each date set forth below in the aggregate principal amount set forth opposite such date:

Date ----	Amount -----
September 30, 2002	\$ 1,875,000
December 31, 2002	\$ 1,875,000
March 31, 2003	\$ 1,875,000
June 30, 2003	\$ 1,875,000
September 30, 2003	\$ 1,875,000
December 31, 2003	\$ 1,875,000
March 31, 2004	\$ 1,875,000
June 30, 2004	\$ 1,875,000
September 30, 2004	\$ 1,875,000
December 31, 2004	\$ 1,875,000
March 31, 2005	\$ 1,875,000
June 30, 2005	\$ 1,875,000
September 30, 2005	\$ 1,875,000
December 31, 2005	\$ 1,875,000
March 31, 2006	\$ 1,875,000
June 30, 2006	\$ 1,875,000
September 30, 2006	\$ 1,875,000
December 31, 2006	\$ 1,875,000
March 31, 2007	\$ 1,875,000
June 30, 2007	\$ 1,875,000
September 30, 2007	\$ 1,875,000
December 31, 2007	\$ 1,875,000
March 31, 2008	\$ 1,875,000
June 30, 2008	\$ 1,875,000
September 30, 2008	\$ 1,875,000
December 31, 2008	\$ 1,875,000
March 31, 2009	\$ 1,875,000
June 30, 2009	\$174,843,750
September 30, 2009	\$174,843,750
December 31, 2009	\$174,843,750
March 31, 2010	\$174,843,750

(d) The Parent Borrower shall repay (i) the then unpaid principal amount of the Domestic Revolving Loans on the Domestic Revolving Maturity Date and (ii) the then unpaid principal amount of each Swingline Loan on the earlier of the Domestic Revolving Maturity Date and the first date after such Swingline Loan is made that is the 15th or last day of a calendar month and is at least two Business Days after such Swingline Loan is made; provided that on each date that a Domestic Revolving Borrowing is made, the Parent Borrower shall repay all Swingline Loans then outstanding.

(e) Each Borrower shall repay the then unpaid principal amount of the Global Revolving Loans on the Global Revolving Maturity Date.

SECTION 2.11. Prepayment of Loans. (a) Each Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to the requirements of this Section, provided that Canadian B/As may not be optionally prepaid.

(b) If on any date any Net Proceeds are received by or on behalf of the Parent Borrower or any Subsidiary in respect of any Prepayment Event, the Parent Borrower shall, within ten Business Days after such Net Proceeds are received, prepay Term Borrowings in an amount equal to the aggregate amount of such Net Proceeds; provided that, in the case of any event described in clause (a) or (b) of the definition of the term Prepayment Event, if the Parent Borrower shall deliver to the Administrative Agent a certificate of a Financial Officer to the effect that the Parent Borrower and the Subsidiaries intend to apply the Net Proceeds from such event ("Reinvestment Net Proceeds"), within 360 days after receipt of such Net Proceeds, to make Permitted Acquisitions or Investments permitted by Section 6.5 or acquire real property, equipment or other assets to be used in the business of the Parent Borrower and the Subsidiaries, and certifying that no Default or Event of Default has occurred and is continuing, then no prepayment shall be required pursuant to this paragraph in respect of such event except to the extent of any Net Proceeds therefrom that have not been so applied by the end of such 360-day period, at which time a prepayment shall be required in an amount equal to the Net Proceeds that have not been so applied. Notwithstanding the foregoing, from and after the date in any fiscal year of the Parent Borrower on which the aggregate gross proceeds (inclusive of amounts of the type described in the first parenthetical of Section 6.6(d)) from Dispositions pursuant to Sections 6.6(d) and (j) received during such fiscal year exceed 10% of Total Consolidated Assets, the Net Proceeds from each subsequent Prepayment Event occurring during such fiscal year resulting from Dispositions pursuant to Sections 6.6(d) and (j) (and a ratable amount of Net Proceeds from any Prepayment Event that first causes the aforementioned 10% threshold to be exceeded, which ratable amount shall be determined by reference to a fraction, the numerator of which shall be the portion of the gross proceeds from such Prepayment Event representing the excess above such 10% threshold and the denominator of which shall be the aggregate gross proceeds from such Prepayment Event) may not be treated as Reinvestment Net Proceeds.

(c) Notwithstanding anything to the contrary in this Agreement, with respect to the amount of any mandatory prepayment described in Section 2.11 that is allocated to Tranche B Borrowings or Tranche C Borrowings (such amounts, the "Tranche B Prepayment Amount" and the "Tranche C Prepayment Amount", respectively), at any time when Tranche A Borrowings remain outstanding, the Parent Borrower will, in lieu of applying such amount to the prepayment of Tranche B Borrowings and Tranche C Borrowings, respectively, on the date of the relevant Prepayment Event, give the Administrative Agent telephonic notice (promptly confirmed in writing) requesting that the Administrative Agent prepare and provide to each Tranche B Lender and Tranche C Lender a notice (each, a "Prepayment Option Notice") as described below. As promptly as practicable after receiving such notice from the Parent Borrower, the Administrative Agent will send to each Tranche B Lender and Tranche C Lender a Prepayment Option Notice, which shall be in the form of Exhibit H, and shall include an offer by the Parent Borrower to prepay on the date that is ten Business Days after the date of the relevant Prepayment Event, the relevant Term Loans of such Lender by an amount equal to the portion of the Prepayment Amount indicated in such Lender's Prepayment Option Notice as being applicable to such Lender's Tranche B Term Loans or Tranche C Term Loans, as the case may be. Each Tranche B Lender and Tranche C Lender shall return a completed Prepayment Option Notice to the Administrative Agent no later than three Business Days prior to the mandatory prepayment date specified in the applicable Prepayment Option Notice (each a "Mandatory Prepayment Date"), with the failure to so return such notice being deemed to constitute an acceptance of the relevant prepayment. On the Mandatory Prepayment Date, (i) the Parent Borrower shall pay to the relevant Tranche B Lenders and Tranche C Lenders the aggregate amount necessary to prepay that portion of the outstanding relevant Term Loans in respect of which such Lenders have accepted, or have been deemed to have accepted, prepayment as described above and (ii) the Parent Borrower shall pay to the Tranche A Lenders an

amount equal to the portion of the Tranche B Prepayment Amount and the Tranche C Prepayment Amount not accepted by the Tranche B Lenders and the Tranche C Lenders, and such amount shall be applied to the prepayment of the Tranche A Borrowings.

(d) If on any Determination Date relating to the Global Revolving Facility, the Total Global Exposure exceeds 105% of the total Global Revolving Commitments, the Parent Borrower shall, without notice or demand, within three Business Days after such Determination Date, prepay (or cause the relevant Foreign Subsidiary Borrower to prepay) Revolving Borrowings in an aggregate amount such that, after giving effect thereto, (i) the Total Global Exposure does not exceed the total Global Revolving Commitments and (ii) the aggregate outstanding principal amount of all Canadian Dollar Loans does not exceed the total Canadian Commitments. If on any Determination Date relating to the Domestic Revolving Facility, the Total Domestic Exposure exceeds 105% of the total Domestic Revolving Commitments, the Parent Borrower shall, without notice or demand, within three Business Days after such Determination Date, prepay Revolving Borrowings or Swingline Borrowings (or, if no such Borrowings are outstanding, deposit cash collateral in an account with the Administrative Agent pursuant to Section 2.5(j)) in an aggregate amount such that, after giving effect thereto, the Total Domestic Exposure does not exceed the total Domestic Revolving Commitments.

(e) A Borrower shall notify the Administrative Agent by telephone (confirmed by telecopy promptly thereafter) of any prepayment hereunder (i) in the case of prepayment of a Eurocurrency Borrowing, not later than 11:00 a.m., New York City time (or 11:00 a.m., London time, as applicable), three Business Days before the date of prepayment, (ii) in the case of prepayment of an ABR Borrowing, not later than 11:00 a.m., New York City time, one Business Day before the date of prepayment or (iii) in the case of prepayment of a Swingline Loan, not later than 12:00 noon, New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date, the principal amount of each Borrowing or portion thereof to be prepaid and, in the case of a mandatory prepayment, a reasonably detailed calculation of the amount of such prepayment; provided that, if a notice of optional prepayment is given in connection with a conditional notice of termination of the Revolving Commitments as contemplated by Section 2.8, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.8. Promptly following receipt of any such notice (other than a notice relating solely to Swingline Loans), the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.2, except as necessary to apply fully the required amount of a mandatory prepayment.

SECTION 2.12. Certain Payment Application Matters. (a) Each repayment or prepayment of a Borrowing shall be applied ratably to the Loans included in the repaid Borrowing. It is understood that, in the case of Global Revolving Loans, the relevant Borrower may select the particular currency of Loans to be prepaid, and such prepayment shall then be applied ratably to such Loans. Repayments and prepayments of Term Borrowings shall be accompanied by accrued interest on the amount repaid.

(b) Any mandatory prepayment of Term Loan Borrowings shall, subject to Section 2.11(c), be allocated pro rata among the Tranche A Term Borrowings, Tranche B Term Borrowings and Tranche C Term Borrowings based on the aggregate principal amount of outstanding Borrowings of each such Class. Any optional prepayment of Term Borrowings shall be allocated as directed by the Parent Borrower to the Tranche A Term Borrowings, Tranche B Term Borrowings and/or Tranche C Term Borrowings.

(c) Each optional prepayment shall be applied to the installments thereof, first to any remaining scheduled installments due prior to the first anniversary of the date of such prepayment

(applied pro rata to such remaining installments) and, second, to the remaining scheduled installments due on or after the first anniversary of the date of such prepayment (applied pro rata to such remaining installments). Each mandatory prepayment allocated to the Tranche A Term Borrowings, the Tranche B Term Borrowings or the Tranche C Term Borrowings shall, subject to Section 2.11(c), be applied pro rata to the remaining installments thereof.

SECTION 2.13. Fees (a) The Parent Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender a commitment fee, which shall accrue at the Applicable Rate on the average daily unused amount of each Revolving Commitment of such Lender during the period from and including the Effective Date to but excluding the date on which such Revolving Commitment terminates. Accrued commitment fees shall be payable in arrears on the last day of March, June, September and December of each year and on the date on which the Revolving Commitments terminate, commencing on the first such date to occur after the date hereof. Commitment fees shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). For purposes of computing commitment fees in respect of the Revolving Commitments, (i) the Domestic Revolving Commitment of a Lender shall be deemed to be used to the extent of the outstanding Domestic Revolving Loans and LC Exposure of such Lender (and the Swingline Exposure of such Lender shall be disregarded for such purpose) and (ii) the Global Revolving Commitment of a Lender shall be deemed to be used to the extent of the outstanding Global Revolving Loans of such Lender.

(b) Each Borrower agrees to pay (i) to the Administrative Agent for the account of each Domestic Revolving Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the same Applicable Rate as interest on Eurocurrency Revolving Loans on the average daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Domestic Revolving Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) to the applicable Issuing Lender a fronting fee, which shall accrue at the rate of 0.20% per annum on the average daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date of termination of the Domestic Revolving Commitments and the date on which there ceases to be any LC Exposure, as well as such Issuing Lender's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third Business Day following such last day, commencing on the first such date to occur after the Effective Date; provided that all such fees shall be payable on the date on which the Domestic Revolving Commitments terminate and any such fees accruing after the date on which the Domestic Revolving Commitments terminate shall be payable on demand. Any other fees payable to the applicable Issuing Lender pursuant to this paragraph shall be payable within 10 days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). For the purposes of calculating the average daily amount of the LC Exposure for any period under this Section 2.13(b), the average daily amount of the Alternative Currency LC Exposure for such period shall be calculated by multiplying (x) the average daily balance of each Alternative Currency Letter of Credit (expressed in the currency in which such Alternative Currency Letter of Credit is denominated) by (y) the Exchange Rate for each such Alternative Currency in effect on the last Business Day of such period or by such other reasonable method that the Administrative Agent deems appropriate.

(c) Each Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between such Borrower and the Administrative Agent.

(d) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent (or to the applicable Issuing Lender, in the case of fees payable to it) for distribution, in the case of commitment fees and participation fees, to the Lenders entitled thereto. Fees paid shall not be refundable under any circumstances.

SECTION 2.14. Interest. (a) ABR Loans shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) Eurocurrency Loans shall bear interest at the Adjusted LIBO Rate for the applicable Interest Period plus the Applicable Rate.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by any Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Revolving Loans as provided in paragraph (a) of this Section (or, in the case of amounts denominated in a Qualified Foreign Global Currency the rate that would apply to Loans in such currency pursuant to clause (i) above), in each case, with respect to clauses (i) and (ii) above, from the date of such non-payment until such amount is paid in full (as well after as before judgment).

(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of Revolving Loans, upon termination of the Revolving Commitments; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan prior to the end of the Domestic Revolving Availability Period or Global Revolving Availability Period, as applicable), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurocurrency Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate, and interest in respect of sterling-denominated Loans, shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate or Adjusted LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.15. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurocurrency Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate for such Interest Period;

(b) the Administrative Agent is advised by the Majority Facility Lenders under the relevant Facility that the Adjusted LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period; or

(c) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that deposits in the principal amounts of the Loans comprising such Borrowing and in the currency in which such Loans are to be denominated are not generally available in the relevant market;

then the Administrative Agent shall give notice thereof to the Parent Borrower and the relevant Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the Parent Borrower and the relevant Lenders that the circumstances giving rise to such notice no longer exist, then, in the case of the relevant Facility, any request by a Borrower for a Eurocurrency Borrowing of the affected Type or in the affected currency, or a conversion to or continuation of a Eurocurrency Borrowing of the affected Type or in the affected currency, pursuant to Section 2.3 or 2.7, shall be deemed rescinded; provided that if the circumstances giving rise to such notice affect only one Type of Borrowings, then the other Type of Borrowings shall be permitted.

SECTION 2.16. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate); or

(ii) impose on any Lender or Issuing Lender or the London (or other relevant) interbank market any other condition affecting this Agreement or Eurocurrency Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the net cost to such Lender of making or maintaining any Eurocurrency Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender or Issuing Lender of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender or Issuing Lender hereunder (whether of principal, interest or otherwise), then each relevant Borrower will pay to such Lender or Issuing Lender such additional amount or amounts as will compensate such Lender or Issuing Lender, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or Issuing Lender determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or Issuing Lender's capital or on the capital of such Lender's or Issuing Lender's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Lender, to a level below that which such Lender or Issuing Lender or such Lender's or Issuing Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or Issuing Lender's policies and the policies of such Lender's or Issuing Lender's holding company with respect to capital adequacy), then from time to time the relevant Borrower will pay to such Lender or Issuing Lender, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Lender or such Lender's or Issuing Lender's holding company for any such reduction suffered.

(c) A certificate of a Lender or Issuing Lender setting forth in reasonable detail the computation of the amount or amounts necessary to compensate such Lender or Issuing Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the relevant Borrower and shall be conclusive absent manifest error. Such Borrower shall pay such Lender or Issuing Lender the amount shown as due on any such certificate within 10 days after receipt thereof. All amounts payable by any Borrower pursuant to paragraph (a) or (b) of this Section shall be deemed to constitute interest expense in respect of the Loans.

(d) Failure or delay on the part of any Lender or Issuing Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or Issuing Lender's right to demand such compensation; provided that no Borrower shall be required to compensate a Lender or an Issuing Lender pursuant to this Section for any increased costs or reductions incurred more than 270 days prior to the date that such Lender or Issuing Lender, as the case may be, notifies such Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or Issuing Lender's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.17. Break Funding Payments. In the event of (a) the payment of any principal of any Eurocurrency Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurocurrency Loan other than on the last day of the Interest Period (or, in the case of Canadian B/As, the Canadian Contract Period) applicable thereto, (c) the failure to borrow, convert, continue or prepay any Revolving Loan or Term Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11(e) and is revoked in accordance therewith), or (d) the assignment of any Eurocurrency Loan other than on the last day of the Interest Period (or, in the case of Canadian B/As, the Canadian Contract Period) applicable thereto as a result of a request by the Parent Borrower pursuant to Section 2.20, then, in any such event, the relevant Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurocurrency Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period (or, in the case of Canadian B/As, the Canadian Contract Period) therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period or Canadian Contract Period, as applicable, for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for deposits in the relevant currency of a comparable amount and period from other banks in the relevant market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the relevant Borrower and shall be conclusive absent manifest error, and shall be so delivered as promptly as reasonably practicable after such Lender obtains actual knowledge of such amount. Such Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

SECTION 2.18. Taxes (a) Any and all payments by or on account of any obligation of the Parent Borrower hereunder or under any other Loan Document shall be made free and clear of and without deduction for any Indemnified Taxes; provided that if a Borrower shall be required to deduct any Indemnified Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent or the relevant Lender receives 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, each Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law and indemnify the Lender from and against any Other Taxes and any penalties, interest and reasonable expenses arising therefrom or with respect thereto.

