

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) July 18, 1994

VISHAY INTERTECHNOLOGY, INC.

(Exact name of registrant as specified in its charter)

Delaware	1-7416	38-1686453
-----	-----	-----
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

63 Lincoln Highway, Malvern, PA	19355
-----	-----
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (610) 644-1300

Not Applicable

(Former name or former address, if changed since last report)

The Exhibit Index is on Page .
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Item 2. Acquisition or Disposition of Assets.

On July 18, 1994, Vishay Intertechnology, Inc.

("Registrant") consummated an agreement with Thomas & Betts Corporation, a New Jersey corporation ("Seller"), to purchase all of the issued and outstanding capital stock of Vitramon, Incorporated, a Delaware corporation and a wholly-owned subsidiary of Seller, and Vitramon Limited, an English corporation, and an indirect subsidiary of Seller (collectively, "Vitramon"), for consideration of \$184 million in cash.

Vitramon's business involves the design, manufacture and sale of multilayer ceramic chip capacitors and certain types of filters (the "Business"). Registrant has no current intention to change the nature of the Business.

The purchase price was funded from a \$200,000,000 bridge and term loan facility made available to Registrant under the Vishay Intertechnology, Inc. \$200,000,000 Acquisition Loan Agreement dated as of July 18, 1994 (the "Acquisition Loan Agreement"), by and among Registrant and Comerica Bank, N.A., NationsBank of North Carolina, N.A., Berliner-Handels-und Frankfurter Bank, Signet Bank / Maryland, CoreStates Bank, N.A., Bank Hapoalim, B.M., ABN AMRO Bank, N.V. New York Branch, Credit Lyonnais New York Branch, Meridian Bank, Bank Leumi le-Israel, B.M. and Credit Suisse (collectively, the "Banks"), and Comerica Bank, N.A. as agent for the Banks (the "Agent"). The Acquisition Loan Agreement is comprised of a \$100 million bridge facility due on

July 18, 1996 (the "Bridge Facility") and a \$100 million non-amortizing term facility due on July 18, 2001 (the "Acquisition Term Facility"). The facilities will bear interest at variable rates based, at the option of Registrant, on the prime rate or LIBOR. In addition, with respect to the Acquisition Term Facility, Registrant may, at its option, elect a fixed rate of interest for the remainder of the term of the loan.

In addition, on July 18, 1994, Registrant and certain of its subsidiaries entered into bank agreements (the "Bank Agreements") with the Banks and the Agent. The Bank Agreements amended and restated Registrant's previously-existing revolving credit and term loan agreements.

After giving effect to the Bank Agreements and the Acquisition Loan Agreement, the Company's domestic credit facilities consist of a \$200,000,000 revolving credit facility that matures on December 31, 1997, subject to the Company's right to request year-to-year renewals thereafter, a \$102,500,000 domestic term loan (the "Domestic Term Loan") that matures on December 31, 2000, the \$100,000,000 Bridge Facility, due on July 18, 1996 and a \$100,000,000 non-amortizing domestic term loan due July 18, 2001. Borrowings under these facilities bear interest at variable rates based on the prime rate or, at the Company's option, LIBOR; at July 18, 1994, the rates ranged from 4.9375% to 5.5%. With respect to the Domestic Term Loan, the

Company may elect, at its option, a fixed rate of interest for the remainder of the term of such loan.

The Banks also provide Deutsche Mark ("DM") denominated revolving credit and term loan facilities for certain of the Company's German subsidiaries, which permit borrowings, in the aggregate, of DM 153,821,990 including a DM 40,000,000 revolving credit facility that matures on December 31, 1997, subject to the borrower's right to request year-to-year renewals thereafter, a DM 9,506,000 term loan that matures on December 31, 1994 and a DM 104,315,990 term loan that matures on December 31, 1997. Borrowings bear interest at variable rates based on LIBOR; at July 18, 1994, the rates ranged from 5.875% to 6.0%.

As a result of the amendments contained in the Bank Agreements, all of the Company's bank facilities are unsecured and all collateral currently held by the Banks in connection with the previously-existing revolving credit and term loan agreements will be released. However, the facilities are cross-guaranteed by the Company and certain of its subsidiaries. The Bank Agreements also resulted in a decrease in interest rates from those previously in effect, as well as a significant reduction in the number of financial and restrictive covenants. Financial covenants are currently limited to requirements regarding leverage and fixed charge coverage ratios and minimum tangible

net worth. Other restrictive covenants include limitations on the payment of cash dividends, guaranties and liens.

The foregoing is a summary of certain terms of the Acquisition Loan Agreement and the Bank Agreements and is qualified in its entirety by reference to such agreements, copies of which are annexed as exhibits to this Report on Form 8-K.

Further, Registrant intends shortly to file a Registration Statement on Form S-3 with the Commission relating to a public offering of approximately 2,750,000 shares of Registrant's common stock, and to use the net proceeds (estimated at approximately, \$111,375,000, based on a closing price of \$42.50 of the common stock on July 14, 1994) to repay the Bridge Facility and to reduce Registrant's revolving credit borrowings. Accordingly, the Pro Forma Financial Information annexed to this Report gives effect to the sale of shares of Registrant's common stock, and the use of the estimated net proceeds therefrom to repay the Bridge Facility and to reduce Registrant's revolving credit borrowings. Footnote F to the Pro Forma Condensed Consolidated Financial Statements sets forth relevant financial information to take into account the adjustments to the Pro Forma Financial Information in the event the public offering is not consummated.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(a) Pro Forma Financial Information.

Set forth on pages F-2 through F-9 are Pro Forma Condensed Consolidated Financial Statements of Vishay Intertechnology, Inc. and Vitramon (Unaudited). The following are included:

Pro Forma Condensed Consolidated Balance Sheet as of March 31, 1994.

Pro Forma Condensed Consolidated Statement of Operations for the Year Ended December 31, 1993.

Pro Forma Condensed Consolidated Statement of Operations for the Three Months Ended March 31, 1994.

Notes to Pro Forma Condensed Consolidated Financial Statements.

(b) Financial statements of business acquired.

1. Set forth on pages F-10 through F-22 are Vitramon, Incorporated and Vitramon Limited (U.K.) Combined Audited Financial Statements. The following are included:

Report of KPMG Peat Marwick

Combined Balance Sheet at January 1, 1994 and January 2, 1993.

Combined Statement of Earnings for the Year Ended January 1, 1994 and January 2, 1993.

Combined Statement of Cash Flows for the Year Ended January 1, 1994 and January 2, 1993.

Combined Statement of Shareholder's Equity for the Year Ended January 1, 1994 and January 2, 1993.

Notes to Combined Financial Statements.

2. Set forth on pages F-23 through F-26 are Vitramon Incorporated and Vitramon Limited (U.K.) Combined Interim Financial Statements (Unaudited). The following are included:

Combined Balance Sheet at April 2, 1994 and January 1, 1994.

Combined Statement of Earnings for the Quarter Ended April 2, 1994 and April 3, 1993.

Combined Statement of Cash Flows for the Quarter Ended April 2, 1994 and April 3, 1993.

Notes to Combined Interim Financial Statements.

(c) Exhibits.

- 2.1 Stock Purchase Agreement, dated July 12, 1994, between Thomas & Betts Corporation and Vishay Intertechnology Inc.
- 10.1 Amended and Restated Vishay Intertechnology, Inc. \$302,500,000 Revolving Credit and Term Loan Agreement, dated as of July 18, 1994, by and among Comerica Bank, NationsBank of North Carolina, N.A., Berliner Handels- und Frankfurter Bank, Signet Bank/Maryland, Core-States Bank, N.A., Bank Hapoalim, B.M., ABN AMRO Bank N.V. New York Branch, Credit Lyonnais New York Branch, Meridian Bank, Bank Leumi le-Israel, B.M. and Credit Suisse (collectively, the "Banks"), Comerica Bank, as agent for the Banks (the "Agent"), and Vishay Intertechnology, Inc. ("Vishay"), dated as of July 18, 1994.
- 10.2 Amended and Restated Vishay Beteiligungs GmbH DM 40,000,000 Revolving Credit and DM 9,506,000 Term Loan Agreement, dated as of July 18, 1994, by and among the Banks, the Agent and Vishay Beteiligungs GmbH ("VBG").
- 10.3 Amended and Restated Roederstein DM 104,315,990.20 Term Loan Agreement, dated as of July 18, 1994, by and among the Banks, the Agent, and Vishay.

- 10.4 Vishay Intertechnology, Inc. \$200,000,000 Acquisition Loan Agreement, dated as of July 18, 1994, by and among the Banks, the Agent and Vishay.
- 10.5 Amended and Restated Guaranty by Vishay to the Banks, dated July 18, 1994.
- 10.6 Amended and Restated (Domestic) Guaranty by Dale Holdings, Inc., Dale Electronics, Inc., Measurements Group, Inc., Vishay Sprague Holdings Corp. and Sprague Sanford, Inc. to the Banks, dated July 18, 1994.
- 10.7 Amended and Restated Permitted Borrowers Guaranty by Vilna Equities Holding B.V., VBG, Draloric Electronic GmbH, E-Sil Components Ltd., Sfernice S.A. and Roederstein GmbH in favor of the Banks dated July 18, 1994.
- 23 Consent of KPMG Peat Marwick.

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.

VISHAY INTERTECHNOLOGY, INC.

By: /s/Richard N. Grubb

Name: Richard N. Grubb
Title: Vice President,
Treasurer and CFO

Date: July 18, 1994

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PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
VISHAY INTERTECHNOLOGY, INC.
AND
VITRAMON
(Unaudited)

The following pro forma condensed consolidated balance sheet (unaudited) as of March 31, 1994 and pro forma condensed consolidated statements of operations (unaudited) for the year ended December 31, 1993 and the three months ended March 31, 1994 give effect to (i) Vishay's acquisition of all of the capital stock of Vitramon from Thomas & Betts Corporation and (ii) the sale by Vishay of 2,750,000 shares of Common Stock pursuant to a contemplated public offering (assuming a public offering price of \$42.50 per share based on the closing market price of the Common Stock on July 14, 1994) and the use of such proceeds to fund the prepayment of the Bridge Facility and reduce revolving credit borrowings. The pro forma condensed consolidated statements of operations for the year ended December 31, 1993 and the three months ended March 31, 1994, present the results of operations of Vishay as if both of the above mentioned transactions were consummated as of January 1, 1993. The pro forma information is based on the historical financial statements of Vishay and Vitramon, giving effect to the acquisition under the purchase method of accounting and the assumptions and adjustments set forth in the accompanying notes.

These pro forma condensed consolidated financial statements have been prepared by Vishay's management based upon the audited combined financial statements of Vitramon for the year ended January 1, 1994 and the unaudited combined interim financial statements of Vitramon as of and for the quarter ended April 2, 1994. These pro forma financial statements may not be indicative of the results that actually would have occurred if Vishay had acquired all of the capital stock of Vitramon on the dates indicated or those that may be obtained in the future. The pro forma financial statements should be read in conjunction with the consolidated financial statements of Vishay included in Vishay's Annual Report on Form 10-K for the year ended December 31, 1993 and Vishay's Quarterly Report on Form 10-Q for the quarter ended March 31, 1994, and the combined financial statements of Vitramon for the year ended January 1, 1994 and as of and for and the quarter ended April 2, 1994, included herein.

PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
(UNAUDITED)

	March 31, 1994 As Reported Vishay -----	April 2, 1994 As Reported Vitramon -----	Pro Forma Adjustments -----	March 31, 1994 Pro Forma -----
	(In thousands)			
ASSETS				
Cash and cash equivalents	\$19,155	\$14,589		\$33,744
Accounts receivable	151,297	17,020		168,317
Inventories	226,468	20,077		246,545
Other current assets	38,241	2,707	(\$2,090) (C)	38,858
	-----	-----	-----	-----
Total Current Assets	435,161	54,393	(2,090)	487,464
Property and equipment	433,568	44,711	10,000 (C)	488,279
Goodwill	120,695		105,718 (C)	226,413
Other assets	14,266	949	5,250 (C) 1,900 (C)	22,365
	-----	-----	-----	-----
	\$1,003,690	\$100,053	\$120,778	\$1,224,521
	=====	=====	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY				
Accounts and notes payable	\$86,202	\$24,605	(\$18,000) (C)	\$92,807
Other current liabilities	91,610	20,280	(10,530) (C)	101,360
Current portion of long-term debt	30,543	1,909	(1,909) (C)	30,543
	-----	-----	-----	-----
Total Current Liabilities	208,355	46,794	(30,439)	224,710
Long-term debt	285,475	13,790	186,700 (A) (111,375) (B) (13,790) (C)	360,800
Other non-current liabilities	116,722	2,819	15,000 (C) (43) (C)	134,498
Stockholders' equity				
Common stock	2,123	234	275 (B) (234) (C)	2,398
Other stockholders' equity	391,015	36,416	111,100 (B) (36,416) (C)	502,115
	-----	-----	-----	-----
	\$1,003,690	\$100,053	\$120,778	\$1,224,521
	=====	=====	=====	=====

See notes to pro forma condensed consolidated financial statements.

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(UNAUDITED)

	Year ended December 31, 1993 As Reported Vishay -----	Year ended January 1, 1994 As Reported Vitramon -----	Pro Forma Adjustments - Note D -----	Year Ended December 31, 1993 Pro Forma -----
	(In thousands, except per share data)			
Net sales	\$856,272	\$118,394		\$974,666
Costs of products sold	663,239	81,512	(\$4,253)(2)	740,498
	-----	-----	-----	-----
Gross profit	193,033	36,882	4,253	234,168
Selling, general, and administrative expenses	118,906	24,136	(5,783)(5) 271 (6)	137,530
Restructuring expenses	6,659			6,659
Unusual items	(7,221)			(7,221)
	-----	-----	-----	-----
Operating income	74,689	12,746	9,765	97,200
Other income (expense):				
Interest expense	(20,624)	(3,229)	(4,142)(1) 3,229 (3)	(24,766)
Goodwill amortization	(3,294)		(2,643)(4)	(5,937)
Other	123	(84)		39
	-----	-----	-----	-----
	(23,795)	(3,313)	(3,556)	(30,664)
	-----	-----	-----	-----
Earnings before income taxes and cumulative effect of accounting change	50,894	9,433	6,209	66,536
Income taxes	8,246	4,773	2,173 (7)	15,192
	-----	-----	-----	-----
Earnings before cumulative effect of accounting change	42,648	4,660	4,036	51,344
Cumulative effect of accounting change for income taxes	1,427			1,427
	-----	-----	-----	-----
Net earnings	\$44,075	\$4,660	\$4,036	\$52,771
	=====	=====	=====	=====
Earnings per share - Note E				
Before cumulative effect of accounting change	\$1.91			\$2.05
Accounting change for income taxes	\$0.07			\$0.06
	-----			-----
Net earnings	\$1.98			\$2.11
	=====			=====
Weighted average shares outstanding - Note E	22,289			25,039

See notes to pro forma condensed consolidated financial statements.

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(UNAUDITED)

	Three Months Ended March 31, 1994 As Reported Vishay -----	Three Months Ended April 2, 1994 As Reported Vitramon -----	Pro Forma Adjustments - Note D -----	Three Months Ended March 31, 1994 ProForma -----
	(In thousands, except per share data)			
Net sales	\$226,015	\$34,575		\$260,590
Costs of products sold	175,215	23,743	(\$1,092)(2)	197,866
Gross profit	50,800	10,832	1,092	62,724
Selling, general, and administrative expenses	30,176	6,528	(1,569)(5) 68 (6)	35,203
Operating income	20,624	4,304	2,593	27,521
Other income (expense):				
Interest expense	(5,040)	(729)	(1,035)(1) 729 (3)	(6,075)
Goodwill amortization	(801)		(661)(4)	(1,462)
Other	468	73		541
	(5,373)	(656)	(967)	(6,996)
Earnings before income taxes	15,251	3,648	1,626	20,525
Income taxes	2,593	1,676	569 (7)	4,838
Net earnings	\$12,658	\$1,972	\$1,057	\$15,687
	=====	=====	=====	=====
Earnings per share - Note E	\$0.57			\$0.63
	=====			=====
Weighted average shares outstanding - Note E	22,292			25,042
	=====			=====

See notes to pro forma condensed consolidated financial statements.

NOTES TO PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

Certain financial information has been derived from the combined audited financial statements and notes thereto of Vitramon for the year ended January 1, 1994 and from Vitramon's unaudited combined interim financial statements as of and for the quarter ended April 2, 1994.

(A) Reflects an increase in outstanding indebtedness as a result of the purchase by Vishay of all of the capital stock of Vitramon from Thomas & Betts. Assumes additional borrowings of \$200,000 (including \$100,000 Bridge Facility) from a syndicate of banks, use of \$186,700 of such borrowings to finance the acquisition and use of \$13,300 to reduce revolving credit borrowings, which results in increased long-term debt of \$186,700. Purchase price and related costs financed through long-term debt:

Purchase price	\$ 184,000
Professional fees and other liabilities.	2,700

Total purchase price	\$ 186,700
	=====

(B) Reflects the assumed receipt of the estimated net proceeds of \$111.4 million from the proposed sale by Vishay of 2,750,000 shares of Common Stock pursuant to a contemplated public offering (assuming a public offering price of \$42.50 per share based on the closing market price of the Common Stock on July 14, 1994) and the use of such proceeds to fund the prepayment of the \$100,000 Bridge Facility and to reduce revolving credit borrowings.

	Increase (Decrease)

Long-term debt	\$(111,375)
Common stock	275
Other stockholders' equity	111,100

(C) Under purchase accounting, Vitramon's assets and liabilities are required to be adjusted from historical amounts to their estimated fair values. Purchase accounting adjustments have been preliminarily estimated by Vishay's management based upon available information and are believed by management to be reasonable. There can be no assurance, however, that the estimated adjustments represent the final purchase accounting adjustments that will ultimately be determined by Vishay. The following pro forma adjustments have been made to reflect the estimated fair values of the assets and liabilities of Vitramon as of March 31, 1994 and to eliminate assets and liabilities which were retained by Thomas & Betts under the terms of the purchase agreement.

	Net Assets

	Increase (Decrease)
As reported by Vitramon:	
Common Stock	\$ 234
Other stockholders' equity	36,416

	36,650
Fair value adjustments:	
Property and equipment	10,000
Estimated Vitramon restructuring costs	(15,000)
Deferred income taxes	
Other current assets	(2,090)
Other assets	5,250
Other non-current liabilities.	43
Assets and liabilities retained by Thomas & Betts:	
Accounts and notes payable	18,000
Other current liabilities.	10,530
Current portion of long-term debt.	1,909
Long-term debt	13,790
Deferred bank costs.	1,900
Cost in excess of net assets of company acquired .	105,718

Total purchase price	\$186,700
	=====

(D) For purposes of determining the pro forma effect of the Vitramon acquisition on the Vishay consolidated statement of operations, the following estimated pro forma adjustments have been made:

	Increase (Decrease) Income	

	Year Ended	Three Months Ended
	12/31/93	3/31/94
	-----	-----
1. Interest expense on net additional variable rate long-term debt of \$75,300 at a 5.5% assumed rate.	\$(4,142)	\$(1,035)
2. Decrease in depreciation resulting from adjustments to fair value of property, plant and equipment and the establishment by Vishay of estimated remaining useful lives	4,253	1,092
3. Elimination of Vitramon's interest expense relating to debt not assumed by Vishay.	3,229	729

4. Amortization of cost in excess of net assets acquired (goodwill) over a forty-year period.	(2,643)	(661)
5. Elimination of Vitramon's management charges from parent.	5,783	1,569
6. Amortization of deferred bank costs over a seven-year period.	(271)	(68)
7. Income tax expense applicable to adjustments at a 35% assumed rate.	(2,173)	(569)
	-----	-----
	\$ 4,036	\$ 1,057
	=====	=====

Vitramon's management charges from parent noted above represent services provided by Thomas & Betts for general management, accounting, internal audit, cash management, risk management, human resources, legal and tax services. These costs have been eliminated as Vishay's current organization is structured to provide these management services without incurring significant additional costs.

(E) Earnings per share for the year ended December 31, 1993 and the three months ended March 31, 1994 were computed as follows (in thousands, except earnings per share data):

	Year Ended 12/31/93 -----	Three Months Ended 3/31/94 -----
Weighted average number of common shares outstanding. . .	22,289	22,292
Contemplated issuance of common stock	2,750	2,750
	-----	-----
Total.	25,039	25,042
	=====	=====
Pro forma net earnings	\$52,771	\$15,687
	=====	=====
Pro forma net earnings per share	\$ 2.11	\$ 0.63
	=====	=====

(F) The pro forma condensed consolidated financial statements are presented assuming that Vishay will complete a contemplated public offering of 2,750,000 shares of common stock as described in Note B. While it is Vishay's current intention to complete such offering, Vishay cannot assure that the offering will occur as planned. If such offering does not occur, the pro forma long-

term debt would increase by \$111,375 and pro forma stockholders' equity would decrease by a corresponding amount. Also, pro forma interest expense for the year ended December 31, 1993 and the three months ended March 31, 1994 would increase by \$6,126 and \$1,531, respectively. After considering applicable income tax effects, pro forma net earnings and earnings per share would be as follows:

	Year Ended 12/31/93 -----	Three Months Ended 3/31/94 -----
Net earnings.	\$48,789	\$14,692
Earnings per share.	\$2.19	\$0.66

VITRAMON INCORPORATED AND VITRAMON LIMITED (U.K.)

Independent Auditors' Report

The Boards of Directors

Vitramon, Incorporated and Vitramon Limited (UK):

We have audited the combined balance sheets of Vitramon, Incorporated and subsidiaries and Vitramon Limited (UK) (both of which are directly or indirectly wholly-owned subsidiaries of Thomas & Betts Corporation) as of January 1, 1994 and January 2, 1993, and the related combined statements of earnings, cash flows, and shareholder's equity for the years then ended. These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

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

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Vitramon, Incorporated and subsidiaries and Vitramon Limited (UK) at January 1, 1994 and January 2, 1993, and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

KPMG Peat Marwick

June 17, 1994, except as to
note 10, which is as of
July 13, 1994

COMBINED BALANCE SHEET

(In Thousands)

ASSETS	January 1, 1994	January 2, 1993
CURRENT ASSETS		
Cash	\$ 11,881	\$ 7,857
Receivables, less allowance for doubtful accounts and cash discounts of \$655 in 1993 and \$564 in 1992	13,669	13,189
Inventories:		
Finished goods	6,998	7,235
Work in process	3,062	3,750
Raw materials	11,092	10,407
Total inventories	21,152	21,392
Deferred income taxes	2,009	1,879
Prepaid expenses	524	830
Total Current Assets	49,235	45,147
PROPERTY, PLANT AND EQUIPMENT		
Land and land improvements	2,945	3,125
Buildings	22,520	23,797
Machinery and equipment	55,185	52,729
Construction in progress	6,904	3,532
	87,554	83,183
Less accumulated depreciation	44,755	39,253
	42,799	43,930
OTHER ASSETS	945	1,021
TOTAL ASSETS	\$ 92,979	\$90,098

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Short-term borrowings	\$ 88	\$ 51
Current maturities of long-term bank debt	1,856	650
Notes payable to parent company	18,000	10,166
Accounts payable	5,180	5,944
Accounts payable - parent company	11,407	13,135
Accrued liabilities	4,376	3,890
Income taxes	1,154	0
Deferred income taxes	-	507
Total Current Liabilities	42,061	34,343

LONG-TERM BANK DEBT	13,874	18,248
DEFERRED INCOME TAXES	1,376	1,565
OTHER LONG-TERM LIABILITIES	1,233	1,117

SHAREHOLDER'S EQUITY

Common stock	234	234
Additional paid-in capital	9,679	9,679
Retained earnings	24,127	23,467
Foreign currency translation adjustment	395	1,445
Total Shareholder's Equity	34,435	34,825

TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	\$ 92,979	\$ 90,098
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See notes to Combined Financial Statements.

COMBINED STATEMENT OF EARNINGS
(In Thousands)

	Year ended	
	January 1, 1994	January 2 1993
NET SALES	\$ 118,394	\$ 111,528
COSTS AND EXPENSES		
Cost of sales	81,512	77,624
Marketing, general and administrative	14,453	13,850
Research and development	3,900	3,601
Management charge	5,783	4,965
	105,648	100,040
Earnings from operations	12,746	11,488
Other expense - net	3,313	2,711
Earnings before income taxes	9,433	8,777
Income taxes	4,773	4,479
NET EARNINGS	\$ 4,660	\$ 4,298

See notes to Combined Financial Statements.

VITRAMON INCORPORATED AND VITRAMON LIMITED (U.K.)

COMBINED STATEMENT OF CASH FLOWS
(In Thousands)

	Year ended	
	January 1, 1994	January 2, 1993
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net earnings	\$ 4,660	\$ 4,298
Adjustments:		
Depreciation and amortization	8,908	8,009
Changes in assets and liabilities:		
Receivables	(1,506)	(1,240)
Inventories	(810)	(2,031)
Prepaid expenses	296	(264)
Accounts payable	(554)	1,513
Accounts payable - Parent Company	(1,912)	12,850
Accrued liabilities	629	463
Income taxes	1,423	(2,511)
Other	902	35
	-----	-----
Net cash provided by operating activities	12,036	21,122
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(10,511)	(9,202)
Proceeds from sale of property, plant and equipment	38	91
	-----	-----
Net cash used in investing activities	(10,473)	(9,111)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	144	(3,831)
Proceeds from long-term debt and other borrowings	23	3,306
Proceeds from Parent Company debt	7,834	416
Repayment of long-term debt and other borrowings	(1,457)	(387)
Cash dividends paid	(4,000)	(10,000)
	-----	-----
Net cash provided by (used in) financing activities	2,544	(10,496)
	-----	-----
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(83)	219
	-----	-----
Net increase in cash	4,024	1,734
Cash at beginning of year	7,857	6,123
	-----	-----
Cash at end of year	\$ 11,881	\$ 7,857
	=====	=====

See notes to Combined Financial Statements.

VITRAMON INCORPORATED AND VITRAMON LIMITED (U.K.)

COMBINED STATEMENT OF SHAREHOLDER'S EQUITY
(In Thousands)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Cumulative Translation Adjustment
	Shares	Dollars			
Balance at December 28, 1991	1,990	\$ 234	\$ 9,679	\$29,169	\$ 2,154
Net earnings				4,298	
Dividends				(10,000)	
Translation adjustment net of income tax of \$366					709
Balance at January 2, 1993	1,990	234	9,679	23,467	1,445
Net earnings				4,660	
Dividends				(4,000)	
Translation adjustment net of income tax of (\$531)					(1,050)
Balance at January 1, 1994	1,990	\$ 234	\$ 9,679	\$24,127	\$ 395
Common Stock: (Dollars in Thousands)	Issued		Authorized	Par Value	
	Shares	Dollars			
Vitramon, Incorporated	1,965,000	\$ 197	2,000,000	\$0.10	
Vitramon Limited (U.K.)	25,000	\$ 37	50,000	(BPS)1.00	

See notes to Combined Financial Statements.

VITRAMON INCORPORATED AND VITRAMON LIMITED (U.K.)

NOTES TO COMBINED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

On July 17, 1987, a merger of Vitramon, Incorporated with a subsidiary of Thomas & Betts Corporation was completed. The accompanying combined financial statements include Vitramon, Incorporated and subsidiaries and Vitramon Limited (UK) (collectively, Vitramon). These legal entities are directly or indirectly wholly owned by Thomas and Betts Corporation. All significant intercompany balances and transactions have been eliminated.

A minority investment in a Thomas & Betts affiliate held by Vitramon Incorporated, which is excluded from the proposed sale of Vitramon (see Note 10), has been excluded from the accompanying combined financial statements.

Fiscal Year

Vitramon's fiscal year consists of 52 and 53 weeks ending on the Saturday closest to the end of the calendar year.

Inventories

Inventories are stated at the lower of cost (first-in, first-out) or market. Costs included in inventories consist of materials, labor, and manufacturing overhead that are related to acquisition or production costs.

Property, plant and equipment

Property, plant and equipment are stated at cost. Expenditures for maintenance and repair are charged to costs and expenses as incurred. Significant renewals and betterments that extend the lives of assets are capitalized. Depreciation is computed principally on an accelerated method over the estimated useful lives of the assets, which range principally from 5 to 40 years for land improvements, 35 to 45 years for buildings, and 5 years for machinery and equipment.

Income Taxes

Income taxes payable represent foreign taxes to be remitted directly by Vitramon to Non-U.S. taxing authorities. All federal and state income taxes are included in Accounts Payable - Parent Corporation. Federal and state income taxes are remitted by parent Thomas & Betts Corporation to the taxing authorities.

Effective January 3, 1993, Vitramon changed from the deferred method of accounting for income taxes under APB Opinion No. 11, to the provisions of Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes." The effect of adopting SFAS No. 109 was not material to the combined financial statements. Prior years' financial statements have not been restated. SFAS No. 109 requires the asset and liability method of accounting for income taxes. Under this method, the Corporation provides deferred income taxes to record temporary differences between the financial statement carrying amounts and the tax basis of assets and liabilities.

Deferred taxes are not provided on undistributed net earnings of foreign subsidiaries, approximately \$1,900,000 at January 1, 1994, to the extent that those earnings are expected to be permanently reinvested in the subsidiaries. It is estimated that taxes ultimately payable on the distribution of these earnings would not be significant.

VITRAMON INCORPORATED AND VITRAMON LIMITED (U.K.)

Cash Flow Information

Foreign cash flows have been converted to U.S. dollars at appropriately weighted average exchange rates or exchange rates in effect at the time of the cash flows where determinable. Net cash provided by operating activities for the years 1993 and 1992 respectively, reflect cash payments for trade interest of \$1,684,000 and \$2,035,000 respectively; interest on Thomas & Betts debt of \$1,271,000 and \$952,000, respectively; and income taxes paid directly by Vitramon or paid on its behalf by parent company, of \$3,747,000 and \$4,878,000 respectively.

2. INCOME TAXES

Income taxes were determined as if Vitramon were a stand-alone corporation. Actual U.S. income taxes were determined as part of the parent company's consolidated return. The consolidated return reflected certain tax planning strategies available to the parent that were not used in calculating the tax provision in the accompanying combined financial statements, which resulted in an increased tax rate in both years due primarily to taxes in excess of the U.S. tax rate on foreign earnings.

The components of earnings before income taxes are as follows:

In thousands	1993	1992
Domestic	\$3,586	\$3,202
Foreign	5,847	5,575
	-----	-----
Total	\$9,433	\$8,777
	=====	=====

The components of income tax expense are as follows:

In thousands	1993	1992
Current		
Domestic	\$1,427	\$ 530
Foreign	2,266	3,222
State and local	254	325
	-----	-----
Total current	3,947	4,077
	-----	-----
Deferred		
Domestic	(55)	657
Foreign	881	(255)
	-----	-----
Total deferred	826	402
	-----	-----
Total	\$4,773	\$4,479
	=====	=====

VITRAMON INCORPORATED AND VITRAMON LIMITED (U.K.)

The reconciliation between the Federal statutory tax rate and Vitramon's effective tax rate is as follows:

	1993	1992
Federal statutory tax rate	35.0%	34.0%
State tax	1.8	2.4
Foreign subsidiary losses providing no current tax benefit	4.0	4.5
Taxes in excess of the U.S. tax rate on foreign earnings	9.8	10.1
	-----	-----
Effective tax rate	50.6%	51.0%
	=====	=====

All U.S. taxes are recorded as payable to parent, Thomas & Betts Corporation, and therefore, all U.S. deferred taxes will eventually be settled against that payable to parent.

The components of Vitramon's net deferred tax asset at January 1, 1994 were:

In thousands	U.S.	Non U.S.	Total
	-----	-----	-----
Deferred tax assets:			
Accrued reserves	\$1,316	\$ 297	\$1,613
Accrued employee benefits	682	44	726
Loss carry forwards	-	304	304
Other	92	64	156
Valuation allowance	-	(304)	(304)
	-----	-----	-----
Net deferred tax assets	2,090	405	2,495
	-----	-----	-----
Deferred tax liabilities:			
Property, plant and equipment	-	1,293	1,293
Other	43	526	569
	-----	-----	-----
Net deferred tax liabilities	43	1,819	1,862
	-----	-----	-----
Net deferred tax asset	\$2,047	\$1,414	\$ 633
	=====	=====	=====

The net change in the valuation allowance for deferred tax assets was a reduction of \$115,000 in 1993. The change relates to a loss carry forward recovered in 1993. Carry forwards remaining at January 1, 1994 can be carried forward indefinitely.

VITRAMON INCORPORATED AND VITRAMON LIMITED (U.K.)

3. BORROWINGS

Vitramon's long-term bank debt was as follows:

In thousands	January 1, 1994	January 2, 1993
Deutsche Mark Notes:		
7.1% due 2001	\$ 2,780	\$3,205
7.1% due 2001	2,780	3,205
9.0% due 2004	3,557	4,275
7.2% due 2005	3,939	4,487
7.3% due 1999	765	1,001
9.5% due 2001	1,658	1,923
French Franc Notes:		
8.5% due 1997	48	575
Capital leases	203	227
	-----	-----
	15,730	18,898
Less current portion	1,856	650
	-----	-----
	\$13,874	\$18,248
	=====	=====

All long-term debt is guaranteed by parent, Thomas & Betts Corporation.

Principal payments on long-term debt due in the five years subsequent to January 2, 1994, are \$1,856,000, \$1,921,000, \$1,855,000, \$1,785,000 and \$1,763,000.

Vitramon's debt payable to parent, Thomas & Betts Corporation, was as follows:

In thousands	January 1, 1994	January 2, 1993
U.S. Dollar Notes:		
10% due on demand	\$ 3,000,000	\$ 3,000,000
Prime + 1%, due on demand	7,000,000	7,000,000
Prime + 1%, due on demand	8,000,000	
Japanese Yen Notes:		
6% due 11-1-93	-	82,986
6% due 10-13-93	-	83,474
	-----	-----
	\$18,000,000	\$10,166,460
	=====	=====

4. RELATED PARTY TRANSACTIONS

Vitramon received and paid for management services provided by Thomas & Betts. Generally, these management services included general management, accounting, internal audit, cash management, risk management, human resource, legal and tax services. The cost of such services was \$5,783,000 and \$4,965,000 for the years 1993 and 1992 respectively. Management believes that all allocations are made on a reasonable basis; however, these costs are not necessarily representative of the costs which would have been incurred by Vitramon as an independent company.

Vitramon paid sales commissions to a Foreign Sales Corporation (FSC) wholly owned by Thomas & Betts to obtain favorable tax treatment on export sales.

VITRAMON INCORPORATED AND VITRAMON LIMITED (U.K.)

5. POSTRETIREMENT BENEFITS

Vitramon has a noncontributory pension plan covering substantially all its domestic employees. This plan generally provides pension benefits that are based on compensation levels and years of service. Vitramon's funding policy for this plan is to contribute amounts sufficient to maintain a benefit-security ratio (fair value of plan assets over accumulated benefit obligation) of at least 125 percent. Plan assets are primarily invested in equity securities, fixed income securities, cash equivalents and real estate.

Net periodic pension cost for 1993 and 1992 for Vitramon's defined benefit pension plan included the following components:

In thousands	1993	1992
Service cost - benefits earned during the period	\$465	\$316
Interest cost on projected benefit obligation	508	421
Actual return on assets	(499)	(538)
Net amortization and deferral	(131)	(128)
	-----	-----
Net periodic pension cost	\$ 343	\$ 71
	=====	=====

Assumptions used in developing the net periodic pension cost were:

	1993	1992
Discount rate	8.0%	8.5%
Rate of increase in compensation level	5.5%	5.0%
Expected long-range rate of return on plan assets	8.5%	8.5%

VITRAMON INCORPORATED AND VITRAMON LIMITED (U.K.)

The following table sets forth the funded status of Vitramon's defined benefit plan as of December 1, 1993 and 1992 and amounts recognized in Vitramon's balance sheet:

In thousands	January 1, 1994	January 2, 1993
Actuarial present value of benefit obligations:		
Vested employees	\$5,492	\$4,540
Non-vested employees	165	116
	-----	-----
Accumulated benefit obligation	5,657	4,656
Additional amounts related to projected pay increases	1,855	961
	-----	-----
Projected benefit obligation	7,512	5,617
Plan assets at fair value	7,541	7,154
Plan assets in excess of projected benefit obligation	29	1,537
Unrecognized transition obligation	(281)	(311)
Unrecognized net gain	(167)	(1,421)
Accrued pension liability (recorded in accrued liabilities in the balance sheet)	-----	-----
	\$ (419)	\$(195)
	=====	=====

The present value of projected benefits for the above plan for December 1, 1993 was determined using a discount rate of 7.5% and 8% as of 1993 and 1992, respectively, and an assumed rate of increase in compensation of 5.5%. Vitramon also sponsors a defined contribution 401(K) savings plan for its U.S. employees where company contributions are based on a percentage of employee contributions. The cost of these plans was \$294,000 in 1993 and \$287,000 in 1992.

Other pension costs, primarily for non-U.S. defined contribution plans and plans of insignificant size, amounted to \$243,000 in 1993 and \$178,000 in 1992.

Effective January 3, 1993, Vitramon adopted the provisions of SFAS No. 106, "Employers Accounting for Postretirement Benefits Other Than Pensions." This Statement required changing from a cash to an accrual basis in accounting for retiree health insurance costs. Vitramon is recognizing the estimated liability for these benefits over the lives of the individuals covered. This liability is not being funded. All employees entitled to these benefits are retired. The total accumulated postretirement benefit obligation at January 1, 1994 was \$312,000. The net periodic cost for 1993 was \$50,000 and the accrued postretirement benefit costs on the balance sheet at January 1, 1994 was \$23,000.

The weighted average discount rate used in determining the accumulated postretirement benefit obligation was 7.5%. An increase in the cost of covered health care benefits of 12% was assumed for fiscal year 1993.

This rate was assumed to decrease incrementally to 6.5% after fifteen years and remain at that level thereafter.

Prior to adoption of SFAS No. 106, postretirement health care and life insurance benefits paid were \$41,000 in 1992.

VITRAMON INCORPORATED AND VITRAMON LIMITED (U.K.)

6. COMMITMENTS

Vitramon and its subsidiaries are parties to various leases relating to plants, warehouses, office facilities, automobiles, and other equipment, principally data processing equipment. All operating leases are renewed annually, and all capital leases expire prior to 1997. Real estate taxes, insurance, and maintenance expenses are normally obligations of Vitramon. It is expected that in the normal course of business the majority of the leases will be renewed or replaced by other leases. Vitramon has capitalized leases principally for machinery and equipment. At January 1, 1994 and January 2, 1993, net property, plant and equipment included \$236,000 and \$228,000, respectively, for capital leases.

Future minimum payments under capital leases consisted of the following at January 1, 1994:

In thousands

1994	\$146,000
1995	80,000
1996	10,000

Total minimum lease payments	236,000
Less amounts representing interest	33,000

Present value of future minimum lease payments	\$203,000
	=====

Rent expense for operating leases was \$546,000 in 1993 and \$525,000 in 1992.

7. SIGNIFICANT CUSTOMERS

In 1993 and 1992, sales to the automotive industry represented 35% and 32% of total sales, respectively. In 1993 and 1992, sales to a single customer represented 16% of total sales.

8. OTHER FINANCIAL DATA

Other expense - net consists of the following:

In thousands	1993	1992
Interest income	\$ 258	\$ 280
Interest expense	(1,958)	(2,065)
Interest expense - parent company debt	(1,271)	(952)
Net currency gains (losses)	(31)	282
FSC expense	(315)	(293)
Other	4	37
	-----	-----
	\$(3,313)	\$(2,711)
	=====	=====

Accrued liabilities consist of the following:

In thousands	1993	1992
Salaries, fringe benefits and other compensation	\$2,982	\$2,556
Taxes other than income	200	320
Pension	475	262
Other	719	752
	-----	-----
	\$ 4,376	\$ 3,890
	=====	=====

VITRAMON INCORPORATED AND VITRAMON LIMITED (U.K.)

9. INFORMATION RELATING TO OPERATIONS IN DIFFERENT GEOGRAPHIC AREAS
 Vitramon operations are conducted in three principal geographic areas: Domestic, Europe, and Other International locations including Brazil, Australia, and Japan. Transfers between geographic areas are priced on a basis that yields an appropriate rate of return based on assets employed, risk and other factors.
 Financial Information Relating to Operations in
 Different Geographic Areas

In thousands	1993	1992
Sales to Unaffiliated Customers:		
Domestic	\$ 54,891	\$ 44,548
Europe	58,493	62,946
Other International	5,010	4,034
	-----	-----
Total	\$118,394	\$111,528
	=====	=====
Sales or Transfers Between Geographic Areas:		
Domestic	\$ 7,157	\$ 6,541
Europe	1,254	1,156
	-----	-----
Total	\$ 8,411	\$ 7,697
	=====	=====
Earnings Before Income Taxes:		
Domestic	\$ 4,007	\$ 2,922
Europe	6,594	6,691
Other	(1,373)	(1,122)
Adjustments and eliminations	205	286
	-----	-----
Total	\$ 9,433	\$ 8,777
	=====	=====
Identifiable Assets:		
Domestic	\$ 44,697	\$ 34,966
Europe	44,077	48,246
Other	3,112	3,466
Adjustments and eliminations	1,117	2,072
	-----	-----
Total	\$ 93,003	\$ 89,750
	=====	=====

10. SUBSEQUENT EVENT

On July 13, 1994, Thomas & Betts Corporation announced an agreement to sell Vitramon to Vishay Intertechnology, Inc.

VITRAMON INCORPORATED AND VITRAMON LIMITED (U.K.)

COMBINED BALANCE SHEET (UNAUDITED)
(In Thousands)

ASSETS	April 2, 1994	January 1, 1994
CURRENT ASSETS		
Cash	\$ 14,589	\$ 11,881
Accounts receivable	17,020	13,669
Inventories:		
Finished goods	5,151	6,998
Work in process	3,414	3,062
Raw materials	11,512	11,092
Total Inventories	20,077	21,152
Deferred income taxes	2,021	2,009
Prepaid expenses	686	524
Total Current Assets	54,393	49,235
PROPERTY, PLANT AND EQUIPMENT		
Land and land improvements	2,989	2,945
Buildings	22,861	22,520
Machinery and equipment	56,551	55,185
Construction in progress	9,716	6,904
	92,117	87,554
Less accumulated depreciation	47,406	44,755
	44,711	42,799
OTHER ASSETS		
	949	945
TOTAL ASSETS	\$ 100,053	\$ 92,979
LIABILITIES AND SHAREHOLDER'S EQUITY		
CURRENT LIABILITIES		
Short-term borrowings	\$ --	\$ 88
Current maturities of long-term bank debt	1,909	1,856
Notes payable to parent company	18,000	18,000
Accounts payable	6,605	5,180
Accounts payable - parent company	12,544	11,407
Accrued liabilities	5,339	4,376
Income taxes	2,397	1,154
Deferred income taxes	--	--
Total Current Liabilities	46,794	42,061
LONG-TERM BANK DEBT	13,790	13,874
DEFERRED INCOME TAXES	1,550	1,376
OTHER LONG-TERM LIABILITIES	1,269	1,233
SHAREHOLDER'S EQUITY		
Common stock	234	234
Additional paid-in capital	9,679	9,679
Retained earnings	26,099	24,127
Foreign currency translation adjustment	638	395
Total Shareholder's Equity	36,650	34,435
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	100,053	\$ 92,979

See Notes to Combined Interim Financial Statements.

COMBINED STATEMENT OF EARNINGS (UNAUDITED)

(In Thousands)	Quarter ended	
	April 2, 1994	April 3, 1993
NET SALES	\$ 34,575	\$ 31,931
COSTS AND EXPENSES		
Cost of sales	23,743	21,953
Marketing, general and administrative	3,867	3,708
Research and development	1,092	976
Management charge	1,569	1,446
	30,271	28,083
Earnings from operations	4,304	3,848
Other expense - net	(656)	(908)
Earnings before income taxes	3,648	2,940
Income taxes	1,676	1,470
NET EARNINGS	\$ 1,972	\$ 1,470

See Notes to Combined Interim Financial Statements.

VITRAMON INCORPORATED AND VITRAMON LIMITED (U.K.)

COMBINED STATEMENT OF CASH FLOWS (UNAUDITED)
(In Thousands)

	Quarter ended	
	April 2, 1994	April 3, 1993
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net earnings	\$ 1,972	\$ 1,470
Adjustments:		
Depreciation and amortization	2,277	2,246
Changes in assets and liabilities:		
Receivables	(3,155)	(2,399)
Inventories	1,330	649
Prepaid expenses	(154)	(177)
Accounts payable	1,379	427
Accounts payable - Parent Company	1,079	1,743
Accrued liabilities	898	1,020
Income taxes	1,336	472
Other	28	127
	-----	-----
Net cash provided by operating activities	6,990	5,578
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,647)	(1,997)
Proceeds from sale of property, plant and equipment	9	-
	-----	-----
Net cash used in investing activities	(3,638)	(1,997)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	(88)	223
Proceeds from long-term debt and other borrowings	36	23
Proceeds from Parent Company debt	-	-
Repayment of long-term debt and other borrowings	(526)	(156)
Cash dividends paid	-	-
	-----	-----
Net cash used in financing activities	(578)	90
	-----	-----
EFFECT OF EXCHANGE RATE CHANGES IN CASH	(66)	15
	-----	-----
Net increase in cash	2,708	3,686
Cash at beginning of year	11,881	7,857
	-----	-----
Cash at end of year	\$14,589	\$11,543
	=====	=====

See notes to Combined Interim Financial Statements

VITRAMON INCORPORATED AND VITRAMON LIMITED (U.K.)