(c) Each Borrower shall indemnify the Administrative Agent and each Lender, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes paid by the Administrative Agent or such Lender on or with respect to any payment by or on account of any obligation of a Borrower hereunder or under any other Loan Document (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to a Borrower by a Lender, or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error, and shall be so delivered as promptly as reasonably practicable after such Lender or the Administrative Agent, as the case may be, obtains actual knowledge of such amount.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by a Borrower to a Governmental Authority, such Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Each Lender that is not a United States person within the meaning of Section 7701(a)(30) of the Code (a "Non-U.S. Lender") shall deliver to the Parent Borrower and the Administrative Agent, on or before the date on which it becomes a party to this Agreement either:

(A) two duly completed and signed original copies of either Internal Revenue Service Form W-8BEN or Internal Revenue Service Form W-8ECI (relating to such Non-U.S. Lender and entitling it to a complete exemption from or reduction of withholding of United States federal income taxes on all amounts to be received by such Non-U.S. Lender pursuant to this Agreement and the other credit documents), or successor and related applicable forms, as the case may be (including, where applicable any such forms required to be provided to certify to such exemption on behalf of such Non-U.S. Lender's beneficial owners).

(B) in the case of a Non-U.S. Lender that is not a "Bank" within the meaning of Section 881(c)(3)(A) of the Code and that does not comply with the requirements of clause (A) hereof, (x) a statement in the form of Exhibit F (and any similar statements required to certify to the exemption of its beneficial owners) or such other form of statement as shall be reasonably requested by the Parent Borrower from time to time to the effect that such Non-U.S. Lender (and, where applicable, its beneficial owners) is eligible for a complete exemption from withholding of United States federal income taxes under Code Section 871(h) or 881(c), and (y) two duly completed and signed original copies of Internal Revenue Service Form W-8BEN or successor and related applicable forms (including, where applicable, copies of such forms with respect to such entity's beneficial owners).

Further, each Non-U.S. Lender agrees (i) to deliver to the Parent Borrower and the Administrative Agent, and if applicable, the assigning Lender two further duly completed and signed original copies of such Forms W-8BEN or W-8ECI, as the case may be (and, where applicable, any such forms on behalf of its beneficial owners) or successor and related applicable forms, on or before the date that any such form expires or becomes obsolete and promptly after the occurrence of any event requiring a change from the most recent form(s) previously delivered by it to the Parent Borrower in accordance with applicable U.S. laws and regulations, (ii) in the case of a Non-U.S. Lender that delivers a statement in the form of Exhibit F (or such other form of statement as shall have been requested by the Parent Borrower), to deliver to the Parent Borrower and the Administrative Agent, and if applicable, the assigning Lender, such statement (and where applicable, any such statements from its beneficial owners) on the two year anniversary of the date on which such Non-U.S. Lender became a party to this Agreement and to deliver promptly to the Parent Borrower and the Administrative Agent, such additional statements and forms as shall be reasonably requested by the Parent Borrower from time to time, and (iii) to notify promptly the Parent Borrower and the Administrative Agent if it (or, as applicable, its beneficial owners) is no longer able to deliver, or if it is required to withdraw or cancel, any form of statement previously delivered by it pursuant to this Section 2.18(e). Notwithstanding anything herein to the contrary, (x) no Non-U.S. Lender shall be required to provide any forms, certification or documentation which it is not legally entitled or able to deliver and (y) no Canadian Lender shall be required to provide any Internal Revenue Service forms pursuant to this Section 2.18(e).

(f) Each Lender which is not a Non-U.S. Lender shall deliver to Parent Borrower and the Administrative Agent (and if applicable the assigning or participating Lender) two copies of a statement which shall contain the address of such Lender's office or place of business in the United States, which shall be signed by an authorized officer of such Lender, together with two duly completed copies of Internal Revenue Service Form W-9 (or applicable successor form) unless it establishes to the satisfaction of the Parent Borrower that it is otherwise eligible for an exemption from backup withholding tax or other applicable withholding tax. Each such Lender shall deliver to the Parent Borrower and Administrative Agent two further duly completed and signed forms and statements (or successor form) at or before the time any such form or statement becomes obsolete.

(g) Each Non-U.S. Lender agrees to indemnify and hold harmless each Borrower from and against any Taxes imposed by or on behalf of the United States or any taxing jurisdiction thereof, penalties, additions to tax, fines, interest or other liabilities, costs or losses (including, without limitation, reasonable attorney's fees and expenses) incurred or payable by such Borrower as a result of the failure of such Borrower to comply with its obligations to deduct or withhold any Taxes imposed by or on behalf of the United States or any taxing jurisdiction thereof (including penalties, additions to tax, fines or interest on such Taxes) from any payments made pursuant to this Agreement to such Non-U.S. Lender or the Administrative Agent which failure resulted from (i) such Borrower's reliance on Exhibit F pursuant to Section 2.18(e) or (ii) such Lender being a "conduit entity" within the meaning of Treasury Reg. Section 1.881-3 or any successor provision thereto; and, provided additionally, that, without limitation, no amounts shall be due and owing to such Lender pursuant to Section 2.18 if either provisions (i) or (ii) are applicable.

(h) If the Administrative Agent or any Lender receives a refund in respect of Indemnified Taxes or Other Taxes paid by a Borrower, which in the reasonable good faith judgment of such Lender is allocable to such payment, it shall promptly pay such refund, together with any other amounts paid by such Borrower in connection with such refunded Indemnified Taxes or Other Taxes, to

such Borrower, net of all out-of-pocket expenses of such Lender incurred in obtaining such refund, provided, however, that each Borrower agrees to promptly return such refund to the Administrative Agent or the applicable Lender as the case may be, if it receives notice from the Administrative Agent or applicable Lender that such Administrative Agent or Lender is required to repay such refund.

SECTION 2.19. Payments Generally; Pro Rata Treatment; Sharing of Set-offs.

(a) Each Borrower shall make each payment required to be made by it hereunder or under any other Loan Document (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.16, 2.17 or 2.18, or otherwise) prior to the time expressly required hereunder or under such other Loan Document for such payment (or, if no such time is expressly required, prior to 12:00 noon, local time), on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at its Administrative Office, except as otherwise expressly provided herein. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment under any Loan Document shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. Except as otherwise specified in this Agreement, each such payment (other than principal of and interest on Qualified Global Currency Loans and LC Disbursements denominated in an Alternative Currency, which shall be made in the applicable Qualified Global Currency or, except as otherwise specified in Section 2.5(e), Alternative Currency, as the case may be) shall be made in Dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Revolving Loans, Term Loans or participations in LC Disbursements or Swingline Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Revolving Loans, Term Loans and participations in LC Disbursements and Swingline Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Revolving Loans, Term Loans and participations in LC Disbursements and Swingline Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Loans, Term Loans and participations in LC Disbursements and Swingline Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by a Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to the Parent Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). Each Borrower consents to the foregoing and agrees, to the

extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from a Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders (or any of them) hereunder that such Borrower will not make such payment, the Administrative Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the relevant Lenders the amount due. In such event, if such Borrower has not in fact made such payment, then each relevant Lender severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent to represent its cost of overnight or short-term funds in the relevant currency (which determination shall be conclusive absent manifest error).

(e) If any Lender shall fail to make any payment required to be made by it to the Administrative Agent, the Swingline Lender or any Issuing Lender, then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.20. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.16, or if any Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.18, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.16 or 2.18, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. Each Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 2.16, or if any Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.18, or if any Lender defaults in its obligation to fund Loans hereunder, then such Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.4), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) such Borrower or the Parent Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld and (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or such Borrower (in the case of all other amounts). A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling a Borrower to require such assignment and delegation cease to apply.

SECTION 2.21. Change in Law. Notwithstanding any other provision of this Agreement, if, after the date hereof, (a) any Change in Law shall make it unlawful for any Issuing Lender to issue Letters of Credit denominated in an Alternative Currency, or any Global Revolving Lender to make Global Revolving Loans denominated in a Qualified Global Currency, or any Canadian Lender to accept Canadian B/As, or (b) there shall have occurred any change in national or international financial, political or economic conditions (including the imposition of or any change in exchange controls) or currency exchange rates that would make it impracticable for any Issuing Lender to issue Letters of Credit denominated in such Alternative Currency for the account of a Borrower, or any Global Revolving Lender to make Global Revolving Loans denominated in a Qualified Global Currency, or any Canadian Lender to accept Canadian B/As, then by prompt written notice thereof to the Parent Borrower and to the Administrative Agent (which notice shall be withdrawn whenever such circumstances no longer exist), (i) such Issuing Lender may declare that Letters of Credit will not thereafter be issued by it in the affected Alternative Currency or Alternative Currencies, whereupon the affected Alternative Currency or Alternative Currencies shall be deemed (for the duration of such declaration) not to constitute an Alternative Currency for purposes of the issuance of Letters of Credit by such Issuing Lender, (ii) such Global Revolving Lender may declare that Global Revolving Loans will not thereafter be made by it in the affected Qualified Global Currency or Qualified Global Currencies, whereupon the affected Qualified Global Currency or Qualified Global Currencies shall be deemed (for the duration of such declaration) not to constitute a Qualified Global Currency for purposes of the making of Global Revolving Loans by such Global Revolving Lender and (iii) the commitment of such Canadian Lender hereunder to accept Canadian B/As and continue Canadian B/As as such shall forthwith be cancelled (for the duration of such declaration) and such Lender's Canadian B/As, if any, shall (on the respective last days of the then current Canadian Contract Periods or within such earlier period as required by law) be converted automatically to Eurocurrency Borrowings having an Interest Period of one month.

SECTION 2.22. Foreign Subsidiary Borrowers. Subject to the consent of the Administrative Agent, the Parent Borrower may designate any Foreign Subsidiary of the Parent Borrower as a Foreign Subsidiary Borrower by delivery to the Administrative Agent of a Borrowing Subsidiary Agreement executed by such Subsidiary, the Parent Borrower and the Administrative Agent and upon such delivery such Subsidiary shall for all purposes of this Agreement be a Foreign Subsidiary Borrower and a party to this Agreement until the Parent Borrower shall have executed and delivered to the Administrative Agent a Borrowing Subsidiary Termination with respect to such Subsidiary, whereupon such Subsidiary shall cease to be a Foreign Subsidiary Borrower and a party to this Agreement. Notwithstanding the preceding sentence, no Borrowing Subsidiary Termination will become effective as to any Foreign Subsidiary Borrower at a time when any principal of or interest on any Loan to such Foreign Subsidiary Borrower shall be outstanding hereunder, provided that such Borrowing Subsidiary Termination shall be effective to terminate such Foreign Subsidiary Borrower's right to make further borrowings under this Agreement.

ARTICLE III

Representations and Warranties

The Parent Borrower represents and warrants to the Administrative Agent and the Lenders that:

SECTION 3.1. Organization; Powers. Each of the Parent Borrower and its Subsidiaries (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has all requisite power and authority to carry on its business as now conducted in all material respects and (c) except where the failure to do so, in the aggregate, could not reasonably be expected to have a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

SECTION 3.2. Authorization; Enforceability. The Transactions to be entered into by each Loan Party are within such Loan Party's corporate powers and have been duly authorized by all necessary corporate and, if required, stockholder action. This Agreement has been duly executed and delivered by each Borrower and constitutes, and each other Loan Document to which any Loan Party is to be a party, when executed and delivered by such Loan Party, will constitute, a legal, valid and binding obligation of such Borrower or such Loan Party (as the case may be), enforceable against such Borrower or such other Loan Party, as the case may be, in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.3. Governmental Approvals; No Conflicts. The Transactions (a) do not require any material consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except filings necessary to perfect Liens created under the Loan Documents, (b) will not violate any applicable material law or regulation or the charter, by-laws or other organizational documents of the Parent Borrower or any of its Subsidiaries or any order of any Governmental Authority, (c) will not violate or result in a default under any material indenture, agreement or other instrument binding upon the Parent Borrower or any of its Subsidiaries or its assets, or give rise to a right thereunder to require any payment to be made by the Parent Borrower or any of its Subsidiaries, and (d) will not result in the creation or imposition of any Lien on any asset of the Parent Borrower or any of its Subsidiaries, except Liens created under the Loan Documents.

SECTION 3.4. Financial Condition; No Material Adverse Change. (a) The Parent Borrower has heretofore furnished to the Lenders its consolidated balance sheet and statements of income, stockholders equity and cash flows (i) as of and for the fiscal year ended December 31, 2001, reported on by Arthur Andersen, independent public accountants, and (ii) as of and for the fiscal quarter and the portion of the fiscal year ended March 31, 2002, certified by its chief financial officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Parent Borrower and its consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) above.

(b) Except as disclosed in the financial statements referred to above or the notes thereto or in the Information Memorandum and except for the Disclosed Matters, based on the facts and circumstances in existence on the Amendment/Restatement Effective Date and taking into consideration the likelihood of any realization with respect to contingent liabilities, after giving effect to the Transactions, none of the Parent Borrower or its Subsidiaries has, as of the Amendment/Restatement Effective Date, any material contingent liabilities, unusual long-term commitments or unrealized losses.

(c) Since December 31, 2001, there has been no development or event that has had or could reasonably be expected to have a Material Adverse Effect.

SECTION 3.5. Properties. (a) Each of the Parent Borrower and its Subsidiaries has good title to, or valid leasehold interests in, all its real and personal property material to its business, except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(b) Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect, each of the Parent Borrower and its Subsidiaries owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, and the use thereof by the Parent Borrower and its Subsidiaries does not infringe upon the rights of any other Person.

(c) Schedule 3.5 sets forth the location of substantially all of the real property that is owned or leased by the Parent Borrower or any of its Subsidiaries as of the Amendment/Restatement Effective Date after giving effect to the Transactions.

(d) As of the Amendment/Restatement Effective Date, neither the Parent Borrower nor any of its Subsidiaries has received notice of, or has knowledge of, any pending or contemplated condemnation proceeding affecting any Mortgaged Property or any sale or disposition thereof in lieu of condemnation. To the Parent Borrower's knowledge, neither any Mortgaged Property nor any interest therein is subject to any right of first refusal, option or other contractual right to purchase such Mortgaged Property or interest therein.

SECTION 3.6. Litigation and Environmental Matters. (a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Parent Borrower, threatened against or affecting the Parent Borrower or any of its Subsidiaries (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, in the aggregate, to have a Material Adverse Effect or (ii) that involve any of the Loan Documents, the Original Credit Agreement, the Existing Credit Agreement or the Transactions.

(b) Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect, neither the Parent Borrower nor any of its Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

SECTION 3.7. Compliance with Laws and Agreements. Each of the Parent Borrower and its Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, in the aggregate, could not reasonably be expected to have a Material Adverse Effect. No Default has occurred and is continuing.

SECTION 3.8. Investment and Holding Company Status. Neither the Parent Borrower nor any of its Subsidiaries 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 3.9. Taxes Each of the Parent Borrower and its Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Parent Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.10. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to have a Material Adverse Effect. Except to the extent such excess could not reasonably be expected to have a Material Adverse Effect, the present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of such Plan, and the present value of

all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of all such underfunded Plans.

SECTION 3.11. Disclosure. As of the Amendment/Restatement Effective Date, the Parent Borrower has disclosed to the Lenders all agreements, instruments and corporate or other restrictions to which the Parent Borrower or any of its Subsidiaries is subject, and all other matters known to any of them, that, in the aggregate, could reasonably be expected to have a Material Adverse Effect. Neither the Information Memorandum nor any of the other reports, financial statements, certificates or other information, taken as a whole, furnished by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or any other Loan Document or delivered hereunder or thereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Parent Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

SECTION 3.12. Subsidiaries. Schedule 3.12 sets forth the name of, and the direct and indirect ownership interest of the Parent Borrower in, each Subsidiary of the Parent Borrower and identifies each Subsidiary that is a Subsidiary Guarantor, in each case as of the Amendment/Restatement Effective Date after giving effect to the Transactions.

SECTION 3.13. Insurance. Schedule 3.13 sets forth a description of all insurance maintained by or on behalf of the Parent Borrower and its Subsidiaries as of the Amendment/Restatement Effective Date. As of the Amendment/Restatement Effective Date, all premiums due and payable in respect of such insurance have been paid.

SECTION 3.14. Labor Matters. Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect: (a) there are no strikes, lockouts or slowdowns against the Parent Borrower or any Subsidiary pending or, to the knowledge of the Parent Borrower, threatened; (b) the hours worked by and payments made to employees of the Parent Borrower and the Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law dealing with such matters; and (c) all payments due from the Parent Borrower or any Subsidiary, or for which any claim may be made against the Parent Borrower or any Subsidiary, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of the Parent Borrower or such Subsidiary. The consummation of the Transactions will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which the Parent Borrower or any Subsidiary is bound.