Notes to Combined Interim Financial Statements
(Unaudited)

- 1) In the opinion of Management, the accompanying combined interim financial statements contain all adjustments (consisting of only normal recurring accruals) necessary for the fair presentation of the financial position as of April 2, 1994 and January 1, 1994, and the results of operations and cash flows for the periods ended April 2, 1994 and April 3, 1993.
- 2) Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that these combined interim financial statements be read in conjunction with the financial statements and notes thereto included in Vitramon's Combined Financial Statements for the fiscal year ended January 1, 1994. The results of operations for the period ended April 2, 1994 are not necessarily indicative of the operating results for the full year.

EXHIBITS TO
FORM 8-K
VISHAY INTERTECHNOLOGY, INC.

EXHIBIT INDEX

Sequential
Page Number

- 2.1 Stock Purchase Agreement, dated July 12, 1994, between Thomas & Betts Corporation and Vishay Intertechnology Inc.
- 10.1 Amended and Restated Vishay Intertechnology, Inc. \$302,500,000 Revolving Credit and Term Loan Agreement, dated as of July 18, 1994, by and among Comerica Bank, NationsBank of North Carolina, N.A., Berliner Handels-und Frankfurter Bank, Signet Bank/Maryland, CoreStates Bank, N.A., Bank Hapoalim, B.M., ABN AMRO Bank N.V. New York Branch, Credit Lyonnais New York Branch, Meridian Bank, Bank Leumi le-Israel, B.M. and Credit Suisse (collectively, the "Banks"), Comerica Bank, as agent for the Banks (the "Agent"), and Vishay Intertechnology, Inc. ("Vishay"), dated as of July 18, 1994.
- 10.2 Amended and Restated Vishay Beteiligungs GmbH DM 40,000,000 Revolving Credit and DM 9,506,000 Term Loan Agreement, dated as of July 18, 1994, by and among the Banks, the Agent and Vishay Beteiligungs GmbH ("VBG").
- 10.3 Amended and Restated Roderstein DM 104,315,990.20 Term Loan Agreement, dated as of July 18, 1994, by and among the Banks, the Agent, Vishay and VBG.
- 10.4 Vishay Intertechnology, Inc. \$200,000,000 Acquisition Loan Agreement, dated as of July 18, 1994, by and among the Banks, the Agent and Vishay.
- 10.5 Amended and Restated Guaranty by Vishay to the Banks, dated July 18, 1994.
- 10.6 Amended and Restated (Domestic) Guaranty by Dale Holdings, Inc., Dale Electronics, Inc., Measurements Group, Inc., Vishay Sprague Holdings Corp. and Sprague Sanford, Inc. to the Banks, dated July 18, 1994.
- 10.7 Amended and Restated Permitted Borrowers Guaranty by Vilna Equities Holding B.V., VBG, Draloric Electronic GmbH, E-Sil Components Ltd., Sfernice S.A. and Roederstein GmbH to the Banks dated July 18, 1994.
- 23 Consent of KPMG Peat Marwick.

EXECUTION COPY

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STOCK PURCHASE AGREEMENT

Between

Thomas & Betts Corporation,

as Seller

and

Vishay Intertechnology, Inc.,

as Purchaser

Dated July 12, 1994

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AGREEMENT dated July 12, 1994 by and between Thomas & Betts Corporation ("Seller"), a New Jersey corporation having its principal office at 1555 Lynnfield Road, Memphis, Tennessee 38119, and Vishay Intertechnology, Inc. ("Purchaser"), a Delaware corporation having its principal office at 63 Lincoln Highway, Malvern, Pennsylvania 19355.

W I T N E S S E T H :
- - - - -

WHEREAS, Seller is the owner of all of the issued and outstanding capital stock of Vitramon, Incorporated, a Delaware corporation (the "Company"), and Thomas & Betts Holdings (U.K.) Limited, an indirect subsidiary of Seller ("TBHUK"), and Seller are the owners of all the issued and outstanding ordinary shares of Vitramon Limited, an English corporation ("VL");

WHEREAS, the Company and VL are engaged in the design, manufacture and sale of multilayer ceramic chip capacitors and certain types of filters; and

WHEREAS, Purchaser desires to purchase from Seller and TBHUK, and Seller and TBHUK desire to sell to Purchaser, all of the issued and outstanding capital stock of the Company and VL, respectively, on the terms and conditions hereinafter set forth;

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the

parties hereto, Seller and Purchaser, intending to be legally bound, do hereby agree as follows:

1. Purchase and Sale of Stock. Subject to and upon the terms and conditions set forth in this Agreement, Seller hereby agrees to (or to cause its subsidiaries to) sell, transfer, convey, assign and deliver to Purchaser, and Purchaser hereby agrees to purchase and accept delivery from Seller, at the Closing hereunder, all of the issued and outstanding shares of capital stock of the Company and of VL, consisting of 100 shares of common stock, par value \$.10 per share, of the Company (the "Stock"), and 25,000 shares, (BPS)1 par value, of VL (the "U.K Shares"). Good and valid title to the Stock and the U.K. Shares shall be transferred free and clear of all liens, encumbrances, charges and claims whatsoever, including any tax liens and charges.

2. Purchase Price. In consideration of the sale, transfer, conveyance, assignment and delivery of the Stock and the U.K. Shares by Seller to Purchaser hereunder, and in reliance upon the representations and warranties made herein or pursuant hereto by Seller, Purchaser will pay to Seller at the Closing a total purchase price of \$184,000,000 (the "Purchase Price"), \$176,000,000 of which is allocable to, and deemed to be in consideration of, the Stock (of which \$32,000,000 is allocable to the Transferred Subsidiaries (as defined in Section 5.2) excluding VL) and \$8,000,000 of which is allocable to, and deemed

to be in consideration of, the U.K. Shares, payable by wire transfer in immediately available funds to a bank account of Seller in accordance with written instructions of Seller given to Purchaser at least 48 hours prior to the Closing.

3. Closing. The closing of the transactions contemplated hereby (the "Closing") shall take place at 10:00 A.M., local time, on the 18th day of July, 1994 at the offices of Kramer, Levin, Naftalis, Nessen, Kamin & Frankel, 919 Third Avenue, New York, New York 10022, or at such other time and place as the parties may agree upon. The day on which the Closing actually takes place is herein sometimes referred to as the Closing Date. In the event either of the parties is entitled not to close on the scheduled date because a condition to its obligation to close set forth in Sections 10 or 11 hereof has not been met (or waived by the party or parties entitled to waive it), the other party may, subject to Section 13(a)(ii) hereof, postpone the Closing, from time to time, by giving at least three days prior notice to such party, until the condition has been met (which all parties will use their best efforts to cause to happen).

4. Obligations at Closing; Further Assurances.

(a) At the Closing, Seller will deliver or cause to be delivered to Purchaser:

- (i) stock certificates representing the Stock and the U.K. Shares, duly endorsed in

blank or accompanied by stock powers or other instruments of transfer duly executed in blank, and accompanied by all requisite stock transfer stamps;

(ii) resignations or removals of such of the directors and officers of the Company and each of the Transferred Subsidiaries (as defined in Section 5.2 hereof) as shall have been requested by Purchaser effective immediately; and

(iii) certified copies of the certificate of incorporation and by-laws, good standing certificates (and to the extent in Seller's possession) minute books, stock books and stock transfer ledgers of the Company and each Transferred Subsidiary, and all other documents required to be delivered on or before the Closing by Seller and the Company to the Purchaser under the provisions of this Agreement (to the extent not previously delivered).

(b) At the Closing, Purchaser shall deliver, or cause to be delivered, to Seller, the Purchase Price, and all other documents required to be delivered on or before the Closing by Purchaser to Seller (to the extent not previously delivered).

(c) At any time and from time to time after the Closing, at Purchaser's reasonable request and without further consideration, Seller will execute and deliver such other documents or instruments of sale, transfer, conveyance, assignment, delivery and confirmation, and deliver such other documents and take such other action as may reasonably be necessary or desirable in order more effectively to sell, transfer, convey, assign and deliver to Purchaser and to confirm Purchaser's right, title and interest in and to the Stock and the

U.K. Shares and the transfer thereof to Purchaser and (at no additional out-of-pocket expense to Seller) to confirm the Company's right, title and interest in and to the Company's Assets (as defined in Section 5.12(a) hereof) and to enable Purchaser to exercise all rights with respect to the Stock, the U.K. Shares and the Company's Assets and to otherwise carry out Seller's obligations under this Agreement, and each party shall take all further actions and execute and deliver such other instruments that may be reasonably requested by the other party to effectuate any other provision of this Agreement.

5. Representations and Warranties by Seller. Seller hereby represents and warrants to Purchaser as follows:

5.1 Organization, Standing and Qualification; Business. (a) Seller, the Company and each Transferred Subsidiary is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation as set forth on Schedule 5.1(a). The Company and each Transferred Subsidiary has all requisite corporate power and authority to carry on its business as now being conducted and to own, lease or operate its properties as and in the places where such business is now conducted and such properties are now owned, leased or operated; and except as disclosed on Schedule 5.1(a), each is duly qualified, licensed or domesticated and in good standing as a foreign corporation authorized to do business in the jurisdictions listed on Schedule 5.1(a), which are the only

jurisdictions where the nature of the activities conducted by it or the character of the properties owned, leased or operated by it require such qualification, licensing or domestication. The Company has delivered to Purchaser true and complete copies of its and each Transferred Subsidiary's certificate of incorporation and all amendments thereto and the by-laws of the Company and each Transferred Subsidiary as presently in effect, certified as true, complete and correct by its Secretary, and such by-laws are in full force and effect as of the date hereof.

(b) Immediately after consummation of the transactions contemplated by this Agreement, the Company and the Transferred Subsidiaries will be able to conduct Seller's business involving the design, manufacture and sale of multilayer ceramic chip capacitors and certain types of filters (the "Business") in substantially the same manner as the Company and the Transferred Subsidiaries conducted the Business prior to the Closing, except to the extent affected by the identity or legal or regulatory status of Purchaser or its affiliates (as such term is understood under U.S. securities law, "Affiliates").

(c) The books of account, minute books, stock certificate books and stock transfer ledgers of the Company and the Transferred Subsidiaries made available to Purchaser are complete and correct, and there have been no transactions involving the business of the Company or any Transferred Subsidiary which

properly should have been set forth therein and which have not been accurately so set forth.

5.2 Subsidiaries. (a) The Company has no subsidiaries except those listed on Schedule 5.2 (with VL, the "Transferred Subsidiaries"). The Company has no interest, direct or indirect, and has no commitment to purchase any interest, direct or indirect, in any other corporation or in any partnership, joint venture or other business enterprise or entity other than as set forth on Schedule 5.2. The Business has not been conducted through any direct or indirect subsidiary or affiliate of Seller other than the Company and the Transferred Subsidiaries.

(b) Seller owns beneficially and of record all of the outstanding capital stock of Thomas & Betts International, Inc. a corporation organized under the laws of Delaware ("TBI"). As of the date hereof, TBI and the Company together own beneficially and of record all of the outstanding capital stock of TBHUK. Prior to the Closing, the Company shall dividend to Seller all of the outstanding capital stock of TBHUK it owns beneficially and of record.

5.3 Transactions with Certain Persons. Except as set forth on Schedule 5.3(a), during the past three years neither the Company nor any Transferred Subsidiary has, directly or indirectly, purchased, leased from or otherwise acquired any property or obtained any services from, or sold, leased to or

otherwise disposed of any property or furnished any services to (except with respect to remuneration for services rendered as a director, officer or employee of the Company), in the ordinary course of business or otherwise, Seller or any person, firm or corporation which, directly or indirectly, alone or together with others, controls, is controlled by or is under common control with the Company or Seller (other than the Transferred Subsidiaries). Except as set forth on Schedules 5.3(b) or 5.18(a), neither the Company nor any Transferred Subsidiary owes any amount to, or has any contract with Seller or any director, officer or employee of Seller, the Company or any Transferred Subsidiary (other than compensation for current services not yet due and payable and reimbursement of expenses arising in the ordinary course of business), and none of such persons (other than a Transferred Subsidiary) owes any amount other than advances arising in the ordinary course of business consistent with prior practice to the Company. Except as set forth on Schedule 5.3(c), no part of the property or assets of Seller or any direct or indirect subsidiary or affiliate of Seller (other than the Transferred Subsidiaries) is used by the Company or any Transferred Subsidiary. Neither Seller nor any of its direct or indirect subsidiaries (other than the Company and the Transferred Subsidiaries) owns, conducts or operates any business involved directly in the design, manufacture and sale of capacitors or other completed products of the Company or the Transferred Subsidiaries.

5.4 Execution, Delivery and Performance of Agreement; Authority; Consents and Approvals. (a) Neither the execution, delivery nor performance of this Agreement by Seller will, with or without the giving of notice or the passage of time, or both, conflict with, result in a default, right to accelerate or loss of rights under, or result in the creation of any lien, charge or encumbrance on the property of the Company or the Transferred Subsidiaries pursuant to any provision of Seller's, the Company's or any Transferred Subsidiary's certificate of incorporation or by-laws or any franchise, mortgage, deed of trust, lease, license, agreement, law, ordinance, rule or regulation or any order, judgment or decree to which Seller, the Company or any Transferred Subsidiary is a party or by which any of them is bound. Seller has the full corporate power and authority to execute and deliver this Agreement and to carry out the transactions contemplated hereby, including, without limitation, the transfer of the Stock and the U.K. Shares to Purchaser pursuant hereto. All proceedings required to be taken by Seller or its stockholders to authorize the execution, delivery and performance of this Agreement have been properly taken and this Agreement constitutes a valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.

(b) Except as identified on Schedule 5.4(b) or disclosed pursuant to Section 5.13 hereof, no filing with, and no permit, authorization, consent, waiver or approval of, any

governmental or regulatory agency or any lender, trustee, security holder of Seller, the Company or any of the Transferred Subsidiaries is necessary in connection with the execution, delivery or performance by Seller of this Agreement or for the consummation by it of the transactions contemplated hereby.

5.5 Capitalization. All of the authorized capital stock of the Company consists solely of 2,000,000 shares of common stock, par value \$.10 per share, of which 100 shares are issued and outstanding as of the date of this Agreement. All of the authorized capital stock of VL consists of 50,000 shares, par value (BPS) 1 per share, of which 25,000 are issued and outstanding as of the date of this Agreement. The issued and outstanding shares of capital stock of the Company are duly authorized, validly issued, fully paid and nonassessable and are owned beneficially and of record by Seller. All of the issued and outstanding shares of capital stock of each Transferred Subsidiary are duly authorized, validly issued, fully paid and nonassessable and are owned beneficially and, except as set forth in Schedule 5.5, of record by the Company or in the case of the U.K. Shares, by TBHUK. Except as set forth on Schedule 5.5, Seller has, and will have at the Closing, valid title to the Stock, and the Company (or in the case of the U.K. Shares, TBHUK) has, and will have at the Closing, valid title to all of the capital stock of each of the Transferred Subsidiaries, in each case free and clear of any liens, claims, charges, security interests or other legal or

equitable encumbrances, including without limitation, any which affect transferability. Except for this Agreement, there are no outstanding (a) securities convertible into or exchangeable or exercisable for the capital stock of the Company or any of the Transferred Subsidiaries, (b) subscriptions, options, warrants, calls, or other rights to purchase or subscribe for or otherwise acquire capital stock of the Company or any of the Transferred Subsidiaries or (c) contracts, demands, commitments, or other agreements or arrangements of any character or nature whatever under which the Company or any Transferred Subsidiary is or may become required to issue, assign or transfer any shares of the capital stock of the Company or any Transferred Subsidiary or purchase or make payment in respect of any shares of its capital stock, as the case may be, now or heretofore outstanding.

5.6 Financial Statements. Seller has delivered to Purchaser copies (initialled by the Seller's Vice President of Finance and identified with a reference to this Section 5.6) of the following unaudited consolidated and consolidating financial statements of the Company and the Transferred Subsidiaries (hereinafter collectively referred to as the "Financial Statements"), all of which have been prepared from the books and records of the Company and the Transferred Subsidiaries and fairly present, in all material respects, in accordance with generally accepted accounting principles ("GAAP") consistently applied, except as set forth therein and except that the

financial statements referred to below are not accompanied by footnotes and the consolidating financial statements reflect application of a materiality standard appropriate to the Company and the Transferred Subsidiaries on a consolidated basis, the consolidated and consolidating financial condition of the Company and the Transferred Subsidiaries as at their respective dates and the consolidated and consolidating results of their operations for the periods covered thereby subject, except in the case of annual financial statements, to year-end audit adjustments:

(i) unaudited consolidated and consolidating balance sheet of the Company and the Transferred Subsidiaries as at January 2, 1994 and December 31, 1992 and 1991, and the Company's unaudited consolidated and consolidating statements of earnings and changes in financial position for each of the three fiscal years then ended;

(ii) unaudited consolidated and consolidating balance sheet of the Company and the Transferred Subsidiaries as at April 3, 1994 (the "Base Balance Sheet"), and the Company's unaudited consolidated and consolidating statement of earnings and changes in financial position for the fiscal quarter then ended (collectively, the "Base Financial Statements"); and

(iii) unaudited consolidated and consolidating balance sheets of the Company and the Transferred Subsidiaries as at each of May 1, and May 29, 1994, and the Company's unaudited consolidated and consolidating statements of earnings and changes in financial position for each fiscal month then ended (collectively, with the Financial Statements to be delivered pursuant to Section 8.1.3(a) hereof, the "Interim Financial Statements").

Except as expressly specified therein, such Interim Financial Statements include all adjustments, which consist only of normal recurring accruals, necessary for such fair presentation.

5.7 Absence of Undisclosed Liabilities. Except as disclosed on Schedule 5.7, as of April 3, 1994, neither the Company nor any of the Transferred Subsidiaries had any debts, liabilities, claims, losses, damages, commitments, deficiencies or obligations (whether absolute, accrued, contingent or otherwise) of any nature whatsoever, or any other debts, liabilities or obligations relating to or arising out of any act, transaction, circumstance or state of facts which occurred or existed on or before April 3, 1994, whether or not then known, due or payable, which are of a type that would be required to be set forth on the Base Balance Sheet in accordance with GAAP and have not been so set forth. This Section 5.7 shall not apply to Taxes (as hereinafter defined).

5.8 Taxes. (a) "Taxes" shall mean all federal, state, local and foreign taxes, including any interest or penalties, imposed on or measured by income. "Group" shall mean, individually and collectively, (i) Company, (ii) Seller, (iii) the Transferred Subsidiaries and (iv) any individual, trust, corporation, partnership or any other entity as to which Company or the Transferred Subsidiaries may be liable for Taxes incurred by such individual or entity either as a transferee, or pursuant to Treasury Regulations Section 1.1502-6, or pursuant to any

other provision of federal, territorial, state, local or foreign law or regulations.

(b) Seller, the Company, each of the Transferred Subsidiaries, and any other subsidiary of Seller has filed (or will file) within the time prescribed by law or regulations (taking into account all available extensions) all required Tax returns or reports ("Returns"). Each of Seller, the Company, the Transferred Subsidiaries and any other subsidiary of Seller has paid in full and on a timely basis all Taxes due and payable. There is no audit, examination, deficiency or refund litigation pending or threatened with respect to any Taxes of the Group that could result in a determination that would have a Material Adverse Effect (as defined in Section 10(c) hereof). All Taxes, interest, additions and penalties due with respect to completed and settled examinations or concluded litigation relating to it have been paid in full or adequate provision has been made for any such Taxes on the Base Balance Sheet (in each case in accordance with GAAP). There are no liens for Taxes (other than for current Taxes not yet due and payable) upon any assets of the Group.

(c) Except as set forth in Schedule 5.8(c), no rulings have been issued by or agreements entered into with any tax authority with respect to the Company or any of the Transferred Subsidiaries that could affect the Company or any of the

Transferred Subsidiaries for periods ending after the Closing Date.

(d) Except as set forth in Schedule 5.8(d), neither the Company nor any of the Transferred Subsidiaries (i) has granted any power of attorney with respect to any matter relating to Taxes which is currently in force or (ii) is a party to any agreement providing for the allocation, sharing or indemnification of Taxes.

(e) Except as set forth in Schedule 5.8(e), neither the Company nor any of the Transferred Subsidiaries (i) has assets which directly or indirectly secure any debt the interest on which is tax-exempt under section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"), (ii) has assets which constitute "tax-exempt use property" within the meaning of section 168(h) of the Code, (iii) has to the knowledge of Seller participated in an international boycott within the meaning of section 999 of the Code or (iv) is a party to any agreement, contract, arrangement or plan that has resulted or would result, separately or in the aggregate, in the payment of any "excess parachute payments" within the meaning of section 280G of the Code or an excise tax to the recipient of such payment pursuant to section 4999 of the Code.

(f) Seller is not a person other than a United States person within the meaning of the Code.

(g) Seller represents it will file a consolidated federal income tax return including the Company for the taxable year immediately preceding the current taxable year and that Seller is eligible to make an election under section 338(h)(10) of the Code with respect to the Company.

(h) Seller shall make available to Purchaser all returns filed by or on behalf of the Company and each Transferred Subsidiary with respect to payroll and employee withholding taxes, unemployment insurance, social security, sales and use taxes, excise taxes, capital taxes, franchise taxes, gross receipt taxes, occupation taxes, real and personal property taxes, value added taxes, stamp taxes, transfer taxes, workers' compensation taxes, taxes relating to Benefit Plans (as defined in Section 5.18) and any other tax returns reasonably requested by Purchaser.

5.9 Absence of Changes or Events. Except as set forth in Schedule 5.9, since April 3, 1994 and prior to the date hereof the Company and each of the Transferred Subsidiaries has conducted its business only in the ordinary course consistent with prior practice and none of them has:

(a) incurred any obligation or liability, absolute, accrued, known or unknown, contingent or otherwise, whether due or to become due, except in the ordinary course of business and consistent with its prior practice, and except obligations or liabilities, in any case or in the aggregate, that have not had or are not reasonably likely to result in any material adverse change in the business, results of operations

or financial condition of the Company and the Transferred Subsidiaries, taken as a whole, (a "Material Adverse Effect");

(b) discharged or satisfied any liabilities, obligations, claims, liens, mortgages, charges, security interests or other encumbrances (collectively, the "Encumbrances") (other than those then required to be discharged or satisfied by their terms), or paid any obligation or liability, absolute, accrued, contingent or otherwise, whether due or to become due, other than in the ordinary course of business and consistent with its prior practice;

(c) except for a \$5,000,000 cash dividend paid by the Company to Seller in May 1994 and the dividend by the Company of shares of TBHUK prior to the Closing, declared or made any payment of dividends or other distribution to its stockholder (other than to the Company) or upon or in respect of any shares of its capital stock, or purchased, retired or redeemed, or obligated itself to purchase, retire or redeem, any of its shares of capital stock;

(d) mortgaged, pledged or subjected to Encumbrance any of its property, business or assets, tangible or intangible, other than those Encumbrances permitted under Section 5.12(a) hereof;

(e) sold, transferred, leased to others or otherwise disposed of any of its assets, except in the ordinary course of business consistent with prior practice, or cancelled or compromised any debt or claim, or waived or released any right of substantial value, except in the ordinary course of business consistent with prior practice;

(f) received any notice of termination of any contract, lease or other agreement which, in any case or in the aggregate, has had or is reasonably likely to result in a Material Adverse Effect;

(g) transferred or granted any rights under, or entered into any settlement regarding the breach or infringement of, or entered into any agreement or commitment relating to, any United States or foreign license, patent, copyright, trademark, service mark, trade name, invention or similar rights, or modified any existing rights with respect thereto, except in the ordinary course of business, consistent with prior practice;

(h) made any change in the rate of compensation, commission, bonus or other direct or indirect remuneration payable or paid or agreed or orally promised to pay, conditionally or otherwise, any bonus, extra compensation, pension or severance or vacation pay, or other payment under a Benefit Plan (as defined in Section 5.18), to any director, officer, employee, salesman, distributor or agent, other than in the ordinary course of business consistent with its prior practice;

(i) acquired any capital stock or other securities of any corporation or any interest in any business enterprise, or otherwise made any loan or advance to or investment in any person, firm or corporation, except in the ordinary course of business consistent with prior practice;

(j) made any capital expenditures or capital additions or betterments in excess of an aggregate of \$6,000,000;

(k) materially changed any of its material banking or safe deposit arrangements;

(l) settled or agreed to settle or suffered any materially adverse determination in any material litigation, action or proceeding before any court or governmental body;

(m) failed to replenish its inventories and supplies in the ordinary course of business consistent with its prior practice or made any change in its selling, pricing, advertising or personnel practices other than in the ordinary course of business;

(n) suffered any change, event or condition which, in any case or in the aggregate, has had or is reasonably likely to result in a Material Adverse Effect, including, without limitation, any change in revenues, costs or backlog, other than those changes, events or conditions occurring as a result of general economic or financial conditions or other developments that are not unique to the Company and the Transferred Subsidiaries but also have a significant negative impact on the passive electronics components industry;

(o) entered into any significant transaction, contract or legally binding commitment other than in

the ordinary course of business, consistent with prior practice;

(p) made any change in any method of accounting or auditing practices except as required by GAAP or generally accepted auditing standards or made any change in depreciation or amortization policies or rates adopted by it or made any change in its method of carrying its inventory on its books;

(q) except as required by this Agreement, amended its certificate of incorporation or by-laws or merged with or into or consolidated with any other person or changed in any manner the rights of its outstanding capital stock or the character of its business;

(r) incurred any material damage, destruction or loss to any of the Company's Assets (as hereinafter defined) by reason of fire, explosion, earthquake, accident, casualty, requisition or taking of property by any government or any agency of any government, flood, windstorm, embargo, riot, act of God or any enemy, or other similar casualty or event (whether or not the same has been insured against); or

(s) entered into any agreement or made any legally enforceable commitment to take any of the types of action described in subsections (a), (b), (c), (d), (e), (g), (h), (i), (j), (k), (l), (m), (o), (p) or (q) above.

5.10 Litigation. Except as set forth in Schedule 5.10, there is no claim, legal action, suit, arbitration, governmental investigation or other legal or administrative proceeding, nor any order, decree, writ, award or judgment in progress, pending or in effect, or to the knowledge of Seller threatened, against or relating to the Company or any of the Transferred Subsidiaries, or their respective officers, directors or employees (as such), properties, assets or business or the transactions contemplated by this Agreement.

5.11 Compliance with Laws and Other Instruments.

(a) The Company and each of the Transferred Subsidiaries has complied with all existing laws (other than laws relating to Taxes, military specifications, Employee Benefits Plans, Labor Laws and Environmental Laws which are dealt with specifically in Sections 5.8, 5.11(b), 5.18, 5.19 and 5.20, hereof), rules, regulations, ordinances, orders, judgments and decrees applicable to them, except where the failure to comply has not had and is not reasonably likely to result in a Material Adverse Effect. Neither the ownership nor use of its properties nor the conduct of its business by the Company or any of the Transferred Subsidiaries conflicts with the rights of any other person, firm or corporation or entity or violates, or with or without the giving of notice or the passage of time, or both, will violate, conflict with or result in a breach or default, right to accelerate or loss of rights under, any term or provision of its certificate of incorporation or by-laws, or, to the knowledge of Seller, any order, judgment, restriction or decree to which the Company or any Transferred Subsidiary is a party or by which it is bound or affected or by which its properties may be bound or affected. None of the Seller, the Company or any of the Transferred Subsidiaries has received any notice of violation of any applicable regulation, ordinance or other law, order or regulation, whether foreign, domestic, federal, state or local, which is applicable to the business, operations, properties or assets of the Company or the Transferred Subsidiaries.

(b) The Company and each of the Transferred Subsidiaries has complied with all specifications and other requirements of any government or governmental agency, domestic or foreign, applicable to the products manufactured by the Company and each of the Transferred Subsidiaries and sold to such government or agency. In addition, each of the Company and the Transferred Subsidiaries has complied with all (i) government or military specifications or requirements and Qualified Product Lists published from time to time by the Defense Electronics Supply Center which are applicable to products manufactured by the Business (the "Qualified Product List") and (ii) established reliability, testing, quality assurance or other similar procedures and/or regulations (including, but not limited to, procurement regulations relating to the failure to comply with such procedures and/or regulations) of the U.S. Government (including, but not limited to, the Department of Defense and NASA) or any foreign government incorporating such standards applicable to any products manufactured by the Business prior to the Closing. None of Seller, the Company or any of the Transferred Subsidiaries is subject to any debts, liabilities or obligations, whether civil or criminal, relating to or arising under any contract or subcontract as a result of a failure to comply with the foregoing.

5.12 Title to and Condition of Properties.

(a) Subject to the next sentence, the Company and each of the

Transferred Subsidiaries has good (and with respect to the Fee Properties, as hereinafter defined, marketable and insurable) title to all the properties and assets reflected in Schedules 5.13 (a) and (c) (except property sold or retired after the date hereof in the ordinary course of business, consistent with prior practice) (collectively, the "Company's Assets"). None of the Company's Assets is subject to any Encumbrance of any nature whatsoever, direct or indirect, whether accrued, absolute, contingent or otherwise, except (i) as expressly set forth in the Base Balance Sheet as securing specific liabilities or as otherwise expressly permitted by the terms hereof, or (ii) those imperfections of title and encumbrances, if any, which (A) are not substantial in character, amount or extent and do not detract from the value of the properties of the Company taken as a whole and (B) do not interfere with either the present and continued use of such properties, taken as a whole, or the conduct of the Business in the ordinary course.

(b) All of the properties and assets owned, leased or used by the Company and the Transferred Subsidiaries, taken as a whole, are in good operating condition and repair, ordinary wear and tear excepted, and are suitable for the purposes used and are adequate and sufficient for all current operations of the Company and the Transferred Subsidiaries. There are no pending or, to the knowledge of Seller or the Company, threatened condemnation, eminent domain or annexation proceedings against any of such

properties and none of them or the improvements thereon violates any applicable easement, deed restriction or other covenant, restriction or agreement.

5.13 Schedules. Schedule 5.13 contains, as of the date hereof, an accurate and complete list of:

(a) All real property (including fixtures and improvements thereon) (i) owned by the Company or any Transferred Subsidiary or which is used by the Company or any Transferred Subsidiary in connection with the operation of its business, having a book value at April 3, 1994, or (ii) leased under leases providing for any annual rental, in excess of \$25,000.

(b) As of a date no earlier than March 31, 1994, all of the Company's and the Transferred Subsidiaries' receivables having a book value at April 3, 1994 in excess of \$25,000 (which shall include accounts receivable, loans receivable and any advances to customers but shall not include any amounts owing to or from Seller or any Transferred Subsidiary), together with information as to each such listed receivable that has been outstanding for more than 60 days.

(c) All machinery, tools, equipment, motor vehicles, rolling stock and other tangible personal property (other than inventory and supplies), owned, leased or used by the Company or any Transferred Subsidiary, except for items having a book value at April 3, 1994, or original price or leased under leases providing for an annual rental of less than \$10,000.

(d) All patents, patent applications, patent licenses, trademarks, trademark registrations, and applications therefor, service marks, service names, trade names, brand names, copyright registrations, and applications therefor, wholly or partially owned or held by the Company or any

Transferred Subsidiary or used in the operation of the Business and material thereto.

(e) All material fire, theft, property, casualty, liability, workers' compensation, directors and officers liability, surety bonds, key man life insurance and other insurance policies and binders insuring the Company or any Transferred Subsidiary that are currently in effect (the "Insurance"), specifying with respect to each such policy the name of the insurer, the risk insured against, the limits of coverage, the deductible amount (if any), the premium rate and the date through which coverage will continue by virtue of premiums already paid.

(f) All manufacturers sales representatives agreements, distributor agreements (including franchises) or agreements providing for the services of an independent contractor providing for aggregate payments in excess of \$20,000 to which the Company or any Transferred Subsidiary is a party.

(g) Each contract with the United States or any foreign government or any agency or department of any thereof to which the Company or any Transferred Subsidiary is a party.

(h) All loan agreements, indentures, mortgages, pledges, conditional sale or title retention agreements, security agreements, equipment obligations, guaranties, leases or lease purchase agreements to which the Company or any Transferred Subsidiary is a party or by which it or any of its property is bound having (in the case of any indebtedness) a principal amount or providing for (in the case of other agreements) payments in excess of \$100,000.

(i) All contracts, agreements and binding commitments, whether or not fully performed, pursuant to which the Company has acquired, in the last three years from the date hereof, capital stock or any other securities of any corporation or any interest

in any business enterprise (other than any such acquisition or interest in any Transferred Subsidiary), or otherwise made any loan or advance to or investment in any person, firm or corporation (other than a Transferred Subsidiary or to officers or employees in the ordinary course of business, consistent with prior practice).

(j) All other contracts or agreements, to which the Company or any Transferred Subsidiary is a party or by which it or any of its property is bound involving payments or receipts by the Company or any Transferred Subsidiary, as the case may be, of more than \$250,000 in any single case and which are not terminable by the Company or any Transferred Subsidiary on 30 days' or less notice without any penalty or consideration.

(k) The names of all directors and officers of the Company and each Transferred Subsidiary; the name of each bank in which the Company or any Transferred Subsidiary has an account or safe deposit box and the names of all persons authorized to draw thereon or have access thereto; and the names of all persons, if any, holding tax or other powers of attorney from the Company or any Transferred Subsidiary.

All of the contracts, agreements, leases, licenses and commitments required to be listed on Schedule 5.13 (other than those which have been fully performed) as of the date hereof (i) are valid, binding and enforceable against (A) the Company or a Transferred Subsidiary, as the case may be, and (B) to Seller's knowledge, the other party or parties thereto, as the case may be, in accordance with their respective terms and (ii) are in full force and effect. Except as specified in Schedule 5.13, no contract, agreement, lease, license or binding commitment to which the Company or any Transferred Subsidiary is a party

requires any consent or waiver to remain in full force and effect as a result of the Closing. Except as disclosed in Schedule 5.13, there is not thereunder any existing default by the Company or any Transferred Subsidiary, or event which, after notice or lapse of time, or both, would constitute a default by the Company or any Transferred Subsidiary or result in a right to accelerate or loss of rights by the Company or any Transferred Subsidiary. None of the existing or completed contracts of the Company or any Transferred Subsidiary is subject to renegotiation with any governmental body. In addition, except as disclosed on Schedule 5.13, no contract, agreement, lease, license or commitment to which the Company or any Transferred Subsidiary is a party contains any provision that would alter or amend any of the terms thereof following the Closing as a result of the transfer of the Stock or the U.K. Shares pursuant hereto. True and complete copies of all such contracts, agreements, leases, licenses and other documents listed on Schedule 5.13 (together with any and all amendments thereto) have been made available to Purchaser.

5.14 Insurance. (a) Each Insurance policy is in full force and effect as of the date of this Agreement and will be in full force and effect until the Closing Date (with respect to any Benefit Plan as defined in Section 5.18, on the Closing Date) and is with financially sound and reputable

insurers in accordance with normal industry practice including self insurance.

(b) The Insurance provides adequate coverage for all normal risks incident to the assets, properties and business operations of the Company and the Transferred Subsidiaries.

(c) Except as set forth on Schedule 5.14 hereto, Seller does not maintain any Insurance covering itself, its direct and indirect subsidiaries or any affiliate that also provides coverage for the Company and the Transferred Subsidiaries.

(d) Seller has provided or made available to Purchaser all workers' compensation ratings and unemployment insurance ratings and contributions of the Company and each of the Transferred Subsidiaries with respect to the employees of the Company or Transferred Subsidiaries, as the case may be. Except as disclosed on Schedule 5.14, neither Seller nor the Company has any knowledge of any proposed increase therein or knows of any conditions or circumstances (other than those applicable to employees in such jurisdiction generally) applicable to the Business which might result in such increase.

5.15 Patents, etc. Each of the Company and the Transferred Subsidiaries owns or possesses the royalty free licenses or other rights to use all copyrights, trademarks, service marks, service names, trade names, patents, inventions,

trade secrets and other proprietary rights necessary to conduct its business as it is presently operated. Neither the Company nor any of the Transferred Subsidiaries is infringing upon or otherwise acting adversely to any valid copyrights, trademarks, trademark rights, service marks, service names, trade names, patents, patent rights, inventions, licenses, trade secrets or other legitimate proprietary rights owned by any other person or persons, and there is no claim or action by any such person pending, or to the knowledge of the Seller or the Company threatened, with respect thereto. Except as disclosed on Schedule 5.15, neither Seller nor any of its direct or indirect subsidiaries (other than the Company and the Transferred Subsidiaries) owns, or possesses licenses or other rights to use, any valid copyrights, trademarks, service marks, service names, trade names, patents, inventions, trade secrets and other legitimate proprietary rights necessary for the conduct of the Business.

5.16 No Guaranties. Except as disclosed on Schedule 5.16, and other than (a) Seller's guarantee of the obligations and liabilities of the Company and the Transferred Subsidiaries provided to Dun & Bradstreet, a copy of which guarantee is attached hereto on Schedule 5.16 (the "D&B Letter"), (b) the Company's guarantee of the obligations or liabilities of the Transferred Subsidiaries and vice versa, (c) guarantees by the Transferred Subsidiaries of obligations of other Transferred

Subsidiaries, and (d) endorsements for deposit or collection made in the ordinary course, none of the obligations or liabilities of the Company or any Transferred Subsidiary is guaranteed by any other person, firm or corporation, nor has the Company or any Transferred Subsidiary guaranteed or otherwise become contingently liable for the obligations or liabilities of any other person, firm or corporation.

5.17 Product Returns; Warranties. There are no liabilities for product returns, warranty obligations or product services other than those arising in the ordinary course of business, consistent with Seller's and the Company's historical practice relating to the Business. Except as disclosed on Schedule 5.17, Seller has no knowledge of any threatened claim for any (i) product returns, (ii) warranty obligations, or (iii) product services, relating to the Business. True and correct copies of the standard warranty provided by Seller, the Company and the Transferred Subsidiaries on sales orders and other related documents which are delivered in connection with the Business have been made available to Purchaser. Except as set forth on Schedule 5.17, the Company's usual and customary practice is to include only such standard warranty.

5.18 Employee Benefit Plans. (a) Schedule 5.18(a) sets forth a full and complete list of all compensation and benefit plans, programs and other arrangements, whether or not

in writing, maintained by or to which the Company or any Transferred Subsidiary contributes on behalf of any employee of the Company or any Transferred Subsidiary (an "Employee") or any former employee of the Company or any Transferred Subsidiary (a "Former Employee") (or any dependent or beneficiary thereof) or with respect to which the Company or any Transferred Subsidiary may have any liability or obligation to an Employee or Former Employee (or any dependent or beneficiary thereof), direct, indirect, contingent or otherwise, including without limitation, employment, consulting, independent contractor or deferred compensation agreements, executive compensation, deferred compensation, stock ownership, stock purchase, performance share, bonus and other incentive plans, pension, profit sharing, savings, thrift or retirement plans, employee stock ownership plans, life, health, dental and disability plans, vacation, severance pay, sick leave, tuition reimbursement and other benefit plans, and any other employee benefit plan within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") (collectively, the "Benefit Plans"). True and complete copies of all the Benefit Plans (including summaries of any unwritten Benefit Plans) and any related trust agreements, insurance and other contracts and other funding arrangements, summary plan descriptions and summaries of material modifications relating to each Benefit Plan, the three most recent annual reports which have been filed with the

Internal Revenue Service and Department of Labor with respect to each Benefit Plan required to file such reports, all collective bargaining agreements pursuant to which a Benefit Plan is maintained or contributions to a Benefit Plan are made, and favorable determination letters issued since 1984 for each Benefit Plan and related trust that is intended to satisfy the qualification requirements of sections 401(a) and 501(a) of the Code have been provided to Purchaser.

(b) Seller, the Company and the Transferred Subsidiaries have complied with all applicable laws and regulations relating to the Benefit Plans, including but not limited to ERISA and the Code, and with the terms of the Benefit Plans. The Company and each of the Transferred Subsidiaries have filed within the time prescribed by law or regulations all returns and reports required pursuant to ERISA and the Code in connection with Benefit Plans and all such returns and report are complete and accurate. Neither Seller, the Company or any of the Transferred Subsidiaries, has made any commitments with respect to the Benefit Plans other than in accordance with a reasonable interpretation of the terms of the Benefit Plans; there are no actions, suits or claims pending or threatened against any Benefit Plan or the assets of any Benefit Plan (other than routine claims for benefits) or against any fiduciary of any Benefit Plan with respect to such Benefit Plan; all payments due under or pursuant to the Benefit

Plans have been paid or are properly accrued and reflected on the books and financial statements of Seller, the Company and the Transferred Subsidiaries.

(c) Neither Seller, the Company nor the Transferred Subsidiaries have entered into any contractual obligations (as such term is used in the Company's Benefit Plans) limiting the Company's or a Transferred Subsidiary's right to amend or terminate any Benefit Plan. The Balance Sheet reflects all employer contributions required to be made to all Benefit Plans to date to the extent required to be so reflected under GAAP. Except for the Thomas & Betts Employees Pension Plan ("Seller's Defined Benefit Plan"), Thomas & Betts Corporation Supplemental Executive Investment Plan ("Seller's Deferred Compensation Plan") the Thomas & Betts Corporation Executive Retirement Plan, the Thomas & Betts Corporation 1993 Management Stock Ownership Plan, the Thomas & Betts Corporation 1990 Stock Option Plan and the Thomas & Betts Corporation 1985 Stock Option Plan (collectively, "Seller's Equity Plans"), the Thomas & Betts Corporation Executive Life Insurance Plan and the Thomas & Betts Corporation Travel Accident Plan, all Employees are covered under benefit plans sponsored solely by the Company or a Transferred Subsidiary. Prior to the Closing Date, Seller will provide written notice to each Employee covered under an employee benefit plan sponsored by Seller that his active participation in such plan shall cease as of the Closing Date.

As of the Closing Date, with the exception of the plans listed in the second preceding sentence, no Employee will be covered under any employee benefit plan sponsored by Seller. Neither Seller nor any Affiliate of Seller (other than the Company, the Transferred Subsidiaries or Mr. Robert Paquette), participates in a Benefit Plan sponsored by the Company or a Transferred Subsidiary. On and after the Closing Date, neither the Company, Transferred Subsidiaries nor Buyer will be under any obligation to contribute to any employee benefit plan maintained by Seller. Except for the Vitramon Incorporated Retirement Trust ("Company's Defined Benefit Plan"), no Benefit Plan sponsored by the Company or a Transferred Subsidiary participates in a trust sponsored by any entity except the Company or a Transferred Subsidiary.

(d) On or prior to the Closing Date, Seller covenants and agrees to cause a trust to be established (the "Vitramon Trust") to which the assets of the Company's Defined Benefit Plan, currently held in the master trust established by agreement between Seller and The Northern Trust Company ("Northern") dated June 1, 1982 (the "Master Trust"), shall be transferred. Seller and Purchaser agree that they shall take such actions as are appropriate in order for the transfer described in the preceding sentence to be accomplished as follows (subject to any modification to which the Seller and Purchaser may mutually agree in writing):

(i) on the "Transfer Date", which shall be on or before the Closing Date, cash equal to the value (as determined by Northern as of June 30, 1994) of the interest of the Company's Defined Benefit Plan in the Master Trust (the "June Value") shall be transferred from the Master Trust to the Vitramon Trust, and

(ii) as soon as practicable following July 31, 1994, the amount by which the Final Transfer Amount (as defined below) exceeds the June Value shall be transferred from the Master Trust to the Vitramon Trust or, if there is no such amount, the amount (if any) by which the June Value exceeds the Final Transfer Amount shall be transferred from the Vitramon Trust to the Master Trust.

The Final Transfer Amount shall be:

- (A) the June Value, appropriately adjusted for plan distributions and administrative expenses, increased (or decreased) by
- (B) the investment gain (or loss) experienced by the Master Trust (as determined by Northern) for the month of July 1994 multiplied by the product of (x) a fraction the numerator of which is the number of days in July 1994 that preceded the Transfer Date and the denominator of which is 31 and (y) a fraction the numerator of which is the June Value and the denominator of which is the value of the

assets of the Master Trust as of June 30, 1994 (as determined by Northern).

(e) Each Benefit Plan which is not a plan qualified under section 401(a) of the Code, but which is intended to meet the requirements for tax-favored treatment under section 79, 104, 105 or 106 of the Code, complies in all respects with the requirements of such section.

(f) Each Benefit Plan which is intended to be "qualified" within the meaning of section 401(a) of the Code (and the exempt trust thereunder) has been determined by the Internal Revenue Service to satisfy the qualification requirements of sections 401(a) and 501(a) of the Code and each such Benefit Plan (and related trust) complies with such qualification requirements without being aggregated with any other employee benefit plan.

(g) No "reportable event" within the meaning of section 4043(b) of ERISA has occurred with respect to the Company's Defined Benefit Plan. The Pension Benefit Guaranty Corporation ("PBGC") has not instituted proceedings to terminate the Company's Defined Benefit Plan. The Company's Defined Benefit Plan has no accumulated or waived funding deficiency within the meaning of section 412 of the Code nor has any extension of any amortization period within the meaning of section 412 of the Code or 302 of ERISA been applied for

with respect thereto. All applicable premiums required to be paid to the PBGC prior to the Closing Date with respect to the Company's Defined Benefit Plan have been paid. No facts exist with respect to the Company's Defined Benefit Plan which would give rise to a termination proceeding which would result in liability under section 4068 of ERISA or a lien on the assets of the Company or a Transferred Subsidiary under section 4068 of ERISA on or prior to the Closing Date.

(h) With respect to each Benefit Plan, no party in interest or disqualified person (as defined in section 3(14) of ERISA and section 4975 of the Code, respectively) has at any time engaged in a transaction which could subject Seller, the Company or any Transferred Subsidiary, directly or indirectly, to a Tax, penalty or liability for prohibited transactions imposed by section 406 of ERISA or section 4975 of the Code. No fiduciary (as defined in section 3(21) of ERISA) with respect to any Benefit Plan has breached any of the responsibilities or obligations imposed upon fiduciaries under Title I of ERISA.

(i) During the seven-year period preceding the date of this Agreement, neither Seller, the Company nor any Transferred Subsidiary has ever contributed to, or withdrawn in a complete or partial withdrawal from, any multiemployer plan (within the meaning of Subtitle E of Title IV of ERISA) or incurred contingent liability under section 4204 of ERISA.

(j) Except for the Vitramon, Incorporated Retiree Medical Benefits Plan ("Retiree Medical Plan"), no Benefit Plan sponsored by the Company or any Transferred Subsidiary, other than the Company's Defined Benefit Plan, the Vitramon, Incorporated Thrift Plan, and the Supplemental Retirement Plan of Vitramon North America, provides for the payment of retiree or post-termination benefits other than as required under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, or any similar state law. The Retiree Medical Plan was amended effective January 1, 1993 and under the terms of the Plan, all Former Employees who were eligible to enroll in the Plan have done so and no other individual is or will be eligible to enroll in the Retiree Medical Plan.

(k) Except as disclosed on Schedule 5.18(k), since April 3, 1994 neither Seller, the Company nor any Transferred Subsidiary has adopted any increase in benefits under a Benefit Plan or agreed to the creation of any new benefits or any increase in benefits under any Benefit Plan or change in employee coverage which would increase the expense of maintaining any such Benefit Plan or proposed any such actions under circumstances in which it would reasonably be expected that such proposal would be implemented.

(l) Except as disclosed on Schedule 5.18(l), the consummation of the transactions contemplated by this Agreement

will not result in an increase in the amount of compensation or benefits or accelerate the vesting or timing of payment of any benefits or compensation payable in respect of any employee.

(m) No employee or former employee of Seller, the Company or any Transferred Subsidiary will be entitled to any severance benefits under the terms of any Benefit Plan solely by reason of the consummation of the transactions contemplated by this Agreement.

(n) Each of Seller, the Company and the Transferred Subsidiaries has complied with the notice and continuation requirements of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and the regulations thereunder, applicable to it with respect to any Benefit Plan.

(o) During the seven-year period preceding the date of this Agreement, no actual or contingent liability under Title IV of ERISA, section 302 of ERISA or section 412 of the Code to any person, including the PBGC (other than for premiums), has been, and no such liability is reasonably expected to be, incurred by Seller, the Company or any Transferred Subsidiary with respect to any Benefit Plan, or any other employee benefit plan (as defined in section 3(3) of ERISA) currently or previously maintained or contributed to by Seller, the Company, any Transferred Subsidiary or any "ERISA Affiliate" (as hereinafter defined), as a result of, or arising

from, any events that have occurred prior to the date of this Agreement or that will have occurred prior to or on the Closing Date or by reason of the consummation of the transactions contemplated by this Agreement. "ERISA Affiliate" means any trade or business, whether or not incorporated, which together with Seller, the Company or a Transferred Subsidiary, is treated as a "single employer" within the meaning of section 414(b), (c), (m) or (o) of the Code or section 4001 of ERISA.

(p) No event has occurred prior to the date of this Agreement and no condition presently exists with respect to the Benefit Plans that would subject Purchaser, the Company or a Transferred Subsidiary to any liability for any tax under section 4971, 4972, 4975, 4976, 4977, 4978, 4979, 4979A, 4980, 4980B or 5000 of the Code, or to a fine under section 502(c) of ERISA.

(q) Except as set forth on Schedule 5.18(q), no leased employee (within the meaning of section 414(n) or (o) of the Code) performs any services for Seller, the Company or any Transferred Subsidiary with respect to the Business.

(r) Seller has delivered or made available to Purchaser a claims run from one or more insurance brokers with respect to workers compensation claims filed by employees of the Company and the Transferred Subsidiaries during the period from January 1, 1989 through April 30, 1994.

(s) No circumstances exist that could result in Purchaser, the Company or a Transferred Subsidiary having any liability, including but not limited to any successor liability, with respect to any Benefit Plan that is or was maintained by Seller or any "ERISA Affiliate" of Seller other than the Company or a Transferred Subsidiary.

5.19 Labor Matters. (a) Each of the Company and the Transferred Subsidiaries is in compliance with all applicable laws respecting employment and employment practices, terms and conditions of employment, and wages and hours, and is not engaged in any unfair labor practice.

(b) Except as disclosed on Schedule 5.19(b), there are no complaints or charges against the Company or any Transferred Subsidiary pending or, to the knowledge of Seller, threatened before the National Labor Relations Board or any state, local or foreign labor agency involving or affecting the Company or the Transferred Subsidiaries.

(c) There are no strikes, slowdowns, work stoppages, or other labor troubles pending or, to the knowledge of Seller, threatened with respect to the Employees and none of the above has occurred or, to the knowledge of Seller, has been threatened since April 3, 1994.

(d) There is no representation claim or petition pending before the National Labor Relations Board and to the

knowledge of Seller no attempt to organize for collective bargaining purposes is being made or is threatened respecting the Employees.

(e) No collective bargaining agreement is currently in effect or being negotiated by Seller, the Company or the Transferred Subsidiaries with respect to the Employees; neither Seller, the Company nor any of the Transferred Subsidiaries has any obligation to negotiate any collective bargaining agreement with respect to the Employees, and none of the Seller, the Company and the Transferred Subsidiaries has encountered any labor union organizing activity with respect to the Company and each of the Transferred Subsidiaries.

(f) No charges with respect to or relating to the Company or any of the Transferred Subsidiaries are pending before the Equal Employment Opportunity Commission, or any state, local or foreign agency responsible for the prevention of unlawful employment practices.

(g) None of Seller, the Company or the Transferred Subsidiaries has received notice of the intent of any federal, state, local or foreign agency responsible for the enforcement of labor or employment laws to conduct an investigation of or relating to the Company or any of the Transferred Subsidiaries and, to the knowledge of Seller, no such investigation is in progress.

(h) Schedule 5.19 sets forth for each Employee whose total compensation for the year ended January 2, 1994 exceeded \$75,000 the (A) employment date, (B) title or position, (C) yearly salary rates and bonus, incentive payments for the year ended January 2, 1994 and (D) accrued vacation and sick days not taken.

5.20 Environmental Matters. (a) Except as set forth on Schedule 5.20:

(i) The Company and the Transferred Subsidiaries have obtained or applied for all Environmental Permits, as defined below, as are presently required for the lawful operation of the Business.

(ii) The Company and the Transferred Subsidiaries are (A) in compliance with all terms and conditions of the Environmental Permits, and are in compliance with and are not in default under any Environmental Laws, as defined below, (B) not subject to any court order or order of any federal, state or local government body or agency with respect to any Environmental Laws, and (C) have not received written notice of a violation by or claim against the Company under any Environmental Laws.

(iii) There have been no Releases by the Company or any of the Transferred Subsidiaries in the conduct of the Business of any Hazardous Substances (A) into, on or under any of the properties owned or operated (or formerly owned or operated) by the Company, including those of the Transferred Subsidiaries or (B) into, on or under any other properties, including, without limitation, landfills in which Hazardous Substances have been Released.

(iv) No properties have been used at any time by the Company as a landfill or storage, treatment or disposal site for any Hazardous Waste as defined under RCRA.

(v) There is no known damaged or friable asbestos or asbestos-containing material contained in any of the buildings or structures covered by this Agreement. There are no claims, suits or proceedings by any employee pending or, to the knowledge of Seller, threatened against either Company or any Transferred Subsidiary and relating to the Company's Assets or the Business that are premised on the exposure to asbestos or asbestos-containing material.

(b) For purposes of this Agreement, the capitalized terms used in this Agreement shall have the meanings set forth

below. When used herein, the singular includes the plural as the context requires:

(i) "Environment" means all air, surface water, groundwater, drinking water or land, including land surface or subsurface.

(ii) "Environmental Laws" means all foreign, federal, state or local environmental, land use, health, chemical use, safety and sanitation laws, statutes, ordinances, rules, regulations (including, without limitation, with respect to the Business, specific licenses, permits, authorizations, directives, approvals, consents, court orders, injunctions or decrees, orders or agreements with governmental agencies) and codes, as in effect on the date hereof, relating to health, safety or the protection of the Environment and/or governing the discharge of pollutants or the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances, including but not limited to the Resource Conservation and Recovery Act of 1976 as amended ("RCRA"), the Clean Air Act as amended, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended, the Toxic Substances Control Act as amended, the Occupational

Safety and Health Act of 1970 and state and foreign statutes similar to or based upon the foregoing.

(iii) "Environmental Permits" means all approvals, authorizations, consents, permits, licenses, registrations and certificates required by any applicable Environmental Laws relating to:

(A) pollution or protection of the Environment including those relating to the emission, Release or discharge of any Hazardous Substances into the Environment, (B) the use, treatment, storage, disposal, generation, transport or handling of Hazardous Substances, or (C) the ownership, use, operation, cleanup or remediation of the Fee Properties or Leased Properties.

(iv) "Hazardous Substance" means, without limitation, any flammable explosives, radon, radioactive materials, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum and petroleum products (including but not limited to waste petroleum and petroleum products), methane, hazardous materials, hazardous wastes, pollutants, contaminants and hazardous or toxic substances, as defined in or regulated under any applicable Environmental Laws.

(v) "Release" means any past or present spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing of a Hazardous Substance into the Environment.

(vi) "Site Conditions" means, with respect to any real property, conditions of the Environment of such property which (A) are in existence as of the Closing Date or (B) become manifest after the Closing Date, and have been caused by Releases of Hazardous Substances to the Environment existing or occurring at or prior to the Closing Date.

5.21 No Brokers; Absence of Certain Business Practices. Except for Merrill Lynch & Co., whose fees, commissions and expenses are the sole responsibility of Seller, neither Seller, the Company, any Transferred Subsidiary nor any of their respective officers, directors or Representatives (as defined in Section 7(c)) has employed any investment banker, business consultant, broker or finder or incurred any liability for any investment banking, business consultant, brokerage or finders' fee or commission in connection with the execution or delivery of this Agreement or the consummation of the transactions contemplated hereby. None of the Company, any Transferred Subsidiary, or any officer, employee or agent of the Company or any Transferred Subsidiary, nor, to the

knowledge of Seller, any other person acting on its or their behalf, has, directly or indirectly, within the past five years given or agreed to give any gift or similar benefit to any representative of a customer or supplier or a governmental employee for the purpose of obtaining or retaining the Business which (i) is unlawful, (ii) if not given in the past, would likely have had a Material Adverse Effect or (iii) if not continued in the future, would be reasonably likely to result in a Material Adverse Effect or would be reasonably likely to subject the Company to suit or penalty in any private or governmental litigation or proceeding.

5.22 Vitramon Brazil. Set forth on Schedule 5.22 is an estimate of the out-of-pocket costs (including write offs of assets at book value) net of reserves accrued therefor as of May 29, 1994, necessary to terminate and discontinue the operations of Vitramon do Brasil Ltda., a Brazilian limited liability company and one of the Transferred Subsidiaries. Seller estimates that such costs will not exceed \$1.6 million in the aggregate. Such estimate has been prepared in good faith.

5.23 Disclosure. No representation or warranty by Seller contained in this Agreement or in any Instrument contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact required

to make the statements herein or therein contained not misleading.

6. Representations and Warranties by Purchaser.

Purchaser represents and warrants to Seller as follows:

6.1 Organization. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of Delaware and has all requisite corporate power and authority to enter into this Agreement and to carry out the transactions contemplated hereby.

6.2 Execution, Delivery and Performance of Agreement. Neither the execution, delivery nor performance of this Agreement by Purchaser will, with or without the giving of notice or the passage of time, or both, conflict with, result in a default, right to accelerate or loss of rights under, or result in the creation of any lien, charge or encumbrance pursuant to, any provision of Purchaser's certificate of incorporation or by-laws or any franchise, mortgage, deed of trust, lease, license, agreement, law, ordinance, rule or regulation or any order, judgment or decree to which Purchaser is a party or by which it is bound. Purchaser has full corporate power and authority to enter into this Agreement and to carry out the transactions contemplated hereby, all proceedings required to be taken by Purchaser to authorize the execution, delivery and performance of this Agreement have been properly taken and this

Agreement constitutes a valid and binding obligation of Purchaser enforceable against Purchaser in accordance with its terms.

6.3 Litigation. There is no suit in progress, pending or in effect, or to the knowledge of Purchaser threatened, against or relating to Purchaser in connection with or relating to the transactions contemplated by this Agreement.

6.4 Governmental Approvals and Filings. Except for filings pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, filings with the French government and filings under the Connecticut Property Transfer Law, Connecticut General Statutes sections 22a-134a to 22a-134e, including "Form III," no consent, approval or action of, filing with or notice to any governmental or regulatory authority on the part of Purchaser is required in connection with the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby.

6.5 Purchase for Investment. The Stock and the U.K. Shares will be acquired by Purchaser for its own account for the purpose of investment, it being understood that the right to dispose of such Stock shall be entirely within the discretion of Purchaser. Purchaser will refrain from transferring or otherwise disposing of any of the Stock, the U.K. Shares, or any interest in the Stock or the U.K. Shares,

in such manner as to cause Seller to be in violation of the registration requirements of the Securities Act of 1933, as amended, or applicable state securities or blue sky laws.

6.6 No Brokers. Neither the Purchaser nor any of its officers, directors or Representatives has employed any investment banker, business consultant, broker or finder or incurred any liability for any investment banking, business consultant, brokerage or finders' fee or commission in connection with the execution or delivery of this Agreement or the consummation of the transactions contemplated hereby.

6.7 Financing. Purchaser knows of no reason why it should not be able to obtain sufficient financing to pay the Purchase Price and to make all other necessary payments of fees and expenses in connection with the transactions contemplated by this Agreement.

6.8 Breach. As of the date hereof, Purchaser has no actual knowledge of any material (i) misrepresentation, (ii) breach of warranty or (iii) nonfulfillment or failure to be performed of any covenant or agreement by Seller in connection with the consummation of the transactions contemplated hereby.

7. Conduct of Business Prior to Closing. (a) Prior to the Closing, Seller shall cause the Company and each of the Transferred Subsidiaries to conduct their business and affairs only in the ordinary course and consistent with prior

practice and Seller shall cause the Company and each of the Transferred Subsidiaries to use commercially reasonable efforts to maintain, keep and preserve their assets and properties taken as a whole in good condition and repair, ordinary wear and tear excepted, and maintain insurance thereon in accordance with present practices, and Seller will use, and shall cause the Company to use, its commercially reasonable efforts to (i) preserve the business and organization of the Company and the Transferred Subsidiaries intact, (ii) keep available to Purchaser, subject to removals and retirements in the ordinary course, the services of the present employees, agents and independent contractors of the Company and the Transferred Subsidiaries, (iii) preserve for the benefit of Purchaser the goodwill of suppliers, customers, landlords and others having significant business relations with the Company and the Transferred Subsidiaries and (iv) cooperate with Purchaser and use reasonable efforts to assist Purchaser in obtaining the consent of any landlord or other party to any lease or contract with the Company or any of the Transferred Subsidiaries where the consent of such landlord or other party may be required by reason of the transactions contemplated hereby, all to the extent the Company believes to be in the best interests of the Company and the Transferred Subsidiaries. Without limiting the generality of the foregoing, prior to the Closing and subsequent to the date hereof, the Seller shall not allow the

Company nor any of the Transferred Subsidiaries to, without Purchaser's prior written approval:

(i) change its certificate of incorporation or by-laws or merge or consolidate or obligate itself to do so with or into any other entity;

(ii) enter into any contract, agreement, commitment or other understanding or arrangement of the type required to be listed under subsections (f), (g), (h), (i) or (j) of Schedule 5.13 hereof;

(iii) adopt any new plan or arrangement for the benefit of any employee of the Company or any Transferred Subsidiary or materially amend any Benefit Plan or any benefit plan or arrangement maintained by the Company or any Transferred Subsidiary other than amendments (A) required to be made under applicable laws or regulations or (B) as contemplated under the terms of this Agreement;

(iv) other than actions taken by the Company pursuant to Section 8.1.4(b), perform, take any action or intentionally incur or permit to exist any of the acts, transactions, events or occurrences of the type (A) described in subsections (a), (b), (c) (other than a dividend by the Company to Seller of the TBHUK shares owned by the Company), (d), (e), (g), (i), (j), (k), (l), (m), (o), (p) or (s) of Section 5.9 hereof which would have been inconsistent with the representations and warranties set forth therein had the same occurred after April 3, 1994, and prior to the date hereof, or (B) described in Section 5.3 hereof which would be required to be set forth on Schedule 5.3 if it had taken place during the past three years;

(v) grant any increase in the compensation, commissions or bonus opportunities payable to or to become payable to any Employee, excluding any increases in the

ordinary course of business consistent with prior practice;

(vi) enter into any new compensation arrangement with any director, officer or Employee or pay or agree to pay any pension, retirement allowance or other employee benefit to any director, officer or Employee (whether past or present) or declare, approve or make any deposit into or contribution or payment to any Benefit Plan, other than any such actions taken in the normal course of business or which are necessary in order to comply with applicable law; or

(vii) increase the regularly scheduled hours per week for any Employee if such increase would result in such Employee becoming eligible to participate in any Benefit Plan, other than any such increase in the ordinary course of business consistent with prior practice.

(b) In the event that during the period between the date hereof and the Closing Date, all or any significant portion of the properties of the Company or any Transferred Subsidiary is damaged by fire or other casualty, Seller shall promptly give notice thereof to Purchaser.

(c) Neither Seller, the Company, their respective Affiliates nor any of the officers, directors, employees, representatives or agents of, or professional advisors (collectively, the "Representatives") to, Seller, the Company or their respective Affiliates, shall, directly or indirectly, solicit, initiate, participate in discussions with, provide any information or assistance to (including, but not limited to, affording access to the properties, books and records of the

Company or any of its subsidiaries or otherwise relating to the Company's Assets or the Business) or enter into any agreement or series of agreements with any person or persons (other than Purchaser) concerning any transaction that would result, directly or indirectly, in the transfer to any such person or persons of control of the Business or any substantial part thereof other than pursuant to this Agreement.

8. Covenants.

8.1 Covenants of Seller. Seller hereby covenants and agrees as follows:

8.1.1 Access to Information, Documents and Premises.
Prior to the Closing and upon reasonable notice:

(a) Seller shall, and shall cause the Company and each of the Transferred Subsidiaries to, give Purchaser and Purchaser's Representatives full access, upon reasonable prior notice and during normal business hours, to the officers and other personnel of the Company and the Transferred Subsidiaries and all properties, documents, contracts, books, records and Returns of the Company and the Transferred Subsidiaries (including, without limitation, books and records relating to backlog, payroll and personnel matters), but only to the extent that such access does not unreasonably interfere with the business and operations of the Company or any Transferred

Subsidiary, and will furnish or cause to be furnished to Purchaser copies of such documents (certified by Seller's officers if so requested) and such information with respect to the Business, the Company's Assets and the affairs of the Company and the Transferred Subsidiaries as Purchaser may from time to time reasonably request, except to the extent that furnishing any such information or data would violate any law, regulation, order, contract or license applicable to Seller, the Company or any Transferred Subsidiary or by which any of their respective assets and properties is bound.

(b) Seller shall, and shall cause the Company and each of the Transferred Subsidiaries to, allow Purchaser and Purchaser's Representatives to enter upon the real properties of the Company and the Transferred Subsidiaries upon reasonable prior notice and during normal business hours, to conduct inspections of the real properties of the Company and the Transferred Subsidiaries or to conduct other studies, including, without limitation, monitoring existing test wells and examining all documents, and such other non-destructive tests as Purchaser may deem necessary to determine the environmental condition of the real properties of the Company and the Transferred Subsidiaries, but only to the extent that such access does not unreasonably interfere with the business and

operations of the Company or any Transferred Subsidiary and does not involve sampling without Seller's written consent; such inspection rights shall include Purchaser's right to request information from the appropriate governmental agencies to determine whether the real properties of the Company and the Transferred Subsidiaries are in compliance with all applicable laws, rules, regulations, orders, decrees, judgments, injunctions, notices or demand letters.

(c) Subject to Section 14(c) hereof, neither the furnishing of any information to Purchaser pursuant to this Section 8.1.1 or any other investigation by Purchaser shall affect Purchaser's right to rely on any representation or warranty made in this Agreement or in any certificate furnished or to be furnished by Seller to Purchaser in connection herewith or pursuant hereto.

8.1.2 Directors Authorization. At or prior to the Closing, Seller will deliver to Purchaser a true, correct and complete copy of the resolutions of the Board of Directors of Seller approving the execution and delivery of this Agreement and the consummation of all of the transactions contemplated hereby, duly certified by an officer of Seller.

8.1.3 Certain Additional and Pro Forma Financial Information.

(a) No later than 15 business days following the end of each fiscal month from July 3, 1994 to the Closing, Seller shall deliver to Purchaser unaudited consolidated and consolidating balance sheets of the Company and the Transferred Subsidiaries as of the last day of the month then ended and unaudited consolidated and consolidating statements of earnings and changes in financial position of the Company for the one month then ended (collectively, with the Financial Statements described in Section 5.6(iii) hereof, the "Interim Financial Statements"). The Interim Financial Statements will be prepared from the books and records of the Company and the Transferred Subsidiaries and will fairly present, in all material respects, in accordance with GAAP consistently applied except as set forth therein and except that such financial statements will not be accompanied by footnotes, the consolidated and consolidating financial condition of the Company and the Transferred Subsidiaries as at their respective dates and the consolidated results of their operations for the periods covered thereby subject to year-end adjustments. Such statements of earnings will not contain any items of special or nonrecurring income or loss, except as expressly specified therein to the extent

required by GAAP, and such interim financial statements will include all adjustments necessary for such fair presentation.

8.1.4 Elimination of Certain Liabilities. Prior to Closing, Seller shall extinguish and release or arrange to be released all liabilities as of the Closing Date of the Company and the Transferred Subsidiaries identified on the Base Balance Sheet as "Current Portion Long Term Debt," "Intercompany Payables," "Long Term Debt - T&B" and "Long Term Debt - Comm" (excluding capitalized leases included therein) from sources other than the Company's assets except for \$2,023,884 (plus (a) any additional interest accruals thereon up to the Closing and (b) amounts paid by Seller on the Company's behalf to third parties in the ordinary course of business consistent with prior practice) of "Intercompany Payables" that shall be paid from the Company's assets. If the repayment of such amount causes the Company to go into an overdraft position, such overdraft will be for the account of Purchaser.

8.2 Covenant of Purchaser Regarding Financing.

Purchaser hereby covenants and agrees that it shall use its best efforts to obtain the necessary financing to enable Purchaser to pay the Purchase Price for the Stock and the U.K. Shares.

8.3 Covenants of Seller and Purchaser. Seller and Purchaser hereby covenant and agree as follows (except pursuant to Section 8.3.7, during the period before Closing):

8.3.1 Maintaining Representations and Warranties.

Each party hereto shall use its commercially reasonable efforts to satisfy the conditions to the other party's obligation to consummate the transactions contemplated by this Agreement and shall refrain from taking any action that could reasonably be expected to result in the nonfulfillment of such conditions.

8.3.2 Facilitating the Transaction. Subject to the

terms and conditions herein provided, each of the parties hereto agrees to use its respective commercially reasonable efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement.

8.3.3 Changes in Representations and Warranties.

Each party hereto shall give the other party prompt written notice of any known change in any of the information contained in the representations and warranties made in this Agreement or the Schedules referred to herein which occurs prior to the Closing;

provided, however, that subject to Section 14(c) hereof, neither the supplementing or amending of any Schedules by Seller, nor the discovery of any matters by Purchaser in the course of its investigations, shall be deemed to cure any breach of any representation or warranty made in this Agreement or such Schedules to have been disclosed as of the date of this Agreement or to constitute any waiver by Purchaser of any of its rights hereunder, and Purchaser shall be entitled to rely on such representations or warranties.

8.3.4 Title Insurance. (a) Purchaser has ordered from Chicago Title Insurance Company (the "Title Company") title insurance reports, certificates and/or commitments (the "Title Commitment") for owner's title insurance policies with respect to the real properties of the Company set forth on Schedule 8.3.4 (the "Fee Properties") and for leasehold title insurance policies with respect to any real properties that constitute part of the Company's Assets and are leased (the "Leased Properties") and has furnished copies of such Title Commitment to Seller. Within five (5) days after the date hereof, Purchaser shall give Seller notice of any Encumbrances disclosed by such Title Commitment that are not:

(i) an Encumbrance set forth on Schedule 8.3.4, true and complete copies (or if copies are

unavailable, descriptions) of which have been made available to Purchaser;

(ii) an Encumbrance (including but not limited to easements, quasi-easements, restrictions, rights of way, land use ordinances and zoning plans) that does not materially detract from the value of or materially interfere with the use, operation or enjoyment of the Fee Properties or Leased Properties as a whole in substantially the same manner as same were used, operated or enjoyed by the Company on April 3, 1994;

(iii) an Encumbrance for Taxes and assessments not yet due and payable or being contested in good faith;

(iv) mechanics', materialmen's, workers', repairmen's, warehousemen's, carriers' liens and other similar Encumbrances arising in the ordinary course of business which, in the aggregate, do not exceed \$10,000;

(v) the standard exceptions to title that appear as a part of Chicago Title Insurance Company's printed form of title insurance policy and that are not customarily removed by the Company furnishing an affidavit of title (except that the foregoing shall be limited to matters that would not result in loss or removal of any improvements on the Fee Properties or the Leased Properties);

(vi) Encumbrances reflected on the Balance Sheet; and

(vii) any Encumbrance which, at no additional cost to Purchaser, the Title Company shall have agreed either to (A) affirmatively insure Purchaser by endorsement or otherwise against the adverse effect thereof (including the collection of such Encumbrance or forfeiture or impairment of any rights of Purchaser with respect to the affected Property), or (B) omit such Encumbrance as an exception to the title policy.

The matters described in clauses (i) through (vii) above are referred to hereafter as "Permitted Encumbrances."

Seller shall use commercially reasonable efforts to

eliminate any Encumbrance of which Purchaser has given notice that is not a Permitted Encumbrance (collectively, "Title Defects") on or before the Closing Date. The failure by Purchaser to give such notice shall be deemed a waiver by Purchaser of Purchaser's rights with respect thereto.

8.3.5 Replacement Insurance. Seller will cooperate with Purchaser in obtaining, at Purchaser's expense, replacement insurance policies, effective as of the Closing Date, affording coverage to the Company and the Transferred Subsidiaries comparable to that afforded by the policies listed in Schedule 5.14.

8.3.6 Government Filings. Purchaser and Seller shall promptly prepare and duly file appropriate applications to obtain any consent, approval or authorization of any governmental authority, domestic or foreign, required to be obtained in connection with the taking of any action contemplated by this Agreement. Each of the parties will cooperate with each other, will furnish such information and will take such further action as may be required diligently to prosecute any such required application and shall use its best efforts to obtain any such consent, approval or authorization.

8.3.7 Cooperation and Records Retention.

(a) Seller and Purchaser shall (i) each provide the other with such assistance as may reasonably be requested by the other in connection with the preparation of any Return, audit or other examination by any tax authority or judicial or administrative proceedings relating to liability for Taxes, (ii) each retain and provide the other with any records or other information which may be relevant to such Return, audit or examination, proceeding or determination, and (iii) each provide the other with any final determination of any such audit or examination, proceeding or determination that affects any amount required to be shown on any Return of the other for any period. Purchaser shall, with Seller's assistance as may reasonably be required, make the filing with the State of Connecticut described in Section 6.4.

(b) Purchaser shall retain, and shall cause Company to retain, and Seller shall retain, until the applicable statutes of limitations (including any extensions) have expired, copies of all Returns, supporting work schedules and other records or information that may be relevant for all Tax periods or portions thereof ending before or including the Closing Date.

9. Taxes.

9.1 General. Seller shall, and shall cause the Company to, prepare and timely file all Returns and amendments thereto required to be filed by or for the Company and the Transferred Subsidiaries for periods ending on or before the Closing Date and timely pay all Taxes shown thereon as due and payable. Purchaser will be given a reasonable opportunity to review such Returns, and, at Seller's reasonable request, and subject to Purchaser's review of such returns, Purchaser shall cause the Company to sign such returns prepared by Seller for pre-closing periods not due to be filed until after the Closing Date to the extent the Company's signature is required by the applicable law. Seller shall pay all Taxes of the Group arising from or relating to the transactions contemplated by this Agreement, including any Taxes resulting from the Section 338(h)(10) Election (as hereinafter defined). Any amount of current domestic Taxes reserved for in the Base Balance Sheet (including any additional current domestic Tax reserves accrued between April 3, 1994 and the Closing Date) shall be paid by the Company and the Transferred Subsidiaries to Seller prior to the Closing Date. To appropriately apportion any Taxes relating to a period that includes (but that would not, but for this section, close on) the Closing Date, the parties hereto will treat for all purposes the Closing Date as the last day of a taxable period of the Company and each Transferred

Subsidiary, and such period shall be treated as a "Pre-Closing Short Period" for purposes of this Agreement. All Taxes attributable to the periods prior to and including the Closing Date, including Taxes for a Pre-Closing Short Period, shall be treated as "Pre-Closing Taxes" for purposes of this Agreement and shall be payable by Seller, provided that Seller shall pay any foreign Pre-Closing Taxes only if, and to the extent that, those Taxes exceed current Tax Reserves of the Company and the Transferred Subsidiaries for foreign Taxes. Foreign Taxes attributable to a Pre-Closing Short Period will be determined in accordance with the past Business Practices (defined below) of the Company and the Transferred Subsidiaries and in accordance with the applicable Tax rates in effect on the Closing Date. For purposes of this paragraph, "Business Practices" shall mean the past dividend policies and Tax elections of the Company and the Transferred Subsidiaries. Notwithstanding any other provision of this Agreement, Seller shall have no liability for underaccrual of Taxes payable or an overaccrual of Taxes receivable by any Transferred Subsidiary resulting from a change of the past Business Practices of the Company and the Transferred Subsidiaries following the Closing Date. Seller shall file all Pre-Closing Short Period Tax Returns. Purchaser shall prepare and timely file all returns and reports required to be filed with respect to any transfer and sales taxes arising from or relating to the transaction contemplated by this Agreement. Seller shall have a reasonable

opportunity to review such returns or reports. Seller shall, upon Purchaser's demand, reimburse Purchaser for one-half of the amount of any such taxes.

9.2 Tax Sharing Agreements. All tax-sharing agreements or similar arrangements with respect to or involving the Company or the Transferred Subsidiaries shall be terminated as to them prior to the Closing Date, and, after the Closing Date, the Company or the Transferred Subsidiaries shall not be bound thereby or have any liability thereunder for amounts due in respect of periods prior to the Closing Date.

9.3 Elections. No new elections with respect to Taxes, or any changes in current elections with respect to Taxes, of the Company or the Transferred Subsidiaries which may have an effect on the Company or the Transferred Subsidiaries for periods ending after the Closing Date shall be made after the date of this Agreement without the prior written consent of Purchaser.

9.4 Tax Refunds. Seller shall be entitled to all refunds with respect to Pre-Closing Taxes. If in any period ending after the Closing Date the Company or any of the Transferred Subsidiaries earns any credit or recognizes any loss which cannot be applied against its tax liability for such period, and is permitted by law to carry back such credit or loss to a period ending on or prior to the Closing Date, and if

the Group receives a tax refund (whether actually received or applied in reduction of any Taxes) for the period to which such credit or loss is properly carried back, the benefit of which the Group would not have had but for the carryback from the Company or any Transferred Subsidiary, then Seller shall promptly remit to Purchaser the amount of such tax refund. In the event a tax benefit realized by Seller under this section 9.4 is later reduced upon a final determination by a taxing authority, Purchaser shall promptly remit to Seller the amount of such reduction in tax benefit upon Seller's written request therefor. In connection with this Section 9.4, Seller and Purchaser agree that they will cooperate with each other in causing their respective affiliates and representatives to promptly and timely proceed in connection with (i) the preparation and filing of, and (ii) any administrative or judicial proceedings involving, any return of tax or information filed or required to be filed by or for the Group, the Company, any Transferred Subsidiary or Purchaser.

9.5 Post-Closing Matters.

(a) Purchaser and the Company agree to give Seller prompt written notice of receipt of oral or written notice of any tax examinations, claims, settlements, proposed adjustments or related matters that may affect Pre-Closing Taxes. Seller shall have the right to sole control regarding any audit or examination by any taxing authority, initiating

any claim for refund, filing any amended return, and contesting, resolving and defending against any assessment, notice of deficiency or other adjustment or proposed adjustment relating to any Pre-Closing Taxes, except that with respect to any matter that may affect the Taxes of Purchaser, the Company or any Transferred Subsidiary for any period ending after the Closing Date, Purchaser and the Company shall participate with Seller in control of such matters.

(b) Purchaser and the Company shall file and control any Returns required to be filed by the Company and the Transferred Subsidiaries for periods ending after the Closing Date (including Returns in jurisdictions that do not accept Pre-Closing Short Period Tax Returns to be filed by Seller pursuant to Section 9.1 hereof). Seller agrees that it shall provide, and shall cause its accountants and other Representatives to provide, to Purchaser on a timely basis the information, including but not limited to all work papers and records relating to the Company and the Transferred Subsidiaries, that it or the accountants or other Representatives have within their control and that may be reasonably necessary or related to (i) the preparation of any and all Returns, information returns and reports required to be filed by Purchaser or the Company and (ii) audits or other tax determinations or proceedings by or before governmental agencies, such information to be provided in the form in which

it has in the past been maintained by Seller, its accountants or other representative.

(c) Seller shall timely take any and all actions necessary to effect elections with respect to the Company under Code section 338(h)(10) (and the Treasury Regulations promulgated thereunder) and any comparable provisions of state, local or foreign law (collectively and separately, the "Section 338(h)(10) Election"). Purchaser shall be responsible for, and control, the preparation and filing of such election. The allocation of Purchase Price among the assets of the Company shall be made in accordance with Code section 338 and 1060 and any comparable provisions of state, local or foreign law, as appropriate. The Purchase Price shall be allocated consistently with the allocations in Section 2 of this Stock Purchase Agreement, and Seller and Purchaser shall file in all respects and for all purposes consistently with such allocation. Seller shall execute and deliver to Purchaser such documents or forms as are required by applicable law for an effective Section 338(h)(10) Election.

10. Conditions Precedent to Purchaser's Obligations.

All obligations of Purchaser hereunder are subject, at the option of Purchaser, to the fulfillment of each of the following conditions at or prior to the Closing, and Seller

shall exert commercially reasonable efforts to cause each such condition to be so fulfilled:

(a) The representations and warranties of Seller contained herein and in any Instrument (i) taken as a whole shall be true and correct when made, (ii) shall be deemed to have been made again at and (except those which are made as of a specific earlier date) as of the date of the Closing, and, (iii) taken as a whole, shall then be true and correct, in each case in all respects material to the business, results of operations and financial condition of the Company and the Transferred Subsidiaries taken as a whole.

(b) All covenants, agreements and obligations required by the terms of this Agreement to be performed by Seller at or before the Closing shall have been duly and properly performed in all respects material to the business, results of operations and financial condition of the Company and the Transferred Subsidiaries taken as a whole.

(c) Since the date of this Agreement, except for transactions to take place pursuant hereto at or before the Closing, there shall not have occurred a Material Adverse Effect, other than as a result of general economic or financial conditions or other developments that are not unique to the Company and the Transferred Subsidiaries but also have a

significant negative impact on the passive electronics components industry.

(d) There shall be delivered to Purchaser a certificate executed by the President and Secretary of Seller and the Company, dated the date of the Closing, certifying that the conditions set forth in paragraphs (a), (b) and (c) of this Section 10 have been fulfilled.

(e) All other Instruments required to be delivered to Purchaser at or prior to the Closing shall have been so delivered.

(f) Purchaser shall have received an opinion of Seller's counsel, dated the date of the Closing, substantially in accordance with Exhibit 10(f) annexed hereto.

(g) Seller and the Company shall have obtained the permits, authorizations, consents, waivers and approvals described in Section 5.4(b).

(h) Purchaser shall have available financing in an amount sufficient to consummate the transaction contemplated hereby, or the unavailability of such financing shall result from the failure of one of the conditions of this Section 10 (or the identical condition in a loan agreement entered into by Purchaser to obtain such financing) to be fulfilled at the time of Closing.

(i) Purchaser shall have received written resignations of all the directors and officers of the Company and the Transferred Subsidiaries as shall have been requested by Purchaser, or Seller shall have provided for their removal.

(j) There shall not have occurred prior to the Closing and be continuing on the Closing Date: (i) the declaration of any banking moratorium or suspension of payments in respect of banks in the United States; (ii) any general suspension of trading in, or limitation on prices for, securities on any United States national securities exchange or in the over-the-counter market; (iii) the commencement of a war, armed hostilities or any other national or international crisis directly or indirectly involving the United States; or (iv) any limitation (whether or not mandatory) by any governmental, regulatory or administrative agency or authority on banks or other lending institutions in the United States.

11. Conditions Precedent to Seller's Obligations.

All obligations of Seller hereunder are subject, at the option of Seller, to the fulfillment of each of the following conditions at or prior to the Closing, and Purchaser shall exert commercially reasonable efforts to cause each such condition to be so fulfilled:

(a) All representations and warranties of Purchaser contained herein or in any Instrument taken as a whole shall be

true and correct when made and shall be deemed to have been made again at and as of the date of the Closing, and shall then be true and correct in all material respects.

(b) All covenants, agreements and obligations required by the terms of this Agreement to be performed by Purchaser at or before the Closing shall have been duly and properly performed in all material respects.

(c) There shall be delivered to Seller a certificate executed by the Vice President and Secretary of Purchaser, dated the date of the Closing, certifying that the conditions set forth in paragraphs (a) and (b) of this Section 11 have been fulfilled.

(d) All other documents required to be delivered by Purchaser to Seller at or prior to the Closing shall have been so delivered.

(e) Seller shall have received an opinion of Purchaser's counsel, dated the date of the Closing, substantially in accordance with Exhibit 11(e) annexed hereto.

12. Indemnification. (a) Seller hereby indemnifies and agrees to hold Purchaser harmless from, against and in respect of (and shall reimburse Purchaser for):

(i) any and all loss, liability or damage suffered or incurred by Purchaser, the Company or any Transferred Subsidiary by reason of (A) any untrue representation

by Seller contained herein, (B) breach of any warranty by Seller contained herein, (C) nonfulfillment of any covenant or agreement by Seller contained herein or in any Instrument or (D) those environmental matters described in Sections 12(b) and 12(c); and

(ii) any and all actions, suits, proceedings, claims, demands, assessments, judgments, penalties and fines, and reasonable out-of-pocket costs and expenses, including, without limitation, reasonable legal fees and expenses, incident to any of the foregoing or incurred in investigating or attempting to avoid the same or to oppose the imposition thereof, or in enforcing this indemnity (collectively with the amounts in (i) above, the "Costs").

Except as provided in Sections 12(b), 12(c), 12(m) and 12(n), no amounts of indemnity shall be payable under Sections 12(a)(i) and 12(a)(ii) until and only to the extent that the aggregate dollar amount of all such Costs suffered or incurred by Purchaser, the Company and any Transferred Subsidiary (excluding such Costs indemnified under Sections 12(b), 12(c), 12(m) and 12(n)) exceeds \$3,500,000 (the "Basket"). The amount of money that Seller shall be obligated to pay to Purchaser under this Section 12 shall not exceed \$19,000,000.

(b) Seller hereby indemnifies and agrees to hold Purchaser harmless from, against and in respect of, and shall reimburse Purchaser for one hundred percent (100%) of the Costs suffered or incurred by Purchaser, the Company or any

Transferred Subsidiary relating to Environmental Laws, without regard to the Basket with respect to:

(i) penalties, fines or other punitive sanctions imposed upon Purchaser, the Company or any Transferred Subsidiary by a governmental authority as a result of non-compliance with Environmental Laws prior to the Closing Date and up to the amount of such fines that are allocable to the period prior to the Closing Date to the extent that such penalties, fines or other punitive sanctions are imposed with respect to the operations of facilities owned by the Company or any Transferred Subsidiary as of the Closing Date; and

(ii) any liability under Environmental Laws that may arise at any time for the off-site Release of Hazardous Substances by the Company or any Transferred Subsidiary provided that the Release that is the basis of any such claim occurred prior to the Closing Date. "Off-site Release" shall refer to Releases on, at, under or about properties that are not currently operated by the Company or any Transferred Subsidiary as of the Closing Date.

(c) Seller hereby indemnifies and agrees to hold Purchaser harmless from, against and in respect of and shall reimburse Purchaser for (i) one hundred percent (100%) of the Costs suffered or incurred by Purchaser, the Company or any Transferred Subsidiary up to \$1,000,000, (ii) fifty percent (50%) of the Costs suffered or incurred by Purchaser, the Company or any Transferred Subsidiary from \$1,000,000 to \$13,000,000 and (iii) fifty percent (50%) of the Costs suffered or incurred by Purchaser, the Company or any Transferred Subsidiary in excess of \$16,000,000 (subject, however, to Seller's aggregate maximum indemnification of Purchaser of

\$19,000,000 as set forth in Section 12(a) above) to the extent attributable to the following:

(i) a breach of any representation in Section 5.20;

(ii) any Site Condition that existed before the Closing Date at any facilities currently operated by the Company or any Transferred Subsidiary, whether or not disclosed in Schedule 5.20, that is required by a governmental authority to be investigated, removed or remediated, or is the basis of a third-party claim against the Company or any Transferred Subsidiary; and

(iii) all capitalized costs (other than the Costs described in Section 12(b)) required to be incurred by Purchaser, the Company or any Transferred Subsidiary to ensure that the facilities owned or operated by the Company or any Transferred Subsidiary as of the Closing Date are capable of consistently achieving compliance with the requirements of Environmental Laws that are applicable and enforceable as of the Closing Date (including the Consent Order of December 1993) to achieve customary output under normal operating conditions.

(d) Sections 12(b) and 12(c) constitute Purchaser's, the Company's and each of the Transferred Subsidiary's exclusive remedy relating to Costs suffered or incurred by them arising in any way out of the Release of Hazardous Substances, Site Conditions, breaches of representations in Section 5.20 hereof, third-party claims relating to Hazardous Substances, or otherwise pursuant to or arising under Environmental Laws, and Purchaser, the Company and the Transferred Subsidiaries are hereby precluded from asserting (and hereby waive the right to assert) any such claims against Seller or any of its Affiliates, whether at law or in equity, for such matter.

Notwithstanding anything to the contrary contained in this Agreement, no amounts of indemnity shall be payable under Sections 12(b) and 12(c) for

(i) Costs to comply with future Environmental Laws or current Environmental Laws which are not yet effective or applicable to the Company;

(ii) Costs with respect to Releases or Site Conditions first occurring after the Closing Date, provided, however that to the extent that a Release or Site Condition occurred prior to the Closing Date, Costs shall be indemnified as provided in Section 12(c);

(iii) Costs which would otherwise be indemnified under Section 12(b) or 12(c) but for which proper accounting reserves have been established by the Company on or prior to April 3, 1994; and

(iv) ordinary or usual costs associated with the ongoing operation of the Business and not specifically arising due to non-compliance with Environmental Laws prior to the Closing Date (including without limitation, the costs of monitoring, sampling and analysis required under any Environmental Permit, and the cost of disposal of Hazardous Substances generated by the Company as a result of ongoing operations).

(e) Purchaser hereby indemnifies and agrees to hold Seller harmless from, against and in respect of (and shall on demand reimburse Seller for):

(i) any and all loss, liability or damage suffered or incurred by Seller by reason of any untrue representation, breach of warranty or nonfulfillment of any covenant or agreement by Purchaser contained herein or in any Instrument delivered to Seller pursuant hereto, as well as by reason of the D&B Letter, solely as it relates to the Company and any Transferred Subsidiary;

(ii) Costs with respect to Releases and Site Conditions occurring after the Closing Date, including without limitation, those occurring in connection with investigations, excavations or other remediation activities addressing Releases or Site Conditions that occurred or existed prior to the Closing Date; and

(iii) any and all actions, suits, proceedings, claims, demands, assessments, judgments, penalties, fines, costs and expenses, including, without limitation, reasonable legal fees and expenses, incident to any of the foregoing or incurred in investigating or attempting to avoid the same or to oppose the imposition thereof, or in enforcing this indemnity.