SECTION 3.15. Solvency. Immediately after the consummation of the Transactions to occur on the Amendment/Restatement Effective Date and immediately following the making of each Loan made on the Amendment/Restatement Effective Date and after giving effect to the application of the proceeds of such Loans, (a) the fair value of the assets of the Parent Borrower and its Subsidiaries, taken as a whole, at a fair valuation, will exceed their debts and liabilities, subordinated, contingent or otherwise; (b) the present fair saleable value of the property of the Parent Borrower and its Subsidiaries, taken as a whole, will be greater than the amount that will be required to pay the probable liability of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (c) the Parent Borrower and its Subsidiaries, taken as a whole, will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities

become absolute and matured; and (d) the Parent Borrower and its Subsidiaries, taken as a whole, will not have unreasonably small capital with which to conduct the business in which they are engaged as such business is now conducted and is proposed to be conducted following the Amendment/Restatement Effective Date.

SECTION 3.16. Senior Indebtedness. At all times after the issuance of any Subordinated Debt, (a) the Obligations will constitute "Senior Indebtedness" (or any comparable concept) under and as defined in the Subordinated Debt Documents and (b) in the event that any Subsidiary Guarantees the Subordinated Debt, the obligations of such Subsidiary Guarantor under the Guarantee and Collateral Agreement will constitute "Guarantor Senior Indebtedness" (or any comparable concept) of such Subsidiary Guarantor under and as defined in the Subordinated Debt Documents.

SECTION 3.17. Security Documents. (a) The Guarantee and Collateral Agreement is effective to create in favor of the Administrative Agent or the Collateral Agent, as the case may be, a legal, valid and enforceable security interest in the Collateral to the extent described therein and available under the UCC. As of the Amendment/Restatement Effective Date, Schedule 3.17(a) lists all of the filing jurisdictions in which UCC-1 Financing Statements are required to be filed pursuant to the Guarantee and Collateral Agreement. Upon filing of such UCC-1 Financing Statements, the Guarantee and Collateral Agreement creates a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral to the extent available under the UCC, as security for the Obligations (as defined in the Guarantee and Collateral Agreement), in each case, subject to Permitted Encumbrances, prior and superior in right to any other Person.

(b) Each of the Mortgages is effective to create in favor of the Administrative Agent or the Collateral Agent, as the case may be, for the benefit of the Lenders, a legal, valid and enforceable Lien on the Mortgaged Properties described therein and proceeds thereof. As of the Amendment/Restatement Effective Date, Schedule 3.17(b) lists the location of each Mortgaged Property. Each Mortgage constitutes a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in the Mortgaged Properties referred to therein and the proceeds thereof, as security for the Obligations (as defined in the relevant Mortgage), in each case, subject to Permitted Encumbrances, prior and superior in right to any other Person.

ARTICLE IV

CONDITIONS

SECTION 4.1. Amendment/Restatement Effective Date. The amendments to the Existing Credit Agreement effected hereby and the obligations of the Lenders to make or maintain Loans and of the Issuing Lenders to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied:

(a) Credit Agreement. The Administrative Agent shall have received (i) from each Borrower, a counterpart of this Agreement signed on behalf of such Borrower, (ii) from the Required Lenders under (and as defined in) the Existing Credit Agreement, an Addendum in the form of Exhibit E, signed on behalf of such Lenders, (iii) from each Lender with a Tranche B Commitment, an Addendum in the form of Exhibit E, signed on behalf of such Lender and (iv) from each Lender with a Tranche C Commitment, an Addendum in the form of Exhibit E, signed on behalf of such Lender.

(b) Replacement of Term Loans. The Parent Borrower (i) shall have replaced the Old Tranche B Term Loans made under the Existing Credit Agreement with Tranche B Term

Loans hereunder, (ii) shall have replaced the Old Tranche C Term Loans with Tranche C Term Loans hereunder and (iii) shall have paid in full all accrued interest and premium on the Old Tranche B Term Loans and the Old Tranche C Term Loans.

(c) Title Insurance. Subject to Section 5.11(d), the Administrative Agent shall have received in respect of each of the existing mortgagee title policies (each, an "Existing Mortgagee Title Policy") an endorsement or endorsements (collectively, the "Endorsements"). Each of the Endorsements shall modify the relevant Existing Mortgage Title Policy to (i) amend the effective date of such Existing Mortgagee Title Policy to be the date of recordation of the relevant Mortgage Amendment, (ii) insure that the Mortgage insured thereby, as amended by the relevant Mortgage Amendment, creates and continues to be a valid first Lien on the Mortgaged Property encumbered thereby free and clear of all defects and encumbrances, except those listed on Schedule B of the Existing Mortgage Title Policies and those permitted by Section 6.3; (iii) name the Administrative Agent for the benefit of the Lenders as the insured thereunder; and (iv) be in form and substance reasonably satisfactory to the Administrative Agent. The Administrative Agent shall have received evidence reasonably satisfactory to it that all premiums in respect of each of the Endorsements, and all charges for mortgage recording tax, if any, have been paid. The Administrative Agent shall have also received a copy of all recorded documents referred to, or listed as exceptions to title in, the Endorsements referred to in this paragraph and a copy, certified by such parties as the Administrative Agent may deem reasonably appropriate, of all other documents affecting the property covered by each Mortgage as shall have been reasonably requested by the Administrative Agent.

(d) Legal Opinions. The Administrative Agent shall have received legal opinions (addressed to the Administrative Agent and the Lenders and dated the Amendment/Restatement Effective Date) (i) from Fried, Frank, Harris, Shriver & Jacobson, counsel for the Parent Borrower, substantially in the form of Exhibit D-1, (ii) from Christopher J. Kearney, General Counsel of the Parent Borrower, substantially in the form of Exhibit D-2 and (iii) from Canadian counsel for the Parent Borrower, in form and substance reasonably satisfactory to the Administrative Agent. The Parent Borrower hereby requests each such counsel to deliver such opinions.

(e) Closing Certificates. The Administrative Agent shall have received, with a counterpart for each Lender, a certificate of each Loan Party, dated the Amendment/Restatement Effective Date, substantially in the form of Exhibit B, with appropriate insertions and attachments.

(f) Fees. The Administrative Agent and the Lenders shall have received all fees and other amounts due and payable on or prior to the Amendment/Restatement Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses (including fees, charges and disbursements of counsel) required to be reimbursed or paid by any Loan Party hereunder or under any other Loan Document. All such amounts will be paid with proceeds of Loans made on the Amendment/Restatement Effective Date and will be reflected in the funding instructions given by the Parent Borrower to the Administrative Agent on or before the Amendment/Restatement Effective Date.

(g) Consent and Confirmation. The Administrative Agent shall have received from the Parent Borrower and each Subsidiary Guarantor, the Consent and Confirmation signed on behalf of the Parent Borrower and each Subsidiary Guarantor.

(h) Insurance. The Administrative Agent shall have received evidence that the

insurance required by Section 5.7 and the Security Documents is in effect.

(i) Consents. All consents and approvals, if any, required to be obtained from any Governmental Authority or other Person in connection with the Transactions and the continuing operations of the Parent Borrower and its Subsidiaries shall have been obtained, and all applicable waiting periods and appeal periods shall have expired, in each case without the imposition of any burdensome conditions, except to the extent that the failure to obtain any such consent could not reasonably be expected to have a Material Adverse Effect.

(j) Mortgage Amendments. The Administrative Agent shall have received from each relevant Loan Party amendments to each Mortgage to which such Loan Party is a party (each, a "Mortgage Amendment" and collectively, the "Mortgage Amendments"), which amendments shall have been signed on behalf of such Loan Party and shall be in form and substance reasonably satisfactory to the Administrative Agent.

SECTION 4.2. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of the Issuing Lenders to issue, amend, renew or extend any Letter of Credit, is subject to receipt of the request therefor in accordance herewith and to the satisfaction of the following conditions:

(a) The representations and warranties of each Loan Party set forth in the Loan Documents shall be true and correct in all material respects on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable.

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default or Event of Default shall have occurred and be continuing.

(c) In the case of any initial extension of credit made to a Foreign Subsidiary Borrower, the Administrative Agent shall have received a Foreign Subsidiary Opinion and such other documents and information with respect to such Foreign Subsidiary Borrower as the Administrative Agent may reasonably request.

Each Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Parent Borrower and the relevant Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

ARTICLE V

AFFIRMATIVE COVENANTS

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated and all LC Disbursements shall have been reimbursed, the Parent Borrower covenants and agrees with the Administrative Agent and the Lenders that:

SECTION 5.1. Financial Statements and Other Information. The Parent Borrower will furnish to the Administrative Agent and each Lender:

(a) within 90 days after the end of each fiscal year of the Parent Borrower, its

audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by KPMG LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Parent Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied; provided that delivery within the time period specified above of copies of the Annual Report on Form 10-K of the Parent Borrower filed with the Securities and Exchange Commission shall be deemed to satisfy the requirements of this Section 5.1(a);

(b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Parent Borrower, its consolidated balance sheet and related statements of operations for such fiscal quarter and the then elapsed portion of the fiscal year, and cash flows for the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Parent Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes; provided that delivery within the time period specified above of copies of the Quarterly Report on Form 10-Q of the Parent Borrower filed with the Securities and Exchange Commission shall be deemed to satisfy the requirements of this Section 5.1(b);

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of the Parent Borrower (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.1, (iii) stating whether any change in GAAP or in the application thereof has occurred since the date of the Parent Borrower's audited financial statements referred to in Section 3.4 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate and (iv) with respect to any Permitted Acquisition for which the aggregate Consideration is greater than or equal to \$50,000,000 and less than \$100,000,000 and for which a certificate has not been previously delivered to the Administrative Agent as required by the definition of Permitted Acquisition, certifying as to the matters specified in clause (a) of the proviso in such definition;

(d) concurrently with any delivery of financial statements under clause (a) above, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Default or Event of Default (which certificate may be limited to the extent required by accounting rules or guidelines);

(e) prior to the commencement of each fiscal year of the Parent Borrower, a consolidated budget for such fiscal year (including a projected consolidated balance sheet and related statements of projected operations and cash flow as of the end of and for such fiscal year and setting forth the assumptions used for purposes of preparing such budget) and, promptly when available, any significant revisions of such budget;

(f) no later than 10 Business Days prior to the effectiveness thereof, copies of

substantially final drafts of any proposed amendment, supplement, waiver or other modification with respect to any of the Subordinated Debt Documents;

(g) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by the Parent Borrower or any Subsidiary with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, or distributed by the Parent Borrower to its shareholders generally, as the case may be; and

(h) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Parent Borrower or any Subsidiary, or compliance with the terms of any Loan Document, as the Administrative Agent or any Lender may reasonably request.

SECTION 5.2. Notices of Material Events. The Parent Borrower will furnish to the Administrative Agent and each Lender prompt written notice of the following:

(a) the occurrence of any Default or Event of Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Parent Borrower or any Affiliate thereof that, if adversely determined, could reasonably be expected to have a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Parent Borrower and its Subsidiaries in an aggregate amount exceeding \$50,000,000;

(d) any casualty or other insured damage to any material portion of any Collateral or the commencement of any action or proceeding for the taking of any material portion of the Collateral or interest therein under power of eminent domain or by condemnation or similar proceeding that could reasonably be expected to reduce the value of the Collateral by an aggregate amount in excess of \$50,000,000; and

(e) any development that results in, or could reasonably be expected to have, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Parent Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.3. Information Regarding Collateral. (a) The Parent Borrower will furnish to the Administrative Agent prompt written notice of any change (i) in any Loan Party's corporate name (ii) in the jurisdiction of organization of any Loan Party, (iii) in any Loan Party's identity or corporate structure or (iv) in any Loan Party's Federal Taxpayer Identification Number. Unless the Parent Borrower shall have provided to the Administrative Agent at least 30 days' prior written notice of any such change, the Parent Borrower agrees not to effect or permit any change referred to in the preceding sentence until such time as all filings have been made under the Uniform Commercial Code or otherwise that are required in order for the Administrative Agent or the Collateral Agent, as applicable, to continue

at all times following such change to have a valid, legal and perfected security interest in all the Collateral.

(b) On each Collateral Date, the Parent Borrower shall deliver to the Administrative Agent a certificate of a Financial Officer of the Parent Borrower setting forth (i) the information required by Section 5.11 and (ii) a summary of any change referred to in the first sentence of paragraph (a) above that has occurred since the immediately preceding Collateral Date (or, in the case of the first Collateral Date, since the Effective Date).

SECTION 5.4. Existence; Conduct of Business. The Parent Borrower will, and will cause each of its Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges, franchises, patents, copyrights, trademarks and trade names material to the conduct of its business, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse effect; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.4.

SECTION 5.5. Payment of Obligations. The Parent Borrower will, and will cause each of its Subsidiaries to, pay its material Indebtedness and other obligations, including material Tax liabilities, before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the Parent Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP, (c) such contest effectively suspends collection of the contested obligation and the enforcement of any Lien securing such obligation and (d) the failure to make payment pending such contest could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.6. Maintenance of Properties. The Parent Borrower will, and will cause each of its Subsidiaries to, keep and maintain all property material to the conduct of its business in good condition, ordinary wear and tear excepted.

SECTION 5.7. Insurance. The Parent Borrower will, and will cause each of its Subsidiaries to, maintain, with financially sound and reputable insurance companies (a) insurance in such amounts (with no greater risk retention) and against such risks as are customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations and (b) all insurance required to be maintained pursuant to the Security Documents. The Parent Borrower will furnish to the Lenders, upon request of the Administrative Agent, information in reasonable detail as to the insurance so maintained.

SECTION 5.8. Books and Records; Inspection and Audit Rights. The Parent Borrower will, and will cause each of its Subsidiaries to, keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities. The Parent Borrower will, and will cause each of its Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested.

SECTION 5.9. Compliance with Laws and Contractual Obligations. The Parent Borrower will, and will cause each of its Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority (including Environmental Laws) and all Contractual Obligations applicable to it

or its property, except where the failure to do so, in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.10. Use of Proceeds and Letters of Credit. The proceeds of the Tranche B Term Loans will be used only (a) to replace the Old Tranche B Term Loans and (b) to finance the payment of a portion of the fees and expenses payable in connection with the Transactions. The proceeds of the Tranche C Term Loans will be used only (a) to replace the Old Tranche C Term Loans and (b) to finance the payment of a portion of the fees and expenses payable in connection with the Transactions. The proceeds of the Revolving Loans and Swingline Loans, and the Letters of Credit, will be used only for working capital and general corporate purposes of the Parent Borrower and its Subsidiaries, including Permitted Acquisitions, Investments and Restricted Payments permitted hereby. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations U and X.

SECTION 5.11. Additional Collateral. (a) On each Collateral Date, the Parent Borrower will notify the Administrative Agent of the identity of any Wholly Owned Subsidiary that is not already a Subsidiary Guarantor and promptly after such Collateral Date will (i) cause such Subsidiary (unless it is a Foreign Subsidiary or a Receivables Entity) to become a "Subsidiary Guarantor" under the Guarantee and Collateral Agreement, (ii) in the case of each such Subsidiary that is a Material Subsidiary, cause such Subsidiary (unless it is a Foreign Subsidiary or a Receivables Entity) to become a "Grantor" under each relevant Collateral Agreement, (iii) cause the Capital Stock of such Wholly Owned Subsidiary to be pledged pursuant to the relevant Collateral Agreement (except that, if such Subsidiary is a Foreign Subsidiary, no shares of common stock of such Subsidiary shall be pledged unless such Subsidiary is a Material Subsidiary that is directly owned by the Parent Borrower or a Domestic Subsidiary, and then the amount of voting stock of such Subsidiary to be pledged pursuant to such Collateral Agreement may be limited to 66% of the outstanding shares of voting stock of such Subsidiary) and (iv) except in the case of a Foreign Subsidiary, take all steps required by the relevant Security Documents and this Agreement to create and perfect Liens in the relevant property of such Subsidiary; provided that the Parent Borrower and its Subsidiaries shall not be required to comply with the requirements of this Section 5.11(a) if the Administrative Agent, in its sole discretion, determines that the cost of such compliance is excessive in relation to the value of the collateral security to be afforded thereby.

(b) If, as of any Collateral Date, any property of the Parent Borrower, any Subsidiary Guarantor that is a "Grantor" under any Collateral Agreement or any Subsidiary that is required to become a "Grantor" pursuant to Section 5.11(a) (including any parcel of owned domestic real property having a fair market value in excess of \$10,000,000 but excluding all other real property) is not already subject to a perfected first priority Lien (except as permitted by Section 6.3) in favor of the Administrative Agent or the Collateral Agent, as the case may be, the Parent Borrower will notify the Administrative Agent thereof, and, promptly after such Collateral Date, will cause such assets to become subject to a Lien under the relevant Security Documents and will take, and cause the relevant Subsidiary to take, such actions as shall be necessary or reasonably requested by the Administrative Agent to grant and perfect such Liens, including actions described in Section 5.12, all at the expense of the Loan Parties; provided that the Parent Borrower and its Subsidiaries shall not be required to comply with the requirements of this Section 5.11(b) if the Administrative Agent, in its sole discretion, determines that the cost of such compliance is excessive in relation to the value of the collateral security to be afforded thereby.