(f) No amounts of indemnity shall be payable under Sections 12(e) for Purchaser's breach of any representation or warranty contained in Section 6(i) until and only to the extent that the dollar amount of all such losses, liabilities or damages suffered or incurred by Seller exceeds \$3,500,000. The amount of money that Purchaser shall be obligated to pay Seller under this Section 12 shall not exceed \$19,000,000.

(g) Notwithstanding anything to the contrary contained in this Agreement, neither party shall be liable to the other party for any consequential damages resulting from its misrepresentation, breach of warranty or failure to perform any of its obligations under this Agreement.

(h) Notwithstanding anything to the contrary contained in this Agreement, no amounts of indemnity shall be

payable as a result of any claim in respect of any Costs arising under this Section 12:

(i) with respect to any claim for indemnification hereunder, unless the Indemnified Party has given the Indemnifying Party a Claim Notice or Indemnity Notice, as applicable, with respect to such claim, setting forth in reasonable detail the specific facts and circumstances pertaining thereto, (A) as soon as practical following the time at which the Indemnified Party discovered such claim (except to the extent the Indemnifying Party is not prejudiced by any delay in the delivery of such notice) and (B) in any event prior to the applicable date as of which the indemnity with respect to such claim expires under Section 14(b);

(ii) with respect to any Costs that the Indemnified Party had an opportunity, but failed, in good faith to mitigate, including but not limited to its failure to use commercially reasonable efforts to recover under a policy of insurance or under a contractual right of set-off or indemnity, to the extent that failure to so mitigate would result in a reduction in damages recoverable under applicable principles of contract law; or

(iii) with respect to any Costs suffered, incurred or sustained by Purchaser or to which it becomes subject, to the extent such Costs arise from or were caused by actions taken or failed to be taken by Purchaser or any of its Affiliates after the Closing.

(i) All claims for indemnification by any Indemnified Party under Section 12 will be asserted and resolved as follows:

(i) In the event any claim or demand in respect of which an Indemnified Party might seek indemnity under Section 12 is asserted against or sought to be collected from such Indemnified Party by an individual, corporation, partnership, organization, association, governmental or regulatory authority or trust (a "Person") other than by Seller, Purchaser or any Affiliate of Seller or Purchaser (a "Third Party Claim"), the Indemnified Party shall deliver a Claim

Notice with reasonable promptness to the Indemnifying Party. The Indemnifying Party will notify the Indemnified Party as soon as practicable within the Dispute Period whether the Indemnifying Party disputes the liability to the Indemnified Party under Section 12 and whether the Indemnifying Party desires, at its sole cost and expense, except as provided herein, to defend the Indemnified Party against such Third Party Claim.

(A) If the Indemnifying Party notifies the Indemnified Party within the Dispute Period that the Indemnifying Party desires to defend the Indemnified Party with respect to the Third Party Claim pursuant to this Section 12(i), then the Indemnifying Party will have the right to defend (with counsel reasonably satisfactory to the Indemnified Party), at the sole cost and expense of the Indemnifying Party, except as provided herein, such Third Party Claim by all appropriate proceedings, which proceedings will be vigorously and diligently prosecuted by the Indemnifying Party to a final conclusion or will be settled at the discretion of the Indemnifying Party, provided the Indemnifying Party pays any judgment or settlement that results therefrom or obtains a general release in favor of Purchaser, the Company and the Transferred Subsidiaries or otherwise with the consent of the Indemnified Party, which consent shall not be unreasonably withheld. The Indemnifying Party will have full control of such defense and proceedings, including any settlement thereof; provided, however, that the Indemnified Party may, at the sole cost and expense of the Indemnified Party, except as provided herein, at any time prior to the Indemnifying Party's delivery of the notice referred to in the first sentence of this Section 12(i)(A), file any motion, answer or other pleadings or take any other action that the Indemnified Party reasonably believes to be necessary or appropriate to protect its interests and not being materially prejudicial to the Indemnifying Party (it being understood and agreed that, except as provided in Section 12(i)(B) below, if an Indemnified Party takes any such action that is materially prejudicial and causes a final adjudication that is adverse to the Indemnifying Party, the Indemnifying Party will be relieved of its obligations hereunder with respect to the portion of such

Third Party Claim prejudiced by the Indemnified Party's action, in which case the Indemnified Party and not the Indemnifying Party may defend); and provided further, that if requested by the Indemnifying Party, the Indemnified Party will, at the sole cost and expense of the Indemnifying Party except as provided herein, cooperate with the Indemnifying Party and its counsel in contesting any Third Party Claim that the Indemnifying Party elects to contest, or, if appropriate and related to the Third Party Claim in question, in making any counterclaim against the Person asserting the Third Party Claim, or any cross-complaint against any Person (other than the Indemnified Party or any of its Affiliates). Notwithstanding the foregoing, and subject to the next sentence, the Indemnified Party may take over the control of the defense or settlement of a Third Party Claim if it irrevocably waives its right to indemnity under Section 12 with respect to such Third Party Claim. In the event, however, a Third Party Claim is asserted that is reasonably likely to materially adversely affect the continuing operation of a material portion of the Company's business, the Indemnified Party may notify the Indemnifying Party within the Dispute Period that the Indemnified Party elects to assume joint control with the Indemnifying Party of the defense or settlement of such Third Party Claim (in which case the Indemnifying Party may not have sole control and the Indemnifying Party and the Indemnified Party shall cooperate with each other reasonably and in good faith in such defense, prosecution and settlement), and the right to indemnification under this Section 12 shall remain in effect.

(B) If the Indemnifying Party fails to notify the Indemnified Party within the Dispute Period that the Indemnifying Party desires to defend the Third Party Claim pursuant to this Section 12(i), or if the Indemnifying Party gives such notice but fails to prosecute vigorously and diligently or settle the Third Party Claim, or if the Indemnifying Party fails to give any notice whatsoever within the Dispute Period, then the Indemnified Party will have the right to defend, at the sole cost and expense of the Indemnifying Party, except as provided herein, the Third Party Claim by all appropriate

proceedings, which proceedings will be vigorously and diligently prosecuted by the Indemnified Party to a final conclusion or will be settled at the discretion of the Indemnified Party (with the consent of the Indemnifying Party, which consent shall not be unreasonably withheld). The Indemnified Party will have full control of such defense and proceedings, including (except as provided in Section 12(i)(A)) any settlement thereof; provided, however, that if requested by the Indemnified Party, the Indemnifying Party will, at the sole cost and expense of the Indemnifying Party, except as provided herein, cooperate with the Indemnified Party and its counsel in contesting any Third Party Claim which the Indemnified Party is contesting, or if appropriate and related to the Third Party Claim in question, in making any counterclaim against the Person asserting the Third Party Claim, or any cross-complaint against any Person (other than the Indemnifying Party or any of its Affiliates). Notwithstanding the foregoing provisions of this Section 12(i)(B), if the Indemnifying Party has notified the Indemnified Party within the Dispute Period that the Indemnifying Party disputes its liability hereunder to the Indemnified Party with respect to such Third Party Claim and if such dispute is resolved in favor of the Indemnifying Party in the manner provided in Section 12(i)(C) below, the Indemnifying Party will not be required to bear the costs and expenses of the Indemnified Party's defense pursuant to this Section 12(i)(B) or of the Indemnifying Party's participation therein at the Indemnified Party's request, and the Indemnified Party will reimburse the Indemnifying Party in full for all reasonable costs incurred by the Indemnifying Party in connection with such litigation. The Indemnifying Party may participate in, but not control, any defense or settlement controlled by the Indemnified Party pursuant to this Section 12(i)(B), and the Indemnifying Party will bear its own costs and expenses with respect to such participation.

(C) If the Indemnifying Party notifies the Indemnified Party that it does not dispute its liability to the Indemnified Party with respect to the Third Party Claim or fails to notify the

Indemnified Party within the Dispute Period whether the Indemnifying Party disputes its liability to the Indemnified Party with respect to such Third Party Claim, the Costs in the amount specified in the Claim Notice will be conclusively deemed a liability of the Indemnifying Party and the Indemnifying Party shall pay the amount of such Costs to the Indemnified Party on demand to the extent provided herein. If the Indemnifying Party has timely disputed its liability with respect to such claim, the Indemnifying Party and the Indemnified Party will proceed in good faith to negotiate a resolution of such dispute, and if not resolved through negotiations within the Resolution Period, such dispute shall be resolved by arbitration in accordance with subsection (i) of Section 20. Upon any final determination that the Indemnifying Party is not liable with respect to such claim, the Indemnified Party may take over the control of the defense or settlement of such claim if it irrevocably waives its right to indemnity under Section 12.

(ii) In the event any Indemnified Party has a claim under this Section 12 against any Indemnifying Party that does not involve a Third Party Claim, the Indemnified Party shall deliver an Indemnity Notice with reasonable promptness to the Indemnifying Party. If the Indemnifying Party notifies the Indemnified Party that it does not dispute the claim described in such Indemnity Notice or fails to notify the Indemnified Party within the Dispute Period whether the Indemnifying Party disputes the claim described in such Indemnity Notice, the Costs in the amount specified in the Indemnity Notice will be conclusively deemed a liability of the Indemnifying Party under this Section 12 and the Indemnifying Party shall pay the amount of such Costs to the Indemnified Party on demand to the extent provided herein. If the Indemnifying Party has timely disputed its liability with respect to such claim, the Indemnifying Party and the Indemnified Party will proceed in good faith to negotiate a resolution of such dispute, and if not resolved through negotiations within the Resolution Period, such dispute shall be resolved by arbitration in accordance with subsection (i) of Section 20.

(iii) In the event of any loss, liability or damages resulting from a misrepresentation, breach of warranty or nonfulfillment or failure to be performed of any covenant or agreement contained in this Agreement or in any Instrument, as to which an Indemnified Party would be entitled to a claim of indemnity under this Section 12 but for the fact that the Costs suffered or incurred by Purchaser, the Company or any Transferred Subsidiary do not exceed \$3,500,000 in the aggregate, such Indemnified Party may nevertheless deliver a written notice to the Indemnifying Party containing the information that would be required in a Claim Notice or an Indemnity Notice, as applicable, with respect to such Costs. In the case of a Claim Notice, the provisions of Section 12(i)(A) will be applicable. If the Indemnifying Party notifies the Indemnified Party that it does not dispute the claim described therein or fails to notify the Indemnified Party within the Dispute Period whether the Indemnifying Party disputes the claim described in such Claim Notice or Indemnity Notice, as the case may be, the Costs specified in the notice will be conclusively deemed to have been incurred by the Indemnified Party for purposes of making the determination as to whether the \$3,500,000 threshold referred to above has been met. If the Indemnifying Party has timely disputed the claim described in such Claim Notice or Indemnity Notice, as the case may be, the Indemnifying Party and the Indemnified Party will proceed in good faith to negotiate a resolution of such dispute, and if not resolved through negotiations within the Resolution Period, such dispute shall be resolved by arbitration in accordance with subsection (i) of Section 20.

(iv) In the event of any claim, counterclaim or crossclaim for indemnity under this Section 12, each party agrees to give to the other party and its Representatives reasonable access to the relevant books, documents and records, and to cause its officers, employees, agents and other representatives to cooperate fully, in connection with the prosecution or defense of such claim, counterclaim or crossclaim, to the extent such requesting party reasonably deems necessary in connection with its rights and obligations under this Section 12.

(j) In case any event shall occur which would otherwise entitle either party to assert a claim for

indemnification hereunder, no Costs shall be deemed to have been sustained by such party to the extent of (i) the then present value of any actual tax savings realized by such party with respect thereto or (ii) any proceeds received by such party from any insurance policies with respect thereto.

(k) To the extent permitted by law, the indemnities set forth in this Section 12 shall be the exclusive remedies of Purchaser and Seller for any misrepresentation, breach of warranty or nonfulfillment or failure to be performed of any covenant or agreement contained in this Agreement or any Instrument delivered pursuant hereto, and, absent fraud, the parties shall not be entitled to a rescission of this Agreement or to any further indemnification rights or claims of any nature whatsoever in respect thereof, all of which the parties hereto hereby waive.

(l) Notwithstanding anything to the contrary contained herein, the provisions of this Section 12 shall apply only if the Closing takes place and the transactions contemplated hereby are consummated.

(m) Notwithstanding anything to the contrary contained in this Agreement, Seller shall continue to control and shall indemnify and hold Purchaser harmless from (and shall on demand reimburse Purchaser for) all Costs suffered or incurred by Purchaser, the Company or any Transferred

Subsidiary relating to the action entitled Jean Barilla and George Barilla v. Vitramon, Inc. et al. (and any amendment thereof or any claim relating thereto) and none of the other rights of Purchaser or the limitations on Seller's obligation to indemnify and to hold Purchaser harmless from, against and in respect of all Costs contained in this Section 12, including, without limitation, the Basket, the \$19,000,000 limitation on liabilities and the period of survival described in Section 14, shall apply to the provisions of this Section 12(m).

(n) Notwithstanding anything to the contrary contained in this Agreement, the Basket and the \$19,000,000 limitation on liabilities shall not apply to any Costs suffered or incurred by Purchaser, the Company or any Transferred Subsidiary as a result of or arising out of a failure by Seller to perform or fulfill each of its obligations to transfer money or extinguish liabilities under Sections 5.18(d), 8.1.4 and 9.1.

(o) For purposes of this Section 12:

"Claim Notice" means written notification pursuant to Section 12(i) of a Third Party Claim as to which indemnity under this Section 12 is sought by an Indemnified Party, enclosing a copy of all papers served, if any, and specifying the nature and basis for such Third Party Claim and

for the Indemnified Party's claim against the Indemnifying Party under this Section 12, together with the amount or, if not then reasonably ascertainable, the estimated amount, determined in good faith, of such Third Party Claim.

"Cut-off Date" means, with respect to any representation, warranty, covenant or agreement contained in this Agreement, the date on which such representation, warranty, covenant or agreement ceases to survive as provided in Section 14(b).

"Dispute Period" means the period ending 60 days following receipt by the Indemnifying Party of either a Claim Notice or an Indemnity Notice.

"Indemnified Party" means the party to this Agreement claiming indemnification under any provision of this Section 12.

"Indemnifying Party" means the party to this Agreement against which a claim for indemnification is being asserted under any provision of this Section 12.

"Indemnity Notice" means written notification pursuant to Section 12(i)(ii) of a claim for indemnity under this Section 12 by an Indemnified Party, specifying the nature of and basis for such claim, together with the amount or, if

not then reasonably ascertainable, the estimated amount determined in good faith, of such claim.

13. Termination. (a) This Agreement may be terminated and the transactions contemplated hereby may be abandoned prior to the Closing solely:

(i) by the mutual written consent of Purchaser and Seller;

(ii) by Seller or Purchaser if the Closing Date shall not have occurred on or before August 11, 1994; provided, however, that the right to terminate this Agreement under this clause (ii) shall not be available to any party whose failure to fulfill any obligation under this Agreement has been the cause of the failure of the Closing Date to occur on or before such date; and

(iii) by Purchaser if on the Closing Date any of the conditions provided for in Section 10 have not been met and have not been waived by Purchaser, or by Seller if on the Closing Date any of the conditions provided for in Section 11 have not been met and have not been waived by Seller.

(b) In the event of the termination and abandonment of this Agreement pursuant to this Section 13, subject to Section 13(c), this Agreement shall forthwith become void and have no effect, without any liability on the part of any party hereto or its Affiliates, directors, officers or stockholders except the provisions with respect to expenses in Section 16 and confidentiality in Section 20 shall continue to apply following any such termination.

(c) If Seller terminates this Agreement pursuant to clauses (ii) or (iii) of Section 13(a) following a material

breach by Purchaser of the representations and warranties contained in Section 6 taken as a whole, or a failure by Purchaser to perform any material covenant or agreement in all material respects, then Purchaser shall have 30 days from the date of termination to provide conclusive evidence to Seller that it is immediately able to cure the breach or perform the covenant or agreement that gave rise to the termination. If Purchaser is unable to give such conclusive evidence to Seller, then Purchaser shall, within one business day after such thirty-day period, pay to the Seller in cash a termination fee of \$7,500,000.

14. Nature and Survival of Representations and Warranties. (a) Each representation, warranty, indemnity, covenant and agreement made by Seller or Purchaser in this Agreement or in any certificate delivered by or on behalf Seller or Purchaser pursuant to this Agreement shall be deemed the representation, warranty, indemnity, covenant and agreement of Seller or Purchaser, as the case may be.

(b) The representations and warranties of Seller contained in Sections 5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 5.9, 5.11(a), 5.12, 5.13 (excluding 5.13(b)), 5.14, 5.16, 5.17, 5.21, 5.22, and in Section 5.23 to the extent it relates to the foregoing Sections, and of Purchaser contained in Article 6, and the other covenants and agreements of the parties relating thereto to be performed prior to Closing, shall survive the

Closing Date and shall expire on December 31, 1994 (except that Seller's representation contained in Section 5.16 relating to the D&B Letter shall expire three months following the Closing Date). The representations and warranties of Seller contained in Sections 5.10, 5.11(b), 5.15, 5.18, 5.19 and 5.20, and in Section 5.23 to the extent it relates to the foregoing Sections, and the other covenants and agreements of Seller relating thereto to be performed prior to the Closing shall survive the Closing Date and shall expire on the second anniversary of the Closing Date. Notwithstanding the foregoing, Purchaser's right to claim indemnification for Seller's obligations under Section 12(c) shall expire on the second anniversary of the Closing Date and Purchaser's right to claim indemnification for Seller's obligations under Section 12(b) shall expire on the seventh anniversary of the Closing Date, whether or not such obligations arise out of a breach of a representation or warranty contained in Section 5.20. The representations and warranties of Seller contained in Section 5.8 and in Section 5.23 hereof to the extent it relates to Section 5.8 hereof, and the other covenants and agreements of Seller relating thereto to be performed prior to the Closing, shall survive the Closing Date and shall expire thirty days following the expiration of the relevant statute of limitation. The representations and warranties of Seller contained in Section 5.13(b) shall not survive the Closing. Seller's right to claim indemnification for Purchaser's obligations under

Section 12(e)(ii) and, to the extent it relates thereto, Section 12(e)(iii), shall expire on the second anniversary of the Closing Date.

(c) In the event that at or prior to Closing, Purchaser obtains actual knowledge of a misrepresentation, breach of warranty or nonfulfillment or failure to be performed of a covenant or agreement by Seller (a "Breach"), then the following procedures shall apply:

(i) If such Breach was disclosed by Seller to Purchaser, such disclosure shall (A) set forth in reasonable detail the specific facts and circumstances relating to the Breach to the extent known to Seller and (B) contain a representation and warranty by Seller that such Breach would not result in non-satisfaction of the conditions set forth in Sections 10(a) or (b) of this Agreement, as the case may be.

(ii) If such Breach was disclosed by Purchaser to Seller, such disclosure shall (A) set forth in reasonable detail the specific facts and circumstances relating to the Breach to the extent known to Purchaser and (B) contain a demand that Seller represent and warrant that (x) it did not have actual knowledge of the Breach prior to signing this Agreement and (y) such Breach would not result in non-satisfaction of the conditions set forth in Sections 10(a) or (b) of this Agreement, as the case may be.

(iii) If Seller does not provide all of the representations and warranties specified in clauses (i) or (ii) above, then Purchaser may elect either to (A) terminate the Agreement pursuant to Section 13(a) hereof or (B) proceed to Closing, in which case it shall waive its right to seek indemnity from Seller for any loss, liability or damage resulting from the Breach following the Closing.

(iv) If Seller makes all the representations and warranties specified in clauses (i) or (ii)

above, then Purchaser shall be required to proceed to Closing, but shall retain all of its rights with respect to obtaining indemnification from Seller for any loss, liability or damage resulting from the Breach.

(v) If Purchaser obtains actual knowledge of a Breach and Seller does not have actual knowledge thereof, then if Purchaser fails to notify Seller of such Breach pursuant to clause (ii) above, Purchaser shall be deemed to have waived such Breach.

(vi) The representations and warranties made by Seller pursuant to clauses (i) and (ii) above shall survive the Closing Date and shall expire six months after the date of this Agreement; provided, however, that this provision shall not otherwise affect Purchaser's rights under Sections 12 and 14(b) of this Agreement.

15. Notices. Any notice or consent hereunder shall be in writing and hand delivered or sent by registered or certified mail, return receipt requested, or by Federal Express or other similar courier service or by facsimile, as follows:

if to Seller:

Thomas & Betts Corporation
1555 Lynnfield Road
Memphis, Tennessee 38119
Attn: President
Fax: 901-685-1988

with a copy to:

Thomas & Betts Corporation
1555 Lynnfield Road
Memphis, Tennessee 38119
Attn: Vice President-General Counsel
Fax: 901-680-5960

and

Milbank, Tweed, Hadley & McCloy
One Chase Manhattan Plaza
New York, New York 10005
Attn: Lawrence Lederman, Esq.
Fax: 212-530-5219

if to Purchaser:

Vishay Intertechnology, Inc.
63 Lincoln Highway
Malvern, Pennsylvania 19355
Attn: Avi D. Eden, Esq.
Fax: 215-296-0657

with a copy to:

Kramer, Levin, Naftalis, Nessen, Kamin & Frankel
919 Third Avenue
New York, New York 10022
Attn: Scott S. Rosenblum, Esq.
Fax: 212-688-2119

or at such other address (or to such other person's attention)
as shall be specified by like notice. Any notice shall be
deemed to have been duly given to the party to whom it is
directed upon actual receipt by such party (or its agent for
notices hereunder). Notwithstanding the foregoing, notice sent
by recognized overnight carrier shall be conclusively presumed
to have been received when signed by a representative of the
recipient and notice sent by fax transmission shall be
conclusively deemed to have been received upon receipt of
answerback confirmation.

16. Legal and Other Costs. (a) In the event that
any party (the "Defaulting Party") defaults in its obligations
under this Agreement and, as a result thereof, the other party

(the "Non-Defaulting Party") seeks to enforce its rights hereunder against the Defaulting Party, then, in addition to all damages and other remedies to which the Non-Defaulting Party is entitled hereunder by reason of such default, the Defaulting Party shall promptly pay to the Non-Defaulting Party an amount equal to all reasonable costs and expenses (including reasonable attorneys' fees) paid or incurred by the Non-Defaulting Party in connection with such enforcement, subject to the limitations of Section 12 hereof.

(b) In the event that the Non-Defaulting Party is entitled to receive an amount of money by reason of the Defaulting Party's default hereunder, then, in addition to such amount of money, the Defaulting Party shall promptly pay to the Non-Defaulting Party a sum equal to interest on such amount of money accruing at the rate of 1.5% per month (but if such rate is not permitted under the laws of the State of New York, then at the highest rate which is permitted to be paid under the laws of the State of New York) during the period between the date such payment should have been made hereunder and the date of the actual payment thereof.

(c) Except as provided in this Section 16 or otherwise in this Agreement, each party hereto shall pay its own legal, accounting and other expenses in connection with the preparation, negotiation, execution and delivery of this

Agreement and the consummation of the transactions contemplated hereby.

17. Public Announcements. At all times at or before the Closing, Seller and Purchaser will not issue or make any reports, statements or releases to the public or generally to the employees, customers, suppliers or other persons to whom the Company and the Transferred Subsidiaries sell goods or provide services or with whom the Company and the Transferred Subsidiaries otherwise have significant business relationships with respect to this Agreement or the transactions contemplated hereby without the consent of the other, which consent shall not be unreasonably withheld. If either party is unable to obtain the approval of its public report, statement or release from the other party and such report, statement or release is, in the opinion of legal counsel to such party, required by law in order to discharge such party's disclosure obligations, then such party may make or issue the legally required report, statement or release and promptly furnish the other party with a copy thereof. Seller and Purchaser will also obtain the other party's prior approval, which approval shall not be unreasonably withheld, of any press release to be issued immediately following the execution of this Agreement or the Closing hereunder with respect to the transactions contemplated by this Agreement.

18. Scope of Representations and Warranties.

Neither party makes any representation and warranties whatsoever, express or implied, except for those representations and warranties (a) contained in this Agreement, in the Exhibits and Schedules hereto and in the Closing Certificates to be delivered pursuant to Sections 10(d) and 11(c) hereto or (b) explicitly identified by the person making such representation, as a representation and warranty under this Agreement in any other agreement, document, certificate or instrument delivered in connection herewith (collectively, "Instrument").

19. Non-Competition.

19.1 Covenant. (a) Seller hereby agrees that for a period of five years following the Closing Date (the "Restricted Period") neither the Seller nor any of its subsidiaries, whether acting individually or through any joint venture or one or more third parties, shall:

(i) own, manage, operate, control, or engage in the ownership, management, operation or control of or have any interest in, as a stockholder, partner or otherwise, any business, entity or enterprise that engages in the Business within the Territory (as hereinafter defined) during the Restricted Period;

(ii) interfere in any material respect with any contractual relationship of the Business with any customer or supplier of the Business; or

(iii) solicit the employment of any person who at the time is, or at any time within the prior three months shall have been, an employee of the Business (other than one who resigns voluntarily prior to any such solicitation or is terminated by the Business after the Closing Date).

(b) Notwithstanding anything to the contrary contained herein, this agreement is not intended to and shall not be construed as prohibiting Seller or any of its Affiliates from:

(i) purchasing products of the Business for such Person's own use;

(ii) acquiring the beneficial ownership of less than 5% of the equity securities of any publicly traded corporation; or

(iii) acquiring any business, entity or enterprise which, as an incidental portion of its business, engages in the Business, provided, however, that Seller promptly divests itself of such portion following the acquisition thereof.

(c) For purposes of this Agreement, the "Territory" shall mean any state or territory of the United States and any foreign country or any foreign territory.

19.2 Confidentiality. Seller acknowledges that certain information relating to the Business is confidential and that such information is a special, valuable and major asset of the Business, and that wrongful use or disclosure of any such confidential information would cause Purchaser immediate and irreparable harm. Seller hereby agrees that during the Restricted Period, it will not, and will cause its officers, employees, agents, representatives, subsidiaries and other Affiliates not to disclose to others, directly or indirectly, any confidential information relating to the Business (including, without limitation, any confidential information relating to programs, techniques or work products, any trade secrets, any reports, recommendations or conclusions or any information as to present or future business plans or finances, or with respect to any products, services, suppliers, customers or prospective customers relating to the Business) without the prior written consent of the Purchaser (a) except as may be necessary to comply with any applicable law, governmental order or regulation (and in any such case only after affording the Purchaser the opportunity to review the text of such disclosure before it is made) and (b) except for

information which is or becomes publicly available other than as a result of a breach by Seller of the provisions hereof.

19.3 Remedies. Seller hereby acknowledges, represents and warrants to Purchaser that the provisions of Sections 19.1 and 19.2 are reasonable in all respects and necessary and appropriate to protect the legitimate business interests of Purchaser in connection with the Business. The parties acknowledge that any breach or violation, or threatened breach or violation, of any provision of such Sections may cause Purchaser immediate and irreparable harm that cannot be adequately compensated by money damages. In any such event, Purchaser shall, in addition to all other rights or remedies available at law or in equity, be entitled to obtain any injunctive relief without having to prove the inadequacy of the available remedies at law or any actual damages to restrain any breach or violation, or threatened breach or violation, of such Sections by Seller. Any remedy sought or obtained by Purchaser shall not be considered either exclusive or a waiver of the rights of Purchaser or any other person to assert any other remedies they have in law or equity. In any proceeding upon a motion for any such injunctive relief, Seller's ability to answer in damages shall not be a bar, or be interposed as a defense, to the granting of such injunctive relief against Seller.

19.4 Non-Competition Severability. If any provision of this Section 19 is determined to be invalid, unenforceable or excessive in scope by any court or other body of competent jurisdiction, such provision shall be ineffective only to the most limited extent so as not to render the agreement not to compete unenforceable, and the remaining provisions shall remain in full force and effect as if this Section 19 had been constructed with the invalid, unenforceable or excessive provision so limited.

20. Miscellaneous. (a) This Agreement and the letter agreement dated May 27, 1994 between Seller and Purchaser (the "Confidentiality Agreement") constitute the entire agreement of the parties with respect to the subject matter hereof and thereof, supersede all prior understandings, whether written or oral, with respect thereto and may not be modified, amended or terminated except by a written agreement specifically referring to this Agreement or the Confidentiality Agreement, as the case may be, signed by all of the parties hereto. Nothing herein expressed or implied is intended to or shall be construed to confer upon or give any Person other than the parties hereto, their successors or permitted assigns, any rights or remedies under or by reason of this Agreement.

(b) No waiver of any provision hereof or of any breach or default hereunder shall be considered valid unless in a writing specifically identifying such provision, breach or

default and signed by the party giving such waiver, and no such waiver shall be deemed a waiver of any other provision or any subsequent breach or any other default of the same or similar nature.

(c) Neither this Agreement nor any right, interest or obligation hereunder may be assigned by either party without the prior consent of the other, and any attempt to do so will be void, except that Purchaser may assign its rights and delegate the performance of its obligations hereunder to a directly or indirectly wholly-owned subsidiary that agrees in writing to be bound by all the terms hereof, but no such assignment or delegation shall relieve Purchaser of its obligations hereunder.

(d) The section and paragraph headings contained herein are for the purposes of convenience only and are not intended to define or limit the contents of said sections or paragraphs, or otherwise affect the meaning or interpretation of this Agreement.

(e) Each party hereto shall cooperate, shall take such further action and shall execute and deliver such further documents as may be reasonably requested by any other party in order to carry out the provisions and purposes of this Agreement.

(f) This Agreement may be executed in one or more counterparts, all of which taken together shall be deemed one original.

(g) This Agreement and all amendments thereof shall be governed by and construed in accordance with the law of the State of New York applicable to contracts made and to be performed entirely therein.

(h) Should any provision of this Agreement be determined to be invalid, it shall be severed from this Agreement and the remaining provisions hereof shall remain in full force and effect as if this Agreement had been executed with the invalid portion eliminated.

(i) Any dispute or controversy arising with respect to a claim of indemnification hereunder, including, without limitation, any dispute concerning the scope of this arbitration clause, shall be settled by arbitration in New York City by a panel of three arbitrators in accordance with the rules of the American Arbitration Association. Judgment upon the award rendered by the arbitrators shall be final, conclusive and binding on the parties and may be entered in and enforced to the fullest extent of the law by any court having jurisdiction thereof, and the parties hereby consent to the jurisdiction of the New York courts for this purpose.

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

THOMAS & BETTS CORPORATION

By: /s/ James D. Hay

Name: James D. Hay
Title: Vice President-
General Counsel

VISHAY INTERTECHNOLOGY, INC.

By: /s/ Felix Zandman

Name: Felix Zandman
Title: President, Chief
Executive Officer

AMENDED AND RESTATED VISHAY INTERTECHNOLOGY, INC.

\$302,500,000 REVOLVING CREDIT AND TERM

LOAN AGREEMENT

DATED AS OF JULY 18, 1994

COMERICA BANK, AS AGENT

NATIONSBANK OF NORTH CAROLINA, N.A., AS CO-AGENT

BERLINER HANDELS-UND FRANKFURTER BANK KGAA
AND SIGNET BANK/MARYLAND, AS LEAD MANAGERS

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LOAN AGREEMENT

THIS LOAN AGREEMENT ("Agreement") is made as of the 18th day of July, 1994, among Comerica Bank, successor by merger to Manufacturers Bank, N.A., formerly known as Manufacturers National Bank of Detroit, NationsBank of North Carolina, N.A., formerly known as NNCB National Bank of North Carolina, Berliner Handels-und Frankfurter Bank KGaA, Signet Bank/Maryland, formerly known as Union Trust Company of Maryland, CoreStates Bank, N.A., formerly known as and continuing to do business under the name of The Philadelphia National Bank, Bank Hapoalim, B.M., ABN AMRO Bank N.V. New York Branch, Credit Lyonnais New York Branch, Meridian Bank, Bank Leumi le-Israel, B.M. and Credit Suisse (individually, "Bank", and collectively "Banks") Comerica Bank, as agent for the Banks (in such capacity, "Agent") and Vishay Intertechnology, Inc., a Delaware corporation ("Company").

RECITALS:

A. Company has requested that the Banks: (i) amend, renew and extend to it and to additional parties designated herein as the "Permitted Borrowers" revolving credit in an aggregate amount of up to Two Hundred Million Dollars (\$200,000,000), such revolving credit to constitute an amendment, renewal and increase of the revolving credit extended pursuant to that certain Amended and Restated Vishay Intertechnology, Inc. \$170,000,000 Revolving Credit and Term Loan Agreement dated as of January 10, 1992, as amended ("Prior Loan Agreement"), executed and delivered among the Prior Banks (as defined below), Company and Agent, and (ii) renew additional credit in the form of the Term Loan (as defined below) in an aggregate amount of up to One Hundred Two Million Five Hundred Thousand Dollars (\$102,500,000), previously extended by the Prior Banks under the Prior Loan Agreement, on the terms and conditions set forth herein.

B. Pursuant to the Commitment Letter (as defined below), the Banks are prepared to amend, renew, extend and increase such credit as aforesaid, but only upon the terms and conditions set forth in this Agreement.

NOW THEREFORE, COMPANY, AGENT AND THE BANKS AGREE:

1. DEFINITIONS

For the purposes of this Agreement the following terms will have the following meanings:

1.1 "Absolute Rate" shall have the meaning ascribed to such term under Section 2.5(c) hereof.

1.2 "Absolute Rate Bid Advance" shall mean any Bid Advance bearing interest at an Absolute Rate.

1.3 "Absolute Rate Interest Period" shall mean, with respect to any Absolute Rate Bid Advance, the period (consisting of a whole number of days) commencing on (and including) the date such Bid Advance is made, and ending not less than seven (7) days and not more than thirty (30) days thereafter (but in no event later than the Revolving Credit Maturity Date), as selected by the Company in its Bid Borrowing Request.

1.4 "Accumulated Funding Deficiency" shall mean an "accumulated funding deficiency" as defined in Section 412 of the Internal Revenue Code or Section 302 of ERISA.

1.5 "Acquisition Loan(s)" shall mean the Non-amortizing Term Loan and the Bridge Loan.

1.6 "Activation Fee" shall mean the fee payable by Company to Agent, for distribution to the Banks based on their respective Percentages, in connection with each activation of the Revolving Credit Designated Portion under Section 2.18 hereof, in the amount of .03125% times that portion of the Revolving Credit Designated Portion thereby activated.

1.7 "Adjusted Total Indebtedness" shall mean, with respect to Company and its Consolidated Subsidiaries, as of the last day of any period of four consecutive fiscal quarters, the sum, without duplication, of (a) the average of the aggregate outstanding principal amounts of (i) Advances of the Revolving Credit and Bid Advances outstanding as of the last day of each fiscal quarter during such period and (ii) any other revolving credit or other short-term indebtedness of the Company and its Subsidiaries during such period outstanding as of the last day of each fiscal quarter during such period, (b) the aggregate outstanding principal amount of all long-term indebtedness of the Company and its Subsidiaries on such date, (c) all other interest-bearing indebtedness of the Company and its Subsidiaries, whether short-term or long-term, on such date, and (d) the aggregate amount of future minimum lease payments due and payable under operating leases during such period, in each case determined in accordance with GAAP.

1.8 "Advance(s)" shall mean, as the context may indicate, a borrowing requested by Company or by the Permitted Borrowers, and made by Banks under Section 2.1 of this Agreement, or requested by Company and made by a Bank or Banks under Section 2.5 of this Agreement or requested by the Company and made by the Banks under Section 3.1 of this Agreement, as the case may be, including without limitation any readvance, refunding or conversion of such borrowing pursuant to Section 2.3, 2.5 or 3.9, hereof, and shall include, as applicable, an Absolute Rate Bid Advance, a Euro-currency-based Advance and a Prime-based Advance.

1.9 "Affiliate" shall mean, with respect to any Person, any other Person or group acting in concert in respect of the Person

that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with such Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person or group of Persons, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

1.10 "Agent" shall mean Comerica Bank, a Michigan banking corporation, successor by merger to Manufacturers Bank, N.A., or any successor appointed in accordance with Section 12.4 hereof.

1.11 "Agent's Correspondent" shall mean:

- (a) for Advances in DM, Chemical Bank Frankfurt, Frankfurt, Germany;
- (b) for Advances in Y, Sumitomo Bank, Tokyo, Japan;
- (c) for Advances in Sterling, Barclays Bank plc., London, Great Britain;
- (d) for Advances in FF, Banque Nationale de Paris, Paris, France;
- (e) for Advances in Eurodollars, Agent's Grand Cayman Branch (or for the account of said branch office, at Agent's main office in Detroit, Michigan, United States);

or at such other bank or banks as Agent may from time to time designate by written notice to Company, the Permitted Borrowers and the Banks.

1.12 "Agent's Fees" shall mean those fees and expenses required to be paid by Company to Agent under Section 12.8 hereof.

1.13 "Alternate Base Rate" shall mean, for any day, an interest rate per annum equal to the Federal Funds Effective Rate in effect on such day, plus one-half percent (1/2%).

1.14 "Alternative Currency" shall mean each of the following Euro-currencies, as applicable hereunder: French Francs ("FF"), Yen ("Y"), Deutsche Marks ("DM"), British Pounds Sterling ("Sterling") and, subject to availability and to the terms and conditions of this Agreement, such other freely convertible foreign currencies (which, when referred to herein or in any of the Loan Documents, shall be referred to using the currency codes in effect from time to time under ISO International Standard 4217, or any such successor publication or standard) as requested by the Company or

the Permitted Borrowers and acceptable to Agent and the Banks, in their reasonable discretion.

1.15 "Applicable Fee Percentage" shall mean, as of any date of determination thereof, the applicable percentage used to calculate the fees due and payable hereunder, determined by reference to the appropriate columns in the Pricing Matrix attached to this Agreement as Schedule 4.1.

1.16 "Applicable Interest Rate" shall mean the Absolute Rate, the Eurocurrency-based Rate or the Prime-based Rate, as selected by Company or a Permitted Borrower from time to time subject to the terms and conditions of this Agreement, and, if elected by the Company pursuant to Section 3.11 hereof (with respect to the Term Loan), the Fixed Rate.

1.17 "Applicable Margin" shall mean, as of any date of determination thereof, (i) with respect to the Revolving Credit and the Term Loan, the applicable interest rate margin, determined by reference to the appropriate columns in the Pricing Matrix attached to this Agreement as Schedule 4.1, and (ii) with respect to Eurocurrency Bid Advances, the Eurocurrency Bid Margin.

1.18 "Assignment Agreement" shall have the meaning ascribed to such term in Section 13.8(c) hereof.

1.19 "Banks" shall mean Comerica Bank, successor by merger to Manufacturers Bank, N.A., formerly known as Manufacturers National Bank of Detroit ("Comerica"), NationsBank of North Carolina, N.A., formerly known as NCNB National Bank of North Carolina ("NationsBank"), Berliner Handels-und Frankfurter Bank KGaA ("BHF"), Signet Bank/Maryland, formerly known as Union Trust Company of Maryland ("Signet"), Bank Hapoalim, B.M., CoreStates Bank, N.A., formerly known as and continuing to do business under the name of Philadelphia National Bank, ABN AMRO Bank N.V. New York Branch, Credit Lyonnais New York Branch ("Credit Lyonnais"), Meridian Bank, Bank Leumi le-Israel, B.M., Credit Suisse, and any assignee which becomes a Bank pursuant to Section 13.8(c) hereof.

1.20 "Bid Acknowledgment" shall have the meaning ascribed to such term in Section 2.5(e) hereof.

1.21 "Bid Advance" shall mean any Advance under Section 2.5 hereof, and shall include Absolute Rate Bid Advances and Eurocurrency Bid Advances.

1.22 "Bid Borrowing Request" shall have the meaning ascribed to such term in Section 2.5(b) hereof.

1.23 "Bid Lender(s)" shall mean each of the Banks, other than any Bank which notifies Company and Agent in writing (so long

as it has no Bid Offer outstanding) that it does not wish to fund Bid Advances under Section 2.5 hereof.

1.24 "Bid Notes" shall have the meaning ascribed to such term in Section 2.5(g) hereof.

1.25 "Bid Offer" shall mean an offer by a Bid Lender to make a Bid Advance in accordance with Section 2.5(c) hereof.

1.26 "Bridge Loan" shall mean the bridge loan in an aggregate amount not to exceed One Hundred Million Dollars (\$100,000,000) to be advanced by the Banks to the Company pursuant to the Target Company Loan Agreement.

1.27 "Business Day" shall mean any day on which commercial banks are open for domestic and international business (including dealings in foreign exchange) in Detroit, London, New York and (except with respect to any Prime-based Advances) Frankfurt am Main, and if funds are to be paid or made available in any Alternative Currency, on such day in the place where such funds are to be paid or made available.

1.28 "Capital Expenditures" shall mean, without duplication, any amounts paid or accrued for a period in respect of any purchase or other acquisition for value of fixed or capital assets; provided that, in no event shall Capital Expenditures include amounts expended in respect of normal repair and maintenance of plant facilities, machinery, fixtures and other like capital assets utilized in the ordinary conduct of business (to the extent such amounts would not be capitalized in preparing a balance sheet determined in accordance with GAAP).

1.29 "Closing Fee" shall mean the remaining installment of the up-front fee in the amount of \$558,750 to be paid by Company to the Agent and distributed to the Banks pursuant to the Commitment Letter (and Section II of the Summary of Terms and Conditions attached thereto), subject to a reduction in the aggregate amount of \$192,000 in the event, on or before the date of this Agreement (by written notice to Agent), Company has cancelled the Banks' commitments for funding the Acquisition Loans (such fee reduction to be allocated among the Banks in accordance with the Commitment Letter and the Summary of Terms and Conditions, as aforesaid).

1.30 "Collateral" shall mean all property or rights in which a security interest, mortgage, lien or other encumbrance for the benefit of the Banks (but expressly excluding any and all guaranties) was granted or arose, under or in connection with the Prior Loan Agreements, or otherwise, to secure the Indebtedness.

1.31 "Commitment Letter" shall mean that certain commitment letter dated June 28, 1994 and issued to the Company by the Agent, for itself and for and on behalf of the Banks, with respect to the

credit to be amended, renewed, increased and/or extended under the terms and conditions of this Agreement, the DM Loan Agreement, the Roederstein Loan Agreement and the Target Company Loan Agreement.

1.32 "Company" shall mean Vishay Intertechnology, Inc., a Delaware corporation.

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

1.34 "Consolidated" or "Consolidating" shall, when used with reference to any financial information pertaining to (or when used as a part of any defined term or statement pertaining to the financial condition of) Company and its Subsidiaries mean the accounts of Company and its Subsidiaries determined on a consolidated or consolidating basis, as the case may be, all determined as to principles of consolidation and, except as otherwise specifically required by the definition of such term or by such statements, as to such accounts, in accordance with GAAP, applied on a consistent basis and consistent with the financial statements, if any, as at and for the fiscal year ended December 31, 1993.

1.35 "Covenant Compliance Report" shall mean the report to be furnished by the Company to the Agent, on a form prescribed by Agent and certified by the chief financial officer of the Company pursuant to Section 7.3(c), hereof, as to whether the Company and its Subsidiaries are in compliance with the financial covenants contained in Sections 7.4 through 7.6, inclusive, of this Agreement, in which report the Company shall set forth its calculations and the resultant ratios or financial tests determined thereunder.

1.36 "Current Dollar Equivalent" shall mean at any date, with respect to any Advance in an Alternative Currency, the amount of Dollars which is equivalent to the then outstanding principal amount of such Advance at the most favorable spot exchange rate determined by the Agent to be available to it for the sale of Dollars for such Alternative Currency at approximately 11:00 A.M. (Detroit time) two (2) Business Days after such date. Alternative Currency equivalents of Advances in Dollars (to the extent used herein) shall be determined by Agent in a manner consistent herewith.

1.37 "Dale Electronics" shall mean Dale Electronics, Inc., a Delaware corporation and the wholly-owned Subsidiary of Dale Holdings, Inc., a Delaware corporation.

1.38 "Default" shall mean any event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default under this Agreement.

1.39 "Defined Contribution Plan" shall mean each Employee Benefit Plan (as defined in Section 3(3) of ERISA) which is an individual account plan or a defined contribution plan as defined in Section 3(34) of ERISA.

1.40 "Deutsche Marks" and the sign "DM" shall mean lawful money of the Federal Republic of Germany.

1.41 "DM Loan Agreement" shall mean that certain Amended and Restated Draloric/VBG DM 40,000,000 Revolving Credit and DM 9,506,000 Term Loan Agreement, dated as of the date hereof, among VBG, the Banks and Agent, as amended from time to time.

1.42 "DM Loan Documents" shall mean the DM Loan Agreement, and all notes, guaranties and other security or loan documents executed by VBG or any of the Permitted Borrowers pursuant to or in connection with the DM Loan Agreement.

1.43 "DM Revolving Credit" and "DM Term Loan" shall mean the Revolving Credit and the Term Loan, respectively, as extended by the Banks to VBG pursuant to the DM Loan Documents (and as defined therein).