(c) Notwithstanding anything to the contrary in this Section 5.11, after the Release Date, no property other than Capital Stock shall be required to become Collateral.

(d) Within 75 days after the Amendment/Restatement Effective Date, the Parent Borrower shall, to the extent not previously delivered to the Administrative Agent, deliver to the Administrative Agent, with respect to each Mortgaged Property, Endorsements meeting the requirements of Section 4.1(c).

SECTION 5.12. Further Assurances. The Parent Borrower will, and will cause each of the Subsidiaries to, execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents), which may be required under any applicable law, or which the Administrative Agent may reasonably request, to effectuate the transactions contemplated by the Loan Documents or to grant, preserve, protect or perfect the Liens created or intended to be created by the Security Documents or the validity or priority of any such Lien, all at the expense of the Loan Parties. The Parent Borrower also agrees to provide to the Administrative Agent, from time to time upon request, evidence reasonably satisfactory to the Administrative Agent as to the perfection and priority of the Liens created or intended to be created by the Security Documents.

SECTION 5.13. Interest Rate Protection. The Parent Borrower will maintain or enter into for a period of not less than three years after the Amendment/Restatement Effective Date one or more Hedging Agreements, the effect of which shall be to fix or limit the interest cost to the Parent Borrower with respect to at least 50% of the aggregate outstanding principal amount of the Term Loans and the LYONS.

ARTICLE VI

NEGATIVE COVENANTS

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired or terminated and all LC Disbursements shall have been reimbursed, the Parent Borrower covenants and agrees with the Lenders that:

SECTION 6.1. Financial Condition Covenants. (a) Consolidated Leverage Ratio. The Parent Borrower will not permit the Consolidated Leverage Ratio as at the last day of any period of four consecutive fiscal quarters of the Parent Borrower ending during any period set forth below to exceed the ratio set forth below opposite such period:

Period	Consolidated Leverage Ratio
ended June 30, 2002	3.50 to 1.00
July 1, 2002 and thereafter	3.25 to 1.00

(b) Consolidated Interest Coverage Ratio. The Parent Borrower will not permit the Consolidated Interest Coverage Ratio for any period of four consecutive fiscal quarters of the Parent Borrower to be less than 3.50 to 1.00.

SECTION 6.2. Indebtedness. The Parent Borrower will not, and will not permit any Subsidiary to, create, incur, assume (collectively, "Incur") or permit to exist (except as provided below) any Indebtedness, except:

(a) Indebtedness created under the Loan Documents;

(b) subordinated debt of the Parent Borrower (including any subordinated debt which replaces or is in exchange for existing subordinated debt of the Parent Borrower), so long as (i) such Indebtedness has no scheduled principal payments prior to the date that is six months after the Tranche C Maturity Date, (ii) no covenant or default contained in the Subordinated Debt Documents is materially more restrictive than those contained in this Agreement, as agreed to by the Administrative Agent, and (iii) the Subordinated Debt Documents contain subordination terms that are no less favorable in any material respect to the Lenders than those applicable to offerings of "high-yield" subordinated debt by similar issuers of similar debt at the same time as agreed to by the Administrative Agent;

(c) Indebtedness existing on the Amendment/Restatement Effective Date and set forth in Schedule 6.2 and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof;

(d) Indebtedness of the Parent Borrower to any Subsidiary and of any Subsidiary to the Parent Borrower or any other Subsidiary; provided that Indebtedness pursuant to this paragraph (d) of any Subsidiary that is not a Wholly Owned Subsidiary Guarantor shall be subject to Section 6.5;

(e) Indebtedness consisting of reimbursement obligations under surety, indemnity, performance, release and appeal bonds and guarantees thereof, in each case securing obligations not constituting Indebtedness for borrowed money and obtained in the ordinary course of business;

(f) Guarantees by the Parent Borrower of Indebtedness of any Subsidiary and by any Subsidiary of Indebtedness of the Parent Borrower or any other Subsidiary; provided that (i) Guarantees pursuant to this paragraph (f) of Indebtedness of any Subsidiary that is not a Wholly Owned Subsidiary Guarantor shall be subject to Section 6.5 and (ii) a Subsidiary shall not Guarantee the Indebtedness of any Loan Party unless such Subsidiary has also Guaranteed the Obligations pursuant to the Guarantee and Collateral Agreement;

(g) (i) Indebtedness of the Parent Borrower or any Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets, including Capital Lease Obligations and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof, provided that such Indebtedness is incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement and (ii) Attributable Debt in connection with Sale/Leaseback Transactions involving fixed or capital assets if at the time of Incurrence thereof, after giving effect thereto, the aggregate principal amount of all Specified Indebtedness shall not exceed an amount equal to 10% of the Total Consolidated Assets;

(h) Indebtedness of any Person that becomes a Subsidiary after the Amendment/Restatement Effective Date; provided that (i) such Indebtedness exists at the time such Person becomes a Subsidiary and is not created in contemplation of or in connection with such Person becoming a Subsidiary and (ii) at the time of Incurrence thereof, after giving effect thereto, the aggregate principal amount of all Specified Indebtedness shall not exceed an amount equal to 10% of the Total Consolidated Assets;

(i) Indebtedness to finance the general working capital needs of the Parent Borrower and its Subsidiaries incurred after the Domestic Revolving Maturity Date and the Global Revolving Maturity Date in an aggregate principal amount not to exceed the amount of the Revolving Commitments as in effect immediately prior to such date, provided that (i) the Revolving Commitments shall have been or shall concurrently be terminated, the Revolving Loans and Swingline Loans shall have been or shall concurrently be repaid in full and all Letters of Credit shall have been or shall concurrently be cancelled or replaced and (ii) the terms and conditions of such replacement working capital facility (including any arrangements for sharing of Collateral) shall be reasonably satisfactory to the Required Lenders (determined after giving effect to the termination of the Revolving Commitments);

(j) letters of credit required in the ordinary course of business in an aggregate face amount not exceeding \$150,000,000 at any time outstanding (which may be secured), provided that, in the case of any such Indebtedness that is secured, at the time of Incurrence thereof, after giving effect thereto, the aggregate principal amount of all Specified Indebtedness shall not exceed an amount equal to 10% of the Total Consolidated Assets;

(k) other Indebtedness of Foreign Subsidiaries and any other Subsidiary that is not a Loan Party if at the time of Incurrence thereof, after giving effect thereto, the aggregate principal amount of all Specified Indebtedness shall not exceed an amount equal to 10% of the Total Consolidated Assets (with the amount of Indebtedness under overdraft lines or cash management facilities being determined net of cash held for the benefit of the relevant Subsidiary by the institution creating such overdraft or cash management facility);

(l) unsecured Indebtedness of the Parent Borrower (i) if on the date such Indebtedness is Incurred the Consolidated Leverage Ratio, on a pro forma basis after giving effect to the Incurrence of such Indebtedness (with the reference period for Consolidated EBITDA being the most recent period of four consecutive fiscal quarters for which the relevant financial information is available), is less than 3.0 to 1.0, in an unlimited amount and (ii) otherwise, in an aggregate principal amount not exceeding \$400,000,000 at any time outstanding, provided that in the case of clauses (i) and (ii) above, (A) such Indebtedness has no scheduled principal payments prior to the Tranche C Maturity Date, (B) no covenant or default contained in the documentation for such Indebtedness is materially more restrictive than those contained in this Agreement, as agreed to by the Administrative Agent, (C) no Default or Event of Default shall have occurred and be continuing, or would occur after giving effect to the incurrence of such Indebtedness, and (D) the Parent Borrower shall be in compliance, on a pro forma basis after giving effect to the incurrence of such Indebtedness, with the covenants contained in Section 6.1, in each case recomputed as at the last day of the most recently ended fiscal quarter of the Parent Borrower for which the relevant information is available as if such incurrence had occurred on the first day of each relevant period for testing such compliance (as demonstrated in a certificate of a Financial Officer delivered to the Administrative Agent not more than ten days prior to such incurrence);

(m) Indebtedness of the Parent Borrower consisting of LYONs and Guarantees of LYONs by Subsidiaries to the extent permitted by Section 6.5(e) (it being understood that the conversion described in clause (b) of the definition of "LYONs" shall be deemed to be a new incurrence of Indebtedness and shall be permitted only if clauses (i) through (iv) of this paragraph (m) are satisfied at the time of such conversion) representing aggregate gross proceeds not exceeding \$820,000,000, provided that (i) such Indebtedness has no scheduled principal payments prior to the date that is the date that is six months after the Tranche C Maturity Date, (ii) no covenant or default contained in the documentation for such Indebtedness is materially more restrictive than those contained in this Agreement, as agreed to by the Administrative

Agent, (iii) no Default or Event of Default shall have occurred and be continuing, or would occur after giving effect to the incurrence of such Indebtedness and (iv) the Parent Borrower shall be in compliance, on a pro forma basis after giving effect to the incurrence of such Indebtedness, with the covenants contained in Section 6.1, in each case recomputed as at the last day of the most recently ended fiscal quarter of the Parent Borrower for which the relevant information is available as if such incurrence had occurred (and, in the case of the conversion described in clause (b) of the definition of "LYONS", as if cash interest on the LYONS had become payable) on the first day of each relevant period for testing such compliance (as demonstrated in a certificate of a Financial Officer delivered to the Administrative Agent not more than ten days prior to such incurrence);

(n) Hedging Agreements in respect of Indebtedness otherwise permitted hereby, so long as such agreements are not entered into for speculative purposes; and

(o) other Indebtedness of any Loan Party in an aggregate principal amount not exceeding \$100,000,000 at any time outstanding (of which no more than \$50,000,000 may be secured), provided that, in the case of any such Indebtedness that is secured, at the time of Incurrence thereof, after giving effect thereto, the aggregate principal amount of all Specified Indebtedness shall not exceed an amount equal to 10% of the Total Consolidated Assets.

SECTION 6.3. Liens The Parent Borrower will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Liens created under the Loan Documents;

(b) Permitted Encumbrances;

(c) any Lien on any property or asset of the Parent Borrower or any Subsidiary existing on the Amendment/Restatement Effective Date and set forth in Schedule 6.3; provided that (i) such Lien shall not apply to any other property or asset of the Parent Borrower or any Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the Amendment/Restatement Effective Date and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(d) any Lien existing on any fixed or capital asset prior to the acquisition thereof by the Parent Borrower or any Subsidiary or existing on any fixed or capital asset of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property of the Parent Borrower or any Subsidiary and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(e) Liens on fixed or capital assets acquired, constructed or improved by the Parent Borrower or any Subsidiary; provided that (i) such security interests secure Indebtedness permitted by Section 6.2(g), (ii) such security interests and the Indebtedness secured thereby are incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement, (iii) the Indebtedness secured thereby does not exceed 100% of the cost of

acquiring, constructing or improving such fixed or capital assets and (iv) such security interests shall not apply to any other property or assets of the Parent Borrower or any Subsidiary;

(f) Liens on Collateral securing Indebtedness permitted by Section 6.2(i);

(g) Liens on property of any Foreign Subsidiary or any other Subsidiary that is not a Loan Party securing Indebtedness of such Subsidiary permitted by Section 6.2(j) or (k); and

(h) Liens not otherwise permitted by this Section securing Indebtedness expressly permitted to be secured by Section 6.2(o).

It is understood that Liens pursuant to Sections 6.3(d), (e), (g) and (h) may be incurred only to the extent the corresponding Indebtedness is expressly permitted to be Incurred pursuant to Section 6.2.

SECTION 6.4. Fundamental Changes. The Parent Borrower will not, and will not permit any Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default or Event of Default shall have occurred and be continuing (a) any Person may merge into the Parent Borrower in a transaction in which the Parent Borrower is the surviving corporation, (b) any Person may merge with any Wholly Owned Subsidiary Guarantor so long as the surviving entity is or becomes a Wholly Owned Subsidiary Guarantor, (c) any Subsidiary may Dispose of its assets to the Parent Borrower or any Wholly Owned Subsidiary Guarantor pursuant to a transaction of liquidation or dissolution, (d) the Parent Borrower or any Subsidiary may Dispose of its interest in any Subsidiary pursuant to a merger of such Subsidiary in a Disposition permitted by Section 6.6, (e) any Foreign Subsidiary or other Subsidiary that is not a Subsidiary Guarantor may merge with any other Person so long as the surviving entity is a Subsidiary (provided that in the case of a merger involving a Foreign Subsidiary Borrower, the surviving entity is a Borrower) or Dispose of its assets to any other Subsidiary pursuant to a transaction of liquidation or dissolution and (f) the Parent Borrower may merge into any other Person so long as (i) the surviving entity assumes all the Obligations of the Parent Borrower hereunder and under the other Loan Documents pursuant to a written agreement satisfactory to the Administrative Agent, (ii) the surviving entity is organized under the laws of a jurisdiction within the United States of America, (iii) no Default or Event of Default shall have occurred and be continuing, or would occur after giving effect to such merger, (iv) the Parent Borrower shall be in compliance, on a pro forma basis after giving effect to such merger, with the covenants contained in Section 6.1, in each case recomputed as at the last day of the most recently ended fiscal quarter of the Parent Borrower for which the relevant information is available as if such merger had occurred on the first day of each relevant period for testing such compliance (as demonstrated in a certificate of a Financial Officer delivered to the Administrative Agent at least ten Business Days prior to such merger) and (v) all filings have been made under the Uniform Commercial Code or otherwise that are required in order for the Collateral Agent to continue at all times following such merger to have a valid, legal and perfected security interest in all the Collateral to the same extent as prior to such merger. It is understood that no transaction pursuant to this Section 6.4 shall be permitted unless any Investment or Disposition made in connection therewith is also expressly permitted by Section 6.5 or 6.6, as applicable.

SECTION 6.5. Investments, Loans, Advances, Guarantees and Acquisitions. The Parent Borrower will not, and will not permit any of its Subsidiaries to, purchase, hold or acquire (including pursuant to any merger with any Person that was not a Wholly Owned Subsidiary prior to such merger) any Capital Stock of or evidences of Indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, Guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other

Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person constituting a business unit (collectively, "Investments"), except:

(a) Permitted Investments;

(b) Investments existing on the Amendment/Restatement Effective Date and set forth on Schedule 6.5;

(c) intercompany Investments made by the Parent Borrower and its Subsidiaries in any Subsidiary that, prior to such Investment, is a Subsidiary; provided that, after giving effect to any such Investment made on a particular date, the aggregate amount of such Investments by Loan Parties from the Amendment/Restatement Effective Date through and including such date, net of any repayments of any such Investments, in or with respect to Subsidiaries that are not Wholly Owned Subsidiary Guarantors shall not exceed \$150,000,000 (it being understood that the amount of any intercompany Investment made pursuant to this paragraph (c) in exchange for the forgiveness of any Indebtedness owing to the Person in which such Investment is made shall be determined net of the amount of such Indebtedness forgiven);

(d) loans and advances to employees of the Parent Borrower or any Subsidiary in the ordinary course of business (including for travel, entertainment and relocation expenses) in an aggregate amount for the Parent Borrower and its Subsidiaries not to exceed \$20,000,000 at any one time outstanding;

(e) Guarantees constituting Indebtedness permitted by Section 6.2; provided that (i) a Subsidiary shall not Guarantee the Subordinated Debt or the LYONs unless (A) such Subsidiary also has Guaranteed the Obligations pursuant to the Guarantee and Collateral Agreement, (B) in the case of any Guarantee of Subordinated Debt, such Guarantee of the Subordinated Debt is subordinated to such Guarantee of the Obligations on terms no less favorable to the Lenders than the subordination provisions of the Subordinated Debt and (C) such Guarantee provides for the release and termination thereof, without action by any party, upon (1) Disposition of the relevant Subsidiary or (2) release of such Subsidiary from its Guarantee under the Guarantee and Collateral Agreement, (ii) the aggregate principal amount of Indebtedness of Subsidiaries that are not Wholly Owned Subsidiary Guarantors that is Guaranteed by any Loan Party shall be subject to the limitation set forth in paragraph (c) above and (iii) a Subsidiary shall not Guarantee the Indebtedness of any Loan Party unless such Subsidiary has also Guaranteed the Obligations pursuant to the Guarantee and Collateral Agreement;

(f) Permitted Acquisitions;

(g) Guarantees not constituting Indebtedness by the Parent Borrower and its Subsidiaries of the Contractual Obligations of the Parent Borrower or any Subsidiary;

(h) intercompany Investments in any Wholly Owned Subsidiary created by the Parent Borrower or any of its Subsidiaries in connection with any corporate restructuring, provided that (A) such newly-created Subsidiary is, or contemporaneously with the consummation of such restructuring becomes, a Wholly Owned Subsidiary Guarantor, (B) all property transferred to such newly-created Subsidiary that constituted Collateral shall continue to constitute Collateral as to which the Collateral Agent has a first priority perfected security interest, subject to Permitted Encumbrances, and (C) contemporaneously with the consummation of such restructuring (i) the Capital Stock and assets of such newly-created Subsidiary are pledged under the relevant Security Documents (except to the extent that any of the foregoing

would not otherwise be required pursuant to Section 5.11 to be so pledged on the next succeeding Collateral Date) and (ii) the Parent Borrower takes, and causes the relevant Subsidiary to take, such actions as shall be necessary or reasonably requested by the Administrative Agent to grant and perfect such Liens, including actions described in Section 5.12, all at the expense of the Loan Parties;

(i) Permitted Subsidiary Acquisitions; provided that if any portion of the Consideration for such acquisition is payable other than in Inrange Common Stock, such payment is permitted by any other paragraph of this Section;

(j) additional Investments in the Emerson JV in an aggregate amount from May 24, 2001 through and including the date of such Investment not to exceed \$75,000,000;

(k) Investments in up to a 20% membership interest in the Assa Abloy JV;

(l) the BOMAG Receivable;

(m) Investments that are Restricted Payments permitted by Section 6.8(l);

(n) Investments financed with Capital Stock of the Parent Borrower; provided that (i) the Parent Borrower shall be in compliance, on a pro forma basis after giving effect to such Investment, with the covenants contained in Section 6.1, in each case recomputed as at the last day of the most recently ended fiscal quarter of the Parent Borrower for which the relevant information is available as if such Investment had occurred on the first day of each relevant period for testing such compliance (as demonstrated, in the case of any Investment for which the aggregate cost is greater than or equal to \$50,000,000, in a certificate of a Financial Officer delivered to the Administrative Agent (x) in the case of any Investment for which the aggregate cost is greater than or equal to \$100,000,000, prior to the consummation of such Investment and (y) in the case of any Investment for which the aggregate cost is less than \$100,000,000, concurrently with the first delivery of financial statements pursuant to Section 5.1(a) or (b) following the consummation of such Investment) and (ii) no Default or Event of Default shall occur after giving effect to such Investment; and

(o) Investments that are not permitted by any other paragraph of this Section, so long as, after giving effect to any such Investment made on a particular date, the aggregate Consideration expended in connection with all such Investments from the Amendment/Restatement Effective Date through and including such date shall not exceed \$150,000,000.

SECTION 6.6. Disposition of Assets. The Parent Borrower will not, and will not permit any of its Subsidiaries to, Dispose of any asset, including any Capital Stock owned by it (other than Capital Stock of the Parent Borrower held in treasury by the Parent Borrower), nor will the Parent Borrower permit any of its Subsidiaries to issue any additional Capital Stock of such Subsidiary, except:

(a) (i) sales of inventory, obsolete or worn out equipment and Permitted Investments and (ii) leases of real or personal property, in each case in the ordinary course of business;

(b) Dispositions to the Parent Borrower or a Subsidiary; provided that any such Dispositions by a Loan Party to a Subsidiary that is not a Loan Party shall be made in compliance with Section 6.5;

(c) sales of accounts receivable and related assets or an interest therein of the type

specified in the definition of "Qualified Receivables Transaction" pursuant to a Qualified Receivables Transaction, provided that (i) each such Qualified Receivables Transaction shall be on terms and conditions satisfactory to the Administrative Agent and (ii) the aggregate gross proceeds to the Parent Borrower and its Subsidiaries (valued at the initial principal amount thereof in the case of non-cash proceeds consisting of notes or other debt securities and valued at fair market value in the case of other non-cash proceeds) from all such Qualified Receivables Transactions permitted by this paragraph (c) shall not exceed \$250,000,000;

(d) Dispositions of assets that are not permitted by any other paragraph of this Section; provided that the aggregate gross proceeds (including any non-cash proceeds, determined on the basis of face amount in the case of notes or similar consideration and on the basis of fair market value in the case of other non-cash proceeds) of all assets Disposed of in reliance upon this paragraph (d) shall not exceed, in the case of any fiscal year of the Parent Borrower, 10% of Total Consolidated Assets; and provided further that all Dispositions permitted by this paragraph (d) shall be made for fair value and for at least 75% cash consideration;

(e) issuances by Inrange of shares of Inrange Class B Common Stock in a Permitted Subsidiary Acquisition;

(f) issuances by Inrange to management and employees of the Parent Borrower, Inrange or any of their Subsidiaries, of options to acquire up to 7,105,700 shares of Inrange Class B Common Stock, and issuances of Inrange Class B Common Stock pursuant to the exercise by such Persons, at an exercise price equal to the price per share in the initial public offering of such Class B Common Stock, of such options;

(g) issuances by Inrange to directors, management and employees of, and consultants and other providers of services to, the Parent Borrower, Inrange or any of their Subsidiaries, in each case in exchange for non-cash consideration provided by such Persons in the form of goods or services, of (i) Inrange Common Stock, provided that the aggregate fair market value of such Inrange Common Stock (determined as of the date such Inrange Common Stock is issued) does not exceed \$10,000,000 in any fiscal year of the Parent Borrower, and (ii) options and warrants to acquire Inrange Common Stock and issuances of Inrange Common Stock pursuant to the exercise of such options and warrants, at an exercise price of not less than 85% of the fair market value of such Inrange Common Stock (determined as of the date of the grant of such options or warrants), provided that the aggregate number of shares of Inrange Common Stock covered by options and warrants granted in any fiscal year of the Parent Borrower shall not exceed 1,500,000 (as adjusted for stock splits, stock dividends, reverse stock splits and similar events);

(h) issuances of Inrange Class B Common Stock pursuant to the exercise by directors and management of the Parent Borrower, at an exercise price of \$13.00 per share, of options to acquire up to 1,331,000 shares of Inrange Class B Common Stock (which options were issued by Inrange to such Persons prior to August 15, 2000);

(i) Dispositions by the Parent Borrower of shares of Inrange Common Stock held by the Parent Borrower in exchange for shares of the Parent Borrower's Capital Stock in a redemption or repurchase transaction that is otherwise expressly permitted by this Agreement;

(j) Dispositions by the Parent Borrower of all or any portion of its interest in the Emerson JV and the Assa Abloy JV; provided that all Dispositions permitted by this paragraph (j) shall be made for fair value and for at least 85% cash consideration; and

(k) Dispositions by the Parent Borrower of shares of Inrange Common Stock held by the Parent Borrower to the holders of the Parent Borrower's common stock, provided that the Consolidated Leverage Ratio, determined as of the last day of the most recent period of four consecutive fiscal quarters for which the relevant financial information is available, is less than 2.5 to 1.0.

For purposes of paragraphs (d) and (j) of this Section 6.6,

(i) the following will be deemed to be cash:

(A) the assumption by the transferee of Indebtedness (other than subordinated Indebtedness or preferred stock) of the Parent Borrower or of any Subsidiary (in which case, the Parent or such Subsidiary will, without further action, be deemed to have applied such deemed cash to Indebtedness in accordance with clause (b)(ii) of the definition of "Net Proceeds"), provided that the amount of assumed Indebtedness that is deemed to be cash shall not exceed \$200,000,000 in the aggregate;

(B) securities, notes or other obligations received by the Parent Borrower or any Subsidiary from the transferee that are promptly (subject to ordinary settlement periods) converted, sold or exchanged within 30 days of receipt thereof by the Parent Borrower or such Subsidiary into cash (to the extent of the cash received in such conversion, sale or exchange); and

(C) in the case of any Disposition, promissory notes received by the Parent Borrower or any Subsidiary from the transferee having an aggregate principal amount not to exceed \$10,000,000; and

(ii) in the case of a Disposition consisting of an Asset Swap, the Parent Borrower or such Subsidiary shall only be required to receive cash in an amount equal to at least 75% of the proceeds of such Disposition which are not part of the Asset Swap, provided that the aggregate fair value of the assets of the Parent Borrower and its Subsidiaries that are the subject of all such Asset Swaps shall not exceed \$400,000,000.

SECTION 6.7. Sale and Leaseback Transactions. The Parent Borrower will not, and will not permit any Subsidiary to, enter into any arrangement (each, a "Sale/Leaseback Transaction") providing for the leasing to the Parent Borrower or any Subsidiary of real or personal property that has been or is to be (a) sold or transferred by the Parent Borrower or any Subsidiary or (b) constructed or acquired by a third party in anticipation of a program of leasing to the Parent Borrower or any Subsidiary, in each case unless the Attributable Debt resulting therefrom is permitted by Section 6.2(g).

SECTION 6.8. Restricted Payments. The Parent Borrower will not, and will not permit any Subsidiary to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except:

(a) the Parent Borrower may (i) declare and pay dividends with respect to its Capital Stock payable solely in shares of its Capital Stock or (ii) make other distributions or payments payable solely in shares of its Capital Stock,

(b) any Wholly Owned Subsidiary may declare and pay Restricted Payments to its immediate parent,

(c) any non-Wholly Owned Subsidiary may declare and pay dividends ratably with respect to its Capital Stock,

(d) the Parent Borrower may make Restricted Payments, not exceeding \$10,000,000 during any fiscal year, pursuant to and in accordance with stock option plans or other benefit plans for management or employees of the Parent Borrower and its Subsidiaries,

(e) from and after the Amendment/Restatement Effective Date, the Parent Borrower may repurchase its Capital Stock or redeem the LYONS, provided that it is the case that either (i) the aggregate amount of such repurchases and redemptions shall not exceed (A) \$100,000,000, if the Consolidated Leverage Ratio, on a pro forma basis after giving effect to such repurchase or redemption (with the reference period for Consolidated EBITDA being the most recent period of four consecutive fiscal quarters for which the relevant financial information is available), is greater than or equal to 3.00 to 1.00 or (B) the greater of (x) \$250,000,000 and (y) (I) 50% of Consolidated Net Income during the period from July 1, 2002 to the date of such repurchase or redemption minus (II) an amount equal to the aggregate amount paid in respect of all other repurchases and redemptions made after July 1, 2002, if the Consolidated Leverage Ratio, on a pro forma basis after giving effect to such repurchase or redemption (with the reference period for Consolidated EBITDA being the most recent period of four consecutive fiscal quarters for which the relevant financial information is available), is less than 3.00 to 1.00 or (ii) notwithstanding the foregoing clause (B), the Consolidated Leverage Ratio, on a pro forma basis after giving effect to such repurchase or redemption (with the reference period for Consolidated EBITDA being the most recent period of four consecutive fiscal quarters for which the relevant financial information is available) is less than 2.00 to 1.00,

(f) the Parent Borrower or any Subsidiary may make Restricted Payments to the extent required by the terms of its joint venture or similar agreements relating to non-Wholly Owned Subsidiaries, provided that no such Restricted Payment shall be permitted by this clause (f) unless any Investment made in connection therewith is also expressly permitted by Section 6.5,

(g) the Parent Borrower may make Restricted Payments not otherwise permitted by this Section 6.8, provided that (i) on the date of any such Restricted Payment after giving effect thereto, the aggregate amount expended in connection with all Restricted Payments pursuant to this clause (g) during the fiscal year in which such date occurs shall not exceed \$20,000,000 unless, on such date, the Consolidated Leverage Ratio, on a pro forma basis after giving effect to such Restricted Payment (with the reference period for Consolidated EBITDA being the most recent period of four consecutive fiscal quarters for which the relevant financial information is available), is less than 2.50 to 1.00 and (ii) in no event shall the aggregate amount of Restricted Payments made pursuant to this clause (g) during any fiscal year exceed 25% of Consolidated Net Income for the immediately preceding fiscal year,

(h) the Parent Borrower may redeem the LYONS through the issuance of common stock of the Parent Borrower or through the issuance of Indebtedness of the type described in clause (b) or (c) of the definition of "LYONS",

(i) the Parent Borrower or any Subsidiary that is permitted to guarantee the LYONS may pay required interest payments in respect of LYONS of the type described in clause (b) of the definition thereof,

(j) the Parent Borrower or any Subsidiary that is permitted to guarantee the LYONS may pay LYONS Contingent Interest;

(k) AMCA may repurchase the BOMAG Transferred Equity upon an exercise of the BOMAG Purchaser Cancellation Right or the BOMAG Seller Cancellation Right;

(l) (i) the Parent Borrower may issue shares of its common stock as the consideration for the repurchase of Inrange Common Stock and (ii) Inrange may repurchase Inrange Common Stock, provided that the aggregate amount of such repurchases permitted by this clause (l)(ii) (other than repurchases made with shares of common stock of the Parent Borrower) shall not exceed \$20,000,000 from and after the Amendment/Restatement Effective Date. For the purposes of this Section 6.8, redemptions of the LYONs shall include purchases thereof and payments required to be made in connection with the conversion thereof; and

(m) transactions permitted by Section 6.6(i) or (k).

SECTION 6.9. Payments of Certain Indebtedness; Certain Derivative Transactions. The Parent Borrower will not, nor will it permit any Subsidiary to, (a) make or agree or offer to pay or make, directly or indirectly, any payment or other distribution (whether in cash, securities or other property) of or in respect of principal of or interest on any Subordinated Debt, or any payment or other distribution (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Subordinated Debt, except the payment of regularly scheduled interest and principal payments as and when due in respect of any Subordinated Debt, other than payments in respect of the Subordinated Debt prohibited by the subordination provisions thereof or (b) enter into any derivative transaction or similar transaction obligating the Parent Borrower or any of its Subsidiaries to make payments to any other Person as a result of a change in market value of any Subordinated Debt or LYONs.

SECTION 6.10. Transactions with Affiliates. The Parent Borrower will not, and will not permit any Subsidiary to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) transactions in the ordinary course of business that are at prices and on terms and conditions not less favorable to the Parent Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions between or among the Parent Borrower and the Subsidiaries not involving any other Affiliate, (c) any Restricted Payment permitted by Section 6.8 and (d) any other transaction expressly permitted by Section 6.5.

SECTION 6.11. Restrictive Agreements. The Parent Borrower will not, and will not permit any Foreign Subsidiary Borrower or any Wholly Owned Subsidiary Guarantor to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of the Parent Borrower or any Subsidiary to create, incur or permit to exist any Lien upon any of its property, (b) the ability of any Subsidiary to pay dividends or other distributions with respect to any shares of its capital stock or to make or repay loans or advances to the Parent Borrower or any other Subsidiary or to Guarantee Indebtedness of the Parent Borrower or any other Subsidiary or (c) the ability of any Subsidiary to transfer any of its assets to the Parent Borrower or any other Subsidiary; provided that (i) the foregoing shall not apply to restrictions and conditions imposed by law or by any Loan Document or Subordinated Debt Document, (ii) the foregoing shall not apply to restrictions and conditions existing on the Amendment/Restatement Effective Date identified on Schedule 6.11 (but shall apply to any amendment or modification expanding the scope of, any such restriction or condition), (iii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary or its assets pending such sale, provided such restrictions and conditions apply only to the Subsidiary that is (or whose assets are) to be sold and such sale is permitted hereunder, (iv) the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to a Qualified Receivables Transaction permitted by this Agreement if such

restrictions or conditions apply only to the relevant Receivables Entity, (v) clause (a) above shall not apply to restrictions and conditions contained in documentation relating to a Subsidiary acquired in a Permitted Acquisition, provided that such restriction or condition (x) existed at the time such Person became a Subsidiary, (y) was not created in contemplation of or in connection with such Person becoming a Subsidiary and (z) applies only to such Subsidiary, (vi) clauses (a), (b) and (c) above shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness, (vii) clauses (a) and (c) above shall not apply to customary provisions in leases and other contracts restricting the assignment thereof and (viii) clause (a), (b) and (c) above shall not apply to customary provisions in joint venture agreements or other similar arrangements if such provisions apply only to the Person (and the equity interests in such Person) that is the subject thereof.

SECTION 6.12. Amendment of Material Documents, etc. The Parent Borrower will not, and will not permit any Subsidiary to, (a) amend, modify, supplement or waive in any respect that is material and adverse to the Lenders any of its rights under any Subordinated Debt Document or any LYONs Documents (it being understood, however, that any amendment to provide guarantees in respect of the LYONs permitted by this Agreement would not constitute such an amendment) or (b) designate any Indebtedness (other than obligations of the Loan Parties pursuant to the Loan Documents) as "Designated Senior Indebtedness" (or any comparable concept) for the purposes of the Subordinated Debt Documents.