1.44 "Dollar Amount" shall mean (i) with respect to each Advance made or carried (or to be made or carried) in Dollars, the principal amount thereof and (ii) with respect to each Advance made or carried (or to be made or carried) in an Alternative Currency, the amount of Dollars which is equivalent to the principal amount of such Advance at the most favorable spot exchange rate determined by the Agent to be available to it for the sale of Dollars for such Alternative Currency at approximately 11:00 A.M. (Detroit time) two (2) Business Days before such Advance is made (or to be made), as such Dollar Amount may be adjusted from time to time pursuant to Section 2.15 or 4.3 hereof. When used with respect to any Alternative Currency portion of an Advance being repaid or remaining outstanding at any time or with respect to any other sum expressed in an Alternative Currency, "Dollar Amount" shall mean the amount of Dollars which is equivalent to the principal amount of such Advance, or the amount so expressed in such Alternative Currency, at the most favorable spot exchange rate determined by the Agent to be available to it for the sale of Dollars for such Alternative Currency at the relevant time. Alternative Currency amounts of Advances made, carried or expressed in Dollars (to the extent used herein) shall be determined by Agent in a manner consistent herewith.

1.45 "Dollars" and the sign "\$" shall mean lawful money of the United States of America.

1.46 "Domestic Advance" shall mean any Advance other than a Eurocurrency-based Advance.

1.47 "Domestic Guaranty" shall mean that certain amended and restated guaranty agreement containing the unconditional guaranties of borrowings hereunder by Company and the Permitted Borrowers, by VBG under the DM Loan Documents, and by VBG under the Roederstein Loan Documents, and of borrowings by Company under the Target Company Loan Documents, executed and delivered by the Significant Domestic Subsidiaries to the Banks as of the date hereof, as amended from time to time.

1.48 "Domestic Subsidiaries" shall mean those Subsidiaries of the Company which are chartered or incorporated under the laws of the United States of America, or any state, territory, possession or any political subdivision thereof.

1.49 "Draloric" shall mean Draloric Electronic, GmbH, a German corporation, formerly known as Vishay Electronic, GmbH.

1.50 "EBITDA" shall mean, of any Person, for any period, the Net Income of such Person for such period adjusted to exclude, without duplication, the following items of income or expense to the extent that such items are included in the calculation of such Net Income all on a consolidated basis: (a) Interest Expense, (b) any non-cash expenses and charges, (c) total income tax expense, (d) depreciation expense, (e) the expense associated with amortization of intangible and other assets, (f) non-cash provisions for reserves for discontinued operations, (g) any extraordinary, unusual or non-recurring gains or losses or charges or credits, (h) any gain or loss associated with the sale or write-down of assets and (i) any gain or loss accounted for by the equity method of accounting (except in the case of income to the extent of the amount of cash dividends or cash distributions paid to the Company or any Subsidiary by the entity accounted for by the equity method of accounting).

1.51 "Environmental Auditors" shall mean, when selected or retained by the Company, such counsel, engineering or testing firms or other experienced, reputable environmental consultants reasonably acceptable to Agent and the Banks, and when selected or retained by Agent hereunder, such counsel, engineering or testing firms or other experienced, reputable environmental consultants satisfactory to Agent and the Banks.

1.52 "Environmental Audits" shall mean environmental audits covering each parcel of real property located in the United States of America and owned by the Target Company on the date of closing under the Stock Purchase Agreement and also covering all environmental claims or liabilities of or affecting the Seller under Hazardous Material Laws of the United States of America, generally, which, upon the Target Company Acquisition, could affect

the Company or any of its Subsidiaries, such audits to be performed by the Environmental Auditors, disclosing, in each case (other than as approved in writing by Agent and the Banks subsequent to the date hereof), no environmental condition for which material remedial action could be required by any governmental agency and no material violation of Hazardous Material Laws, and otherwise in form and substance satisfactory to Agent and the Banks.

1.53 "Equity Offering" shall mean the issuance and sale for cash, on or after the date hereof, by Company or any of its Subsidiaries of additional capital stock or other equity interests.

1.54 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, or any successor act or code, and the regulations in effect from time to time thereunder.

1.55 "ERISA Affiliate" shall mean any trade or business (whether or not incorporated) which is under common control with the Company within the meaning of Section 4001 of ERISA or is part of a group which includes the Company and would be treated as a single employer under Section 414 of the Internal Revenue Code, and any Domestic Subsidiary.

1.56 "Eurocurrency Adjusted Rate" shall mean the quotient of:

- (i) the per annum interest rate at which Agent's Eurocurrency Lending Office (or with respect to a Bid Advance, if applicable, the Eurocurrency Lending Office of the applicable Bid Lender funding such Bid Advance) offers deposits in the relevant eurocurrency to United States regional prime banks in the eurocurrency market in an amount comparable to the relevant Eurocurrency-based Advance and for a period equal to the relevant Eurocurrency-Interest Period at approximately 11:00 A.M. Detroit time (or, in the case of a Bid Advance, local time of the applicable Bid Lender) two (2) Business Days prior to the first day of such Eurocurrency-Interest Period, divided by
- (ii) a percentage equal to 100% minus the maximum rate on such date at which Agent (or, in the case of a Bid Advance, the applicable Bid Lender) is required to maintain reserves on 'Eurocurrency Liabilities' as defined in and pursuant to Regulation D of the Board of Governors of the Federal Reserve System or, if such regulation or definition is modified, and as long as Agent (or, in the case of a Bid

Advance, the applicable Bid Lender) is required to maintain reserves against a category of liabilities which includes eurocurrency deposits or includes a category of assets which includes eurocurrency loans, the rate at which such reserves are required to be maintained on such category,

such sum to be rounded upward, if necessary, to the nearest whole multiple of 1/16th of 1%.

1.57 "Eurocurrency Bid Advance" shall mean any Bid Advance bearing interest at the Eurocurrency-based Rate.

1.58 "Eurocurrency Bid Margin" shall have the meaning ascribed to such term in Section 2.5(c) hereof.

1.59 "Eurocurrency-based Advance" shall mean any Advance (including a Bid Advance) which bears interest at the Eurocurrency-based Rate.

1.60 "Eurocurrency-based Rate" shall mean a per annum interest rate which is the Applicable Margin (subject in each case, if applicable, to adjustment under Section 4.1 hereof) above (or below) the Eurocurrency Adjusted Rate.

1.61 "Eurocurrency-Interest Period" shall mean an Interest Period of one, two, three or six months (or, with respect to Advances of the Revolving Credit, any lesser or greater number of days agreed to in advance by Company, Agent and the Banks) as selected by Company or by a Permitted Borrower, as applicable, for a Eurocurrency-based Advance pursuant to Section 2.3 hereof, or as offered by a Bid Lender and selected by Company pursuant to Section 2.5 hereof or as selected by Company for a Eurocurrency-based Advance pursuant to Section 3.10 hereof.

1.62 "Eurocurrency Lending Office" shall mean, (a) with respect to the Agent, Agent's office located at its Grand Caymans Branch or such other branch of Agent, domestic or foreign, as it may hereafter designate as its Eurocurrency Lending Office by notice to Company, the Permitted Borrowers and the Banks and (b) as to each of the Banks, the office, branch or affiliate of such Bank as it may hereafter designate as its Eurocurrency Lending Office by written notice to Company and Agent.

1.63 "Event of Default" shall mean each of the Events of Default specified in Section 9.1 hereof.

1.64 "Excess Cash Flow" shall mean for any fiscal year (using the terms contained in the Company's Consolidated financial statements for its fiscal year ending December 31, 1993 and the sources and uses statement contained in Company's 10-K Report filed

with the Federal Securities and Exchange Commission in respect of such period), net cash provided by operating activities for such fiscal year, less purchase of property and equipment for such fiscal year, less principal payments on long-term debt for such fiscal year (including all principal payments based on Excess Cash Flow made on the Term Loan under Section 3.4 hereof, on the Roederstein Term Loan under the Roederstein Loan Agreement or on the Non-Amortizing Term Loan under the Target Company Loan Agreement, if any, during such fiscal year, but excluding all payments on the Revolving Credit, the revolving credit advanced to VBG under the DM Loan Agreement or any other revolving loan facility utilized at any time by Company or any of its Subsidiaries), all calculated based upon Company's annual Consolidated financial statements required to be delivered to Agent and the Banks under Section 7.3(b) hereof.

1.65 "Federal Funds Effective Rate" shall mean, for any day, a fluctuating interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by Agent from three Federal funds brokers of recognized standing selected by it.

1.66 "Fees" shall mean the Revolving Credit Commitment Fee, the Revolving Credit Facility Fee, the Closing Fee, the Activation Fee and the Agent's Fees.

1.67 "Fixed Charge Coverage Ratio" shall mean a ratio, (i) the numerator of which shall be equal to the Operating Income plus depreciation and amortization (determined in accordance with GAAP), minus Capital Expenditures during the preceding 12 months (or, for any period shorter than 12 months, minus Capital Expenditures over the preceding 12 months divided by 12, times the number of months in such shorter period) and (ii) the denominator of which shall be the Interest Expense of such entity for such period.

1.68 "Fixed Rate" shall mean the per annum fixed rate of interest for the Term Loan established by the Agent under Section 3.11 hereof, such rate to be based on (a) an average of the funding cost of each of the Reference Banks on that date which is three (3) Business Days prior to the effective date of the Company's election of the Fixed Rate Option (subject to Section 3.11 hereof), as determined by each such Reference Bank in the interbank swap market for the weighted average life of the Term Loan then remaining, plus (b) the Applicable Margin which would then be in effect for Eurocurrency-based Rate Advances of the Term Loan if the Company had selected such rate, subject to any applicable margin adjustment under Section 4.1 hereof, giving immediate effect thereto based on

the most current quarterly financial statement delivered by the Company under Section 7.3(b) or 7.3(c) hereof, as the case may be.

1.69 "Fixed Rate Option" shall mean the Company's right, subject to and in accordance with Section 3.11 hereof, to elect the Fixed Rate as the Applicable Interest Rate for the Term Loan.

1.70 "Fixed Rate Election" shall mean the Company's written election of the Fixed Rate as the Applicable Interest Rate for the Term Loan, submitted by the Company under Section 3.11 hereof, in the form attached hereto as Exhibit "F."

1.71 "Foreign Subsidiaries" shall mean all of the Company's Subsidiaries other than the Domestic Subsidiaries.

1.72 "GAAP" shall mean generally accepted accounting principles in the United States of America, as in effect from time to time, applied on a consistent basis.

1.73 "Guaranties" shall mean the Vishay Guaranty, the Domestic Guaranty, and the Permitted Borrowers Guaranty.

1.74 "Hazardous Material" shall mean and include any hazardous, toxic or dangerous waste, substance or material defined as such in (or for purposes of) the Hazardous Material Laws.

1.75 "Hazardous Material Law(s)" shall mean all laws, codes, ordinances, rules, regulations, orders, decrees and directives issued by any federal, state, local, foreign or other governmental or quasi-governmental authority or body (or any agency, instrumentality or political subdivision thereof) pertaining to Hazardous Material on or about any Material Property or any portion thereof including, without limitation, those relating to soil, surface, subsurface ground water conditions and the condition of the ambient air; any so-called "superfund" or "superlien" law; and any other federal, state, foreign or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect.

1.76 "Hereof", "hereto", "hereunder" and similar terms shall refer to this Agreement and not to any particular paragraph or provision of this Agreement.

1.77 "HLT Determination" shall mean any determination by the Agent or by the Majority Banks, or by applicable federal or state regulatory authorities (including without limitation any central bank or other governmental body having jurisdiction over any of the Banks) that the Indebtedness (or any specific loan facility or portion thereof pursuant to this Agreement or the other Loan Agreements) would be classified as a "highly-leveraged transaction"

or an "HLT" under applicable federal or state law, regulations or guidelines in effect from time to time, provided that (a), with any determination of HLT status by Agent or the Majority Banks, Agent shall have given Company not less than thirty (30) days prior written notice of such determination, accompanied by a certificate setting forth the basis for such determination (which shall be presumed correct absent manifest error) and (b) with respect to any determination of HLT status by a federal or state regulatory authority, Agent shall have given written notice thereof to Company, accompanied by a copy of such determination (if in writing).

1.78 "Indebtedness" shall mean all indebtedness and liabilities, whether direct or indirect, absolute or contingent, owing by Company or any of the Permitted Borrowers to the Banks (or any of them) or to the Agent, in any manner and at any time, under this Agreement or the Loan Documents, whether evidenced by the Notes, arising under the DM Loan Agreement (or any promissory notes issued thereunder), the Roederstein Loan Agreement (or any promissory notes issued thereunder), the Target Company Loan Agreement (or any promissory notes issued thereunder), the Vishay Guaranty, the Domestic Guaranty, the Permitted Borrowers Guaranty, or otherwise, due or hereafter to become due, now owing or that may hereafter be incurred by the Company, any of the Permitted Borrowers or any of the Subsidiaries to, or acquired by, the Banks (or any of them) or by Agent, and any judgments that may hereafter be rendered on such indebtedness or any part thereof, with interest according to the rates and terms specified, or as provided by law, and any and all consolidations, amendments, renewals, replacements or extensions of any of the foregoing.

1.79 "Intercompany Loan" shall mean any loan (or advance in the nature of a loan) by the Company or any 100% Subsidiary to another 100% Subsidiary, provided that each such loan or advance is subordinated in right of payment and priority to the Indebtedness on terms and conditions satisfactory to Agent and the Majority Banks.

1.80 "Intercompany Loans, Advances or Investments" shall mean any Intercompany Loan, and any advance or investment by the Company or any 100% Subsidiary (including without limitation any guaranty of obligations or indebtedness to third parties) to or in another 100% Subsidiary.

1.81 "Interest Expense" shall mean, for any person and with respect to any period, the sum of the amount of interest paid or accrued in respect of such period, determined in accordance with GAAP.

1.82 "Interest Period" shall mean either an Absolute Rate Interest Period or a Eurocurrency-Interest Period commencing on the day an Absolute Rate Bid Advance or a Eurocurrency-based Advance,

as the case may be, is made, or on the effective date of an election of the Absolute Rate under Section 2.5 hereof or the Eurocurrency-based Rate made under Section 2.3, 2.5 or 3.9, hereof, provided that:

(a) any Interest Period which would otherwise end on a day which is not a Business Day shall be extended to the next succeeding Business Day, except that as to a Eurocurrency-Interest Period, if the next succeeding Business Day falls in another calendar month, the Eurocurrency-Interest Period shall end on the next preceding Business Day, and when a Eurocurrency-Interest Period begins on a day which has no numerically corresponding day in the calendar month during which such Eurocurrency-Interest Period is to end, it shall end on the last Business Day of such calendar month, and

(b) no Interest Period shall extend beyond the then effective maturity date of the Note or Notes to which such Interest Period is to apply.

1.83 "Internal Revenue Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated thereunder.

1.84 "Joint Venture" shall mean any corporation, partnership, association, joint stock company, business trust or other combined enterprise, other than a Consolidated Subsidiary, in which (or to which) the Company or any of its Subsidiaries has made a loan, investment or advance or has an ownership stake or interest, whether in the nature of Share Capital or otherwise.

1.85 "Leverage Ratio" shall mean, with respect to the Company and its Consolidated Subsidiaries, as of the last day of any period of four consecutive fiscal quarters, the ratio of (a) Adjusted Total Indebtedness of the Company and its Consolidated Subsidiaries as of such day to (b) EBITDA of the Company and its Consolidated Subsidiaries for such period.

1.86 "Lien" shall mean any pledge, assignment, hypothecation, mortgage, security interest, deposit arrangement, option, trust receipt, conditional sale or title retaining contract, sale and leaseback transaction, or any other type of lien, charge or encumbrance, whether based on common law, statute or contract.

1.87 "Loan Agreements" shall mean this Agreement, the DM Loan Agreement, the Roederstein Loan Agreement and the Target Company Loan Agreement.

1.88 "Loan Documents" shall mean collectively, this Agreement, the Notes, the Guaranties, the DM Loan Documents, the Roederstein Loan Documents, the Target Company Loan Documents and

any other documents, instruments or agreements executed pursuant to or in connection with any such document, this Agreement, the DM Loan Agreement, the Roederstein Loan Agreement, or the Target Company Loan Agreement, as such documents may be amended from time to time.

1.89 "Majority Banks" shall mean at any time Banks holding 66-2/3% of the aggregate principal amount of the Indebtedness then outstanding under this Agreement and the other Loan Documents (excluding any Bid Notes issued under this Agreement or the DM Loan Agreement except upon the occurrence and during the continuance of an Event of Default, provided that Indebtedness under any such Bid Notes shall not be included for purposes of Section 9.2(w) hereof), or, if no such Indebtedness is then outstanding, Banks holding 66-2/3% of the Percentages.

1.90 "Material Property" shall mean any property, whether personal or real, owned, leased or otherwise used by the Company or any of its Subsidiaries or the Permitted Borrowers which is material to the operations of the Company and its Subsidiaries, taken as a whole, or which is material to the operations of Company or any of the Significant Subsidiaries.

1.91 "Moody's Rating" shall mean the rating by Moody's Investors Services, Inc. (or any successor thereto) ("Moody's") of Company's long-term, senior unsecured debt.

1.92 "Multiemployer Plan" shall mean any Pension Plan which is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

1.93 "Net Income" shall mean for any period the net income (or the net deficit if expenses and charges exceed revenues and other proper income credits) for such period taken as one accounting period, determined in the following manner:

(a) The gross revenues and other proper income credits shall be computed for such period determined in accordance with GAAP, provided that in any event there shall not be included in such gross revenues and income credits any of the following items: (i) any proceeds of any insurance policy or (ii) any gain arising from any write-up of assets or from the acquisition or retirement or sale of securities of any corporation or any other gain of an extraordinary nature.

(b) From the amount of such gross revenues and other proper income credits for such period determined as provided in the preceding clause (a) there shall be deducted an amount equal to the aggregate of all expenses and other proper income charges for such period determined in accordance with GAAP (provided, however, that there shall be no deduction in respect of compensation expense for employee stock options which would otherwise be required under GAAP pursuant to

currently proposed or subsequently enacted FASB rules or the federal Securities and Exchange Commission), but in any event including (without in any respect limiting the generality of the foregoing) the following items: (i) all interest and rental charges; (ii) amortization of debt discount and expense and amortization of all other deferred charges properly subject to amortization; (iii) provision for all taxes in respect of property and in respect of revenues, income, excess profits or otherwise; (iv) provision for all contingency reserves, whether general or special; and (v) provision for depreciation, depletion, obsolescence and/or amortization (including depreciation and amortization of leasehold improvements) in amounts in the aggregate not less than those actually charged on its books and, if not yet actually charged on such books, then in amounts not less than the amounts which would be charged in accordance with GAAP.

1.94 "Net Income Adjustment" shall mean that amount to be added to the Tangible Net Worth Floor under Section 7.4A and 7.4B hereof consisting of fifty percent (50%) of Company's Consolidated Net Income for each of Company's fiscal years ending on and after December 31, 1997 (in each case, if a positive number), on a cumulative basis.

1.95 "New Banks" shall mean Credit Lyonnais and Credit Suisse.

1.96 "Non-Amortizing Term Loan" shall mean that certain non-amortizing term loan in an aggregate amount not to exceed One Hundred Million Dollars (\$100,000,000) to be advanced by the Banks to the Company pursuant to the Target Company Loan Agreement.

1.97 "Notes" shall mean the Revolving Credit Notes, the Bid Notes or the Term Notes, or any or all of the Revolving Credit Notes, the Bid Notes and the Term Notes, as the context indicates, and in the absence of such indication, all such notes.

1.98 "Operating Income" shall mean, for any period, the sum of (i) Net Income, (ii) the net of interest income and Interest Expense and (iii) the provision for all taxes in respect of revenues, income or excess profits, all determined in accordance with GAAP.

1.99 "PBGC" shall mean the Pension Benefit Guaranty Corporation under ERISA, or any successor corporation.

1.100 "Pension Plan(s)" shall mean all employee pension benefit plans of Company, any ERISA Affiliate or the Permitted Borrowers, as defined in Section 3(2) of ERISA.

1.101 "Percentage" shall mean, with respect to any Bank, its percentage share, as set forth on Exhibit "G", hereto, of the

Revolving Credit, and/or the Term Loan, as the context indicates, as such Exhibit may be revised from time to time by Agent in accordance with Section 13.8(d) hereof.

1.102 "Permitted Borrower(s)" shall mean VBG and Draloric; provided however that the aggregate Advances of the Revolving Credit available to Company and the Permitted Borrowers hereunder shall be subject at all times to the applicable Sublimit and to the Revolving Credit Maximum Amount and to the other terms and conditions hereof.

1.103 "Permitted Borrowers Guaranty" shall mean that certain unconditional guaranty of the Indebtedness of the Permitted Borrowers hereunder, of VBG under the DM Loan Documents, and of VBG under the Roederstein Loan Documents, executed and delivered by the Significant Foreign Subsidiaries to the Banks as of the date hereof, as amended from time to time.

1.104 "Permitted Company Encumbrances" shall mean, in addition to Permitted Encumbrances, those liens and encumbrances of the Company identified in Schedule 1.104, hereto.

1.105 "Permitted Currencies" shall mean Dollars or any Alternative Currency.

1.106 "Permitted Encumbrances" shall mean, with respect to any Person:

(a) the liens and encumbrances granted under or established by this Agreement or the Loan Documents;

(b) liens for taxes not yet due and payable or which are being contested in good faith by appropriate proceedings diligently pursued, provided that such provision for the payment of all such taxes known to such Person has been made on the books of such Person as may be required by GAAP;

(c) mechanics', materialmen's, banker's, carriers', warehousemen's and similar liens and encumbrances arising in the ordinary course of business and securing obligations of such Person that are not overdue for a period of more than 60 days or are being contested in good faith by appropriate proceedings diligently pursued, provided that in the case of any such contest (i) any proceedings commenced for the enforcement of such liens and encumbrances shall have been duly suspended; and (ii) such provision for the payment of such liens and encumbrances has been made on the books of such Person as may be required by GAAP;

(d) liens arising in connection with worker's compensation, unemployment insurance, old age pensions

(subject to the applicable provisions of this Agreement) and social security benefits which are not overdue or are being contested in good faith by appropriate proceedings diligently pursued, provided that in the case of any such contest (i) any proceedings commenced for the enforcement of such liens shall have been duly suspended; and (ii) such provision for the payment of such liens has been made on the books of such Person as may be required by GAAP; and

(e) (i) liens incurred in the ordinary course of business to secure the performance of statutory obligations arising in connection with progress payments or advance payments due under contracts with the United States or any foreign government or any agency thereof entered into in the ordinary course of business and (ii) liens incurred or deposits made in the ordinary course of business to secure the performance of statutory obligations, bids, leases, fee and expense arrangements with trustees and fiscal agents and other similar obligations (exclusive of obligations incurred in connection with the borrowing of money, any lease-purchase arrangements or the payment of the deferred purchase price of property), provided that full provision for the payment of all such obligations set forth in clauses (i) and (ii) has been made on the books of such Person as may be required by GAAP; and

(f) any minor imperfections of title, including but not limited to easements, covenants, rights-of-way or other similar restrictions, which, either individually or in the aggregate do not materially adversely affect the present or future use of the property to which they relate, which would have a material adverse effect on the sale or lease of such property, or which would render title thereto unmarketable.

1.107 "Permitted Encumbrances of the Subsidiaries" shall mean, in addition to Permitted Encumbrances, those liens and encumbrances of the Subsidiaries identified in Schedule 1.107, hereto.

1.108 "Permitted Transfer" shall mean (i) any disposition of inventory or worn out or obsolete machinery, equipment or other such personal property in the ordinary course of business, (ii) any transfer by Company or its Subsidiaries to Vishay Israel or its wholly-owned direct subsidiaries of machinery and equipment acquired from Sprague Technologies, Inc., or Sprague Electric Company, Inc. (and/or the subsidiaries or affiliates of such parties) in the amount (valued on the basis of the book value of such property on the date of acquisition thereof) of up to Fifteen Million Dollars (\$15,000,000) in the aggregate with all other such transfers (subsequent to such acquisition); (iii) any transfer by VBG, Draloric or Roederstein to Vishay Israel or its wholly-owned direct subsidiaries of machinery and equipment acquired pursuant to

the Company's acquisition of Roederstein in the amount (valued on the basis of the book value of such property as of September 30, 1992) of up to DM 20,000,000 (or the Current Dollar Equivalent thereof) in the aggregate with all other such transfers (subsequent to such acquisition) and (iv) any transfer by the Company or its Subsidiaries to Vishay Israel or its wholly-owned direct subsidiaries of machinery and equipment acquired pursuant to the Target Company Acquisition in the amount (valued on the basis of the book value of such property on the date of the Target Company Acquisition) of up to Fifteen Million Dollars (\$15,000,000) in the aggregate with all other such transfers (subsequent to such acquisition); provided that, both before and after any such transfer, no Default or Event of Default (whether or not related to such transfer, has occurred and is continuing under this Agreement or any of the other Loan Documents.

1.109 "Permitted Transferee" shall mean a "Permitted Transferee" as defined in the Company's current Certificate of Incorporation, and any subsequent amendment of the definition of such term approved by the Majority Banks.

1.110 "Person" shall mean an individual, corporation, partnership, trust, incorporated or unincorporated organization, joint venture, joint stock company, or a government or any agency or political subdivision thereof or other entity of any kind.

1.111 "Prime Rate" shall mean the per annum interest rate established by Agent as its prime rate for its borrowers as such rate may vary from time to time, which rate is not necessarily the lowest rate on loans made by Agent at any such time.

1.112 "Prime-based Advance" shall mean an Advance which bears interest at the Prime-based Rate.

1.113 "Prime-based Rate" shall mean that rate of interest which is the greater of (i) the Prime Rate or (ii) the Alternate Base Rate, plus in each case the Applicable Margin (subject in each case, if applicable, to adjustment under Section 4.1 hereof).

1.114 "Prior Agreements" shall mean the Prior Loan Agreement, the Prior DM Agreement and the Prior Roederstein Agreement.

1.115 "Prior Banks" shall mean the Banks, other than the New Banks.

1.116 "Prior DM Agreement" shall mean that certain Amended and Restated Draloric Electronic, GmbH DM 42,375,000 Revolving Credit and DM 57,036,000 Term Loan Agreement dated as of January 10, 1992 among VBG, the Prior Banks and Agent, as amended, which loan agreement has been amended and restated in its entirety by the DM Loan Agreement.

1.117 "Prior Loan Agreement" shall mean that certain Amended and Restated Vishay Intertechnology, Inc. \$170,000,000 Revolving Credit and Term Loan Agreement dated as of January 10, 1992 among Company, the Prior Banks and Agent, as amended, which Prior Loan Agreement is amended and restated in its entirety by this Agreement.

1.118 "Prior Roederstein Agreement" shall mean that certain Roederstein DM 104,315,990.20 Term Loan Agreement dated as of January 29, 1993 among Company, VBG, the Prior Banks and Agent, as amended, which loan agreement has been amended and restated in its entirety by the Roederstein Loan Agreement.

1.119 "Prohibited Transaction" shall mean any transaction involving a Pension Plan which constitutes a "prohibited transaction" under Section 406 of ERISA or Section 4975 of the Internal Revenue Code.

1.120 "Rating Level" shall mean Rating Level 1, 2, 3 or 4 as then in effect hereunder.

1.121 "Rating Level 1" shall mean an S & P rating of BBB+ (or higher) and a Moody's rating of Baa1 (or higher).

1.122 "Rating Level 2" shall mean an S & P rating of BBB (or higher) and a Moody's rating of Baa2 (or higher).

1.123 "Rating Level 3" shall mean an S & P rating of BBB- (or higher) and a Moody's rating of Baa3 (or higher).

1.124 "Rating Level 4" shall mean the rating level (if any) which exists whenever the Company does not qualify for Rating Level 1, Rating Level 2 or Rating Level 3.

1.125 "Reference Banks" shall mean Comerica, NationsBank and BHF, or such other Banks as may be agreed to constitute the "Reference Banks" by Company, Agent and the Majority Banks.

1.126 "Request for Advance" shall mean a Request for Advance issued by Company or by one of the Permitted Borrowers and countersigned by the Company under Section 2.3 of this Agreement in the form annexed hereto as Exhibit "A".

1.127 "Request for Term Loan Advance and Rate Request" shall mean a Request for an Advance of the Term Loan issued by the Company under Section 3.9 of this Agreement in the form annexed hereto as Exhibit "E".

1.128 "Required Consummation Date" shall mean July 29, 1994, or such later date as may be approved in writing by each of the Banks.

1.129 "Revalidation Date" shall mean the last day of the calendar quarter which ends at least sixty (60) days following the date of the Target Company Acquisition.

1.130 "Revolving Credit" shall mean the revolving credit loan to be advanced to the Company or the Permitted Borrowers by the Banks pursuant to Section 2.1, hereof, in an aggregate amount, subject to the terms hereof, not to exceed Two Hundred Million Dollars (\$200,000,000).

1.131 "Revolving Credit Aggregate Commitment" shall mean, as of the applicable date of determination, the Revolving Credit Maximum Amount minus the Revolving Credit Designated Portion.

1.132 "Revolving Credit Commitment Fee" shall mean the commitment fee payable to Agent for distribution to the Banks pursuant to Section 2.14, hereof.

1.133 "Revolving Credit Designated Portion" shall mean that portion of the Revolving Credit Aggregate Commitment, not to exceed One Hundred Million Dollars (\$100,000,000) in the aggregate (subject to reduction under Section 2.16 hereof), designated by Company as not immediately available for borrowing hereunder in accordance with and subject to Section 2.17 hereof.

1.134 "Revolving Credit Facility Fee" shall mean the facility fee payable to Agent for distribution to the Banks pursuant to Section 2.13 hereof.

1.135 "Revolving Credit Maturity Date" shall mean the earlier to occur of (i) December 31, 1997, as such date may be extended from time to time pursuant to Section 2.19 hereof, and (ii) the date on which the Revolving Credit Maximum Amount shall be terminated pursuant to Section 2.16 or 9.2 hereof.

1.136 "Revolving Credit Maximum Amount" shall mean Two Hundred Million Dollars (\$200,000,000), less any reductions in the Revolving Credit Maximum Amount under Section 2.16 hereof.

1.137 "Revolving Credit Notes" shall mean the Notes described in Section 2.1, hereof, made or to be made by Company or the Permitted Borrowers to each of the Banks in the form annexed to this Agreement as Exhibit "B-1" or "B-2", as the case may be, as such Notes may be amended, renewed, replaced or extended from time to time.

1.138 "Roederstein" shall mean Roederstein Spezialfabriken fur Bauelemente der Elektronik und Kondensatoren der Starkstromtechnik GmbH, a German corporation.

1.139 "Roederstein Loan Agreement" shall mean that certain Roederstein DM 104,315,990.20 Term Loan Agreement dated as of the

date hereof, among Company, VBG, the Banks and Agent, as amended from time to time.

1.140 "Roederstein Loan Documents" shall mean the Roederstein Loan Agreement and all notes, and other loan documents (or any assignments thereof) executed by Company, VBG or any of its Subsidiaries pursuant to or in connection with the Roederstein Loan Agreement, as such documents may be amended from time to time.

1.141 "Seller" shall mean Thomas & Betts Corporation, a New Jersey Corporation.

1.142 "S & P Rating" shall mean the rating by Standard & Poor's Corporation (or any successor thereto) ("S&P") of Company's long-term, senior unsecured debt.

1.143 "Shares", "share capital", "capital stock", "stock" and words of similar import shall mean and refer to the equity capital interest under applicable law of any Person in a corporation, howsoever such interest is created or arises, whether such capital consists of common stock, preferred stock or preference shares, or other stock, and whether such capital is evidenced by a certificate, share register entry or otherwise.

1.144 "Significant Domestic Subsidiaries" shall mean those Domestic Subsidiaries identified on Schedule 1.144 hereto.

1.145 "Significant Foreign Subsidiaries" shall mean those Foreign Subsidiaries identified on Schedule 1.145 hereto.

1.146 "Significant Subsidiaries" shall mean the Significant Domestic Subsidiaries and the Significant Foreign Subsidiaries.

1.147 "Single Employer Plan" shall mean any Pension Plan other than a Multiemployer Plan.

1.148 "Stockholder's Equity" shall mean (i) legal capital consisting of common or preferred stock, (ii) paid-in capital to the extent of the excess over par or stated value paid for capital stock and that created by a corporate readjustment and (iii) retained earnings consisting of cumulative Net Income reduced by dividends declared or paid.

1.149 "Stock Option Plan" shall mean that certain 1986 Employee Stock Plan of Dale Electronics, adopted by the Board of Directors of Dale Electronics on February 27, 1986, and approved by the Board of Directors of the Company on February 27, 1986, pursuant to which Dale Electronics may, so long as no Default or Event of Default shall have occurred and be continuing, distribute stock in the Company to certain of the executive officers and employees of Dale Electronics and the Company, as such plan may be amended from time to time.

1.150 "Stock Option Plan Debt" shall mean indebtedness issued by Dale Electronics to the Company in exchange for stock in the Company to be distributed pursuant to the Stock Option Plan, provided that (i) no payments of principal or interest may be made under such indebtedness so long as this Agreement or any of the Loan Documents remains outstanding, and (ii) such indebtedness shall be subordinated to the Indebtedness in all respects.

1.151 "Stock Purchase Agreement" shall mean that certain Stock Purchase Agreement entered into between Seller (and certain of its subsidiaries), as sellers, and the Company, as purchaser, dated as of July 12, 1994, as amended (subject to the terms hereof), from time to time.

1.152 "Sublimit" shall mean the maximum aggregate amount of Advances of the Revolving Credit available at any time to each of the Permitted Borrowers hereunder, as set forth on Exhibit "H" hereto.

1.153 "Subsidiary(ies)" shall mean any other corporation, association, joint stock company, or business trust of which more than fifty percent (50%) of the outstanding voting stock is owned either directly or indirectly by Company or one or more of its Subsidiaries or by Company and one or more of its Subsidiaries, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by Company and/or its Subsidiaries. "100% Subsidiary(ies)" shall mean any of the Company's Subsidiaries whose stock (other than directors' or qualifying shares to the extent required under applicable law) is owned 100% by any other 100% Subsidiary and/or the Company, and shall also include Vishay Israel.

1.154 "Tangible Net Worth" shall mean as at the time any determination thereof is to be made, the total of all assets appearing on a balance sheet of such entity prepared in accordance with GAAP, after adding thereto (a) the Interest Expense for the applicable period which has been accrued, but not paid, and (b) any unearned deferred compensation resulting from stock compensation plans for the Company and its Subsidiaries and, following the Target Company Acquisition, the Target Company and its Subsidiaries (provided that such plans are substantially similar to the stock compensation plans in effect at the Company and Dale Electronics as of the date hereof), excluding the effects of the currency translation adjustment and of the pension adjustment under the additional minimum liability section of FASB 87, and deducting therefrom (without duplication of deductions):

(c) the book amount of intangible assets including, without limitation, such items as goodwill, trademarks, trade names, copyrights, patents, licenses and rights in any intangible assets, and unamortized debt discount and expense;

(d) all reserves, including, without limitation, reserves for doubtful accounts, liabilities, fixed or contingent, deferred income taxes, depreciation, depletion, obsolescence, amortization, insurance and inventory valuation, carried by such entity and not deducted from assets and all other proper reserves which in accordance with GAAP should be set aside in connection with the business conducted by such entity;

(e) the amount, if any, at which any shares of stock of such entity or any of its Subsidiaries appear upon the asset side of a consolidated balance sheet of such entity and its Subsidiaries;

(f) the amount, if any, at which the stock or securities of or loans or advances to any entity (other than a Subsidiary of such entity), which are not readily marketable appear upon the asset side of such balance sheet;

(g) all prepaid expenses and deferred charges;

(h) the indebtedness and other liabilities of such entity appearing on a balance sheet of such entity prepared in accordance with GAAP;

(i) any minority interest in the shares of stock and surplus of any Subsidiary of such entity;

(j) any excess cost of acquisition of shares of any Subsidiary over the book value of the assets of such Subsidiary attributable to such shares at the date of such acquisition or on account of any excess of the book value of the assets of any Subsidiary acquired subsequent to the date of such an acquisition by any entity attributable to any shares of such Subsidiary at the date of acquisition of such shares over the cost of acquisition of such shares; and

(k) any items not included in subdivisions (c) through (j) above which would be treated as intangibles under GAAP.

1.155 "Target Company" shall mean Vitramon, Incorporated, a Delaware corporation.

1.156 "Target Company Acquisition" shall mean the acquisition by the Company, subject to the terms hereof, of all of the issued and outstanding shares of stock of the Target Company for the price and on the terms set forth in the Stock Purchase Agreement.

1.157 "Target Company Loan Agreement" shall mean that certain \$200,000,000 Target Company Loan Agreement dated as of the date

hereof among Company, the Banks and Agent, as amended from time to time.

1.158 "Target Company Loan Documents" shall mean the Target Company Loan Agreement, and all notes and other loan documents executed by Company or any of its Subsidiaries pursuant to or in connection with the Target Company Loan Agreement, as such documents may be amended from time to time.

1.159 "Term Loan" shall mean the renewal term loan to be advanced by the Banks to the Company pursuant to Section 3.1 hereof, in an aggregate amount of One Hundred Two Million Five Hundred Thousand Dollars (\$102,500,000).

1.160 "Term Loan Maturity Date" shall mean, December 31, 2000.

1.161 "Term Notes" shall mean the term notes described in Section 3.1 hereof, made by Company to each of the Banks in the form annexed to this Agreement as Exhibit "D".

1.162 "Vishay Guaranty" shall mean that certain amended and restated guaranty of all of the Indebtedness outstanding from each of the Permitted Borrowers, whether hereunder, under the DM Loan Documents, the Roederstein Loan Documents or otherwise, executed and delivered by the Company to the Agent, on behalf of the Banks, as of the date hereof, as amended from time to time.

1.163 "Vishay Israel" shall mean Vishay Israel Limited, a corporation organized under the laws of Israel and a Subsidiary of the Company.

1.164 "Vishay Stock Plans" shall mean that certain 1986 Employee Stock Plan of Vishay Intertechnology, Inc., adopted by the board of directors of the Company on February 27, 1986, as such plan may be amended from time to time, and the Stock Option Plan, and any successor plans thereto.

1.165 "Vitramon Acquisition, Inc." shall mean Vishay Acquisition Holding Corp., a Delaware corporation, whose name will be changed to Vishay Vitramon Holding Corp. following the Target Company Acquisition.

1.166 "VBG" shall mean Vishay Beteiligungs GmbH, a German corporation, formerly known as Draloric Electronic GmbH.

1.167 "Yield Maintenance Payment" shall mean the yield maintenance payment required to be paid by the Company under Section 3.13(b) hereof in connection with any prepayment of the Term Loan following the Company's Fixed Rate Election hereunder.

2. REVOLVING CREDIT; BID ADVANCES

2.1 Commitment. Subject to the terms and conditions of this Agreement, each Bank severally and for itself alone agrees to make Advances of the Revolving Credit in any one or more of the Permitted Currencies to the Company or to any of the Permitted Borrowers from time to time on any Business Day during the period from the effective date hereof until (but excluding) the Revolving Credit Maturity Date in an aggregate amount, based on the Dollar Amount of any Advances outstanding in Dollars and the Current Dollar Equivalent of any Advances outstanding in Alternative Currencies, not to exceed at any one time outstanding each such Bank's Percentage of the Revolving Credit Aggregate Commitment. Except as provided in Section 2.12, for purposes of this Agreement, Advances in Alternative Currencies shall be determined, denominated and redenominated as set forth in Section 2.10 hereof. All of the Advances of the Revolving Credit hereunder shall be evidenced by Revolving Credit Notes made by Company or the Permitted Borrowers to each of the Banks in the form attached hereto as Exhibit "B-1" or "B-2", as the case may be, subject to the terms and conditions of this Agreement. Advances of the Revolving Credit shall be subject to the following additional conditions and limitations:

(a) No Permitted Borrower shall be entitled to request an Advance of the Revolving Credit hereunder after it ceases to be a 100% Subsidiary of the Company.

(b) The maximum aggregate amount of Advances of the Revolving Credit available to each of the Permitted Borrowers at any time hereunder, shall not exceed, for Advances in Dollars, the Dollar Amount of the Sublimit applicable to such Permitted Borrower, and for Advances in Alternative Currencies, the Current Dollar Equivalent of the applicable Sublimit.

2.2 Accrual of Interest and Maturity. The Revolving Credit Notes, and all principal and interest outstanding thereunder, shall mature and become due and payable in full on the Revolving Credit Maturity Date, and each Advance evidenced by the Revolving Credit Notes from time to time outstanding hereunder shall, from and after the date of such Advance, bear interest at its Applicable Interest Rate. The amount and date of each Advance, its Applicable Interest Rate, its Interest Period, and the amount and date of any repayment shall be noted on the Agent's records, which records will be conclusive evidence thereof, absent manifest error; provided, however, that any failure by the Agent to record any such information shall not relieve the Company or any Permitted Borrower of its obligation to repay the outstanding principal amount of such Advance, all interest accrued thereon and any amount payable with respect thereto in accordance with the terms of this Agreement and the Loan Documents.

2.3 Requests for and Refundings and Conversions of Advances. Company or any of the Permitted Borrowers (with the countersignature of Company hereunder) may request an Advance of the Revolving Credit, refund any Advance of the Revolving Credit in the same type of Advance of the Revolving Credit or convert any Advance of the Revolving Credit to any other type of Advance of the Revolving Credit only after delivery to Agent of a Request for Advance executed by an authorized officer of Company or of a Permitted Borrower (with the countersignature of an authorized officer of the Company), subject to the following and to the remaining provisions hereof:

(a) each such Request for Advance shall set forth the information required on the Request for Advance form annexed hereto as Exhibit "A", including without limitation:

- (i) the proposed date of Advance, which must be a Business Day;
- (ii) whether the Advance is a refunding or conversion of an outstanding Advance;
- (iii) whether such Advance is to be a Prime-based Advance, or a Eurocurrency-based Advance, and, except in the case of a Prime-based Advance, the first Interest Period applicable thereto; and
- (iv) in the case of a Eurocurrency-based Advance, the Permitted Currency in which such Advance is to be made.

(b) each such Request for Advance shall be delivered to Agent by 12 noon (Detroit time) four (4) Business Days prior to the proposed date of Advance, except in the case of a Prime-based Advance, for which the Request for Advance must be delivered by 11 a.m. on such proposed date;

(c) the principal amount (or Dollar Amount of the principal amount, if such Advance of the Revolving Credit is being initially funded in an Alternative Currency) of such requested Advance, plus the principal amount of all other Advances of the Revolving Credit then outstanding hereunder (using the Current Dollar Equivalent of any such Advances outstanding in any Alternative Currency, determined pursuant to the terms hereof as of the date of such requested Advance), plus the aggregate principal amount of Bid Advances outstanding hereunder, plus the aggregate principal amount of Bid Advances requested but not yet advanced hereunder (determined as aforesaid), shall not exceed the Revolving Credit Aggregate Commitment;

(d) the principal amount of such Advance, plus the amount of any other outstanding Advance of the Revolving Credit under this Agreement to be then combined therewith having the same Applicable Interest Rate and Interest Period, if any, shall be (i) in the case of a Prime-based Advance at least One Million Dollars (\$1,000,000) and (ii) in the case of a Eurocurrency-based Advance at least Five Million Dollars (\$5,000,000) or the equivalent thereof in an Alternative Currency, and at any one time there shall not be in effect more than (x) for Advances of the Revolving Credit in Dollars, two (2) Applicable Interest Rates and Interest Periods, and (y) for Advances of the Revolving Credit in any Alternative Currency (other than eurodollars), one (1) Applicable Interest Rate and Interest Period for each such currency;

(e) a Request for Advance, once delivered to Agent, shall not be revocable by Company or any Permitted Borrower;

(f) each Request for Advance shall constitute and include a certification by the Company as of the date thereof that:

- (i) both before and after the Advance, the obligations of the Company, its Subsidiaries and the Permitted Borrowers set forth in this Agreement and the Loan Documents to which such Persons are parties are valid, binding and enforceable obligations of the Company, its Subsidiaries and the Permitted Borrowers, as the case may be;
- (ii) all conditions to Advances of the Revolving Credit have been satisfied, and shall remain satisfied to the date of Advance;
- (iii) there is no Default or Event of Default in existence, and none will exist upon the making of the Advance;
- (iv) the representations and warranties contained in this Agreement and the Loan Documents are true and correct in all material respects and shall be true and correct in all material respects as of the making of the Advance; and
- (v) the execution of the Request for Advance will not violate the material terms and conditions of any material contract, agreement or other borrowing of Company or any of the Permitted Borrowers.

2.4 Disbursement of Advances.

(a) Upon receiving any Request for Advance from Company or any of the Permitted Borrowers under Section 2.3 hereof, Agent shall promptly notify each Bank by wire, telex or by telephone (confirmed by wire, telecopy or telex) of the amount and currency of such Advance to be made and the date such Advance is to be made by said Bank pursuant to its Percentage of the Advance. Unless such Bank's commitment to make Advances hereunder shall have been suspended or terminated in accordance with this Agreement, each Bank shall make available the amount of its Percentage of the Advance in immediately available funds in the currency of the Advance to Agent, as follows:

- (i) for Domestic Advances, at the office of Agent located at One Detroit Center, 500 Woodward Avenue, Detroit, Michigan 48226, not later than 2:00 p.m. (Detroit time) on the date of such Advance; and
- (ii) for Eurocurrency-based Advances, at the Agent's Correspondent for the account of the Eurocurrency Lending Office of the Agent, not later than 12 noon (the time of the Agent's Correspondent) on the date of such Advance.

(b) Subject to submission of an executed Request for Advance by Company or one of the Permitted Borrowers (with the countersignature of the Company as aforesaid) without exceptions noted in the compliance certification therein, Agent shall make available to Company or to the applicable Permitted Borrower, as the case may be, the aggregate of the amounts so received by it from the Banks in like funds and currencies:

- (i) for Domestic Advances, not later than 4:00 p.m. (Detroit time) on the date of such Advance by credit to an account of Company or the applicable Permitted Borrower maintained with Agent or to such other account or third party as Company or the applicable Permitted Borrower may reasonably direct; and
- (ii) for Eurocurrency-based advances, not later than 4:00 p.m. (the time of the Agent's Correspondent) on the date of such Advance, by credit to an account of Company or the applicable Permitted Borrower maintained with Agent's Correspondent or to such other account or third party as Company or the applicable Permitted Borrower may reasonably direct.

(c) Agent shall deliver the documents and papers received by it for the account of each Bank to such Bank or upon its order. Unless Agent shall have been notified by any Bank prior to the date of any proposed Advance that such Bank does not intend to make available to Agent such Bank's Percentage of the Advance, Agent may assume that such Bank has made such amount available to Agent on such date and in such currency, as aforesaid and may, in reliance upon such assumption, make available to Company or to the applicable Permitted Borrower, as the case may be, a corresponding amount. If such amount is not in fact made available to Agent by such Bank, as aforesaid, Agent shall be entitled to recover such amount on demand from such Bank. If such Bank does not pay such amount forthwith upon Agent's demand therefor, the Agent shall promptly notify Company and Company shall pay such amount to Agent. Agent shall also be entitled to recover from such Bank or Company, as the case may be, interest on such amount in respect of each day from the date such amount was made available by Agent to Company to the date such amount is recovered by Agent, at a rate per annum equal to:

- (i) in the case of such Bank, with respect to Domestic Advances, the Federal Funds Effective Rate, and with respect to Eurocurrency-based Advances, Agent's aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance and of any fees penalties, overdraft charges or other costs or expenses incurred by Agent as a result of such failure to deliver funds hereunder) of carrying such amount; and
- (ii) in the case of Company or a Permitted Borrower, the rate of interest then applicable to such Advance of the Revolving Credit.

The obligation of any Bank to make any Advance hereunder shall not be affected by the failure of any other Bank to make any Advance hereunder, and no Bank shall have any liability to the Company or any of its Subsidiaries, the Agent, any other Bank, or any other party for another Bank's failure to make any loan or Advance hereunder.

2.5 Bid Advances.

(a) Bid Advances. Company may request Bid Offers from the Bid Lenders to make Bid Advances in Dollars in accordance with this Section 2.5 from time to time on any Business Day prior to the Revolving Credit Maturity Date ("Bid Advance(s)"); provided, however, that after giving effect to each Bid Advance and all other Advances of the Revolving Credit requested to be made on such date, the aggregate outstanding Advances of the Revolving Credit and Bid

Advances shall not exceed the Revolving Credit Aggregate Commitment. Each Bid Advance shall mature, and the principal amount thereof shall be due and payable by the Company, on the last day of the Interest Period applicable thereto, provided, that no Bid Advance may mature or be payable on a day later than the Revolving Credit Maturity Date. In no event whatsoever shall any outstanding Bid Advance be deemed to reduce, modify or affect any Bank's commitment to make Advances of the Revolving Credit, based upon its Percentage. All Bid Lenders, or any lesser number thereof (including any Bid Lender individually), may, but shall not be obligated to, make Bid Offers so requested, and the Company may, but shall not be obligated to, accept any Bid Lender's Bid Offer, subject to the terms hereof.

(b) Bid Requests. Company may request from all Bid Lenders a Bid Advance by telephonic notice to the Agent (which notice shall be immediately confirmed by a facsimile Bid Borrowing Request (each a "Bid Borrowing Request") in the form of Exhibit "C-1" attached hereto) not later than 10:00 a.m. (Detroit time) at least one (1) Business Day prior to the date for such proposed Bid Advance in the case of an Absolute Rate Bid Advance, and not later than 10:00 a.m. (Detroit time) at least five (5) Business Days prior to the date for such proposed Bid Advance borrowing in the case of a Eurocurrency Bid Advance, in each case specifying:

(i) the date (which must be a Business Day) and aggregate amount of the proposed Bid Advance (which shall be in a minimum aggregate principal amount of Fifteen Million Dollars (\$15,000,000) and an integral multiple of One Million Dollars (\$1,000,000);

(ii) whether the Bid Offers requested are to be for Absolute Rate Bid Advances or Eurocurrency Bid Advances, or both; and

(iii) the duration of the Interest Period or Interest Periods applicable thereto, up to a maximum of three (3) such Interest Periods.

The Agent shall promptly (but in any event no later than 5:00 p.m. (Detroit time), on the same day of receipt of the Bid Borrowing Request) notify each Bid Lender by telephone (confirmed by facsimile) of each Bid Borrowing Request. The Company shall not request any Bid Advance within ten (10) Business Days after the date of any other Bid Borrowing Request or Bid Advance. Company may not request the refunding or conversion of any outstanding Advance (whether a Bid Advance or an Advance of the Revolving Credit) as a Bid Advance.

(c) Bid Offers.

(i) If any Bid Lender, in its sole discretion, elects to offer to make a Bid Advance to the Company as part of a proposed Bid Advance, it shall deliver by telephone (confirmed by facsimile promptly on the same day) to the Agent before 10:15 a.m. (Detroit time) on the date of such proposed Bid Advance in the case of an Absolute Rate Bid Advance and before 10:30 a.m. (Detroit time) four (4) Business Days prior to the date of such proposed Bid Advance in the case of a Eurocurrency Bid Advance, a Bid Offer, in the form of Exhibit "C-2" attached hereto ("Bid Offer"), specifying:

(A) the amount and Interest Period of each Bid Advance which such Bid Lender would be willing to make as part of such proposed Bid Advance, which amount shall be in a minimum principal amount of Five Million Dollars (\$5,000,000) and in an integral multiple of One Million Dollars (\$1,000,000), may not exceed the aggregate amount of the proposed Bid Advance as requested by the Company in connection with such Bid Advance, but may exceed such Bid Lender's Percentage of the Revolving Credit Aggregate Commitment, and which Interest Period shall be the Interest Period specified by the Company in the Bid Borrowing Request with respect to such Bid Advance;

(B) in the event the Company requests an Absolute Rate Bid Advance, the rate of interest per annum offered by such Bid Lender in its sole discretion with respect to such Bid Advance (rounded to the nearest 1/16th of 1%) (the "Absolute Rate") offered for each such Absolute Rate Bid Advance; and

(C) in the event the Company requests a Eurocurrency Bid Advance, the margin offered by such Bid Lender in its sole discretion with respect to such Bid Advance above or below the Eurocurrency Adjusted Rate expressed as a percentage (rounded to the nearest 1/16th of 1%) (the "Eurocurrency Bid Margin") to be added to or subtracted from the applicable Eurocurrency Adjusted Rate for the Interest Period for each such Eurocurrency Bid Advance.

Notwithstanding the foregoing, Bid Offers submitted by Agent (in its capacity as a Bank) may be submitted, and may only be submitted, if the Agent notifies Company of the terms of such Bid Offer (and the content thereof) not later than (x) 15 minutes prior to the deadline for the other Bid Lenders, in the case of an Absolute Rate Bid Advance and (y) 30 minutes prior to the deadline for the other Bid Lenders, in the case of Eurocurrency Bid Advance. Agent agrees to use good faith diligent efforts in formulating any such Bid Offers hereunder, not to review any Bid Offers submitted by other Bid Lenders.

(ii) Bid Offers shall be irrevocable, subject to the terms and conditions of this Agreement. If a Bid Offer is determined by the Agent (whose determination shall be conclusive in the absence of manifest error) to:

- (A) be not substantially in the form of Exhibit C-2 attached hereto;
- (B) omit any required information;
- (C) be conditional or qualified in any respect;
- (D) propose terms other than or in addition to those set forth in the related Bid Borrowing Request;
- (E) not have been delivered to the Agent in accordance with the time periods specified herein; or
- (F) be otherwise inconsistent with the provisions hereof,

the Agent will reject the offer made by such Bid Offer and give telephonic notice (confirmed by facsimile) of such rejection to the Bid Lender which submitted such Bid Offer. Promptly thereafter, and in any case, no later than 10:30 a.m. (Detroit time) on the date of the proposed Bid Advance in the case of an Absolute Rate Bid Advance and 11:00 a.m. (Detroit time) four (4) Business Days prior to the date of the proposed Bid Advance in the case of a Eurocurrency Bid Advance, the Agent will give telephonic notice (confirmed by facsimile) to the Company of all conforming Bid Offers and the terms thereof.

(d) Acceptance by the Company of Bid Offers. The Company shall, before 11:00 a.m. (Detroit time) on the date of the proposed Bid Advance in the case of an Absolute Rate Bid Advance and noon (Detroit time) four (4) Business Days prior to the date of the proposed Bid Advance in the case of a Eurocurrency Bid Advance, in its sole discretion, either:

(i) irrevocably cancel the Bid Borrowing Request that requested such Bid Advance by giving the Agent telephonic notice confirmed promptly thereafter by facsimile) to that effect; or

(ii) irrevocably accept one or more of the Bid Offers by giving telephonic notice to the Agent of the amount of the Bid Advance to be made on such date, specifying (A) the amount of each Bid Advance to be made by each Bid Lender as part of such Bid Advance, which amount shall not be greater than the amount offered by such Bid Lender in its Bid Offer,

(B) the Interest Period with respect thereto, and (C) the Absolute Rate with respect to each Absolute Rate Bid Advance and the Eurocurrency Bid Margin with respect to each Eurocurrency Bid Advance;

provided, however, that:

(A) the Company shall accept Bid Lenders' conforming Bid Offers only on the basis of ascending Absolute Rates or Eurocurrency Bid Margins and shall not accept any Bid Lender's conforming Bid Offer to make a Bid Advance at a particular Absolute Rate or Eurocurrency Bid Margin for a particular Interest Period if the Company has decided to reject any other Bid Lender's conforming Bid Offer to make a Bid Advance with the same Interest Period at a lower Absolute Rate or Eurocurrency Bid Margin, as the case may be;

(B) the aggregate principal amount of all Bid Offers accepted by the Company shall not, after giving effect to all reductions made pursuant to proviso (C) of this Section 2.5 (d)(ii) below, exceed the principal amount specified in the Bid Borrowing Request;

(C) if the Company shall accept any Bid Offer to make a Bid Advance at a particular Absolute Rate or Eurocurrency Bid Margin, as the case may be, for a particular Interest Period, then the Company shall accept all offers to make Bid Advances at such Absolute Rate or Eurocurrency Bid Margin, as the case may be, for the same Interest Period; provided, however, that, if Bid Offers are made by two or more Bid Lenders at the same Absolute Rates or Eurocurrency Bid Margins (with respect to the related Interest Period(s)) as the case may be, for a greater aggregate principal amount than the amount in respect of which such Bid Offers are accepted for the related Interest Period, the principal amount of Bid Advances in respect of which such Bid Offers are accepted shall be allocated by the Agent among such Bid Lenders as nearly as possible (and in such multiples, not greater than One Million Dollars (\$1,000,000), as the Agent may deem appropriate) in proportion to the aggregate principal amounts of such Bid Offers. Each Bid Lender acknowledges and agrees that any Bid Offer submitted by such Bid Lender may be modified in accordance with this clause (C), and no such modification shall constitute a rejection of such Bid Offer. Determinations by Agent of the amounts of Bid Advances hereunder shall be conclusive in the absence of manifest error.

Subject to the foregoing requirements, the Company may accept or reject, at the Company's sole discretion, the offer to make Bid Advances contained in any Bid Offer. Each notice given by the Company pursuant to this Section 2.5(d) shall be irrevocable. Failure by the Company to accept a Bid Offer in accordance with the provisions of this Section 2.5(d) shall constitute a rejection of such Bid Offer.

(e) Acknowledgment of Bid Borrowings. Promptly after acceptance of a Bid Offer by the Company pursuant to Section 2.5(d) (ii) hereof:

(i) in any case no later than 11:30 a.m. (Detroit time) on the date of such Bid Advance in the case of an Absolute Rate Bid Advance and 1:00 p.m. (Detroit time) four (4) Business Days prior to the date of such Bid Advance in the case of a Eurocurrency Bid Advance, the Company shall deliver by facsimile to the Agent a Bid Acknowledgment in substantially the form of Exhibit "C-3" hereto ("Bid Acknowledgment") confirming, with respect to each Bid Advance to be made to the Company, the Interest Period, the amount of the borrowing and the Absolute Rate or Eurocurrency Bid Margin, as the case may be, therefor; and

(ii) in any case no later than noon (Detroit time) on the date of the proposed Bid Borrowing in the case of an Absolute Rate Bid Advance and 2:00 p.m. (Detroit time) four (4) Business Days prior to the date of such Bid Advance in the case of a Euro-currency Bid Advance, the Agent will give telephonic notice to each Bid Lender of each Interest Period, amount of the borrowing, and the Absolute Rate or Eurocurrency Bid Margin, as the case may be, so accepted by the Company.

(f) Bid Advance Funding. At or before 2:00 p.m. (Detroit time) on the Business Day specified for each Bid Advance in the case of an Absolute Rate Bid Advance and noon (Detroit time) on the Business Day of such Bid Advance in the case of a Eurocurrency Bid Advance, each Bid Lender whose Bid Offer in respect thereof the Company accepted pursuant to Section 2.5(d)(ii) hereof shall deposit with the Agent same day funds in an amount equal to the principal amount of such Bid Lender's Bid Advance. Such deposit will be made to an account which the Agent shall from time to time specify by notice to the Bid Lenders. To the extent same day funds are received from such Bid Lenders, the Agent shall make such same day funds available to the Company by wire transfer to the accounts which Company shall have specified in its Bid Acknowledgment. No Bid Lender's obligation to make any Bid Advance shall be affected by any other Bid Lender's failure to make any Bid Advance.

Unless Agent shall have received notice from a Bid Lender prior to the date of funding of such Bid Lender's Bid Advance accepted by the Company that such Bid Lender will not make

available to the Agent such Bid Lender's share of such Bid Advance, Agent may assume that such Bid Lender has made such share available to Agent on the date of such Bid Advance in accordance with this subparagraph (f) and Agent may (but under no circumstances shall be required to do so), in reliance upon such assumption, make available to Company on such date a corresponding amount. If and to the extent that such Bid Lender shall not have so made such share available to Agent in accordance with the terms hereof, such Bid Lender and Company severally agree to repay to Agent forthwith upon demand such corresponding amount, together with interest thereon, for each day from the date such amount is made available to Company until the date such amount is repaid to Agent, at (i) in the case of Company, a rate per annum equal to the Prime-based Rate and (ii) in the case of such Bid Lender, the Federal Funds Effective Rate. If such Bid Lender shall repay to Agent such corresponding amount, such amount so repaid shall constitute such Bid Lender's portion of the Bid Advance included in such Bid Advance for purposes of this Agreement.

Promptly after each Bid Advance, and in any case no later than the immediately succeeding Business Day, the Agent will deliver to each of the Banks, a copy of the Bid Acknowledgment, specifying the date and amount of such Bid Advance, the amounts of the Bid Advances which comprise such borrowing and the Interest Period(s) thereof and the Absolute Rate(s) or Eurocurrency Bid Margin(s) as the case may be, accepted. Furthermore, upon the request of any Bank from time to time hereunder, the Agent will provide summaries to such Bank of all Bid Offers received in response to any Bid Borrowing Request.

(g) Bid Notes. The Bid Advances of each Bid Lender shall be evidenced by a promissory note in the form of Exhibit "C-4" attached hereto ("Bid Notes"), with appropriate insertions and shall be payable to the order of such Bid Lender, shall be dated as of the date of this Agreement, shall set forth the maximum principal amount of the aggregate Bid Advances which may be made by such Bid Lender and shall mature, subject to the terms hereof, on the Revolving Credit Maturity Date. Each Bid Lender shall record in its records, or at its option on the schedule attached to its Bid Note, the date and amount of each Bid Advance made by such Bid Lender, the Applicable Interest Rate with respect to each Bid Advance, each repayment thereof and the dates on which each Interest Period for such Bid Advance shall begin and end. The aggregate unpaid principal amount so recorded shall be conclusive evidence of the principal amount owing and unpaid on such Bid Note, absent manifest error. The failure to so record any such amount or any error in so recording any such amount shall not, however, limit or otherwise affect the obligations of the Company hereunder or under any such Bid Note.

2.6 Prime-based Interest Payments. Interest on the unpaid balance of all Prime-based Advances from time to time outstanding

shall accrue from the date of such Advance to the Revolving Credit Maturity Date (and until paid), at a per annum interest rate equal to the Prime-based Rate, and shall be payable in immediately available funds quarterly commencing on September 30, 1994, and on the last day of each calendar quarter thereafter. Interest accruing at the Prime-based Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed, and in such computation effect shall be given to any change in the interest rate resulting from a change in the Prime-based Rate on the date of such change in the Prime-based Rate.

2.7 Absolute Rate and Eurocurrency-based Interest Payments. Interest on each Absolute Rate Advance and each 1 month, 2 month and 3 month Eurocurrency-based Advance shall accrue at its Applicable Interest Rate and shall be payable in immediately available funds on the last day of the Interest Period applicable thereto. Interest shall be payable on each 6 month Eurocurrency-based Advance outstanding from time to time, at intervals of 3 months, as the case may be, after the first day of the applicable Interest Period, and shall also be payable on the last day of the Interest Period applicable thereto. Interest accruing at the Absolute Rate or the Eurocurrency-based Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed from the first day of the Interest Period applicable thereto to but not including the last day thereof. Interest due on any Advance made in an Alternative Currency shall be paid in such Alternative Currency.

2.8 Interest Payments on Conversions. Notwithstanding anything to the contrary in the preceding sections, all accrued and unpaid interest on any Advance converted pursuant to Section 2.3 hereof shall be due and payable in full on the date such Advance is converted.

2.9 Interest on Default. In the event and so long as any Event of Default shall exist under this Agreement, interest shall be payable daily on all Advances of the Revolving Credit and all Bid Advances from time to time outstanding at a per annum rate equal to the Applicable Interest Rate, plus three percent (3%) for the remainder of the then existing Interest Period, if any, and at all other such times, with respect to Domestic Advances from time to time outstanding, at a per annum rate equal to the Prime-based Rate plus three percent (3%), and, with respect to Eurocurrency-based Advances from time to time outstanding, (i) at a per annum rate calculated by the Agent, (or, in the case of a Eurocurrency Bid Advance, by the applicable Bid Lender having funded such Advance) whose determination shall be conclusive absent manifest error, on a daily basis, equal to three percent (3%) above the interest rate per annum at which one (1) day deposits (or, if such amount due remains unpaid for more than three (3) Business Days, then for such other period of time as the Agent (or the applicable Bid Lender, as aforesaid) may elect which shall in no event be

longer than six (6) months) in the relevant eurocurrency in the amount of such overdue payment due to the Agent (or the applicable Bid Lender, as aforesaid) are offered by the Eurocurrency Lending Office for the applicable period determined as provided above, or (ii) if at any such time such deposits are not offered by the Eurocurrency Lending Office, then at a rate per annum equal to three percent (3%) above the rate determined by the Agent (or the applicable Bid Lender, as aforesaid) to be its aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance) of carrying the amount of such Eurocurrency-based Advance.

2.10 Determination, Denomination and Redenomination of Alternative Currency Advances. Whenever, pursuant to any provision of this Agreement:

(a) an Advance of the Revolving Credit is initially funded, as opposed to any refunding or conversion thereof, in an Alternative Currency, the amount to be advanced hereunder will be the equivalent in such Alternative Currency of the Dollar Amount of such Advance;

(b) an existing Advance of the Revolving Credit denominated in an Alternative Currency is to be refunded, in whole or in part, with an Advance denominated in the same Alternative Currency, the amount of the new Advance shall be continued in the amount of the Alternative Currency so refunded;

(c) an existing Advance of the Revolving Credit denominated in an Alternative Currency is to be converted, in whole or in part, to an Advance denominated in another Alternative Currency, the amount of the new Advance shall be that amount of the Alternative Currency of the new Advance which may be purchased, using the most favorable spot exchange rate determined by Agent to be available to it for the sale of Dollars for such other Alternative Currency at approximately (11:00 a.m.) (Detroit time) two (2) Business Days prior to the last day of the Eurocurrency Interest Period applicable to the existing Advance, with the Dollar Amount of the existing Advance, or portion thereof being converted; and

(d) an existing Advance denominated in an Alternative Currency is to be converted, in whole or in part, to an Advance denominated in Dollars, the amount of the new Advance shall be the Dollar Amount of the existing Advance, or portion thereof being converted (determined as aforesaid).

2.11 Prepayment. Company or the applicable Permitted Borrower may prepay all or part of the outstanding balance of any Prime-based Advance(s) under the Revolving Credit Notes at any time (subject to not less than one (1) Business Day's notice to Agent), provided that the principal amount of any partial prepayment shall

be at least Five Hundred Thousand Dollars (\$500,000) and the aggregate principal balance of Prime-based Advance(s) remaining outstanding shall be at least One Million Dollars (\$1,000,000). Company or the applicable Permitted Borrower (if applicable) may prepay all or part of any Absolute Rate Bid Advance or Eurocurrency-based Advance (subject to not less than three (3) Business Day's notice to Agent) only on the last day of the Interest Period therefor, provided that (i) in the case of Bid Advances, there shall be no partial prepayment (such Advances to be prepaid only in full) and (ii) in the case of Eurocurrency-based Advances of the Revolving Credit, the amount of any such partial prepayment shall be at least One Million Dollars (\$1,000,000), or the equivalent thereof in an Alternative Currency, and the unpaid portion of such Advance which is refunded or converted under Section 2.3 shall be at least Five Million Dollars (\$5,000,000) or the equivalent thereof in an Alternative Currency. Any prepayment made in accordance with this Section shall be without premium, penalty or prejudice to the right to reborrow under the terms of this Agreement. Any other prepayment of all or any portion of the Revolving Credit or of any Bid Advance shall be subject to Section 11.1, hereof, but otherwise without premium, penalty or prejudice.

2.12 Prime-based Advance in Absence of Election or Upon Default. If, as to any outstanding Eurocurrency-based Advance of the Revolving Credit, Agent has not received payment on the last day of the Interest Period applicable thereto, or does not receive a timely Request for Advance meeting the requirements of Section 2.3 with respect to the refunding or conversion of an Advance of the Revolving Credit, or, subject to Section 2.9, hereof, if on such day a Default or an Event of Default shall have occurred and be continuing, the principal amount thereof which is not then prepaid in the case of a Eurocurrency-based Advance shall be converted automatically to a Prime-based Advance and the Agent shall thereafter promptly notify Company of said action. If a Eurocurrency-based Advance converted hereunder is payable in an Alternative Currency, the Prime-based Advance shall be in an amount equal to the Dollar Amount of such Eurocurrency-based Advance at such time and the Agent (or, with respect to any Eurocurrency-based Bid Advance in an Alternative Currency, the applicable Bid Lender) shall use said Prime-based Advance to fund payment of the Alternative Currency obligation, all subject to the provisions of Section 2.15. The Company shall reimburse Agent and each of the Banks on demand for any costs incurred by the Agent resulting from the conversion pursuant to this Section 2.12 of Eurocurrency-based Advances payable in an Alternative Currency to Prime-based Advances.

2.13 Revolving Credit Facility Fee. From the date hereof to the Revolving Credit Maturity Date, the Company shall pay to the Agent, for distribution to the Banks pro rata, a Revolving Credit Facility Fee consisting of the Applicable Fee Percentage per annum, calculated on a daily basis, times the Revolving Credit Aggregate

Commitment then in effect hereunder, regardless of the aggregate amount of Advances of the Revolving Credit or Bid Advances outstanding from time to time.

The Revolving Credit Facility Fee shall be payable quarterly in arrears commencing September 30, 1994, and on the last day of each calendar quarter thereafter and at the Revolving Credit Maturity Date, and shall be computed on the basis of a year of three hundred sixty (360) days and assessed for the actual number of days elapsed, giving immediate effect to any changes in the Applicable Fee Percentage. Whenever any payment of the Revolving Credit Facility Fee shall be due on a day which is not a Business Day, the date for payment thereof shall be extended to the next Business Day. Upon receipt of such payment, Agent shall make prompt payment to each Bank of its share of the Revolving Credit Facility Fee based upon its respective Percentage. The Revolving Credit Facility Fee shall not be refundable under any circumstances.

2.14 Revolving Credit Commitment Fee. From the date hereof to the Revolving Credit Maturity Date, the Company shall pay to the Agent, for distribution to the Banks (as set forth below), a Revolving Credit Commitment Fee equal to the sum of

(a) .0625% per annum times the daily average amount by which the Revolving Credit Aggregate Commitment then in effect hereunder exceeds the Dollar Amount of the principal amount outstanding from time to time under the Revolving Credit, plus the aggregate daily amount of Bid Advances outstanding from time to time hereunder, determined, if any Advance in an Alternative Currency is outstanding, as of the last day of each Interest Period (but otherwise computed on a daily basis); and

(b) the Applicable Fee Percentage per annum, times the Revolving Credit Designated Portion in effect under Section 2.17 hereof during such period, calculated on a daily basis.

The Revolving Credit Commitment Fee shall be payable quarterly in arrears commencing on September 30, 1994, and on the last day of each calendar quarter thereafter and at the Revolving Credit Maturity Date, and shall be computed on the basis of a year of three hundred sixty (360) days and assessed for the actual number of days elapsed. Whenever any payment of the Revolving Credit Commitment Fee shall be due on a day which is not a Business Day, the date for payment thereof shall be extended to the next Business Day. Upon receipt of such payment Agent shall make prompt payment to each Bank of its share of the Revolving Credit Commitment Fee based upon its respective Percentage. It is expressly understood that the Revolving Credit Commitment Fee shall not be refundable under any circumstances.

2.15 Currency Appreciation; Sublimits; Mandatory Reduction of Indebtedness. (a) If at any time and for any reason, the

aggregate principal amount (tested in the manner set forth below) of all Advances of the Revolving Credit hereunder to the Company and to the Permitted Borrowers made in Dollars and the aggregate Current Dollar Equivalent of all Advances hereunder to the Company and to the Permitted Borrowers in any Alternative Currency as of such time, plus the aggregate principal amount of Bid Advances outstanding hereunder as of such time, exceeds the Revolving Credit Aggregate Commitment, the Company and the Permitted Borrowers shall:

- (i) if otherwise entitled to do so under Section 2.18 hereof, activate a sufficient amount of the Revolving Credit Designated Portion to eliminate any such excess; and
- (ii) if (and to the extent) necessary to eliminate such excess, immediately repay that portion of the Indebtedness then carried as a Prime-based Advance, if any, by the Dollar amount of such excess, and/or reduce any pending request for an Advance in Dollars on such day by the Dollar Amount of such excess, to the extent thereof; and
- (iii) if (and to the extent) necessary to eliminate such excess, on the last day of each Interest Period of any Absolute Rate Bid Advance or Eurocurrency-based Advance outstanding as of such time, until the necessary reductions of Indebtedness under this Section 2.15(a) have been fully made, repay the Indebtedness carried in such Advances and/or reduce any requests for refunding or conversion of such Advances submitted (or to be submitted) by the Company or any of the Permitted Borrowers in respect of such Advances, by the Amount in Dollars or the Applicable Alternative Currency, as the case may be, of such excess, to the extent thereof.

The Company's compliance with this Section 2.15(a) shall be tested on a daily or other basis satisfactory to Agent in its sole discretion, provided that at any time while the aggregate Advances of the Revolving Credit available to be borrowed hereunder equal or exceed Ten Million Dollars (\$10,000,000), the Company's compliance with this Section 2.15(a) shall be tested as of the last day of each calendar quarter.

(b) If at any time and for any reason the aggregate principal amount (tested in the manner set forth below) of all Advances of the Revolving Credit hereunder to a Permitted Borrower made in Dollars and the aggregate Current Dollar Equivalent of all

Advances hereunder to such Permitted Borrower in any Alternative Currency as of such time, exceeds the Sublimit applicable to such Permitted Borrower, the Company or such Permitted Borrower shall (i) immediately repay that portion of the Indebtedness outstanding to such Permitted Borrower then carried as a Prime-based Advance, if any, by the Dollar Amount of any such excess and/or reduce on such day any pending request for an Advance in Dollars submitted by such Permitted Borrower by the Dollar Amount of such excess, to the extent thereof; and (ii) on the last day of each Interest Period of any Eurocurrency-based Advance outstanding to such Permitted Borrower as of such time, until the necessary reductions of Indebtedness under this Section 2.15(b) have been fully made, repay such Indebtedness carried in such Advances and/or reduce any requests for refunding or conversion of such Advances submitted (or to be submitted) by such Permitted Borrower in respect of such Advances, by the Amount in Dollars or the applicable Alternative Currency, as the case may be, of any remaining excess, to the extent thereof. Each Permitted Borrower's compliance with this Section 2.15(b) shall be tested on a daily or other basis satisfactory to Agent in its sole discretion, provided that at any time while the unused portion of the applicable Sublimit then in effect exceeds Five Million Dollars (\$5,000,000), compliance with this Section 2.15(b) shall be tested as of the last day of each calendar quarter.

2.16 Optional Reduction or Termination of Revolving Credit Maximum Amount. Provided that no Default or Event of Default has occurred and is continuing, the Company may upon not less than ten (10) Business Days' prior written notice to the Agent, permanently reduce the Revolving Credit Maximum Amount in whole at any time, or in part from time to time, without premium or penalty, provided that: (i) each partial reduction of the Revolving Credit Maximum Amount shall be in an aggregate amount equal to Five Million Dollars (\$5,000,000) or an integral multiple thereof; (ii) each reduction shall be accompanied by the payment of the Revolving Credit Commitment Fee, if any, accrued to the date of such reduction; (iii) the Company shall prepay in accordance with the terms hereof the amount, if any, by which the aggregate unpaid principal amount of Revolving Credit Notes, plus the aggregate principal amount of Bid Advances then outstanding, exceeds the amount of the Revolving Credit Aggregate Commitment then in effect (taking into account any reductions thereof resulting from such reductions in the Revolving Credit Maximum Amount), together with interest thereon to the date of prepayment; and (iv) if the termination or reduction of the Revolving Credit Maximum Amount requires the prepayment of an Absolute Rate Bid Advance or a Eurocurrency-based Advance, the termination or reduction may be made only on the last Business Day of the then current Interest Period applicable to such Absolute Rate Bid Advance or Eurocurrency-based Advance Loan. Reductions of the Revolving Credit Maximum Amount (and any accompanying prepayments of the Revolving Credit Notes) shall reduce each Bank's portion thereof

proportionately, based upon the applicable percentage (and any accompanying prepayments shall be distributed by Agent to each Bank in accordance with such Bank's Percentage thereof), and shall be permanent and irrevocable, and not available for reinstatement by or readvance to the Company or the Permitted Borrowers. The amount of any reductions of the Revolving Credit Maximum Amount under this Section 2.16 shall first be applied to reduce the maximum amount of the Revolving Credit Maximum Amount which may be designated as the Revolving Credit Designated Portion hereunder, before being applied to reduce the Revolving Credit Aggregate Commitment then in effect.

2.17 Revolving Credit Designated Portion. The Company may at any time and from time to time, upon at least five (5) Business Days' prior written notice to the Agent, subject to any prior activations of the Revolving Credit Designated Portion which shall remain in effect for a period of not less than thirty (30) consecutive days in accordance with Section 2.18 hereof, designate a portion of the Revolving Credit Maximum Amount up to a maximum of One Hundred Million Dollars (\$100,000,000) at any time in the aggregate so designated (subject to reduction under Section 2.16 hereof), as not presently available for borrowing hereunder, provided that (i) each such designation shall be in an aggregate amount equal to at least Five Million Dollars (\$5,000,000) or more, in increments of One Million Dollars (\$1,000,000); (ii) each such designation shall be accompanied by the payment of the Revolving Credit Commitment Fee, if any, accrued to the date of such designation; (iii) the Company shall prepay in accordance with the terms hereof the amount, if any, by which the aggregate unpaid principal amount of Revolving Credit Notes, plus the aggregate principal amount of Bid Advances outstanding hereunder, exceeds the amount of the Revolving Credit Aggregate Commitment, taking into account the aforesaid designation under this Section 2.17, together with interest thereon to the date of prepayment; and (iv) if the designation under this Section 2.17 requires the prepayment of an Absolute Rate Bid Advance or a Eurocurrency-based Advance, such designation may be effective only on the last Business Day of the then current Interest Period(s) applicable to such Absolute Rate Bid Advance or Eurocurrency-based Advance. The Revolving Credit Aggregate Commitment shall be reduced by the aggregate amount so designated under this Section 2.17 as the Revolving Credit Designated Portion, upon the effective date of each such designation.

2.18 Activation of Designated Portion. Provided that no Default or Event of Default has occurred and is continuing, Company may, upon not less than ten (10) Business Days' prior written notice to the Agent, elect to activate all or any part of the Revolving Credit Designated Portion, provided that each such activation shall be in an aggregate amount equal to at least Ten Million Dollars (\$10,000,000), or more in increments of One Million Dollars (\$1,000,000) and provided further that, on or before the requested date for activation, Company shall pay to the Agent, for

distribution to the Banks based on their respective Percentages, the Activation Fee. Each activation of the Revolving Credit Designated Portion shall remain in effect (and shall not be reduced by a subsequent designation under Section 2.17 hereof) for a period of not less than 30 consecutive days. Upon the effectiveness of any activation of the Revolving Credit Designated Portion under this Section 2.18, the Revolving Credit Designated Portion shall decrease by the amount so activated and the Revolving Credit Aggregate Commitment shall increase by the amount so activated.

2.19 Extension of Revolving Credit Maturity Date. Provided that no Default or Event of Default has occurred and is continuing, Company may, by written notice to Agent and each Bank (which notice shall be irrevocable and which shall not be deemed effective unless actually received by Agent and each Bank) prior to May 18th, but not before April 18th, of each year, request that the Banks extend the then applicable Revolving Credit Maturity Date to a date that is one year later than the Revolving Credit Maturity Date then in effect (each such request, a "Request"). Each Bank shall, not later than thirty (30) calendar days following the date of its receipt of the Request, give written notice to the Agent stating whether such Bank is willing to extend the Revolving Credit Maturity Date as requested. If Agent has received the aforesaid written approvals of such Request from each of the Banks, then, effective upon the date of Agent's receipt of all such written approvals from the Banks, as aforesaid, the Revolving Credit Maturity Date shall be so extended for an additional one year period, the term Revolving Credit Maturity Date shall mean such extended date and Agent shall promptly notify the Company that such extension has occurred. If (i) any Bank gives the Agent written notice that it is unwilling to extend the Revolving Credit Maturity Date as requested or (ii) any Bank fails to provide written approval to Agent of such a Request within thirty (30) calendar days of the date of Agent's receipt of the Request, then (x) the Banks shall be deemed to have declined to extend the Revolving Credit Maturity Date, (y) the then-current Revolving Credit Maturity Date shall remain in effect (with no further right on the part of Company to request extensions thereof under this Section 2.19) and (z) the commitments of the Banks to make Advances of the Revolving Credit hereunder shall terminate on the Revolving Credit Maturity Date then in effect, and Agent shall promptly notify Company thereof.

2.20 Revolving Credit as Renewal; Application of Advances Thereafter. The Revolving Credit Notes issued by the Company and the Permitted Borrowers shall constitute renewal and replacement evidence of all present indebtedness of Company and the Permitted Borrowers to the Prior Banks and to Agent outstanding as of the date hereof under the Prior Loan Agreement, and the notes issued pursuant thereto. Thereafter, Advances of the Revolving Credit, and Bid Advances, shall be available, subject to the terms hereof, to fund working capital needs or other general corporate purposes of

the Company and the Permitted Borrowers. Advances of the Revolving Credit, and Bid Advances, shall not be available to fund, directly or indirectly, the Target Company Acquisition or the payment of any transfer taxes, stamp duties, brokerage fees transfer taxes or other costs and expenses resulting directly or indirectly from such acquisition.

3. TERM LOAN

3.1 Commitment. Subject to the terms and conditions of this Agreement, each Bank, severally and for itself alone, agrees to advance to the Company, in a single Advance in Dollars concurrently with the execution and delivery of this Agreement, sums not to exceed in the aggregate such Bank's respective Percentage of the Term Loan. Advances of the Term Loan shall be evidenced by Term Notes executed and delivered by the Company to each of the Banks concurrently herewith in the form attached hereto as Exhibit "D" (with appropriate insertions acceptable to the Banks in form and substance) and in the face amount of each Bank's respective Percentage thereof.

3.2 Repayment of Principal Until Term Loan Maturity Date. Until the Term Loan Maturity Date, when the entire unpaid principal balance of the Term Loan and all accrued interest and other sums outstanding thereon shall be paid in full (subject to the terms hereof), the principal Indebtedness evidenced by the Term Notes shall be repaid on the following dates and in the following amounts (irrespective of and in addition to any principal payments hereunder based on Excess Cash Flow, but taking into account any optional prepayments hereunder):

(a) on December 31, 1994, the sum of Five Million Dollars (\$5,000,000);

(b) commencing on March 31, 1995, and on the last day of each calendar quarter thereafter through December 31, 1996, the sum of Two Million Five Hundred Thousand Dollars (\$2,500,000);

(c) commencing on March 31, 1997, and on the last day of each calendar quarter thereafter through December 31, 1997, the sum of Three Million Seven Hundred Fifty Thousand Dollars (\$3,750,000);

(d) commencing on March 31, 1998, and on the last day of each calendar quarter thereafter through December 31, 1999, the sum of Five Million Dollars (\$5,000,000); and

(e) commencing on March 31, 2000, and on the last day of each calendar quarter thereafter through December 31, 2000, the sum of Five Million Six Hundred Twenty-Five Thousand Dollars (\$5,625,000);

There shall be no readvance or reborrowing of any principal reductions of the Term Loan.

3.3 Excess Cash Flow Recapture. Until the Company's election of the Fixed Rate in accordance with Section 3.11 hereof, the Term Loan shall be subject to additional required principal reductions in the Dollar Amount of fifty percent (50%) of Excess Cash Flow, to be applied pro rata to the Term Notes issued by the Company (based on the principal amounts outstanding under such Notes at the time any such payments are made hereunder), payable in respect of each calendar year (or portion thereof) from 1994 through 1999, on the earlier of (i) the respective dates of Company's delivery of financial statements for such calendar years under Section 7.3(b) hereof or (ii) May 31st of the succeeding year, as applicable, commencing on May 31, 1995 and on each May 31st thereafter until the Term Loan Maturity Date.

Principal reductions based on Excess Cash Flow shall be in addition to scheduled principal payments under Section 3.2 hereof, as the case may be, or any optional prepayments made prior thereto, and shall be applied against principal installments due hereunder in the inverse order of their maturity. There shall be no readvance or re-borrowing of any principal reductions of the Term Loan hereunder. If the Applicable Interest Rate for the Term Loan then in effect is the Fixed Rate, principal reductions based on Excess Cash Flow otherwise required under this Section 3.3 shall be applied first, against the Roederstein Term Loan and, next, against the Non-amortizing Term Loan, but only to the extent of the respective principal balances then outstanding thereunder, and shall no longer be required to be applied to the Term Loan hereunder.

3.4 Accrual of Interest. Each Advance of Indebtedness evidenced by the Term Notes from time to time outstanding hereunder shall, from and after the date of such Advance, bear interest at its Applicable Interest Rate. The amount and date of each Advance, its Applicable Interest Rate, its Interest Period, and the amount and date of any repayment shall be noted on Agent's records, which records will be conclusive evidence thereof, absent manifest error.

3.5 Prime-based Interest Payments. Interest on the unpaid balance of Indebtedness evidenced by the Term Notes which is funded or carried as a Prime-based Advance from time to time shall accrue from the date of such Advance to the Term Loan Maturity Date (or until refunded, converted or paid), at a per annum interest rate equal to the Prime-based Rate, and shall be payable in immediately available funds quarterly commencing on the last day of the calendar quarter in which the Advance under the applicable Term Notes is made, and continuing on the last day of each calendar quarter thereafter until the Term Loan Maturity Date. Interest accruing at the Prime-based Rate shall be computed on the basis of a 360-day year and assessed for the actual number of days elapsed,

and in such computation effect shall be given to any change in the interest rate resulting from a change in the Prime-based Rate on the date of such change in the Prime-based Rate.

3.6 Eurocurrency-based Interest Payments. Interest on Indebtedness evidenced by the Term Notes which is funded or carried as a 1-month, 2-month and 3-month Eurocurrency-based Advance from time to time shall accrue at its Applicable Interest Rate and shall be payable in immediately available funds on the last day of the Interest Period applicable thereto. Interest on Indebtedness evidenced by the Term Notes which is funded or carried as a 6-month Eurocurrency-based Advance outstanding from time to time shall be payable in immediately available funds at intervals of 3 months after the first day of the applicable Interest Period, and on the last day of the applicable Interest Period. Interest accruing at the Eurocurrency-based Rate shall be computed on the basis of a 360-day year and assessed for the actual number of days elapsed from the first day of the Interest Period applicable thereto to, but not including, the last day thereof.

3.7 Interest Payments on Conversions. Notwithstanding anything to the contrary in the preceding Sections, all accrued and unpaid interest on any Advance of the Term Loan converted pursuant to Section 3.9 hereof shall be due and payable in full on the date such Advance of the Term Loan is converted.

3.8 Interest on Default. In the event and so long as any Event of Default shall exist under any Term Note or under this Agreement, interest shall be payable daily on all Advances evidenced by the Term Notes from time to time outstanding at a per annum rate equal to the Applicable Interest Rate, plus three percent (3%) for the remainder of the then existing Interest Period, if any, and at all other such times, with respect to Domestic Advances from time to time outstanding, at a per annum rate equal to the Prime-based Rate plus three percent (3%), and, with respect to Eurocurrency-based Advances from time to time outstanding under the Term Notes, (i) at a per annum rate calculated by the Agent, whose determination shall be conclusive absent manifest error, on a daily basis, equal to three percent (3%) above the interest rate per annum at which one (1) day deposits (or, if such amount due remains unpaid for more than three (3) Business Days, then for such other period of time as the Agent may elect which shall in no event be longer than six (6) months) in the relevant eurocurrency in the amount of such overdue payment due to the Agent are offered by the Eurocurrency Lending Office for the applicable period determined as provided above, or (ii) if at any such time such deposits are not offered by the Eurocurrency Lending Office, then at a rate per annum equal to three percent (3%) above the rate determined by the Agent to be its aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance) of carrying the amount of such Eurocurrency Advance.

3.9 Requests for and Refundings and Conversions of Advances. Company may request the Advance of the Term Loan and, until the exercise of the Fixed Rate Option, refund any Advance of the Term Loan in the same type of Advance or convert any Advance of the Term Loan to any other type of Advance of the Term Loan only after delivery to Agent of a Request for Term Loan Advance and Rate Request executed by an authorized officer of Company and subject to the following:

(a) each such Request for Term Loan Advance and Rate Request shall set forth the information required on the Request for Advance form annexed hereto as Exhibit "E", including without limitation:

- (i) the proposed date of Advance, which must be a Business Day;
- (ii) whether the Advance is a refunding or conversion of an outstanding Advance; and
- (iii) whether such Advance is to be a Prime-based Advance or a Eurocurrency-based Advance, and, except in the case of a Prime-based Advance, the first Interest Period applicable thereto.

(b) each such Request for Term Loan Advance and Rate Request shall be delivered to Agent by 12 Noon (Detroit time) four (4) Business Days prior to the proposed date of Advance, except in the case of a Prime-based Advance, for which the Request for Advance must be delivered by 11 a.m. on the proposed date of Advance;

(c) the principal amount of such Advance, plus the amount of any other outstanding Indebtedness evidenced by the Term Notes to be then combined therewith having the same Applicable Interest Rate and Interest Period, if any, shall be (i) in the case of a Prime-based Advance at least One Million Dollars (\$1,000,000) and (ii) in the case of a Eurocurrency-based Advance at least Five Million Dollars (\$5,000,000);

(d) no Advance shall have an Interest Period ending after the Term Loan Maturity Date, and, notwithstanding any provision hereof to the contrary, Company shall be required to select Interest Periods for sufficient portions of the Term Loan (or maintain sufficient portions thereof as a Prime-based Advance) such that the Company may make its required principal payments hereunder on a timely basis and otherwise in accordance with Sections 3.2 and 3.3, above.