ARTICLE VII

EVENTS OF DEFAULT

If any of the following events ("Events of Default") shall occur:

(a) any Borrower shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement 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 otherwise;

(b) any Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in paragraph (a) of this Article) payable under this Agreement or any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five days;

(c) any representation or warranty made or deemed made by or on behalf of the Parent Borrower or any Subsidiary in or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been materially incorrect when made or deemed made;

(d) the Parent Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.2, 5.4 (with respect to the existence of any Borrower) or 5.10 in Article VI;

(e) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in any Loan Document (other than those specified in paragraph (a), (b) or (d) of this Article), and such failure shall continue unremedied for a period of 30 days after notice thereof to the Parent Borrower from the Administrative Agent or the Required Lenders;

(f) the Parent Borrower or any Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, after the passage of any cure period provided in such Indebtedness;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with the giving of notice, if required) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity (including, in any event, an "Event of Default" under and as defined in the Subordinated Debt Documents) but excluding, in any event, any mandatory redemptions or conversions at the option of the holders of the LYONS pursuant to LYONS Put/Conversion Rights;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Parent Borrower or any Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Parent Borrower or any Subsidiary or for a substantial part of its assets, and, in any such case, 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;

(i) the Parent Borrower or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in paragraph (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Parent Borrower or any Subsidiary or for a substantial part of its assets, (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 or (vi) take any action for the purpose of effecting any of the foregoing;

(j) the Parent Borrower or any Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of \$50,000,000 shall be rendered against the Parent Borrower, 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 attach or levy upon any assets of the Parent Borrower or any Subsidiary to enforce any such judgment;

(l) an ERISA Event shall have occurred that, in the opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, could reasonably be expected to have a Material Adverse Effect;

(m) the guarantee contained in Section 2 of the Guarantee and Collateral Agreement shall cease, for any reason, to be in full force and effect or any Loan Party or any Affiliate of any Loan Party shall so assert;

(n) any Lien purported to be created under any Security Document shall cease to be, or shall be asserted by any Loan Party or any Affiliate of any Loan Party not to be, a valid and perfected Lien on any Collateral (other than immaterial Collateral), with the priority required by the applicable Security Document;

(o) the Subordinated Debt or any Guarantees thereof shall cease, for any reason, to be validly subordinated to the Obligations or the obligations of the Subsidiary Guarantors under the Guarantee and Collateral Agreement, as the case may be, as provided in the Subordinated Debt Documents, or any Loan Party, any Affiliate of any Loan Party, the trustee in respect of the Subordinated Debt or the holders of at least 25% in aggregate principal amount of the Subordinated Debt shall so assert; or

(p) a Change of Control shall occur;

then, and in every such event (other than an event with respect to any Borrower described in paragraph (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Parent Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Borrower; and in case of any event with respect to any Borrower described in paragraph (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Borrower.

ARTICLE VIII

THE ADMINISTRATIVE AGENT

Each of the Lenders hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. For the purposes of Article 2692 of the Civil Code of Quebec and without limiting the generality of the foregoing, each Canadian Lender hereby irrevocably designates and appoints each of the Administrative Agent and the Collateral Agent in its capacity as agent and holder of a power of attorney of each such Canadian Lender under this Agreement and the other Loan Documents.

The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Parent Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) the Administrative

Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that the Administrative Agent is required to exercise in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.2), and (c) except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Parent Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.2) or in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Parent Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for any Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of each Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

Subject to the appointment and acceptance of a successor to the Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders and the Parent Borrower. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Parent Borrower, to appoint a successor. 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, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, 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. The fees payable by

any Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Parent Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 9.3 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, any other Lender or any of their respective affiliates 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, any other Lender or any of their respective affiliates 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, any other Loan Document or related agreement or any document furnished hereunder or thereunder.

Neither the Syndication Agent nor any Documentation Agent shall have any duties or responsibilities hereunder in its capacity as such.

ARTICLE IX

MISCELLANEOUS

SECTION 9.1. Notices. Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(a) if to the Parent Borrower, to it at 13515 Ballantyne Corporate Place, Charlotte, North Carolina 28277, attention of Treasurer and Chief Financial Officer (Telecopy No. 704-752-7487), and if to any Foreign Subsidiary Borrower, to it at its address (or telecopy number) specified in the relevant Borrowing Subsidiary Agreement with a copy to the Parent Borrower at its address (or telecopy number) specified above;

(b) if to the Administrative Agent, as applicable, (i) to Chase Manhattan International Limited, 125 London Wall, London, England, Attention of Steve Clarke (Telecopy No. 44-207-777-2360/2085), (ii) to The Bank of Nova Scotia, 44 King Street West, Toronto, Ontario, Canada M5H 1H1, attention of John Hall (Telecopy No. 416-866-5991), or (iii) to JPMorgan Chase Bank, Loan and Agency Services Group, One Chase Manhattan Plaza, 8th Floor, New York, New York 10081, attention of Doris Mesa (Telecopy No. 212-552-5650), in each case with a copy to JPMorgan Chase Bank, 270 Park Avenue, New York, New York 10017, Attention of Tina Ruyter (Telecopy No. 212-270-5120); and

(c) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties 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. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent;

provided that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or any Loan Party may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

SECTION 9.2. Waivers; Amendments. (a) No failure or delay by the Administrative Agent or any Lender in exercising any right or power hereunder or under any other Loan Document 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 and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default or Event of Default, regardless of whether the Administrative Agent or any Lender may have had notice or knowledge of such Default at the time.

(a) Neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended or modified except, in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Borrowers and the Required Lenders or, in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent and the Loan Party or Loan Parties that are parties thereto, in each case with the written consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of or subordinate the principal of any Loan or LC Disbursement, or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender directly affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive, excuse or subordinate any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender directly affected thereby, (iv) require any Lender to make Loans having an Interest Period of one year or longer, without the written consent of such Lender, (v) reduce the amount of Net Proceeds required to be applied to prepay Loans under this Agreement, without the written consent of the Majority Facility Lenders under each Facility, (vi) amend, modify or waive any provision of this Agreement in any manner that would change the application of mandatory prepayments hereunder without the written consent of the Majority Facility Lenders in respect of each Facility adversely affected thereby, (vii) amend, modify or waive any provision of Section 2.12 without the written consent of the Majority Facility Lenders in respect of each Facility adversely affected thereby, (viii) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision of any Loan Document specifying the number or percentage of Lenders (or Lenders of any Class) required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender (or each Lender of such Class, as the case may be), (ix) release or subordinate all or substantially all of the Guarantees from the Guarantors under the Guarantee and Collateral Agreement (except as expressly provided in the Loan Documents), without the written consent of each Lender, or (x) release or subordinate all or substantially all of the Liens of the Security Documents on the Collateral (except as expressly provided in the Loan Documents), without the written consent of each Lender.

(c) In addition, notwithstanding the foregoing, this Agreement may be amended with the written consent of the Administrative Agent, the Borrower and the Lenders providing the relevant Replacement Term Loans (as defined below) to permit the refinancing of all outstanding Tranche B Term Loans or all outstanding Tranche C Term Loans ("Refinanced Term Loans") with a replacement "B" or "C" term loan tranche hereunder ("Replacement Term Loans"), provided that (a) the aggregate principal amount of such Replacement Term Loans shall not exceed the aggregate principal amount of such Refinanced Term Loans, (b) the Applicable Rate for such Replacement Term Loans shall not be higher than the Applicable Rate for such Refinanced Term Loans, (c) the weighted average life to maturity of such Replacement Term Loans shall not be shorter than the weighted average life to maturity of such Refinanced Term Loans at the time of such refinancing and (d) all other terms applicable to such Replacement Term Loans shall be substantially identical to, or less favorable to the Lenders providing such Replacement Term Loans than, those applicable to such Refinanced Term Loans, except to the extent necessary to provide for covenants and other terms applicable to any period after the latest final maturity of the Term Loans in effect immediately prior to such refinancing.

SECTION 9.3. Expenses; Indemnity; Damage Waiver. (a) The Parent Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, in connection with the syndication of the credit facilities provided for herein, the preparation and administration of the Loan Documents or any amendments, modifications or waivers of the provisions thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), including the reasonable fees and disbursements of counsel to the Administrative Agent, with statements with respect to the foregoing to be submitted to the Parent Borrower prior to the Amendment/Restatement Effective Date (in the case of amounts to be paid on the Amendment/Restatement Effective Date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate, (ii) all reasonable out-of-pocket expenses incurred by any Issuing Lender in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by the Administrative Agent or any Lender, including the fees, charges and disbursements of any counsel for the Administrative Agent or any Lender, in connection with the enforcement or protection of its rights in connection with the Loan Documents, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) The Parent Borrower shall indemnify the Administrative Agent and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnatee") against, and hold each Indemnatee harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever, including the fees, charges and disbursements of any counsel for any Indemnatee, incurred by or asserted against any Indemnatee arising out of, in connection with, or as a result of (i) the execution, delivery, enforcement, performance and administration of any Loan Document or any other agreement, letter or instrument delivered in connection with the transactions contemplated hereby, the performance by the parties to the Loan Documents of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by an Issuing Lender to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property currently or formerly owned or operated by the Parent Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Parent Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether 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 determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee.

(c) To the extent that the Parent Borrower fails to pay any amount required to be paid by it to the Administrative Agent, any Issuing Lender or the Swingline Lender under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent, such Issuing Lender or the Swingline Lender, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent, such Issuing Lender or the Swingline Lender in its capacity as such. For purposes hereof, a Lender's "pro rata share" shall be determined based upon its share of the sum of the total Revolving Exposures, outstanding Term Loans and unused Commitments at the time; provided that in the case of amounts owing to any Issuing Lender or the Swingline Lender, in each case in its capacity as such, a Lender's "pro rata" share shall be determined based solely upon its share of the sum of Domestic Revolving Exposures and unused Domestic Revolving Commitments at the time.

(d) To the extent permitted by applicable law, no Borrower shall assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable not later than 15 days after written demand therefor. Statements payable by the Parent Borrower pursuant to this Section shall be sent to Attention of Treasurer and Chief Financial Officer (Telephone No. 704-752-4400) (Telecopy No. 704-752-7487), at the address of the Parent Borrower set forth in Section 9.1, or to such other Person or address as may be hereafter designated by the Parent Borrower in a written notice to the Administrative Agent.

SECTION 9.4. Successors and Assigns; Participations and Assignments. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that a Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by a Borrower without such consent shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that (i) except in the case of an assignment to a Lender or a Lender Affiliate, each of the Parent Borrower and the Administrative Agent must give their prior written consent to such assignment (which consent shall not be unreasonably withheld or delayed), provided that the consent of the Administrative Agent (which consent shall not be unreasonably withheld or delayed) shall be required for any assignment to an assignee in respect of any Revolving Facility which does not have a commitment in respect of such Revolving Facility immediately prior to giving effect to such assignment, (ii) except in the case of an assignment to a Lender or a Lender Affiliate or an assignment of the entire remaining

amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans 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 (x) in the case of an assignment of a Revolving Commitment, Revolving Loan or Tranche A Term Loan, be less than \$5,000,000, and (y) in the case of an assignment of a Tranche B Term Loan or a Tranche C Term Loan, be less than \$1,000,000, unless the Parent Borrower and the Administrative Agent otherwise consent, (iii) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of \$3,500, (iv) the assignee, if not already a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire, (v) no assignment of Global Revolving Commitments or Global Revolving Loans may be made to an assignee that cannot make Loans in each of the Qualified Global Currencies (other than Canadian dollars) and (vi) no assignment of Canadian Commitments or Canadian Dollar Loans may be made to an assignee that cannot make Loans in each of the Qualified Global Currencies; and provided further that any consent of any Borrower otherwise required under this paragraph shall not be required if an Event of Default under paragraph (a), (b), (h) or (i) of Article VII has occurred and is continuing. Any such assignment need not be ratable as among the Facilities. Subject to acceptance and recording thereof pursuant to paragraph (d) of this Section, from and after the effective date specified in each Assignment and Acceptance 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 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 of the 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 2.16, 2.17, 2.18 and 9.3). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (e) of this Section.

(c) The Administrative Agent, acting for this purpose as an agent of the Parent Borrower, 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 principal amount of the Loans (whether or not evidenced by a promissory note) and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and each Borrower, 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, notwithstanding notice to the contrary.

(d) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee is already a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph. Any assignment or transfer of all or part of a Loan evidenced by a promissory note shall be registered as to both principal and interest on the Register only upon surrender for registration of assignment or transfer of the promissory note evidencing such loan, accompanied by a duly executed Assignment and Acceptance, and thereupon one or more new promissory notes in the same aggregate principal amount shall be issued to the designated Assignee and the old promissory notes shall be returned by the Administrative Agent to the Parent Borrower marked "cancelled".

(e) Any Lender may, without the consent of any Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided 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 and (iii) each Borrower, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. In no event shall any Participant under any such participation have any right to approve any amendment or waiver of any provision of any Loan Document, or any consent to any departure by any Loan Party therefrom, except to the extent that such amendment, waiver or consent would reduce the principal of, or interest on, the Loans or any fees payable hereunder, or postpone the date of the final maturity of the Loans, in each case to the extent subject to such participation. Subject to paragraph (f) of this Section, each Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.16, 2.17 and 2.18 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section, provided that, in the case of Section 2.18, such Participant shall have complied with the requirements of said section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.8 as though it were a Lender, provided such Participant agrees to be subject to Section 2.19(c) as though it were a Lender.

(f) A Participant shall not be entitled to receive any greater payment under Section 2.16 or 2.18 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Parent Borrower's prior written consent.

(g) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that any foreclosure or similar action by such pledgee or assignee shall be subject to the provisions of this Section 9.4 concerning assignments; and provided, further that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto. In the case of any Lender that is a fund that invests in bank loans, such Lender may, without the consent of any Borrower or the Administrative Agent, assign or pledge all or any portion of its rights under this Agreement and/or pledge all or any portion of any instrument evidencing its rights as a Lender under this Agreement to any trustee for, or any other representative of, holders of obligations owed or securities issued, by such fund, as security for such obligations or securities; provided that any foreclosure or similar action by such trustee or representative shall be subject to the provisions of this Section 9.4 concerning assignments.

SECTION 9.5. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.16, 2.17, 2.18 and 9.3 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the

transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

SECTION 9.6. Counterparts; Integration. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Document and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Agreement shall be binding upon and inure to the benefit of the parties hereto (including the Lenders) and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.7. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.8. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates 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 obligations at any time owing by such Lender or Affiliate to or for the credit or the account of a Borrower against any of and all the obligations of a Borrower 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 unmaturing. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.9. Governing Law; Jurisdiction; Consent to Service of Process.
(a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Each Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, 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. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Borrower or its properties in the courts of any jurisdiction.

(c) Each Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, (i) 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 or any other Loan Document in any court referred to in paragraph (b) of this Section, (ii) the defense of an

inconvenient forum to the maintenance of such action or proceeding in any such court and (iii) any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages (as opposed to direct or actual damages).

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.1. In addition, each Foreign Subsidiary Borrower agrees that service of process may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Parent Borrower at its address for notices in Section 9.1. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. Acknowledgements. The Parent Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) neither the Administrative Agent nor any Lender has any fiduciary relationship with or duty to the Parent Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between Administrative Agent and Lenders, on one hand, and the Parent Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Borrowers and the Lenders.

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 shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Related Parties, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any Governmental Authority or rating agency, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (g) to any direct or indirect contractual counterparty in Hedging Agreements or other swap agreements relating to this Agreement or such counterparty's professional advisor, (h) with the consent of the Parent Borrower, and (i) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent or any Lender on a nonconfidential basis from a source other than a Borrower. For the purposes of this Section, "Information" means all information received from any Borrower relating to a Borrower or its business, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by such Borrower; provided that such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if

such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 9.13. 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 ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). 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 THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.14. Release of Collateral. On the first date (the "Release Date") on which the outstanding Indebtedness under this Agreement is rated "Baa3" or better by Moody's and "BBB-" or better by S&P, so long as no Event of Default exists on such date, all Collateral (other than Pledged Stock (as defined in each of the Guarantee and Collateral Agreement)) shall be released from the Liens created by the Guarantee and Collateral Agreement (all such released Collateral being the "Released Collateral"), all without delivery of any instrument or performance of any act by any party, and all rights to the Released Collateral shall revert to the Loan Parties. At the request and sole expense of any Loan Party following any such release, the Collateral Agent shall deliver to such Loan Party any Released Collateral held by the Collateral Agent under the Guarantee and Collateral Agreement, and execute and deliver to such Loan Party such documents as such Loan Party shall reasonably request to evidence such release.

SECTION 9.15. Amendment of Guarantee and Collateral Agreement. Each party hereto, by its execution and delivery of this Agreement or an Addendum in the form of Exhibit E, hereby consents to the amendment to the Guarantee and Collateral Agreement provided for in the Consent and Confirmation.

SECTION 9.16. Judgment Currency. (a) The Borrowers' obligations hereunder and under the other Loan Documents to make payments in a specified currency (the "Obligation Currency") shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any currency other than the Obligation Currency, except to the extent that such tender or recovery results in the effective receipt by the Administrative Agent or a Lender of the full amount of the Obligation Currency expressed to be payable to the Administrative Agent or such Lender under this Agreement or the other Loan Documents. If, for the purpose of obtaining or enforcing judgment against any Loan Party in any court or in any jurisdiction, it becomes necessary to convert into or from any currency other than the Obligation Currency (such other currency being hereinafter referred to as the "Judgment Currency") an amount due in the Obligation Currency, the conversion shall be made, at the rate of exchange (as quoted by the Administrative Agent or if the Administrative Agent does not quote a rate of exchange on such currency, by a known dealer in such currency designated by the Administrative Agent) determined, in each case, as of the Business Day immediately preceding the date on which the judgment is given (such Business Day being hereinafter referred to as the "Judgment Currency Conversion Date").

(b) If there is a change in the rate of exchange prevailing between the Judgment Currency Conversion Date and the date of actual payment of the amount due, the Borrowers covenant and agree to pay, or cause to be paid, such additional amounts, if any (but in any event not a lesser amount), as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate

of exchange prevailing on the date of payment, will produce the amount of the Obligation Currency which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial award at the rate of exchange prevailing on the Judgment Currency Conversion Date.

(c) For purposes of determining any rate of exchange or currency equivalent for this Section, such amounts shall include any premium and costs payable in connection with the purchase of the Obligation Currency.

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.

SPX CORPORATION

By: /s/ Christopher J. Kearney

Title: Vice President

JPMORGAN CHASE BANK,
as Administrative Agent

By: /s/ Tina Ruyter

Title: Vice President

BANK ONE, N.A.,
as Syndication Agent

By: /s/ Steven P. Sullivan

Title: Associate Director

BANK OF AMERICA, N.A.,
as Documentation Agent

By: /s/ Philip Potter

Title: Vice President

COMERICA BANK,
as Documentation Agent

By: /s/ Danielle N. Butler

Title: Assistant Vice President

FLEET NATIONAL BANK,
as Documentation Agent

By: /s/ Giulio Ronchi

Title: Vice President

THE BANK OF NOVA SCOTIA,
as Documentation Agent

By: /s/ William E. Zarrett

Title: Managing Director

WACHOVIA BANK N.A.,
as Documentation Agent

By: /s/ Shawn C. Young

Title: Vice President

THE BANK OF NOVA SCOTIA,
as Canadian Administrative Agent

By: /s/ John G. Hall

Title: Senior Manager

SPX CORPORATION
2002 STOCK COMPENSATION PLAN

SECTION 1. ESTABLISHMENT, PURPOSES AND EFFECTIVE DATE OF PLAN

1.1. Establishment. SPX Corporation, a Delaware corporation, has previously established the SPX Corporation 1992 Stock Compensation Plan (the "Plan") to provide for the award of Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Stock and Performance Units to eligible individuals. Since its establishment, the Plan has been amended from time to time.

1.2. Purpose. The purpose of the Plan is to advance the interests of the Company and its Subsidiaries and divisions by (a) encouraging and providing for the acquisition of equity interests in the Company by Key Employees, thereby increasing the stake in the future growth and prosperity of the Company, and furthering Key Employees' identity of interest with those of the Company's shareholders, and (b) enabling the Company to compete with other organizations in attracting, retaining, promoting and rewarding the services of Key Employees.

1.3. Effective Date and Name Change. The following provisions constitute an amendment and restatement of the Plan, effective as of January 1, 2002 (the "Effective Date"), which on and after such date shall be known as the "SPX Corporation 2002 Stock Option Plan."

SECTION 2. DEFINITIONS.

2.1. Definitions. Whenever used herein, the following terms shall have their respective meanings set forth below:

(a) "Board" means the Board of Directors of the Company.

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

(c) "Committee" means the Compensation Committee of the Board, which shall consist of not less than three persons appointed by the Board from among those Board members who are not employees of the Company or any of its subsidiaries or divisions. The Committee shall administer the Plan pursuant to the provisions of Section 4.

(d) "Common Stock" means the Common Stock, par value \$10.00, of the Company or such other class of shares or other securities as may be applicable pursuant to the provisions of Subsection 5.3.

(e) "Company" means SPX Corporation, a Delaware corporation.

(f) "Fair Market Value" means, as to any date, the fair market value of Common Stock determined by such methods or procedures as shall be established from time to time by the Committee or, if not otherwise determined, fair market value means the closing price of a share

of Common Stock as reported in the "NYSE-Composite Transactions" section of the Midwest Edition of The Wall Street Journal for such date (or, if no prices are quoted for such date, on the next preceding date on which such prices of Common Stock are so quoted).

(g) "Key Employee" means an employee of the Company or of a Subsidiary, including an officer or director, who, in the opinion of the Committee, can contribute significantly to the growth and profitability of the Company or a Subsidiary. Key Employees also may include those employees identified by the Committee to be in situations of extraordinary performance, promotion, retention or recruitment. The awarding of a grant under this Plan to an employee by the Committee shall be deemed a determination by the Committee that such employee is a Key Employee.

(h) "Mature Common Stock" means Common Stock that has been acquired by the holder thereof on the open market or that has been acquired pursuant to this Plan or another employee benefit arrangement of the Company and held for at least six months.

(i) "Options" means the right to purchase stock at a stated price for a specified period of time. For purposes of the Plan an Option may be either (a) an "incentive stock option" within the meaning of Code Section 422, or (b) a "nonqualified stock option" which is intended not to fall under the provisions of Code Section 422.

(j) "Option Price" means the price at which each share of Common Stock subject to an Option may be purchased, determined in accordance with Subsection 7.3.

(k) "Participant" means any individual designated by the Committee to participate in this Plan pursuant to Subsection 3.1.

(l) "Period of Restriction" means the period during which the transfer of shares of Restricted Stock is restricted pursuant to Section 9.

(m) "Restricted Stock" means the Common Stock granted to a Participant pursuant to Section 9.

(n) "Stock Appreciation Right" means the right to receive a cash payment from the Company equal to the excess of the Fair Market Value of a share of Common Stock at the date of exercise of the Right over a specified price fixed by the Committee at grant (exercise price), which shall not be less than 100% of the Fair Market Value of a share of Common Stock on the date of grant. In the case of a Stock Appreciation Right which is granted in conjunction with an Option, the specified price shall be the Option Price.

(o) "Subsidiary" means a corporation at least 50% or more of the voting power of which is owned, directly or indirectly, by the Company.

2.2. Gender and Number. Except when otherwise indicated by the context, words in the masculine gender when used in the Plan shall include the feminine gender, the singular shall include the plural, and the plural shall include the singular.

SECTION 3. ELIGIBILITY AND PARTICIPATION

Participants in the Plan shall be selected by the Committee from among those employees of the Company who are considered Key Employees.

SECTION 4. ADMINISTRATION

4.1. Administration. The Plan shall be administered by a Committee to be known as the "Compensation Committee," which shall consist of not less than three directors of the Company designated by the Board; provided, however, that no director who is an employee of the Company, a Subsidiary or a division shall be appointed to the Committee. For purposes of any award granted under the Plan by the Committee that is intended to be exempt from the restrictions of Section 16(b) of the Securities Exchange Act of 1934 (the "Act"), the Committee shall consist only of directors who qualify as "non-employee directors," as defined in Rule 16b-3 under the Act. For purposes of any award granted under the Plan by the Committee that is intended to qualify for the performance-based compensation exemption to the \$1 million deductibility limit under Code Section 162(m), the Committee shall consist only of directors who qualify as "outside directors," as defined in Code Section 162(m) and the related regulations. A majority of the members of the Committee shall constitute a quorum for the transaction of business, and the vote of the majority of those members present at any meeting shall decide any question brought before that meeting. In addition, the Committee may take any action otherwise proper under the Plan by the unanimous written consent of its members.

The Committee may establish such rules and regulations, not inconsistent with the provisions of the Plan, as it deems necessary to determine eligibility to participate in the Plan and for the proper administration of the Plan, and may amend or revoke any rule or regulation so established. The Committee may make such determinations and interpretations under or in connection with the Plan as it deems necessary or advisable. All such rules, regulations, determinations and interpretations shall be binding and conclusive upon the Company, its Subsidiaries and divisions, its stockholders and all employees, and upon their respective legal representatives, beneficiaries, successors and assigns, and upon all other persons claiming under or through any of them.

SECTION 5. STOCK SUBJECT TO PLAN

5.1. Number. The total number of shares of Common Stock of the Company subject to issuance under the Plan, and subject to adjustment upon occurrence of any of the events indicated in Subsection 5.3, may not exceed 10,000,000. Of this total number, up to 200,000 shares of Common Stock may be granted to Participants in the form of Restricted Stock. The shares to be delivered under the Plan may consist, in whole or in part, of authorized but unissued stock or treasury stock not reserved for any other purpose. The maximum aggregate number of shares of Common Stock (including Options, Restricted Stock, Stock Appreciation Rights and

Performance Units to be paid out in shares of Common Stock) that may be granted or that may vest with respect to awards granted in any one fiscal year to a Participant shall be 2,000,000, subject to adjustment upon the occurrence of any of the events indicated in Subsection 5.3.

5.2. Unused Stock. In the event any shares of Common Stock that are subject to an Option which, for any reason, expires, terminates or is canceled as to such shares, or any shares of Common Stock subject to a Restricted Stock award made under the Plan are reacquired by the Company pursuant to the Plan, or any Stock Appreciation Right expires unexercised, such shares and rights again shall become available for issuance under the Plan. Any shares of Common Stock withheld or tendered to pay withholding taxes pursuant to Subsection 15.2 or withheld or tendered in full or partial payment of the exercise price of an Option pursuant to Subsection 7.6 shall again become available for issuance under the Plan. The shares that become available for new awards under this Section 5.2 shall include shares with respect to awards that were issued prior to the Effective Date, to the extent that such awards expire, terminate, are cancelled or are otherwise settled without the issuance of shares of Common Stock after the Effective Date.

5.3. Adjustment in Capitalization. In the event of any change in the outstanding shares of Common Stock that occurs after ratification of the Plan by the shareholders of the Company by reason of a Common Stock dividend or split, recapitalization, merger, consolidation, combination, exchange of shares, or other similar corporate change, the aggregate number of shares of Common Stock subject to each outstanding Option, and its stated Option Price, shall be appropriately adjusted by the Committee, whose determination shall be conclusive; provided, however, that fractional shares shall be rounded to the nearest whole share. In such event, the Committee also shall have discretion to make appropriate adjustments in the number and type of shares subject to Restricted Stock grants then outstanding under the Plan pursuant to the terms of such grants or otherwise. The Committee also shall make appropriate adjustments in the number of outstanding Stock Appreciation Rights and Performance Units and the related grant values.

SECTION 6. DURATION OF PLAN

The Plan shall remain in effect, subject to the Board's right to earlier terminate the Plan pursuant to Section 14 hereof, until all Common Stock subject to it shall have been purchased or acquired pursuant to the provisions hereof. However, no Option, Stock Appreciation Right, Restricted Stock or Performance Unit may be granted under the Plan on or after January 1, 2012, which is the tenth anniversary of the Plan's Effective Date.

SECTION 7. STOCK OPTIONS

7.1. Grant of Options. Subject to the provisions of Sections 5 and 6, Options may be granted to Participants at any time and from time to time as shall be determined by the Committee. The Committee shall have complete discretion in determining the number of Options granted to each Participant. The Committee also shall determine whether an Option is an incentive stock option within the meaning of Code Section 422, or a nonqualified stock option. However, in no event shall the Fair Market Value (determined at the date of grant) of Common Stock for which incentive stock options become exercisable for the first time in any

calendar year exceed \$100,000, computed in accordance with Code Section 422(b)(7). In addition, no incentive stock option shall be granted to any person who owns, directly or indirectly, stock possessing more than 10% of the total combined voting power of all classes of stock of the Company. Nothing in this Section 7 shall be deemed to prevent the grant of nonqualified stock options in excess of the maximum established by Code Section 422.

7.2. Option Agreement. Each Option shall be evidenced by an Option Agreement that shall specify the type of Option granted, the Option Price, the duration of the Option, the number of shares of Common Stock to which the Option pertains, and such other provisions as the Committee shall determine. The Option Agreement shall specify whether the Option is intended to be an incentive stock option within the meaning of Code Section 422, or a nonqualified stock option which is intended not to fall under the provisions of Code Section 422. To the extent that an Option designated as an incentive stock option does not meet the requirements of Code Section 422, it will be treated as a nonqualified stock option under the Plan.

7.3. Option Price. The Option Price shall be determined by the Committee. However, no Option granted pursuant to the Plan shall have an Option Price that is less than the Fair Market Value of the Common Stock on the date the Option is granted.

7.4. Duration of Options. Each Option shall expire at such time as the Committee shall determine at the time it is granted, provided, however, that no Option shall be exercisable later than the tenth anniversary of its grant date.

7.5. Exercise of Options. Options granted under the Plan shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall in each instance approve, which need not be the same for all Participants.

7.6. Method of Exercise and Payment of Option Price. Options shall be exercised pursuant to the methods and procedures as shall be established from time to time by the Committee. The Committee shall determine the acceptable form or forms and timing of payment of the Option Price. Acceptable forms of paying the Option Price upon exercise of any Option shall include, but not be limited to, (a) cash or its equivalent, (b) tendering shares of previously acquired Mature Common Stock having a Fair Market Value at the time of exercise equal to the total Option Price, (c) directing the Company to withhold shares of Common Stock, which may include attesting to the ownership of the equivalent number of shares of previously-acquired Mature Common Stock having a Fair Market Value at the time of exercise equal to the total Option Price, (d) other approved property or (e) by a combination of (a), (b), (c) and/or (d). The proceeds from such a payment shall be added to the general funds of the Company and shall be used for general corporate purposes. As soon as practicable, after Option exercise and payment, the Company shall deliver to the Participant Common Stock certificates in an appropriate amount based upon the number of Options exercised, issued in the Participant's name.

7.7. Restrictions on Common Stock Transferability. The Committee shall impose such restrictions on any shares of Common Stock acquired pursuant to the exercise of an Option under the Plan as it may deem advisable, including, without limitation, restrictions under applicable Federal securities law, under the requirements of any stock exchange upon which such

shares of Common Stock are then listed and under any blue sky or state securities laws applicable to such shares.

7.8. Termination of Employment Due to Death, Disability or Retirement. In the event the employment of a Participant is terminated by reason of death, any outstanding Options shall become immediately fully vested and exercisable within such period following the Participant's death as shall be determined by the Committee, but in no event beyond the expiration of the term of the Option, by such person or person as shall have acquired the Participant's rights under the Option by will or by the laws of descent and distribution. In the event the employment of a Participant is terminated by reason of retirement or disability (as such terms are defined under the applicable rules of the Company), any outstanding Options shall become immediately fully vested and exercisable within such period after such date of termination of employment as shall be determined by the Committee, but in no event beyond the expiration of the term of the Option.

7.9. Termination of Employment Other Than for Death, Disability or Retirement. If the employment of the Participant terminates for any reason other than death, disability or retirement, the Participant shall have the right to exercise the Option within such period after the date of his termination as shall be determined by the Committee, but in no event beyond the expiration of the term of the Option and only to the extent that the Participant was entitled to exercise the Option at the date of his termination of employment. Regardless of the reasons for termination of employment, incentive stock options must be exercised within the Code Section 422 prescribed time period in order to receive the favorable tax treatment applicable thereto.

7.10. Nontransferability of Options. Except as provided in this Subsection 7.10, no Option granted under the Plan may be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution, and all Options granted to a Participant under the Plan shall be exercisable during his lifetime only by such Participant. Under such rules and procedures as the Committee may establish, the holder of an Option may transfer such Option to members of the holder's immediate family (i.e., children, grandchildren and spouse) or to one or more trusts for the benefit of such family members or to partnerships in which such family members are the only partners, provided that (i) the agreement, if any, with respect to such Option, expressly so permits or is amended to so permit, (ii) the holder does not receive any consideration for such transfer, and (iii) the holder provides such documentation or information concerning any such transfer or transferee as the Committee may reasonably request. Any Options held by any transferees shall be subject to the same terms and conditions that applied immediately prior to their transfer. The Committee may also amend the agreements applicable to any outstanding Options to permit such transfers. Any Option not granted pursuant to any agreement expressly permitting its transfer or amended expressly to permit its transfer shall not be transferable. Such transfer rights shall in no event apply to any incentive stock option.