(e) upon completion of the Advance there shall be no more than one (1) Interest Period and two (2) Applicable

Interest Rates (including the Prime-based Rate) with respect to Indebtedness evidenced by the Term Notes;

(f) a Request for Term Loan Advance and Rate Request, once delivered to Agent, shall not be revocable by Company;

(g) each Request for Term Loan Advance and Rate Request shall constitute and include a certification by the Company as of the date thereof that:

- (i) both before and after the Advance, the obligations of the Company and its Subsidiaries set forth in this Agreement and the Loan Documents to which such Persons are parties are valid, binding and enforceable obligations of the Company, its Subsidiaries and the Permitted Borrowers, as the case may be;
- (ii) all conditions to Advances of the Term Loan have been satisfied, and shall remain satisfied to the date of Advance;
- (iii) there is no Default or Event of Default in existence, and none will exist upon the making of the Advance;
- (iv) the representations and warranties contained in this Agreement and the Loan Documents are true and correct in all material respect and shall be true and correct in all material respects as of the making of the Advance; and
- (v) the execution of the Request for Advance will not violate the material terms and conditions of any material contract, agreement or other borrowing of Company or any of its Subsidiaries;

(h) each Request for Term Loan Advance and Rate Request shall be accompanied by such documents, instruments and other materials required hereunder or otherwise necessary to evidence satisfaction of all conditions to Advances of the Term Loan.

In the event with respect to any Advance Company shall fail to timely exercise its option in accordance with this Section 3.9, then the principal amount thereof which is not then prepaid shall be converted to a Prime-based Advance in accordance with Section 3.12 hereof (Agent to notify Company promptly of the occurrence thereof).

3.10 Disbursement of Advances.

(a) Upon receiving any Request for Term Loan Advance and Rate Request from Company in compliance with Section 3.9 hereof, Agent shall promptly notify each Bank by wire, telex or by telephone (confirmed by wire, telecopy or telex) of the amount of such Advance to be made and the date such Advance is to be made by said Bank pursuant to its Percentage of the Advance. Unless such Bank's commitment to make Advances hereunder shall have been suspended or terminated in accordance with this Agreement, each Bank shall make available to Agent the amount of its Percentage of the Advance in immediately available funds, as follows:

- (i) for Prime-based Advances, at the office of Agent located at One Detroit Center, 500 Woodward Avenue, Detroit, Michigan 48226, not later than 2:00 p.m. (Detroit time) on the date of such Advance; and
- (ii) for Eurocurrency-based Advances, at the Agent's Correspondent for the account of the Eurocurrency Lending Office of the Agent, not later than 12 Noon (the time of the Agent's Correspondent) on the date of such Advance.

(b) Subject to submission of an executed Request for Term Loan Advance and Rate Request by Company without exceptions noted in the compliance certification therein, Agent shall make available to Company the aggregate of the amounts, in Dollars, so received by it from the Banks in like funds:

- (i) for Prime-based Advances, not later than 4:00 p.m. (Detroit time) on the date of such Advance by deposit to an account of the Company maintained with Agent, or to such other account or third party as Company may reasonably direct;
- (ii) for Eurocurrency-based Advances, not later than 4:00 p.m. (the time of the Agent's Correspondent) on the date of such Advance, by deposit to an account of the Company maintained with Agent's Correspondent, or to such other account or third party as Company may reasonably direct.

(c) Agent shall deliver the documents and papers received by it for the account of each Bank to such Bank or upon its order. Unless Agent shall have been notified by any Bank prior to the date of any proposed Advance that such Bank

does not intend to make available to Agent such Bank's Percentage of the Advance, Agent may assume that such Bank has made such amount available to Agent on such date, as aforesaid and may, in reliance upon such assumption, make available to Company a corresponding amount. If such amount is not in fact made available to Agent by such Bank, as aforesaid, Agent shall be entitled to recover such amount on demand from such Bank. If such Bank does not pay such amount forthwith upon Agent's demand therefor, the Agent shall promptly notify Company and Company shall pay such amount to Agent. Agent shall also be entitled to recover from such Bank or Company, as the case may be, interest on such amount in respect of each day from the date such amount was made available by Agent to Company to the date such amount is recovered by Agent, at a rate per annum equal to:

- (i) in the case of such Bank, with respect to Prime-based Advances, the Federal Funds Effective Rate, and with respect to Eurocurrency-based Advances, Agent's aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance and of any fees, penalties, overdraft charges or other costs or expenses incurred by Agent as a result of such failure to deliver funds hereunder) of carrying such amount; and
- (ii) in the case of Company, the rate of interest then applicable to the Term Loan.

The obligation of any Bank to make any Advance hereunder shall not be affected by the failure of any other Bank to make any Advance hereunder, and no Bank shall have any liability to the Company or its Subsidiaries, the Agent, any other Bank, or any other party for another Bank's failure to make any loan or Advance hereunder.

3.11 Fixed Rate Election. (a) The Fixed Rate Election shall set forth the information required on the Fixed Rate Election form attached hereto as Exhibit "F" and shall constitute Company's certification that the conditions required under subparagraph (c), below, have been satisfied and that Company is entitled to elect the Fixed Rate hereunder;

(b) The Fixed Rate Election shall be delivered to Agent by 11:00 a.m. (Detroit time) not less than five (5) nor greater than ten (10) Business Days prior to the proposed effective date of such election, and once delivered to Agent by the Company, shall not be revocable by Company;

(c) In order for the Fixed Rate to become effective, the following conditions shall be satisfied by the Company (unless waived by the Banks) on or before the proposed effective date of the Fixed Rate Election, and shall remain satisfied on the actual effective date thereof:

- (i) As of the proposed effective date of the Fixed Rate Election, and as of the actual effective date thereof, no Eurocurrency-based Rate Advance of the Term Loan shall be outstanding;
- (ii) All accrued interest outstanding under the Term Notes as of the effective date of the Fixed Rate Election has been paid and discharged in full;
- (iii) both before and after the effective date of such election, the obligations of Company set forth in this Agreement are valid, binding and enforceable obligations of Company;
- (iv) there is no Default or Event of Default in existence, and none will exist upon the effective date of such election; and
- (v) the execution of such election will not violate the terms and conditions of any material contract, agreement or other borrowing of Company or any of its Subsidiaries;

(d) Subject to the foregoing, the Fixed Rate Election shall become effective (and the Fixed Rate shall become the Applicable Interest Rate for the Term Loan) on the proposed effective date of the Fixed Rate Election, as specified by the Company, whereupon Agent will notify Company and the Banks promptly of the Fixed Rate established by it hereunder. If a Fixed Rate Election has been submitted by Company hereunder, the Prime-base Rate shall be the only rate available to Company for the refunding or conversion of outstanding Advances of the Term Loan after such submission.

(e) Company shall be entitled to deliver only one Fixed Rate Election for the Term Loan while this Agreement is in effect, and once so elected, the Fixed Rate shall, subject to the terms hereof, remain the Applicable Interest Rate for the Term Loan so long as the Term Loan is outstanding hereunder.

(f) Interest accruing at the Fixed Rate shall be payable in immediately available funds quarterly commencing on the last day of the calendar quarter in which the Fixed Rate Election shall have been made by the Company, and continuing on the last day of each calendar quarter thereafter until the Term Loan Maturity Date, shall be computed on the basis of a 360-day year and assessed for the actual number of days elapsed. In the event and so long as any Event of Default shall exist under any Term Note or under this Agreement or any of the other Loan Documents, interest shall be payable daily on the Indebtedness evidenced by the Term Notes from time to time outstanding at a per annum rate equal to the Fixed Rate, plus three percent (3%).

3.12 Prime-based Advance in Absence of Election or Upon Default. If, as to any outstanding Eurocurrency-based Advance, Agent has not received payment on the last day of the Interest Period applicable thereto, or does not receive a timely Request for Term Loan Advance and Rate Request meeting the requirements of Section 3.9 with respect to the refunding or conversion of such Advance, or if on such day a Default or Event of Default shall have occurred and be continuing, the principal amount thereof which is not then prepaid in the case of a Eurocurrency-based Advance shall be converted automatically to a Prime-based Advance and the Agent shall thereafter promptly notify Company of said action.

3.13 Prepayment. (a) Company may prepay all or part of the outstanding balance of any Prime-based Advance(s) under its Term Notes at any time (subject to not less than one (1) Business Day's notice to Agent), provided that the amount of any partial prepayment by such party shall be at least One Million Dollars (\$1,000,000) and the aggregate balance of Prime-based Advance(s) remaining outstanding on such Notes shall be at least Five Hundred Thousand Dollars (\$500,000). Company may prepay all or part of any Eurocurrency-based Advance (subject to not less than three (3) Business Days' notice to Agent) only on the last day of the Interest Period applicable thereto, provided that the amount of any such partial prepayment by such party shall be at least One Million Dollars (\$1,000,000), and the unpaid portion of such Advance which is refunded or converted by such party under Section 3.9 hereof shall be at least Five Million Dollars (\$5,000,000). Furthermore, no such prepayment may be made using funds advanced, directly or indirectly, by the Banks under this Agreement or the DM Loan Agreement. Upon Agent's request in connection with any prepayment, Company shall provide evidence satisfactory to the Majority Banks that the source of funding for such prepayment consists of new equity, surplus cash (not the result of any Advance under this Agreement) or otherwise was not derived, directly or indirectly, from any Advance hereunder. Any prepayment made in accordance with this Section shall be applied against principal installments due hereunder in the inverse order of their maturity, and shall be

without premium or penalty (subject to Section 10 hereof), but there shall be no readvance or reborrowing of any principal reductions of the Term Loan (whether or not such principal reductions constitute prepayments).

(b) Once the Fixed Rate becomes the applicable Interest Rate for the Term Loan hereunder, at its option and upon not less than five (5) business days prior written notice to Agent, Company may prepay the principal balance outstanding under the Term Loan in whole or in part (in amounts of not less than Five Million Dollars (\$5,000,000) only upon payment to the Agent, for distribution to the Banks pro rata, of a Yield Maintenance Payment in an amount calculated by Agent to make the Banks whole (to the extent of the interest which would have been earned by the Banks but for the occurrence of such prepayment) on the basis of the discounted net present values of the interest payments that would otherwise be payable on the principal amount of the Term Loan being prepaid, after taking into account the amount of interest which would be payable on each interest payment due date if the principal amount being repaid were reinvested at the Current Market Rate (defined below).

As used herein, "Current Market Rate" shall mean a per annum interest rate equal to one-half percentage point (.5%) above the rate reasonably determined by Agent (based on quotations from established dealers) to be in effect two (2) days prior to the repayment date in the secondary market for United States Treasury Securities of a comparable amount and with a comparable term to maturity as the principal amount being prepaid hereunder. For purposes of computation, the discount rate for each computation will be the Current Market Rate for the relevant principal installment.

Upon any involuntary prepayment of the Term Loan hereunder, whether by acceleration, or otherwise, the Company shall pay to Agent, for distribution to the Banks pro rata, a Yield Maintenance Payment in an amount equal to the Yield Maintenance Payment which would have been due and payable hereunder if the Company had voluntarily elected to prepay the Term Loan (in an amount equal to such involuntary prepayment) on such date of involuntary prepayment. Any partial prepayments hereunder shall be applied to payments due under the Term Loan in the inverse order of their maturities.

3.14 Purpose. The Term Notes to be issued by Company hereunder shall constitute renewal and replacement evidence of all present Indebtedness of the Company for the Term Loan under the Prior Loan Agreement.

4. MARGIN ADJUSTMENTS; HLT DETERMINATION; SPECIAL LIMITATION

4.1 Margin Adjustments. Adjustments to the Applicable Margin, based on Schedule 4.1, shall be implemented as follows:

(i) Such Margin adjustments shall be given prospective effect only, effective (A) as to all Prime-based Advances outstanding hereunder, immediately upon required date of delivery of the financial statements required to be delivered under Section 7.3(b) and 7.3(c) hereof establishing applicability of the appropriate adjustments, if any, or on the obtaining and/or any change in the Rating Level then in effect, as applicable and (B) as to each Eurocurrency-based Advance outstanding hereunder, effective upon the expiration of the applicable Interest Period(s), if any, in effect on (x) the required date of delivery of the latest of such financial statements required to be delivered hereunder during such Interest Period(s) or (y) the date of the obtaining and/or any change in the Rating Level in effect hereunder, as applicable, in each case with no retroactivity or claw-back.

(ii) With respect to Eurocurrency-based Advances outstanding hereunder, an adjustment hereunder, after becoming effective, shall remain in effect only through the end of the applicable Interest Period(s) for such Eurocurrency-based Advances if any; provided, however, that upon the delivery of quarterly financial statements demonstrating any change in the Leverage Ratio or the obtaining and/or change in the Rating Level then in effect, as aforesaid, or the occurrence of any other event which under the terms hereof causes such adjustment no longer to be applicable, then any such subsequent adjustment or no adjustment, as the case may be, shall be effective (and said pricing shall thereby be adjusted up or down, as applicable) with the commencement of each Interest Period following such change or event, all in accordance with the preceding subparagraph.

4.2 HLT Determination. In the event at any time (whether before or after the funding of the Acquisition Loans) of an HLT Determination, the Agent, the Banks and the Company shall commence negotiations in good faith to agree upon whether and, if so, the extent to which fees, interest rates and/or margins hereunder should be increased so as to reflect such HLT Determination and to compensate the Banks and Agent for additional costs, expenses and/or fees which result from or are associated with any such HLT Determination, including without limitation any costs resulting from any requirement that additional capital be allocated to the Indebtedness, or any portion thereof. If Company and the Majority Banks agree that fees, interest rates and/or margins should be increased, and agree on the amount of such increase or increases, this Agreement may be amended to give effect to such increase or increases as provided in Section 13.11 hereof. If Company and Majority Banks fail to agree on whether and, if so, the extent to

which fees, interest rates and/or margins hereunder should be increased within 60 days after notice to Company of an HLT Determination as herein provided, then (i) the Agent shall, if requested by the Majority Banks, by written notice to the Company terminate the commitments of the Banks to fund and/or maintain Advances of the Revolving Credit and the DM Revolving Credit, and if still outstanding, any commitment to fund Advances of the Acquisition Loans, and such commitments shall thereupon terminate, (ii) Company shall be obligated to repay all outstanding Indebtedness at the end of the Interest Period applicable thereto and (iii) the Company may, at its option, on at least ten Business Days' written notice to the Agent (which shall promptly notify the Banks thereof) prepay all Indebtedness outstanding hereunder and under the other Loan Agreements by paying the aggregate principal amount thereof, together, with all accrued interest thereon to the date of prepayment; provided that, if the Company prepays any Fixed Rate Advance or Advances carried at the Eurocurrency-based Rate, the Absolute Rate, or any comparable rate, pursuant to this Section 4.2, Company shall compensate the Banks for any resulting funding losses as provided in Section 11.1 hereof. Subject to compliance by Company and the Permitted Borrowers with this Section 4.2, the Banks acknowledge that an HLT Determination shall not constitute a Default or an Event of Default hereunder.

4.3 Special Limitation. In the event, as a result of increases in the value of any of the Alternative Currencies against the Dollar or for any other reason, the obligation of any of the Banks to advance additional funds hereunder and under the other Loan Agreements (taking into account the Dollar Amount of the Indebtedness outstanding from time to time under the other Loan Agreements, and any other Indebtedness required to be aggregated under 12 USCA 84, as amended, the regulations promulgated thereunder, or other, similar applicable law) is determined by such Bank to exceed its then applicable legal lending limit under 12 USCA 84, as amended, and the regulations promulgated thereunder, or other, similar applicable laws, the amount of additional funds which such Bank shall be obligated to advance hereunder and under the other Loan Agreements shall immediately be reduced to the maximum amount which such Bank may legally advance (as determined by such Bank), the obligation of each of the remaining Banks hereunder shall be proportionately reduced, based on the applicable Percentages, and, to the extent necessary under such laws and regulations (as determined by each of the Banks, with respect to the applicability of such laws and regulations to itself), the Company shall reduce, or cause to be reduced, complying to the extent practicable with the remaining provisions hereof, the Indebtedness outstanding hereunder or under the other Loan Agreements by an amount sufficient to comply with such maximum amounts. Upon any such reduction in the obligations of the Banks under this Section 4.3, Company shall have the right, subject to the terms and conditions of this Agreement (but subsequent to Company's compliance with its obligation to reduce the Indebtedness

outstanding hereunder), to add to the Banks providing financing hereunder a bank reasonably acceptable to the Agent for the purpose of restoring the shortfall created by the reduction in such obligations of the Banks.

5. CONDITIONS. The obligations of Banks to make Advances or loans pursuant to this Agreement are subject to the following conditions, provided however that Section 5.1 through 5.11 below shall only apply to the initial Advances or loans hereunder:

5.1 Execution of Notes, this Agreement and the other Loan Documents. The Company and each of the Permitted Borrowers, as applicable, shall have executed and delivered to the Agent for the account of each Bank, the Revolving Credit Notes, the Bid Notes and the Term Notes, as applicable, this Agreement (including all schedules, exhibits, certificates, opinions, financial statements and other documents to be delivered pursuant hereto) and the other Loan Documents, and, as applicable, such Revolving Credit Notes, Bid Notes, Term Notes, this Agreement and the other Loan Documents shall be in full force and effect.

5.2 Corporate Authority. Agent shall have received, with a counterpart thereof for each Bank: (i) certified copies of resolutions of the Board of Directors of the Company and each of the Permitted Borrowers evidencing approval of the form of this Agreement and the Notes and authorizing the execution and delivery thereof and the borrowing of Advances hereunder; (ii) (A) certified copies of the Company's, and the Significant Subsidiaries' articles of incorporation and bylaws or other constitutional documents certified as true and complete as of a recent date by the appropriate official of the jurisdiction of incorporation of each such entity (or, if unavailable in such jurisdiction, by a responsible officer of such entity); and (B) a certificate of good standing from the state or other jurisdictions of the Company's incorporation, and from the applicable states of incorporation or other jurisdictions of the Permitted Borrowers and the Significant Subsidiaries and from every state or other jurisdiction in which the Company, any of the Permitted Borrowers or any of the Subsidiaries is qualified to do business, if issued by such jurisdictions, subject to the limitations (as to qualification and authorization to do business) contained in Section 6.1, hereof.

5.3 Vishay Guaranty. As security for all Indebtedness of the Company and the Permitted Borrowers to the Banks hereunder and under the other Loan Documents, the Company agrees to furnish, execute and deliver to Agent, or cause to be furnished, executed and delivered to Agent, prior to or concurrently with the initial borrowing hereunder, in form and substance satisfactory to Agent and the Banks and supported by appropriate resolutions in certified form authorizing same, the Vishay Guaranty.

5.4 Domestic Guaranty. The Company agrees to furnish, execute and deliver to Agent, or cause to be furnished, executed and delivered to Agent, prior to or concurrently with the initial borrowing hereunder, in form and substance satisfactory to Agent and the Banks and supported by appropriate resolutions in certified form authorizing same, as security for all Indebtedness of the Company and the Permitted Borrowers as set forth therein, the Domestic Guaranty.

5.5 Permitted Borrowers Guaranty. The Company agrees to furnish, execute and deliver to Agent, or cause to be furnished, executed and delivered to Agent, prior to or concurrently with the initial borrowing hereunder, in form and substance satisfactory to Agent and the Banks and supported by appropriate resolutions in certified form authorizing same, as security for all the Indebtedness of the Permitted Borrowers as set forth therein (but not as security for the Indebtedness of the Company), the Permitted Borrowers Guaranty.

5.6 Representations and Warranties -- All Parties. The representations and warranties made by the Company, the Permitted Borrowers or any other party to any of the Loan Documents under this Agreement or any of the Loan Documents (excluding the Banks), and the representations and warranties of any of the foregoing which are contained in any certificate, document or financial or other statement furnished at any time hereunder or thereunder or in connection herewith or therewith shall have been true and correct in all material respects when made and shall be true and correct in all material respects on and as of the date of the making of the initial Advance hereunder.

5.7 Compliance with Certain Documents and Agreements. The Company, and each of the Permitted Borrowers (and any of their respective Subsidiaries or Affiliates) shall have each performed and complied with all agreements and conditions contained in this Agreement, the Loan Documents, or any agreement or other document executed thereunder and required to be performed or complied with by each of them (as of the applicable date) and none of such parties shall be in default in the performance or compliance with any of the terms or provisions hereof or thereof.

5.8 Opinion of Counsel. The Company shall furnish Agent prior to the initial Advance under this Agreement, and with signed copies for each Bank, opinions of counsel given upon the express instructions of the Company, dated the date hereof, and covering such matters as required by and otherwise satisfactory in form and substance to the Agent and each of the Banks.

5.9 Company's Certificate. The Agent shall have received, with a signed counterpart for each Bank, a certificate of a responsible senior officer of Company, dated the date of the making of the initial Advances hereunder, stating that the conditions of

paragraphs 5.1, 5.6, 5.7, and 5.12(a) through (c) hereof have been fully satisfied.

5.10 Payment of Agents' and Other Fees. Company shall have paid to the Agent the remaining installment of the Closing Fee (for distribution to the Banks hereunder), and to the Agent, the Agent's Fees and all costs and expenses required hereunder.

5.11 Other Documents and Instruments. The Agent shall have received, with a photocopy for each Bank, such other instruments and documents as the Majority Banks may reasonably request in connection with the making of the Loans hereunder, and all such instruments and documents shall be satisfactory in form and substance to the Majority Banks.

5.12 Continuing Conditions. The obligations of the Banks to make any of the Advances or loans under this Agreement, including but not limited to the initial Advances of the Revolving Credit or Advances of Term Loans hereunder, shall be subject to the following continuing conditions:

(a) No Default or Event of Default shall have occurred and be continuing as of the making of the proposed Advance;

(b) There shall have been no material adverse change in the condition (financial or otherwise), properties, business, results or operations of the Company or its Subsidiaries (taken as a whole) from December 31, 1993 (or any subsequent December 31st, if the Agents determine, with the concurrence of the Majority Banks, based on the Company's financial statements for such subsequent fiscal year that no material adverse change has occurred during such year, such determination being made solely for purposes of determining the applicable date under this paragraph) to the date of the proposed Advance hereunder;

(c) The representations and warranties contained in this Agreement and the Loan Documents are true and correct in all material respects as of the making of the applicable Advance; and

(d) All documents executed or submitted pursuant hereto shall be satisfactory in form and substance (consistent with the terms hereof) to Agent and its counsel and to each of the Banks; Agent and its counsel and each of the Banks and their respective counsel shall have received all information, and such counterpart originals or such certified or other copies of such materials, as Agent or its counsel and each of the Banks and their respective counsel may reasonably request; and all other legal matters relating to the transactions contemplated by this Agreement (including, without limitation, matters arising from time to time as a result of changes occurring with respect to any statutory,

regulatory or decisional law applicable hereto) shall be satisfactory to counsel to Agent and counsel to each of the Banks.

6. REPRESENTATIONS AND WARRANTIES

Company and each of the Permitted Borrowers (by their delivery of Revolving Credit Notes hereunder) represent and warrants and such representations and warranties shall be deemed to be continuing representations and warranties during the entire life of this Agreement:

6.1 Corporate Authority. The Company and each of the Subsidiaries (excluding the foreign Subsidiaries of the Target Company until the Revalidation Date) is a corporation duly organized and existing in good standing under the laws of the applicable jurisdiction of organization, charter or incorporation; it, and each of the Subsidiaries (excluding the foreign Subsidiaries of the Target Company until the Revalidation Date) is duly qualified and authorized to do business as a corporation or foreign corporation in each jurisdiction where the character of its assets or the nature of its activities makes such qualification necessary, except where such failure to qualify and be authorized to do business will not have a material adverse impact on the Company and its Subsidiaries, taken as a whole.

6.2 Due Authorization - Company. Execution, delivery and performance of this Agreement, the Loan Documents, the Stock Purchase Agreement, and any other documents and instruments required under this Agreement, and the issuance of the Notes by the Company are within its corporate powers, have been duly authorized, are not in contravention of law or the terms of the Company's Certificate of Incorporation or Bylaws, and, except as have been previously obtained or as referred to in Section 6.15, below, do not require the consent or approval, material to the transactions contemplated by this Agreement, the Loan Documents, or the Stock Purchase Agreement, of any governmental body, agency or authority.

6.3 Due Authorization -- Subsidiaries. Execution, delivery and performance of the Loan Documents and all other documents and instruments executed and delivered under or in connection with this Agreement or the Loan Documents by each of the Permitted Borrowers and the Significant Subsidiaries are within the corporate powers, have been duly authorized, are not in contravention of law or the terms of articles of incorporation or bylaws or other organic documents of the parties thereto, as applicable, and, except as have been previously obtained (or as referred to in Section 6.15, below), do not require the consent or approval, material to the transactions contemplated by this Agreement, the Loan Documents, or the Stock Purchase Agreement, of any governmental body, agency or authority.

6.4 Title to Material Property. Each of the Company, the Permitted Borrowers and the Subsidiaries (excluding the domestic and foreign subsidiaries of the Target Company until the Revalidation Date) has good and valid title to the Material Property owned by it.

6.5 Encumbrances. There are no security interests in, Liens, mortgages or other encumbrances on and no financing statements on file with respect to any property of Company or any of the Subsidiaries, except for those Liens permitted under Section 8.5 hereof.

6.6 Subsidiaries. As of the date of this Agreement, there are no directly or indirectly owned Subsidiaries of the Company, except for those Subsidiaries identified in Schedule 6.6, attached hereto.

6.7 Taxes. The Company and its Subsidiaries (excluding the foreign subsidiaries of the Target Company until the Revalidation Date) each has filed on or before their respective due dates, all federal, state and foreign tax returns which are required to be filed or has obtained extensions for filing such tax returns and is not delinquent in filing such returns in accordance with such extensions and has paid all taxes which have become due pursuant to those returns or pursuant to any assessments received by any such party, as the case may be, to the extent such taxes have become due, except to the extent such tax payments are being actively contested in good faith by appropriate proceedings and with respect to which adequate provision has been made on the books of the Company or its Subsidiaries, as applicable, as may be required by GAAP.

6.8 No Defaults. There exists no default under the provisions of any instrument evidencing any permitted debt of the Company or its Subsidiaries (excluding the foreign subsidiaries of the Target Company until the Revalidation Date) or connected with any of the Permitted Company Encumbrances, or the Permitted Encumbrances of the Subsidiaries, or of any agreement relating thereto, except where such default would not have a material adverse effect on the Company and its Subsidiaries taken as a whole and would not violate this Agreement or any of the Loan Documents according to the terms thereof.

6.9 Enforceability of Agreement and Loan Documents -- Company. This Agreement, each of the Loan Documents to which the Company is a party, including without limitation the Vishay Guaranty, the Stock Purchase Agreement and all other certificates, agreements and documents executed and delivered by Company under or in connection herewith or therewith have each been duly executed and delivered by their respective duly authorized officers and constitute the valid and binding obligations of the Company, enforceable in accordance with their respective terms, except as

enforcement thereof may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting the enforcement of creditor's rights, generally and by general principles of equity (whether enforcement is sought in a proceeding in equity or at law).

6.10 Enforceability of Loan Documents -- Other Parties. The Loan Documents, and all certificates, documents and agreements executed in connection therewith by the Subsidiaries or any one of them, including without limitation the Domestic Guaranty and the Permitted Borrowers Guaranty, as the case may be, have each been duly executed and delivered by the respective duly authorized officers of such parties and constitute the valid and binding obligations of such parties, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting the enforcement of creditor's rights, generally and by general principles of equity (whether enforcement is sought in a proceeding in equity or at law).

6.11 Non-contravention -- Company. The execution, delivery and performance of this Agreement and the Loan Documents and any other documents and instruments required under or in connection with this Agreement by the Company are not in contravention of the terms of any indenture, material agreement or material undertaking to which the Company is a party or by which it or its properties are bound or affected, except to the extent such terms have been waived or are not material to the transactions contemplated by this Agreement, the Loan Documents or the Stock Purchase Agreement.

6.12 Non-contravention -- Other Parties. The execution, delivery and performance of those Loan Documents signed by any of the Subsidiaries, and any other documents and instruments required under or in connection with this Agreement by any of the Subsidiaries are not in contravention of the terms of any indenture, material agreement or material undertaking to which any of such parties is a party or by which it or its properties are bound or affected, except to the extent such terms have been waived or are not material to the transaction contemplated by this Agreement, the Loan Documents or the Stock Purchase Agreement.

6.13 No Litigation -- Company. There is no suit, action, proceeding, including, without limitation, any bankruptcy proceeding, or governmental investigation pending against or, to the best knowledge of the Company, threatened or otherwise affecting the Company (other than any suit, action or proceeding in which the Company is the plaintiff and in which no counterclaim or cross-claim against Company has been filed), nor has the Company or any of its officers or directors been subject to any suit, action, proceeding or governmental investigation as a result of which any such officer or director is or may be entitled to indemnification by Company, except as otherwise disclosed in Schedule 6.13 attached

hereto and except for miscellaneous suits, actions and proceedings which have a reasonable likelihood of being adversely determined, and which suits, if resolved adversely to the Company would not in the aggregate have a material adverse effect on the Company and its Subsidiaries, taken as a whole. Except as so disclosed, there is not outstanding against the Company any judgment, decree, injunction, rule, or order of any court, government, department, commission, agency, instrumentality or arbitrator, nor, to the best knowledge of the Company, is the Company in violation of any applicable law, regulation, ordinance, order, injunction, decree or requirement of any governmental body or court where such violation would have a material adverse effect on the Company and its Subsidiaries, taken as a whole.

6.14 No Litigation -- Other Parties. There is no suit, action, proceeding (other than any suit, action or proceeding in which any such party is the plaintiff and in which no counterclaim or cross-claim against any such party has been filed), including, without limitation, any bankruptcy proceeding, or governmental investigation pending against or, to the best knowledge of the Company, threatened or otherwise affecting any of the Subsidiaries (excluding the foreign Subsidiaries of the Target Company until the Revalidation Date), nor has any such party or any of its officers or directors been subject to any suit, action, proceeding or governmental investigation as a result of which any such officer or director is or may be entitled to indemnification by such party, except as otherwise disclosed in Schedule 6.14 attached hereto and except for miscellaneous suits, actions and proceedings which have a reasonable likelihood of being adversely determined, which suits, if resolved adversely to such party, would not in the aggregate have a material adverse effect on the Company and its Subsidiaries, taken as a whole. Except as so disclosed, there is not outstanding against any such party any judgment, decree, injunction, rule, or order of any court, government, department, commission, agency, instrumentality or arbitrator nor, to the best knowledge of the Company, is any such party in violation of any applicable law, regulation, ordinance, order, injunction, decree or requirement of any governmental body or court where such violation would have a material adverse effect on the Company and its Subsidiaries, taken as a whole.

6.15 Consents, Approvals and Filings, Etc. Except as have been previously obtained and, until consummation of the Target Company Acquisition, except for receipt of all necessary approvals of the Target Company Acquisition (or any matter arising therefrom or in connection therewith), no authorization, consent, approval, license, qualification or formal exemption from, nor any filing, declaration or registration with, any court, governmental agency or regulatory authority or any securities exchange or any other person or party (whether or not governmental) is required in connection with the execution, delivery and performance: (i) by the Company, of this Agreement, any of the Loan Documents to which it is a

party, the Stock Purchase Agreement, or any other documents or instruments to be executed and or delivered by the Company in connection therewith or herewith; and (ii) by each of the Permitted Borrowers, of the Loan Documents to which it is a party. All such authorizations, consents, approvals, licenses, qualifications, exemptions, filings, declarations and registrations which have previously been obtained or made, as the case may be, are in full force and effect and are not the subject of any attack, or to the knowledge of the Company, threatened attack (in any material respect) by appeal or direct proceeding or otherwise.

6.16 Agreements Affecting Financial Condition. Neither the Company nor any of its Subsidiaries (excluding the foreign subsidiaries of the Target Company until the Revalidation Date) is party to any agreement or instrument or subject to any charter or other corporate restriction which materially adversely affects the financial condition or operations of the Company and its Subsidiaries, taken as a whole.

6.17 No Investment Company; No Margin Stock. Neither the Company nor any of its Subsidiaries is engaged principally, or as one of its important activities, directly or indirectly, in the business of extending credit for the purpose of purchasing or carrying margin stock. None of the proceeds of any of the Loans will be used by the Company or any of the Subsidiaries to purchase or carry margin stock or will be made available by the Company or any of the Subsidiaries in any manner to any other Person to enable or assist such Person in, purchasing or carrying margin stock. Terms for which meanings are provided in Regulation U of the Board of Governors of the Federal Reserve System or any regulations substituted therefor, as from time to time in effect, are used in this paragraph with such meanings. Neither the Company nor any of its Subsidiaries is an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

6.18 ERISA. Neither a reportable event within the meaning of Section 4043 of ERISA and the regulations thereunder which is material to the Company and its Subsidiaries taken as a whole (herein, a "Reportable Event") nor an Accumulated Funding Deficiency (herein as defined in Section 412 of the Code or Section 302 of ERISA) has occurred during the five-year period prior to the date on which this representation is made or deemed made with respect to any Pension Plan. Each Pension Plan has complied in all material respects with the applicable provisions of ERISA and the Code and any applicable regulations thereof (and, if applicable, any comparable foreign law provisions), except to the extent that any noncompliance, individually or in the aggregate, would not have a material adverse effect upon the Company and its Subsidiaries, taken as a whole. No termination of a Single Employer Plan has occurred, and no Lien in favor of the PBGC or a Pension Plan has arisen, during such five-year period. The present value of all accrued benefits under each Single Employer Plan maintained by the

Company or any ERISA Affiliate did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Pension Plan allocable to such accrued benefits. Neither the Company nor any ERISA Affiliate has had a complete or partial withdrawal from any Multiemployer Plan within the five year period prior to the date of this Agreement, nor does the Company or any ERISA Affiliate presently intend to completely or partially withdraw from any Multiemployer Plan, and neither the Company nor any ERISA Affiliate would become subject to fines, penalties or any other liability under ERISA if the Company or any ERISA Affiliate were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date of this Agreement. To the best of Company's knowledge, no such Multiemployer Plan is in bankruptcy or reorganization or insolvent. There is no pending or, to the best of Company's knowledge, threatened litigation or investigation questioning the form or operation of any Pension Plan, nor is there any basis for any such litigation or investigation which if adversely determined could have a material adverse effect upon the Company and its Subsidiaries, taken as a whole, as of the valuation date most closely preceding the date of this Agreement.

6.19 Environmental Matters and Safety Matters. (a) The Company and each Subsidiary (excluding foreign subsidiaries of the Target Company until the Revalidation Date) is in compliance with all federal, state, provincial and local laws, ordinances and regulations relating to safety and industrial hygiene or to the environmental condition, including without limitation all applicable Hazardous Materials Laws in jurisdictions in which the Company or any such Subsidiary owns or operates, a facility or site, or arranges for disposal or treatment of hazardous substances, solid waste, or other wastes, accepts for transport any hazardous substances, solid wastes or other wastes or holds any interest in real property or otherwise, except for matters which, individually or in the aggregate, would not have a material adverse effect upon the financial condition or business of the Company and its Subsidiaries, taken as a whole.

(b) All federal, state, provincial, local and foreign permits, licenses and authorizations required for present or (to the best of the Company's knowledge) past use of the facilities and other properties or activities of the Company and each Subsidiary (excluding foreign subsidiaries of the Target Company until the Revalidation Date) have been obtained, are presently in effect, and there is and has been full compliance with all such permits, licenses or authorizations, except, in all cases, where the failure to comply with the foregoing would not have a material adverse effect on the Company and its Subsidiaries taken as a whole.

(c) No demand, claim, notice, suit (in law or equity), action, administrative action, investigation or inquiry

(including, without limitation, the listing of any property by any domestic or foreign governmental entity which identifies sites for remedial, clean-up or investigatory action) whether brought by any governmental authority, private person or entity or otherwise, arising under, relating to or in connection with any applicable Hazardous Materials Laws is pending or, to the best of the Company's knowledge, threatened against the Company or any of its Subsidiaries (excluding foreign subsidiaries of the Target Company until the Revalidation Date), any real property in which the Company or any such Subsidiary holds or, to the best of the Company's knowledge, has held an interest or any present or, to the best of the Company's knowledge, past operation of the Company or any such Subsidiary, except for such matters which, individually or in the aggregate, would not have a material adverse effect on the financial condition or business of the Company and its Subsidiaries, taken as a whole.

(d) Neither the Company nor any of its Subsidiaries (excluding foreign subsidiaries of the Target Company until the Revalidation Date), whether with respect to present or, to the best of the Company's knowledge, past operations or properties, (i) is, to the best of the Company's knowledge, the subject of any federal or state investigation evaluating whether any remedial action is needed to respond to a release of any toxic substances, radioactive materials, hazardous wastes or related materials into the environment, (ii) has received any notice of any toxic substances, radioactive materials, hazardous waste or related materials in, or upon any of its properties in violation of any applicable Hazardous Materials Laws, or (iii) knows of any basis for any such investigation or notice, or for the existence of such a violation, except for such matters which, individually or in the aggregate, would not have a material adverse effect on the financial condition or business of the Company and its Subsidiaries, taken as a whole.

(e) No release, threatened release or disposal of hazardous waste, solid waste or other wastes is occurring or has occurred on, under or to any real property in which the Company or any of its Subsidiaries (excluding foreign subsidiaries of the Target Company until the Revalidation Date) holds any interest or performs any of its operations, in violation of any applicable Hazardous Materials Laws, except for any such matters which, individually or in the aggregate, would not have a material adverse effect on the financial condition or business of the Company and its Subsidiaries, taken as a whole.

6.20 Conditions Affecting Business or Properties. Neither the respective businesses nor the properties of Company or any of its Subsidiaries (excluding the foreign Subsidiaries of the Target Company until the Revalidation Date) is affected by any fire, explosion, accident, strike, lockout or other dispute, drought, storm, hail, earthquake, embargo, Act of God or other casualty (whether or not covered by insurance), which materially adversely

affects, or if such event or condition were to continue for more than ten (10) additional days could be likely to materially adversely affect, any such business or property of Company and its Subsidiaries, taken as a whole.

6.21 Accuracy of Information. Each of the Company's audited or unaudited financial statements previously furnished to Agents and the Banks by the Company prior to the date of this Agreement, is complete and correct in all material respects and fairly presents the financial condition of the Company and its Subsidiaries, taken as a whole, and the results of their operations for the periods covered thereby; any projections of operations for future years previously furnished by Company to Agents or the Banks have been prepared as the Company's good faith estimate of such future operations, taking into account all relevant facts and matters known to Company; since December 31, 1993 there has been no material adverse change in the financial condition of the Company or its Subsidiaries, taken as a whole; neither the Company, nor any of its Subsidiaries (excluding the Foreign Subsidiaries of the Target Company until the Revalidation Date) has any contingent obligations (including any liability for taxes) not disclosed by or reserved against in the December 31, 1993 balance sheet which is likely to have a material adverse effect on the Company and its Subsidiaries, taken as a whole.

7. AFFIRMATIVE COVENANTS

Company covenants and agrees that it will, and, as applicable, it will cause its Subsidiaries to, so long as any of the Banks are committed to make any Advances under this Agreement and thereafter so long as any Indebtedness remains outstanding under this Agreement:

7.1 Preservation of Existence, Etc. Except as otherwise specifically permitted hereunder, preserve and maintain its corporate existence and such of its rights, licenses, and privileges as are material to the business and operations conducted by it; and qualify and remain qualified to do business in each jurisdiction in which such qualification is material to the business and operations or ownership of properties, in each case of the Company and its Subsidiaries, taken as a whole.

7.2 Keeping of Books. Keep proper books of record and account in which full and correct entries shall be made of all of its financial transactions and its assets and businesses so as to permit the presentation of financial statements prepared in accordance with GAAP.

7.3 Reporting Requirements. Furnish Agent with copies for each Bank:

(a) as soon as possible, and in any event within three calendar days after becoming aware of the occurrence of each Default or Event of Default, a written statement of the chief financial officer of the Company (or in his absence, a responsible senior officer) setting forth details of such Event of Default or event and the action which the Company has taken or has caused to be taken or proposes to take or cause to be taken with respect thereto;

(b) as soon as available, and in any event within one hundred twenty (120) days after and as of the end of each of Company's fiscal years, a detailed Consolidated audit report of Company certified to by independent certified public accountants satisfactory to Banks together with an unaudited Consolidating report of Company and its Subsidiaries certified by an authorized officer of Company as to consistency (with prior financial reports and accounting periods), accuracy and fairness of presentation;

(c) as soon as available, and in any event within sixty (60) days after and as of the end of each quarter, excluding the last quarter of each fiscal year, (i) Consolidated and Consolidating balance sheet and statement of profit and loss and surplus reconciliation of Company and its Subsidiaries certified by an authorized officer of Company as to consistency (with prior financial reports and accounting periods), accuracy and fairness of presentation and (ii) a Covenant Compliance Report (provided that the Company shall also deliver to Agent a Covenant Compliance Report, upon the request of Agent, with any Request for Advance hereunder, or otherwise at the reasonable request of Agent);

(d) as soon as possible, and in any event within three calendar days after becoming aware (i) of any material adverse change in the financial condition of the Company, any of its Subsidiaries or any of the Permitted Borrowers, a certificate of the chief financial officer of Company (or in his absence, a responsible senior officer) setting forth the details of such change or (ii) of the taking by the Internal Revenue Service or any foreign taxing jurisdiction of a tax position (verbal or written) which could have a materially adverse effect upon the Company or any of its Subsidiaries (or any such tax position taken by the Company or any of its Subsidiaries) setting forth the details of such position and the financial impact thereof;

(e)(i) the financial reports of VBG and its Subsidiaries, in accordance with the DM Loan Agreement; (ii) so long as any material obligations of the Seller under the Stock Purchase Agreement are outstanding, the financial reports of the Seller, if and to the extent provided to the Company, as and when received; and (iii), as soon as

available, and in any event, within sixty (60) days after the date hereof, opening balance sheets and other financial reports of each of the Subsidiaries certified as aforesaid;

(f)(i) as soon as available, the Company's 8-K, 10-Q and 10-K Reports filed with the federal Securities and Exchange Commission, and in any event, with respect to the 10-Q Report, within sixty (60) days of the end of each of the Company's fiscal quarters, and with respect to the 10-K Report, within one hundred twenty (120) days after and as of the end of each of Company's fiscal years; (ii), as soon as available, copies of all filings, reports or other documents filed by the Company or any of its Subsidiaries with the federal Securities and Exchange Commission or other federal regulatory or taxing agencies or authorities in the United States, or comparable agencies or authorities in England, Canada, France, Germany, the Netherlands or Israel, or any stock exchanges in such jurisdictions; and (iii) as soon as available, so long as any obligations of the Seller under the Stock Purchase Agreement are outstanding, the 8-K (to the extent provided to or received by the Company), 10-Q, 10-K and all other filings by the Seller with the federal Securities and Exchange Commission;

(g) promptly as issued, all press releases, notices to shareholders and all other material communications transmitted (i) by the Company or any of its Subsidiaries or (ii) by the Seller, so long as any obligations of the Seller under the Stock Purchase Agreement are outstanding (but only to the extent such communications are provided to the Company) to the general public or to the trade or industry in which the Company or the Seller, as the case may be, is engaged; and

(h) promptly, and in form to be satisfactory to Agent and the requesting Bank or Banks, such other information as Agent or any of the Banks (acting through Agent) may request from time to time.

7.4A Tangible Net Worth. Until the Equity Offering, maintain, and cause its Subsidiaries to maintain, Tangible Net Worth which on a Consolidated basis will at no time be less than:

- (a) from the date hereof to December 30, 1994, One Hundred Fifty Million Dollars (\$150,000,000);
- (b) from December 31, 1994 to December 30, 1995, One Hundred Seventy Five Million Dollars (\$175,000,000); and
- (c) from December 31, 1995 to December 30, 1996, Two Hundred Ten Million Dollars (\$210,000,000);

- (d) from December 31, 1996 to December 30, 1997, Three Hundred Fifty Million Dollars (\$350,000,000); and
- (e) from and after December 31, 1997, Three Hundred Fifty Million Dollars (\$350,000,000), plus the Net Income Adjustment.

7.4B Tangible Net Worth. From and after the Equity Offering, maintain, and cause its Subsidiaries to maintain, Tangible Net Worth which on a Consolidated basis will at no time be less than:

- (a) from the date hereof to December 30, 1994, Two Hundred Fifty Million Dollars (\$250,000,000);
- (b) from December 31, 1994 to December 30, 1995, Two Hundred Seventy Five Million Dollars (\$275,000,000); and
- (c) from December 31, 1995 to December 30, 1996, Three Hundred Ten Million Dollars (\$310,000,000);
- (d) from December 31, 1996 to December 30, 1997, Three Hundred Fifty Million Dollars (\$350,000,000); and
- (e) from and after December 31, 1997, Three Hundred Fifty Million Dollars (\$350,000,000), plus the Net Income Adjustment.

7.5A Leverage Ratio. Until the Equity Offering, maintain, and cause its Subsidiaries to maintain, a Leverage Ratio which on a Consolidated basis will at no time exceed:

- (a) from the date hereof to December 30, 1994, 3.95 to 1.0;
- (b) from December 31, 1994, to December 30, 1995, 3.65 to 1.0;
- (c) from December 31, 1995, to December 30, 1996, 2.85 to 1.0;
- (d) from December 31, 1996 to December 30, 1997, 2.0 to 1.0; and
- (e) from and after December 31, 1997, 1.75 to 1.0.