7.11. Non-Qualified Replacement Options. The Committee may grant to any Key Employee a replacement Option to purchase additional shares of Common Stock equal to the number of shares delivered by the Key Employee and/or withheld by the Company in satisfaction of the exercise price and/or tax withholding obligations with respect to an Option.

The terms of a replacement Option shall be identical to the terms of the exercised Option, except that the exercise price of each share under the Option shall be not less than the Fair Market Value of a share of Common Stock on the grant date of the replacement Option. At the discretion of the Committee, the Option Agreement for any Option under the Plan (including any previously granted and outstanding nonqualified stock option, where the applicable Option Agreement is appropriately amended) may provide for the automatic grant of such a replacement Option or for the automatic grants of multiple replacement Options over the term of the initial Option.

SECTION 8. STOCK APPRECIATION RIGHTS

8.1. Grant of Stock Appreciation Rights. Subject to the terms and provisions of this Plan, Stock Appreciation Rights may be granted to Participants either independent of Options or in conjunction with nonqualified stock options at any time and from time to time as shall be determined by the Committee.

8.2. Exercise of Stock Appreciation Rights Granted in Conjunction with a Nonqualified Option. Stock Appreciation Rights granted in conjunction with a nonqualified stock option may be exercised at any time during the life of the related stock option, with a corresponding reduction in the number of shares available under the Option. Option shares with respect to which the Stock Appreciation Right shall have been exercised may not again be subject to an Option under this Plan.

8.3. Exercise of Stock Appreciation Rights Granted Independent of Options. Stock Appreciation Rights granted independent of Options may be exercised upon whatever terms and conditions the Committee, in its sole discretion, imposes on the Stock Appreciation Right including, but not limited to, a corresponding proportional reduction in previously granted Options.

8.4. Payment of Stock Appreciation Right Amount. Upon exercise of a Stock Appreciation Right, the holder shall be entitled to receive payment of an amount (subject to Subsection 8.5 below) determined by multiplying:

(a) The difference between the Fair Market Value of a share of Common Stock at the date of exercise over the price fixed by the Committee at the date of grant, by

(b) The number of shares with respect to which the Stock Appreciation Right is exercised.

8.5. Form of Payment. Payment to the Participant, upon the exercise of a Stock Appreciation Right, will be made in cash.

8.6. Limit on Appreciation. The Committee, in its sole discretion, may establish (at the time of grant) a maximum amount per share which will be payable upon exercise of a Stock Appreciation Right.

8.7. Term of Stock Appreciation Right. The term of a Stock Appreciation Right granted under the Plan shall not exceed ten years.

8.8. Termination of Employment. In the event that the employment of a Participant is terminated by reason of death, disability or retirement, or for any other reason, the exercisability of any outstanding Stock Appreciation Rights granted in conjunction with an Option shall terminate in the same manner as specified for their related Options under Subsections 7.8 and 7.9. The exercisability of any outstanding Stock Appreciation Rights granted independent of Options also shall terminate in the manner provided under Subsections 7.8 and 7.9.

8.9. Nontransferability of Stock Appreciation Rights. No Stock Appreciation Right granted under the Plan may be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, all Stock Appreciation Rights granted to a Participant under the Plan shall be exercisable during his lifetime only by such Participant.

SECTION 9. RESTRICTED STOCK

9.1. Grant of Restricted Stock. Subject to the terms and provisions of this Plan, the Committee, at any time and from time to time, may grant shares of Restricted Stock to such Participants and in such amounts as it shall determine. It is contemplated that Restricted Stock grants will be made only in extraordinary situations of performance, promotion, retention or recruitment.

9.2. Restricted Stock Agreement. Each Restricted Stock grant shall be evidenced by a Restricted Stock Agreement that shall specify the restriction period or periods, the number of Restricted Stock shares granted, and such other provisions as the Committee shall determine.

9.3. Transferability. Except as provided in this Section 9, the shares of Restricted Stock granted hereunder may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated until the termination of the applicable Period of Restriction or for such period of time as shall be established by the Committee and as shall be specified in the Restricted Stock Agreement, or upon earlier satisfaction of other conditions as specified by the Committee in its sole discretion and set forth in the Restricted Stock Agreement. All rights with respect to the Restricted Stock granted to a Participant under the Plan shall be exercisable during his lifetime only by such Participant.

9.4. Other Restrictions. The Committee shall impose such other restrictions on any shares of Restricted Stock granted pursuant to the Plan as it may deem advisable including, without limitation, restrictions under applicable Federal or state securities laws, and may legend the certificates representing Restricted Stock to give appropriate notice of such restrictions.

9.5. Certificate Legend. In addition to any legends placed on certificates pursuant to Subsection 9.4, each certificate representing shares of Restricted Stock granted pursuant to the Plan shall bear the following legend:

"The sale or other transfer of the shares of stock represented by this certificate, whether voluntary, involuntary or by operation of law, is subject to certain restrictions on transfer set forth in the 1992 Stock Compensation Plan of SPX Corporation, rules and administration adopted pursuant to such Plan, and a Restricted Stock grant dated _____ . A copy of the Plan, such rules and such Restricted Stock grant may be obtained from the Secretary of SPX Corporation."

9.6. Removal of Restrictions. Except as otherwise provided in this Section, shares of Restricted Stock covered by each Restricted Stock grant made under the Plan shall become freely transferable by the Participant after the last day of the Period of Restriction. Once the shares are released from the restrictions, the Participant shall be entitled to have the legend required by Subsection 9.5 removed from his Common Stock certificate.

9.7. Voting Rights. During the Period of Restriction, Participants holding shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those shares.

9.8. Dividends and Other Distributions. During the Period of Restriction, Participants holding shares of Restricted Stock granted hereunder shall be entitled to receive all dividends and other distributions paid with respect to those shares while they are so held. If any such dividends or distributions are paid in shares of Common Stock, the shares shall be subject to the same restrictions on transferability as the shares of Restricted Stock with respect to which they were paid.

9.9. Termination of Employment Due to Retirement. In the event that a Participant terminates his employment with the Company because of normal retirement (as defined under the then established rules of the Company), any remaining Period of Restriction applicable to the Restricted Stock pursuant to Subsection 9.3 shall automatically terminate and, except as otherwise provided in Subsection 9.4, the shares of Restricted Stock shall thereby be free of restrictions and freely transferable. In the event that a Participant terminates his employment with the Company because of early retirement (as defined under the then established rules of the Company), the Committee, in its sole discretion, may waive the restrictions remaining on any or all shares of Restricted Stock pursuant to Subsection 9.3 and add such new restrictions to those shares of Restricted Stock as it deems appropriate.

9.10. Termination of Employment Due to Death or Disability. In the event a Participant's employment is terminated because of death or disability (as defined under the then established rules of the Company), any remaining Period of Restriction applicable to the Restricted Stock pursuant to Subsection 9.3 shall automatically terminate and, except as otherwise provided in Subsection 9.4, the shares of Restricted Stock shall thereby be free of restrictions and fully transferable.

9.11. Termination of Employment for Reasons Other Than Death, Disability or Retirement. In the event that a Participant terminates his employment with the Company for any reason other than those set forth in Subsections 9.9 and 9.10 during the Period of Restriction, then any shares of Restricted Stock still subject to restrictions as of the date of such termination shall automatically be forfeited and returned to the Company; provided, however, that, in the

event of an involuntary termination of the employment of a Participant by the Company, the Committee, in its sole discretion, may waive the automatic forfeiture of any or all such shares and may add such new restrictions to such shares of Restricted Stock as it deems appropriate.

SECTION 10. PERFORMANCE UNITS

Performance units may be granted subject to such terms and conditions as the Committee in its discretion shall determine. Performance units may be granted either in the form of cash units or in share units which are equal in value to one share of Common Stock or a combination thereof. The Committee shall establish the performance goals to be attained in respect of the performance units, the various percentages of performance unit value to be distributed upon the attainment, in whole or in part, of the performance goals and such other performance unit terms, conditions and restrictions as the Committee shall deem appropriate. As soon as practicable after the termination of the performance period, the Committee shall determine the payment, if any, which is due on the performance unit in accordance with the terms thereof. The Committee shall determine, among other things, whether the payment shall be made in the form of cash or shares of Common Stock, or a combination thereof.

SECTION 11. BENEFICIARY DESIGNATION

Each Participant under the Plan may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be paid in case of his death. Each designation will revoke all prior designations by the same Participant, shall be in a form prescribed by the Committee, and will be effective only when filed by the Participant in writing with the Committee during his lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to his estate.

SECTION 12. RIGHTS OF EMPLOYEES

12.1. Employment. Nothing in the Plan shall interfere with or limit in any way the right of the Company to terminate any Participant's employment at any time, nor confer upon any Participant any right to continue in the employ of the Company.

12.2. Participation. No employee shall have a right to be selected as a Participant, or, having been so selected, to be selected again as a Participant.

SECTION 13. MERGER OR CONSOLIDATION

13.1. Treatment of Options and Stock Appreciation Rights. Upon a dissolution or a liquidation of the Company, each Participant shall have the right to exercise any unexercised Options or Stock Appreciation Rights, whether or not then exercisable, subject to the provisions of the Plan immediately prior to such dissolution or liquidation. If not exercised within a reasonable time period, of not less than 30 days from the date of such dissolution or liquidation, as determined by the Committee, all outstanding Options and Stock Appreciation Rights shall terminate. In the event of a merger or consolidation in which the Company is not the surviving

corporation, each Participant shall be offered a firm commitment whereby the resulting or surviving corporation will tender to the Participant new Options and Stock Appreciation Rights in the surviving corporation, with terms and conditions, both as to number of shares and otherwise, which will substantially preserve to the Participant the rights and benefits of the Options and Stock Appreciation Rights outstanding hereunder.

13.2. Treatment of Restricted Stock. In the event of a dissolution or a liquidation of the Company or a merger or consolidation in which the Company is not the surviving corporation, all restrictions shall lapse on the shares of Restricted Stock granted under the Plan and thereafter such shares shall be freely transferable by the Participant, subject to applicable Federal or state securities laws.

SECTION 14. AMENDMENT, MODIFICATION AND TERMINATION OF PLAN

The Board may at any time terminate, and from time to time may amend or modify, the Plan; provided, however, that no such action of the Board, without approval of the shareholders, may:

(a) Increase the total amount of Common Stock which may be issued under the Plan, except as provided in Subsections 5.1 and 5.3.

(b) Change the provisions of the Plan regarding the Option Price except as permitted by Subsection 5.3.

(c) Materially increase the cost of the Plan or materially increase the benefits to Participants.

(d) Extend the period during which Options, Stock Appreciation Rights, Restricted Stock or Performance Units may be granted.

(e) Extend the maximum period after the date of grant during which Options or Stock Appreciation Rights may be exercised.

No amendment, modification or termination of the Plan shall in any manner adversely affect any Options, Stock Appreciation Rights or Restricted Stock previously granted under the Plan, without the consent of the Participants.

SECTION 15. TAX WITHHOLDING

15.1. Tax Withholding. The Company, as appropriate, shall have the right to deduct from all payments any Federal, state or local taxes required by law to be withheld with respect to such payments.

15.2. Stock Withholding. With respect to withholding required upon the exercise of nonqualified stock options, or upon the lapse of restrictions on Restricted Stock, Participants may elect, subject to the approval of the Committee, to satisfy the withholding required, in whole

or in part, by (a) having the Company withhold shares of Common Stock otherwise issuable, or (b) tendering shares of previously acquired Common Stock, including by attestation to the ownership of Common Stock, in either case having a value equal to the amount of tax to be withheld; provided, however, shares may only be withheld by the Company to the extent necessary to satisfy the minimum withholding liability required by law, and only Mature Common Stock may be tendered (including by attestation) for withholding in excess of the amount the Company is legally required to withhold by applicable law. The value of the shares to be withheld, tendered or attested is to be determined by such methods or procedures as shall be established from time to time by the Committee. All elections shall be irrevocable and shall be made in writing, signed by the Participant, and shall satisfy such other requirements as the Committee shall deem appropriate.

SECTION 16. INDEMNIFICATION

Each person who is or shall have been a member of the Committee or of the Board shall be indemnified and held harmless by the Company against and from any loss, cost, liability or expense that may be imposed upon or reasonably incurred by him in connection with or resulting from any claim, action, suit or proceeding to which he may be a party or in which he may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him in settlement thereof, with the Company's approval, or paid by him in satisfaction of any judgment in any such action, suit or proceeding against him, provided he shall give the Company an opportunity, at its expense, to handle and defend the same before he undertakes to handle and defend it on his own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Certificate of Incorporation or Bylaws, as a matter of law or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

SECTION 17. REQUIREMENTS OF LAW

17.1. Requirements of Law. The granting of Options, Stock Appreciation Rights, Restricted Stock or Performance Units, and the issuance of shares of Common Stock with respect to an Option exercise or Performance Unit award, shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

17.2. Governing Law. The Plan, and all agreements hereunder, shall be construed in accordance with and governed by the laws of the State of Michigan.

The following statement is being made to the Securities and Exchange Commission solely for purposes of Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1349), which carries with it certain criminal penalties in the event of a knowing or willful misrepresentation.

Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549

Re: SPX Corporation

Ladies and Gentlemen:

In accordance with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002 (18 USC 1349), each of the undersigned hereby certifies that:

(i) this Quarterly Report on Form 10-Q, for the period ended June 30, 2002, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(ii) the information contained in this report fairly presents, in all material respects, the financial condition and results of operations of SPX Corporation.

Dated as of this 13th day of August, 2002.

/s/ John B. Blystone

John B. Blystone
Chairman, President and Chief Executive
Officer

/s/ Patrick J. O'Leary

Patrick J. O'Leary
Vice President, Finance,
Treasurer and Chief
Financial Officer

Statement Under Oath of Principal Executive Officer
Regarding Facts and Circumstances Relating to Exchange Act Filings

I, John B. Blystone, state and attest that:

(1) To the best of my knowledge, based upon a review of the covered reports of SPX Corporation, and, except as corrected or supplemented in a subsequent covered report:

- o no covered report contained an untrue statement of a material fact as of the end of the period covered by such report (or in the case of a report on Form 8-K or definitive proxy materials, as of the date on which it was filed); and
- o no covered report omitted to state a material fact necessary to make the statements in the covered report, in light of the circumstances under which they were made, not misleading as of the end of the period covered by such report (or in the case of a report on Form 8-K or definitive proxy materials, as of the date on which it was filed).

(2) I have reviewed the contents of this statement with the Company's audit committee.

(3) In this statement under oath, each of the following, if filed on or before the date of this statement, is a "covered report":

- o Annual Report on Form 10-K for the year ended December 31, 2001, filed with the Commission on March 21, 2002, of SPX Corporation;
- o all reports on Form 10-Q, all reports on Form 8-K and all definitive proxy materials of SPX Corporation, filed with the Commission subsequent to the filing of the Form 10-K identified above, and
- o any amendments to any of the foregoing.

/s/ John B. Blystone

John B. Blystone
Chairman, President and Chief Executive
Officer
August 13, 2002

Subscribed and sworn to
before me this 13th day of
August 2002.

/s/ Susan H. Mitchell

Notary Public
My Commission Expires: 5-29-2007

Statement Under Oath of Principal Financial Officer
Regarding Facts and Circumstances Relating to Exchange Act Filings

I, Patrick J. O'Leary, state and attest that:

(1) To the best of my knowledge, based upon a review of the covered reports of SPX Corporation, and, except as corrected or supplemented in a subsequent covered report:

- o no covered report contained an untrue statement of a material fact as of the end of the period covered by such report (or in the case of a report on Form 8-K or definitive proxy materials, as of the date on which it was filed); and
- o no covered report omitted to state a material fact necessary to make the statements in the covered report, in light of the circumstances under which they were made, not misleading as of the end of the period covered by such report (or in the case of a report on Form 8-K or definitive proxy materials, as of the date on which it was filed).

(2) I have reviewed the contents of this statement with the Company's audit committee.

(3) In this statement under oath, each of the following, if filed on or before the date of this statement, is a "covered report":

- o Annual Report on Form 10-K for the year ended December 31, 2001, filed with the Commission on March 21, 2002, of SPX Corporation;
- o all reports on Form 10-Q, all reports on Form 8-K and all definitive proxy materials of SPX Corporation, filed with the Commission subsequent to the filing of the Form 10-K identified above, and
- o any amendments to any of the foregoing.

/s/ Patrick J. O'Leary

Patrick J. O'Leary

Vice President, Finance, Treasurer and Chief
Financial Officer
August 13, 2002

Subscribed and sworn to
before me this 13th day of
August 2002.

/s/ Susan H. Mitchell

Notary Public
My Commission Expires: 5-29-2007