7.5B Leverage Ratio. From and after the Equity Offering, maintain, and cause its Subsidiaries to maintain, a Leverage Ratio which on a Consolidated basis will at no time exceed:

- (a) from the date hereof to December 30, 1994, 3.60 to 1.0;

- (b) from December 31, 1994, to December 30, 1995, 3.10 to 1.0;
- (c) from December 31, 1995, to December 30, 1996, 2.40 to 1.0;
- (d) from December 31, 1996 to December 30, 1997, 2.0 to 1.0; and
- (e) from and after December 31, 1997, 1.75 to 1.0.

7.6 Fixed Charge Coverage Ratio. Maintain, and cause its Subsidiaries to maintain, Fixed Charge Coverage Ratio which on a Consolidated basis will at no time be less than:

- (a) from the date hereof to December 30, 1994, 2.0 to 1.0;
- (b) from December 31, 1994 to December 30, 1995, 2.15 to 1.0; and
- (c) from December 31, 1995 to December 30, 1996, 3.25 to 1.0; and
- (d) from and after December 31, 1996, 4.0 to 1.0.

7.7 Inspections. Permit Agent and each Bank, through their authorized attorneys, accountants and representatives to examine Company's and each of the Subsidiaries' books, accounts, records, ledgers and assets and properties of every kind and description wherever located at all reasonable times during normal business hours, upon oral or written request of Agent; and permit Agent and each Bank or their authorized representatives, at reasonable times and intervals, to visit all of its offices, discuss its financial matters with its officers and independent certified public accountants, and by this provision Company authorizes such accountants to discuss the finances and affairs of Company and its Subsidiaries (provided that Company is given an opportunity to participate in such discussions) and examine any of its or their books and other corporate records. An examination of the records or properties of Company or any of its Subsidiaries may require revealment of proprietary and/or confidential data and information, and the Agent and each of the Banks agrees upon request of the inspected party to execute a confidentiality agreement (satisfactory to Agent or the inspecting Bank, as the case may be, and such party) on behalf of the Agent or such inspecting Bank and all parties making such inspections or examinations under its authorization; provided however that such confidentiality agreement shall not prohibit Agent from revealing such information to Banks or prohibit the inspecting Bank from revealing such information to Agent or another Bank.

7.8 Taxes. Pay and discharge all taxes and other governmental charges, and all material contractual obligations calling for the payment of money, before the same shall become overdue, unless and to the extent only that such payment is being contested in good faith by appropriate proceedings and is reserved for, as required by GAAP on its balance sheet, or where the failure to pay any such matter could not have a material adverse effect on the Company and its Subsidiaries, taken as a whole.

7.9 Further Assurances. Execute and deliver or cause to be executed and delivered within a reasonable time following Agent's request, and at the Company's expense, such other documents or instruments as Agent may reasonably require to effectuate more fully the purposes of this Agreement or the Other Loan Documents.

7.10 Insurance. Maintain insurance coverage on its physical assets and against other business risks in such amounts and of such types as are customarily carried by companies similar in size and nature, consistent with prudent business judgment and then current practice.

7.11 Indemnification. With respect to the Company, indemnify and save each Agent and the Banks harmless from all reasonable loss, cost, damage, liability or expenses, including reasonable attorneys' fees and disbursements, incurred by each of the Agents and the Banks by reason of an Event of Default or enforcing the obligations of the Company or the Permitted Borrowers under this Agreement, the Prior Agreements or the other Loan Documents, or in the prosecution or defense of any action or proceeding concerning any matter growing out of or connected with this Agreement, the Prior Agreements or any of the other Loan Documents or any mortgage, stock pledge or security agreement released by Agents or the Banks from time to time hereunder or under the Prior Agreements, other than resulting from the gross negligence or willful misconduct of Agent or the Banks; and, with respect to each of the Permitted Borrowers, indemnify and save each Agent and the Banks harmless from all reasonable loss, cost, damage, liability or expenses, including reasonable attorneys' fees and disbursements, incurred by each of the Agents and the Banks with respect to a Permitted Borrower by reason of an Event of Default or enforcing the obligations of the Permitted Borrowers under this Agreement, the Prior Agreements or the other Loan Documents or in the prosecution or defense of any action or proceeding concerning any matter growing out of or connected with this Agreement, the Prior Agreements or any of the other Loan Documents or any mortgage, stock pledge or security agreement released by Agents or the Banks from time to time hereunder or under the Prior Agreements, other than resulting from the gross negligence or willful misconduct of Agent or the Banks.

7.12 Governmental and Other Approvals. Apply for, obtain and/or maintain in effect, as applicable, all material

authorizations, consents, approvals, licenses, qualifications, exemptions, filings, declarations and registrations (whether with any court, governmental agency, regulatory authority, securities exchange or otherwise) which are necessary in connection with the execution, delivery and performance: (i) by the Company, of this Agreement, the Loan Documents, or any other documents or instruments to be executed and/or delivered by the Company in connection therewith or herewith; and (ii) by each of the Significant Subsidiaries, of this Agreement and the Loan Documents.

7.13 Compliance with Contractual Obligations and Laws. Comply in all material respects with all Contractual Obligations, and with all applicable laws, rules, regulations and orders of any governmental authority, whether federal, state, local or foreign (including without limitation Hazardous Materials Laws), in effect from time to time, except to the extent that failure to comply therewith could not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the business, operations, property or financial or other condition of the Company or the Permitted Borrowers and their respective Subsidiaries, taken as a whole, and could not reasonably be expected to materially adversely affect the ability of the Company or any of the Significant Subsidiaries to perform their respective obligations under any of the Loan Documents to which they are a party.

7.14 ERISA. Comply in all material respects with all requirements imposed by ERISA as presently in effect or hereafter promulgated or the Internal Revenue Code (or comparable laws in applicable jurisdictions outside the United States of America relating to foreign Pension Plans) and promptly notify Banks upon the occurrence of any of the following events:

(a) the termination of any Pension Plan pursuant to Subtitle C of Title IV of ERISA or otherwise (other than any defined contribution plan not subject to Section 412 of the Code and any Multiemployer Plan);

(b) the appointment of a trustee by a United States District Court to administer any Pension Plan pursuant to ERISA;

(c) the commencement by the PBGC, or any successor thereto, of any proceeding to terminate any Pension Plan;

(d) the failure of the Company or any ERISA Affiliate to make any payment in respect of any Pension Plan required under Section 412 of the Internal Revenue Code;

(e) the withdrawal of the Company or any ERISA Affiliate from any Multiemployer Plan;

(f) the occurrence of an Accumulated Funding Deficiency or a Reportable Event; or

(g) the occurrence of a Prohibited Transaction which could have a material adverse effect upon the Company and its Subsidiaries, taken as a whole.

7.15 Environmental Matters.

(a) (i) Not permit any of its property (whether real or personal, or any portion thereof) to be involved in the use, generation, manufacture, storage, disposal or transportation of Hazardous Material, except in compliance with Hazardous Material Laws, and (ii) keep and maintain all of its other property (whether real or personal, and any portion thereof) in compliance with, and shall not cause or permit any activity at or condition of the Collateral, or any of its other property (whether real or personal, or any portion thereof) to be in violation of any Hazardous Material Laws, unless the failure to comply therewith or violation thereof will not materially adversely affect the Company and its Subsidiaries, taken as a whole.

(b) Promptly notify the Agent in writing of: (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted or completed pursuant to any applicable Hazardous Material Laws; (ii) any and all claims made by any Person against the Company, any of its Subsidiaries, the Permitted Borrowers or the Seller, or any of its other property (whether real or personal, or any portion thereof) relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Material (provided that, until the Target Company Acquisition, notification to Agent of claims against the Seller shall not be required except for claims of which Company has actual knowledge) which could reasonably be expected to have a material adverse effect on the Company and its Subsidiaries, taken as a whole; and (iii) Company's discovery of any occurrence or condition on any real property or fixtures constituting a part of, adjoining or in the vicinity of any of its property that could cause any such property (or any part thereof) to be subject to any material restrictions on the ownership, occupancy, transferability or use thereof under any Hazardous Material Laws. The Agent, on behalf of the Banks, shall have the right to join and participate in, as a party if it or they so elect, any legal proceedings or actions initiated in connection with any of the matters described in subparagraphs (b) (i) or (b) (ii), above, and the Company agrees to pay the Agent's reasonable attorneys fees in connection therewith.

(c) Take any material remedial action as may be required under applicable law in response to the presence of any Hazardous Material on, under, or about any of its property (whether real or personal, or any part thereof), and, pursuant thereto, may enter into settlement agreements, consent decrees, or other compromises in respect of any of the matters described in subparagraphs (b) (i) through (iii), above, provided that, in each case, Company has

given Banks not less than thirty (30) days prior written notice thereof.

(d) From and after the Target Company Acquisition, with respect to the properties and operations of the Target Company, commence and diligently proceed to completion with the necessary remedial, corrective or other actions identified in the Environmental Audits, as applicable, or as required under the Stock Purchase Agreement, and cause the Seller (to the extent of its obligations under the Stock Purchase Agreement) to do so, according to the time periods specified therein, or if no time periods are so specified, as soon as reasonably practicable; provided that Company's obligations under this subparagraph (d) shall not reduce or otherwise affect Company's other obligations hereunder.

(e) If the Target Company Acquisition is consummated, provide Agent, at Company's sole expense (with copies for each of the Banks and for Agent's counsel) on an annual basis so long as this Agreement remains in effect, commencing on June 30, 1995 (and on June 30th of each calendar year thereafter so long as any obligations of the Seller or of Company or any of its Subsidiaries shall remain outstanding under the Stock Purchase Agreement), with reports of its internal environmental staff or its Environmental Auditors as to the status of compliance by the parties thereto with the environmental provisions of the Stock Purchase Agreement and the Company's compliance with Section 7.15(d) hereof.

(f) Agent may retain (on its own behalf and on behalf of the Banks, but at Company's sole expense) such Environmental Auditors as reasonably necessary to evaluate and/or confirm Company's environmental responses, reports or other matters, including Company's compliance with Hazardous Material Laws generally, under this Section 7.15, or elsewhere herein.

7.16 Delivery of Sfernice Authority Documents. Deliver to Agent, on or before August 15, 1994, (a) certified copies of the resolutions of the Board of Directors of Sfernice, S.A. authorizing (and, to the extent necessary, ratifying) the execution and delivery by Sfernice of the Permitted Borrowers Guaranty and (b) such other certificates, instruments or other documents, consents, authorizations or opinions of counsel reasonably requested by Agent or the Majority Banks in connection therewith.

7.17 Joinder of Guarantors. Within ten (10) Business Days from the date of the consummation of the Target Company Acquisition, cause the Target Company and Vitramon Acquisition, Inc. to become guarantors under, and for all purposes of, the Loan Agreements and the Domestic Guaranty, by executing and delivering the joinder agreement attached to the Domestic Guaranty, and to deliver or cause to be delivered to Agent such supporting documentation, including without limitation corporate authority

items, certificates and opinions of counsel, as reasonably required by Agent and the Majority Banks.

8. NEGATIVE COVENANTS

Company covenants and agrees that, so long as any of the Banks are committed to make any Advances under this Agreement and thereafter so long as any Indebtedness remains outstanding, it will not, and it will not allow its Subsidiaries, without the prior written consent of the Majority Banks, to:

8.1 Capital Structure, Business Objects or Purpose. Except as otherwise specifically permitted under this Agreement,

(a) purchase, acquire or redeem any of its capital stock, except for non-vested stock granted to participants under the Vishay Stock Plans;

(b) make any material change in its capital structure or general business objects or purpose or enter into any business, directly or through any Subsidiary, except for those businesses in which the Company and its Subsidiaries are engaged on the date of this Agreement or other businesses in the electronic components industry or which are directly related thereto.

8.2 Limitations on Fundamental Changes. Enter into any transaction of acquisition, merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease, assign, transfer or otherwise dispose of, all, substantially all or any material part of its property, business or assets, or make any material change in its present method of conducting business, except:

(a) any Subsidiary may be merged or consolidated with or into the Company (so long as Company shall be the continuing or surviving corporation) or with or into any one or more of the Permitted Borrowers (so long as a Permitted Borrower shall be the continuing or surviving corporation);

(b) any Subsidiary may sell, lease, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or otherwise) to the Company;

(c) any Domestic Subsidiary may sell, lease, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or otherwise) to any other Domestic Subsidiary which is a 100% Subsidiary and any Foreign Subsidiary may sell, lease, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or otherwise) to any Domestic

Subsidiary or to any other Foreign Subsidiary, provided that such Subsidiary is a 100% Subsidiary;

(d) any Person other than a Subsidiary may merge or consolidate with and into the Company or any 100% Subsidiary so long as (i) the Company or such 100% Subsidiary shall be the surviving corporation and (ii) immediately before and immediately after giving effect to such merger or consolidation, no Default or Event of Default shall have occurred and be continuing; and

(e) any Permitted Transfers.

8.3 Guaranties. Guarantee, endorse, or otherwise become liable for or upon the obligations of others, except by endorsement of cash items for deposit in the ordinary course of business and except for (i) the Vishay Guaranty, (ii) the Domestic Guaranty; (iii) the Permitted Borrowers Guaranty, and (iv) guaranties of indebtedness as set forth on Schedule 8.3 attached hereto or as permitted under Section 8.7(d) and (e) hereof.

8.4 Indebtedness. Become or remain obligated for any indebtedness for borrowed money, or for any indebtedness incurred in connection with the acquisition of any property, real or personal, tangible or intangible, except:

(a) Indebtedness to Banks (or their Affiliates) hereunder;

(b) Other indebtedness to third parties (specifically excluding Subsidiaries, Affiliates or Joint Ventures) issued and at all times maintained on a pari passu basis with the Indebtedness (or on a basis subordinate thereto), provided that such indebtedness be issued pursuant to documentation containing covenants not more restrictive in the aggregate than the covenants contained in this Agreement (as determined by the Company in its reasonable discretion) and provided further, however, that immediately before and immediately after such indebtedness is incurred (giving effect thereto), no Default or Event of Default has occurred and is continuing. For purposes of this Section 8.4, the granting of Liens which are permitted under Section 8.5 hereof, shall not be deemed to constitute the entry into more restrictive covenants or to be other than on a pari passu basis; and

(c) Intercompany Loans, but only to the extent permitted under the other applicable terms and limitations of this Agreement, including but not limited to Section 8.7 hereof.

8.5 Liens. Permit or suffer any Lien to exist on any of its properties, real, personal or mixed, tangible or intangible, whether now owned or hereafter acquired, except:

(a) any Lien subsequently granted by Company or any Subsidiary in favor of Agent on behalf of Banks;

(b) purchase money security interests in fixed assets to secure purchase money indebtedness otherwise permitted hereunder, provided that such security interest is created substantially contemporaneously with the acquisition of such fixed assets and does not extend to any property other than the fixed assets so financed, and provided further that the aggregate amount of all such purchase money indebtedness which is secured by a purchase money security interest outstanding at any time hereunder shall not exceed five percent (5%) of Company's Tangible Net Worth;

(c) any lien securing third-party indebtedness assumed pursuant to any acquisition conducted in compliance with this Agreement, provided that such lien is limited to the property so acquired and was not entered into, extended or renewed in contemplation of such acquisition; and

(d) Permitted Company Encumbrances and Permitted Encumbrances of the Subsidiaries.

8.6 Dividends. Declare or pay any dividends on or make any other distribution with respect to (whether by reduction of Stockholder's Equity or otherwise) any shares of its capital stock, except for stock dividends and except for (a) cash dividends by any 100% Subsidiary to the Company or any other 100% Subsidiary (excluding Vishay Israel) (b) cash dividends by VBG which are reinvested in VBG by its shareholders in compliance with Section 8.7 hereof and (c) cash dividends by Draloric which are reinvested in Draloric by VBG in compliance with Section 8.7, hereof.

8.7 Investments. Make or allow to remain outstanding any investment (whether such investment shall be of the character of investment in shares of stock, evidences of indebtedness or other securities or otherwise) in, or any loans or advances to, any Person, firm, corporation or other entity or association, other than:

(a) Company's current stock ownership interests in the Subsidiaries;

(b) Subject to Section 8.1(b) hereof, additional cash investment in VBG by its shareholders or in Draloric by VBG, which is applied by VBG or Draloric, as the case may be, concurrently with such investment to reduce its Indebtedness under this Agreement, the DM Loan Agreement or the Roederstein Loan Agreement in substantially the amount of such additional investment;

(c) The investments, loans and/or advances in or to Subsidiaries set forth on Schedule 8.7 hereto (in addition to any other matters set forth in this Section 8.7);

(d) Intercompany Loans, Advances, or Investments without regard to any repayment of such loans, advances, or investments (other than the repayment or recovery of capital or principal), in an aggregate amount at any time outstanding not to exceed (absent the consent of the Majority Banks), exclusive of the investments permitted under subsections (a) and (b) of this Section 8.7, but including any such loans, advances or investments permitted under any other provision of this Agreement, Fifteen Percent (15%) of Tangible Net Worth;

(e) loans, advances or investments (without regard to any repayment of such loans, advances or investments, other than the repayment of capital or principal) to any Joint Venture or Subsidiary which does not constitute a 100% Subsidiary, including without limitation (i) loans, advances or investments permitted under any other provision of this Agreement and (ii) guaranties by the Company or any Subsidiary (valued on the basis of the aggregate amount of such indebtedness covered by a guaranty) of third-party indebtedness of any such Joint Venture or non-100% Subsidiary, in an aggregate amount at any time not to exceed five percent (5%) of Tangible Net Worth;

(f) (i) the Target Company Acquisition, subject to the terms and conditions of this Agreement and (ii) foreign currency investments and other hedging instruments intended solely to protect the Company from foreign currency fluctuations directly related to the Target Company Acquisition;

(g) commercial paper with a minimum rating of "A-1" (or better) by S&P or "P-1" (or better) by Moody's, full faith and credit direct obligations of the United States of America or, with respect to the Foreign Subsidiaries, of the central government of the applicable jurisdiction, or any agency thereof, certificates of deposit, and other short term investments (each of a duration of one year or less), and interest rate swaps, foreign currency investments and other hedging instruments in the ordinary course of business or otherwise entered into with any Person in order to obtain interest rate protection with respect to any Indebtedness hereunder or under the other Loan Agreements (subject to compliance with the other terms and conditions hereof), maintained by the Company or any of its Subsidiaries consistent with the present investment practices of such parties (as classified in the current financial statements of such parties);

(h) other short term investments (excluding investments in Subsidiaries, Affiliates or Joint Ventures) made or maintained by any Foreign Subsidiary outside of the United States of America in the ordinary course of its business, consistent with

the present investment practices of the Company and its Subsidiaries as of the date hereof (generally, and as to the individual and aggregate amounts and other terms thereof); and

(i) investments, whether by acquisition of shares of Capital Stock, indebtedness or other obligations or security of, any Person (other than a Subsidiary or an Affiliate) which is a customer of the Company or any Subsidiary, which investment was made in exchange for amounts owed by such customer to the Company or any Subsidiary (and incurred in the ordinary course of business) or as an advance on the provision of goods and services in the ordinary course of business.

In valuing any investments, loans and advances for the purpose of applying the limitations set forth in this Section 8.7 (except as otherwise expressly provided herein), such investments, loans and advances shall be taken at the original cost thereof, without allowance for any subsequent write-offs or appreciation or depreciation therein, but less any amount repaid or recovered on account of capital or principal.

8.8 Accounts Receivable. Sell or assign any account, note or trade acceptance receivable, except to Agent on behalf of the Banks.

8.9 Transactions with Affiliates. Enter into any transaction with any of its or their stockholders or officers or its or their affiliates, except in the ordinary course of business and on terms not less favorable than would be usual and customary in similar transactions between Persons dealing at arm's length.

8.10 Operations of Vishay Israel. Permit the normal manufacturing or other operations of Vishay Israel (or of Company or any of its other Subsidiaries conducted in Israel) to be interrupted, stopped or delayed for any period of fourteen (14) consecutive days, excluding regularly scheduled vacations and holidays in the ordinary course of such operations.

8.11 Prohibition Against Certain Restrictions. Enter into or otherwise become subject to any agreement or arrangement (excluding this Agreement) with any lender or other third party (i) which prohibits, restricts or otherwise limits the ability of Company to make loans, advances or investments to its Subsidiaries or which prohibits, restricts or otherwise limits the ability of any Subsidiary to make loans, advances or investments in any other Subsidiary or (ii) which prohibits, restricts or otherwise limits the execution, delivery or performance by Company or any Subsidiary of any guaranty, indemnity or similar undertaking in favor of Agent or the Banks.

8.12 Amendment of Stock Purchase Agreement. Amend, modify or otherwise alter (or suffer to be amended, modified or altered) any

of the material terms and conditions of the Stock Purchase Agreement, or waive (or permit to be waived) any provision thereof in any material respect, without the prior written approval of Agent and the Majority Banks. For purposes of the Stock Purchase Agreement, any increase in the price stated therein, and any change in or waiver of conditions contained therein which are required under or necessary for compliance with this Agreement or the other Loan Documents shall (without reducing the scope of this Section 8.13) be deemed to be material.

9. DEFAULTS

9.1 Events of Default. Any of the following events is an "Event of Default":

(a) non-payment of the principal or interest, when due, under any of the Notes issued hereunder, in accordance with the terms thereof;

(b) Default in the payment of any money by Company or any of the Permitted Borrowers under this Agreement (other than as set forth in subsection (a), above), or by VBG under the DM Loan Agreement or by Company or VBG under the Roederstein Loan Agreement or by the Company under the Target Company Loan Agreement (other than, in each case, as set forth therein), within three (3) days of the date the same is due and payable;

(c) default in the observance or performance of any of the other conditions, covenants or agreements set forth in this Agreement or any of the Loan Documents by any party thereto (provided that, with respect to the covenants set forth in Sections 7.8, 7.10, 7.12, 7.13 and 7.14 hereof, such event has continued for thirty (30) consecutive days) or the occurrence of any other default or Event of Default, as the case may be hereunder or thereunder;

(d) any representation or warranty made by Company or any of the Permitted Borrowers herein or in any instrument submitted pursuant hereto or by any other party to the Loan Documents proves untrue in any material adverse respect when made; provided that, with respect to any misrepresentation or breach of warranty arising subsequent to the date hereof under Sections 6.7, 6.8, 6.13 through 6.15 and 6.18 of this Agreement solely by virtue of the nature of the representations and warranties hereunder as continuing, (i) as to Section 6.8, hereof, any applicable cure period existing in respect of such matters shall have expired and (ii) as to the remaining Sections of this Agreement specified in this subparagraph (d), such misrepresentation or breach of warranty hereunder shall have continued for a period of thirty (30) consecutive days;

(e) any provision of the Vishay Guaranty, the Domestic Guaranty or the Permitted Borrowers Guaranty shall at any time for any reason (other than in accordance with its terms or the terms of this Agreement) cease to be valid and binding and enforceable against the Company or the Significant Subsidiaries, as applicable, or the validity, binding effect or enforceability thereof shall be contested by any Person, or the Company or any of the Significant Subsidiaries shall deny that it has any or further liability or obligation under the Vishay Guaranty, the Domestic Guaranty or the Permitted Borrowers Guaranty, as applicable, or the Vishay Guaranty, the Domestic Guaranty or the Permitted Borrowers Guaranty shall be terminated, invalidated or set aside or in any way cease to give or provide to the Banks and the Agent the benefits purported to be created thereby;

(f) default in the payment of any other obligation of Company, its Subsidiaries or the Permitted Borrowers for borrowed money in excess of One Million Dollars (\$1,000,000) (or the Alternative Currency equivalent thereof), individually or in the aggregate, resulting in the acceleration thereof prior to its expressed maturity;

(g) the rendering of any judgment or judgments for the payment of money in excess of the sum of One Million Dollars (\$1,000,000) (or the Alternative Currency equivalent thereof) in the aggregate against Company, any of its Subsidiaries or any of the Permitted Borrowers, and such judgments shall remain unpaid, unvacated, unbonded or unstayed by appeal or otherwise for a period of thirty (30) consecutive days, except as covered by adequate insurance with a reputable carrier and an action is pending in which an active defense is being made with respect thereto;

(h) any Person shall engage in any Prohibited Transaction involving any Pension Plan, (ii) any Accumulated Funding Deficiency, whether or not waived, shall exist with respect to any Pension Plan or any Lien in favor of the PBGC or a Pension Plan shall arise on the assets of the Company or any ERISA Affiliate, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA or (v) the Company or any ERISA Affiliate shall, or in the reasonable opinion of the Majority Banks is likely to, incur any liability in connection with a withdrawal from, or the insolvency, bankruptcy or reorganization of, a Multiemployer Plan and in each case in clauses (i) through (v) above, (x) a period of sixty (60) days, or more, has elapsed from the occurrence of such event or condition and (y) such event or condition, together with all other such events or

conditions, if any, could reasonably be expected to subject the Company or any of its Subsidiaries to any tax, penalty or other liabilities in the aggregate material in relation to the business, operations, property or financial or other condition of the Company and its Subsidiaries taken as a whole;

(i) (A) any one Person or group of Persons acting in concert shall acquire or control, directly or indirectly, whether by ownership, proxy, voting trust or otherwise, forty percent (40%) or more of the voting power of the issued and outstanding stock of Company, other than (x) any Person or group of Persons beneficially owning, directly or indirectly, as of the date hereof capital stock of the Company with 40% or more of such voting power or (y) any Permitted Transferee; or (B) individuals who constitute the Continuing Directors cease for any reason to constitute at least a majority of the Company's directors (for purposes of this Section 9.1(i)(B), "Continuing Director" means any director who is currently a director and any director who is nominated or elected by a majority of Continuing Directors who are then directors);

(j) If a creditors' committee shall have been appointed for the business of Company or any of its Subsidiaries; or if Company or any of its Subsidiaries shall have made a general assignment for the benefit of creditors or shall have been adjudicated bankrupt, or shall have filed a voluntary petition in bankruptcy or for reorganization or to effect a plan or arrangement with creditors or shall fail to pay its debts generally as such debts become due in the ordinary course of business (except as contested in good faith and for which adequate reserves are made in such party's financial statements); or shall file an answer to a creditor's petition or other petition filed against it, admitting the material allegations thereof for an adjudication in bankruptcy or for reorganization; or shall have applied for or permitted the appointment of a receiver or trustee or custodian for any of its property or assets; or such receiver, trustee or custodian shall have been appointed for any of its property or assets (otherwise than upon application or consent of Company, or any of its Subsidiaries) and such appointment has not been dismissed or stayed within thirty (30) days from the date of appointment or if an order for relief or otherwise approving any petition for reorganization of Company or any of its Subsidiaries shall be entered and shall not be dismissed or stayed within thirty (30) days from the date of entry thereof.

9.2 Exercise of Remedies. If an Event of Default has occurred and is continuing hereunder: (w) the Agent shall, if directed to do so by the Majority Banks, declare the Banks' commitments to lend hereunder shall immediately and automatically terminated; (x) the Agent shall, if directed to do so by the Majority Banks, declare the entire unpaid principal Indebtedness,

including the Notes, immediately due and payable, without presentment, notice or demand, all of which are hereby expressly waived by Company and the Permitted Borrowers; (y) upon the occurrence of any Event of Default specified in subsection 9.1 (j), above, and notwithstanding the lack of any declaration by Agent under preceding clauses (w) or (x), the entire unpaid principal Indebtedness, including the Notes, shall become automatically due and payable; and (z) the Agent shall, if directed to do so by the Majority Banks or the Banks, as applicable (subject to the terms hereof), exercise any remedy permitted by this Agreement, the Loan Documents or law.

9.3 Rights Cumulative. No delay or failure of Agent and/or Banks in exercising any right, power or privilege hereunder shall affect such right, power or privilege, nor shall any single or partial exercise thereof preclude any further exercise thereof, or the exercise of any other power, right or privilege. The rights of Banks under this Agreement are cumulative and not exclusive of any right or remedies which Banks would otherwise have.

9.4 Waiver by Company of Certain Laws. To the extent permitted by applicable law, Company and each of the Permitted Borrowers hereby agree to waive, and do hereby absolutely and irrevocably waive and relinquish the benefit and advantage of any valuation, stay, appraisal, extension or redemption laws now existing or which may hereafter exist, which, but for this provision, might be applicable to any sale made under the judgment, order or decree of any court, on any claim for interest on the Notes, and further hereby irrevocably agrees to waive the right to trial by jury with respect to any and all actions or proceedings in which Agent or the Banks (or any of them), on one hand, and the Company or any of the Permitted Borrowers, on the other hand, are parties, whether or not such actions or proceedings arise out of this Agreement or the Loan Documents, or otherwise. These waivers have been voluntarily given, with full knowledge of the consequences thereof.

9.5 Waiver of Defaults. No Event of Default shall be waived by the Banks except in a writing signed by an officer of the Agent in accordance with Section 13.11 hereof. No single or partial exercise of any right, power or privilege hereunder, nor any delay in the exercise thereof, shall preclude other or further exercise of the Banks' rights by Agent. No waiver of any Default or Event of Default shall extend to any other or further Default or Event of Default. No forbearance on the part of the Agent or any Bank in enforcing any of the Banks' rights shall constitute a waiver of any of their rights. Company and each of the Permitted Borrowers expressly agrees that this Section may not be waived or modified by the Banks or Agent by course of performance, estoppel or otherwise.

9.6 Cross-Default. In addition to the other Events of Default specified herein, any failure to perform and discharge when

due, after allowance for any applicable cure period, any of the obligations, covenants and agreements required to be performed under the provisions of any instruments evidencing or securing any other present and future borrowings of Company or any of the Permitted Borrowers from the Banks (or from Agent) in renewal or extension of, or related to this Agreement or any of the Loan Documents shall be an Event of Default under the provisions of this Agreement entitling Agent, with the consent of the Majority Banks, (without notice or any cure period except as expressly provided herein or therein) to exercise any and all rights and remedies provided hereby. Any Event of Default under this Agreement or under any of the Loan Documents shall also constitute a default under all other instruments securing this or any other present or future borrowings, or any agreements in relation thereto, entitling Agent and the Banks to exercise any and all rights and remedies provided therein.

10. PAYMENTS, RECOVERIES AND COLLECTIONS.

10.1 Payment Procedure.

(a) All payments by Company and/or by any of the Permitted Borrowers of principal of, or interest on, the Revolving Credit Notes, the Term Notes or of any Fees, shall be made without setoff or counterclaim on the date specified for payment under this Agreement not later than 11:00 a.m. (Detroit time) in Dollars in immediately available funds to Agent, for the ratable account of the Banks, at Agent's office located at One Detroit Center, Detroit, Michigan 48226, in respect of Domestic Advances. Payments made in respect of any Advance in any Alternative Currency shall be made in such Alternative Currency in immediately available funds for the account of Agent's Eurocurrency Lending Office, at the Agent's Correspondent, for the ratable account of the Banks, not later than 11:00 a.m. (the time of Agent's Correspondent). Upon receipt of each such payment, the Agent shall make prompt payment to each Bank, or, in respect of Eurocurrency-based Advances, such Bank's Eurocurrency Lending Office, in like funds and currencies, of all amounts received by it for the account of such Bank.

(b) Unless the Agent shall have been notified by the Company prior to the date on which any payment to be made by the Company or the applicable Permitted Borrower is due that the Company or the applicable Permitted Borrower does not intend to remit such payment, the Agent may, in its discretion, assume that the Company has remitted such payment when so due and the Agent may, in reliance upon such assumption, make available to each Bank on such payment date an amount equal to such Bank's share of such assumed payment. If the Company or the applicable Permitted Borrower has not in fact remitted such payment to the Agent, each Bank shall

forthwith on demand repay to the Agent in the applicable currency the amount of such assumed payment made available to such Bank, together with the interest thereon, in respect of each day from and including the date such amount was made available by the Agent to such Bank to the date such amount is repaid to the Agent at a rate per annum equal to (i) for Domestic Advances, the Federal Funds Effective Rate (daily average), as the same may vary from time to time, and (ii) with respect to Eurocurrency-based Advances, Agent's aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance and of any fees, penalties, overdraft charges or other costs or expenses incurred by Agent) of carrying such amount.

(c) Whenever any payment to be made hereunder (other than payments in respect of any Eurocurrency-based Advance) shall otherwise be due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing interest, if any, in connection with such payment. Whenever any payment of principal of, or interest on, a Eurocurrency-based Advance shall be due on a day which is not a Business Day the date of payment thereof shall be extended to the next succeeding Business Day unless as a result thereof it would fall in the next calendar month, in which case it shall be shortened to the next preceding Business Day and, in the case of a payment of principal, interest thereon shall be payable for such extended or shortened time, if any.

(d) Except as otherwise provided in this Agreement or the other Loan Documents (and subject to the terms and conditions thereof), all payments by the Company of principal of, or interest on, the Bid Notes shall be made to the applicable Bank in Dollars without setoff or counterclaim on the dates and other terms provided in such Notes.

(e) All payments to be made by the Company or any of the Permitted Borrowers under this Agreement or any of the Notes (including without limitation payments under the Bid Notes) shall be made without set-off or counterclaim, as aforesaid, and without deduction for or on account of any present or future withholding or other taxes of any nature imposed by any governmental authority or of any political subdivision thereof or any federation or organization of which such governmental authority may at the time of payment be a member, unless Company or any of the Permitted Borrowers, as the case may be, is compelled by law to make payment subject to such tax. In such event, Company and the applicable Permitted Borrowers shall:

- (i) pay to the Agent, or cause the applicable Permitted Borrowers to pay to Agent, for Agent's own account and/or, as the case may be, for the account of the Banks (and, in the case of Bid Advances, pay to the applicable Bid Lender which funded such Advances) such additional amounts as may be necessary to ensure that the Agent and/or such Bank or Banks receive a net amount in the applicable Permitted Currency equal to the full amount which would have been receivable had payment not been made subject to such tax; and
- (ii) remit such tax to the relevant taxing authorities according to applicable law, and send to the Agent or the applicable Bid Lender, as the case may be, such certificates or certified copy receipts as the Agent or such Bid Lender shall reasonably require as proof of the payment by the Company or the applicable Permitted Borrower, of any such taxes payable by the Company or any Permitted Borrower.

As used herein, the terms "tax", "taxes" and "taxation" include all existing taxes, levies, imposts, duties, charges, fees, deductions and withholdings and any restrictions or conditions resulting in a charge together with interest thereon and fines and penalties with respect thereto which may be imposed by reason of any violation or default with respect to the law regarding such tax, assessed as a result of or in connection with the transactions in any Alternative Currency hereunder, or the payment and or receipt of funds in any Alternative Currency hereunder, or the payment or delivery of funds into or out of any jurisdiction other than the United States (whether assessed against Company, any of the Permitted Borrowers, Agent or any of the Banks).

10.2 Application of Proceeds. Notwithstanding anything to the contrary in this Agreement, upon the occurrence and during the continuance of any Event of Default, any offsets or voluntary payments by the Company, any of the Permitted Borrowers or others and any other sums received or collected in respect of the Indebtedness, shall be applied, first, to the Notes pro rata, based on the aggregate Indebtedness then outstanding thereunder (or in such other order and manner as determined by all of the Banks, next, to any other Indebtedness on a pro rata basis (as aforesaid), and then, if there is any excess, to the Company or the applicable Permitted Borrower, as the case may be.

10.3 Pro-rata Recovery. If any Bank shall obtain any payment or other recovery (whether voluntary, involuntary, by application of offset or otherwise) on account of principal of, or interest on,

any of the Revolving Credit Notes or Term Notes in excess of its pro rata share of payments then or thereafter obtained by all Banks upon principal of and interest on all such Revolving Credit Notes or Term Notes, such Bank shall purchase from the other Banks such participations in the Revolving Credit Notes and Term Notes held by them as shall be necessary to cause such purchasing Bank to share the excess payment or other recovery ratably in accordance with the Percentage held by each of them in such Notes; provided, however, that if all or any portion of the excess payment or other recovery is thereafter recovered from such purchasing holder, the purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

10.4 Deposits and Accounts. In addition to and not in limitation of any rights of any Bank or other holder of any of the Notes under applicable law, each Bank and each other such holder shall, upon acceleration of the Indebtedness under the Notes and without notice or demand of any kind, have the right to appropriate and apply to the payment of the Notes owing to it (whether or not then due) any and all balances, credits, deposits, accounts or moneys of Company or any of the Permitted Borrowers then or thereafter with such Bank or other holder; provided, however, that any such amount so applied by any Bank or other holder on any of the Notes owing to it shall be subject to the provisions of Section 10.3, hereof.

11. CHANGES IN LAW OR CIRCUMSTANCES; INCREASED COSTS.

11.1 Reimbursement of Prepayment Costs. As to any Absolute Rate Advance or Eurocurrency-based Advance, if any prepayment thereof shall occur, whether by Company or any of the Permitted Borrowers, on any day other than the last day of an Interest Period (whether pursuant to this Agreement or by acceleration, or otherwise), or if the rate applicable to such Advance shall be changed during any Interest Period pursuant to this Agreement, Company and the applicable Permitted Borrower shall reimburse each of the Banks on demand for any costs incurred by such Banks as a result of the timing thereof, including but not limited to any net costs incurred in liquidating or employing deposits from third parties. Each Bank demanding reimbursement under this Section 11.1 shall deliver to Company a certificate setting forth the basis for determining such costs, which certificate shall be conclusively presumed correct save for manifest error.

11.2 Eurocurrency Lending Office. For any Advance to which the Eurocurrency-based Rate is applicable, if Agent or a Bank, as applicable, shall designate a Eurocurrency Lending Office which maintains books separate from those of the rest of Agent, Agent or such Bank, as the case may be, shall have the option of maintaining and carrying the relevant Advance on the books of such Eurocurrency Lending Office.

11.3 Availability of Alternative Currency. The Agent and the Banks shall not be required to make any Advance requested to be made in an Alternative Currency if, at any time prior to making such Advance, the Agent or the Banks (after consultation with Agent) shall determine, in its sole discretion, that (i) deposits in the applicable Alternative Currency in the amounts and maturities required to fund such Advance will not be available to the Agent and the Banks; (ii) a fundamental change has occurred in the foreign exchange or interbank markets with respect to the applicable Alternative Currency (including, without limitation, changes in national or international financial, political or economic conditions or currency exchange rates or exchange controls); or (iii) it has become otherwise materially impractical for the Agent or the Banks, as applicable, to make such Advance in the applicable Alternative Currency. The Agent or the applicable Bank, as the case may be, shall promptly notify the Company and Banks of any such determination.

11.4 Refunding Advances in Same Currency. If pursuant to any provisions of this Agreement, the Company or any of the Permitted Borrowers repays one or more Advances and on the same day borrows an amount in the same currency, the Agent (or the applicable Bank, in the case of a Bid Advance) shall apply the proceeds of such new borrowing to repay the principal of the Advance or Advances being repaid and only an amount equal to the difference (if any) between the amount being borrowed and the amount being repaid shall be remitted by the Agent to the Company or the Permitted Borrowers, or by the Company or the Permitted Borrowers to the Agent, as the case may be.

11.5 Circumstances Affecting Eurocurrency-based Rate Availability. If with respect to any Interest Period Agent or the Banks (after consultation with Agent) shall determine that, by reason of circumstances affecting the foreign exchange and interbank markets generally, deposits in Eurodollars or in any applicable Alternative Currency, as the case may be, in the applicable amounts are not being offered to the Agent for such Interest Period, then Agent shall forthwith give notice thereof to the Company. Thereafter, until Agent notifies Company and the Permitted Borrowers that such circumstances no longer exist, (i) the obligation of Banks to make Eurocurrency-based Advances, as the case may be (other than in any applicable Alternative Currency with respect to which deposits are available, as required hereunder), and the right of Company to convert an Advance to or refund an Advance as a Eurocurrency-based Advance, as the case may be (other than in any applicable Alternative Currency with respect to which deposits are available, as required hereunder), shall be suspended, and (ii) the Company shall repay in full (or cause to be repaid in full) the then outstanding principal amount of each such Eurocurrency-based Advance covered hereby in the applicable Alternative Currency, together with accrued interest thereon, any amounts payable under Section 11.8, hereof, and all other amounts

payable hereunder on the last day of the then current Interest Period applicable to such Advance. Upon the date for repayment as aforesaid and unless Company notifies Agent to the contrary within two (2) Business Days after receiving a notice from Agent pursuant to this Section, such outstanding principal amount shall be converted to a Prime-based Advance as of the last day of such Interest Period.

11.6 Laws Affecting Eurocurrency-based Advance Availability. If, after the date hereof, the introduction of, or any change in, any applicable law, rule or regulation or in the interpretation or administration thereof by any governmental authority charged with the interpretation or administration thereof, or compliance by any of the Banks (or any of their respective Eurocurrency Lending Offices) with any request or directive (whether or not having the force of law) of any such authority, shall make it unlawful or impossible for any of the Banks (or any of their respective Eurocurrency Lending Offices) to honor its obligations hereunder to make or maintain any Advance with interest at the Eurocurrency-based Rate, or in an Alternative Currency, such Bank shall forthwith give notice thereof to Company and to Agent. Thereafter, (a) the obligations of Banks to make Eurocurrency-based Advances or Advances in any such Alternative Currency and the right of Company to convert an Advance or refund an Advance as a Eurocurrency-based Advance or as an Advance in any such Alternative Currency shall be suspended and thereafter Company may select as Applicable Interest Rates or as Alternative Currencies only those which remain available and which are permitted to be selected hereunder, and (b) if any of the Banks may not lawfully continue to maintain an Advance to the end of the then current Interest Period applicable thereto as a Eurocurrency-based Advance or in such Alternative Currency, the applicable Advance shall immediately be converted to a Prime-based Advance (in the Dollar Amount thereof) and the Prime-based Rate shall be applicable thereto for the remainder of such Interest Period. For purposes of this Section, a change in law, rule, regulation, interpretation or administration shall include, without limitation, any change made or which becomes effective on the basis of a law, rule, regulation, interpretation or administration presently in force, the effective date of which change is delayed by the terms of such law, rule, regulation, interpretation or administration.

11.7 Increased Cost of Eurocurrency-based Advances. If the adoption after the date hereof, or any change after the date hereof in, any applicable law, rule or regulation of any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by Agent or any of the Banks (or any of their respective Eurocurrency Lending Offices) with any request or directive (whether or not having the force of law) made by any such authority, central bank or comparable agency after the date hereof:

(a) shall subject any of the Banks (or any of their respective Eurocurrency Lending Offices) to any tax, duty or other charge with respect to any Advance or any Note or shall change the basis of taxation of payments to any of the Banks (or any of their respective Eurocurrency Lending Offices) of the principal of or interest on any Advance or any Note or any other amounts due under this Agreement in respect thereof (except for changes in the rate of tax on the overall net income of any of the Banks or any of their respective Eurocurrency Lending Offices imposed by the jurisdiction in which such Bank's principal executive office or Eurocurrency Lending Office is located); or

(b) shall impose, modify or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System), special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by any of the Banks (or any of their respective Eurocurrency Lending Offices) or shall impose on any of the Banks (or any of their respective Eurocurrency Lending Offices) or the foreign exchange and interbank markets any other condition affecting any Advance or any of the Notes;

and the result of any of the foregoing is to increase the costs to any of the Banks of maintaining any part of the Indebtedness hereunder as a Eurocurrency-based Advance or as an Advance in any Alternative Currency or to reduce the amount of any sum received or receivable by any of the Banks under this Agreement or under the Notes in respect of a Eurocurrency-based Advance or any Advance in an Alternative Currency, whether with respect to Advances to Company or to any of the Permitted Borrowers, then such Bank shall promptly notify Agent (or, in the case of a Bid Advance, shall notify Company directly, with a copy of such notice to Agent), and Agent (or such Bank, as aforesaid) shall promptly notify Company of such fact and demand compensation therefor and, within fifteen (15) days after such notice, Company agrees to pay to such Bank such additional amount or amounts as will compensate such Bank or Banks for such increased cost or reduction. Agent will promptly notify Company of any event of which it has knowledge which will entitle Banks to compensation pursuant to this Section, or which will cause Company to incur additional liability under Section 10.1(e) hereof, provided that Agent shall incur no liability whatsoever to the Banks or Company in the event it fails to do so. A certificate of Agent (or such Bank, if applicable) setting forth the basis for determining such additional amount or amounts necessary to compensate such Bank or Banks shall be conclusively presumed to be correct save for manifest error. For purposes of this Section, a change in law, rule, regulation, interpretation, administration, request or directive shall include, without limitation, any change made or which becomes effective on the basis of a law, rule, regulation, interpretation, administration, request or directive

presently in force, the effective date of which change is delayed by the terms of such law, rule, regulation, interpretation, administration, request or directive.

11.8 Indemnity. The Company will indemnify Agent and each of the Banks against any loss or expense which may arise or be attributable to the Agent's and each Bank's obtaining, liquidating or employing deposits or other funds acquired to effect, fund or maintain the Advances (a) as a consequence of any failure by the Company or any of the Permitted Borrowers to make any payment when due of any amount due hereunder in connection with an Absolute Rate Advance or a Eurocurrency-based Advance, (b) due to any failure of the Company or any of the Permitted Borrowers to borrow on a date specified therefor in a Request for Advance or Bid Acknowledgment (c) due to any payment or prepayment of any Absolute Rate Bid Advance or Eurocurrency-based Advance on a date other than the last day of the Interest Period for such Advance. Such loss or expense shall be calculated based upon the present value, as applicable, of payments due from the Company or any of the Permitted Borrowers with respect to a deposit obtained by the Agent or any of the Banks in order to fund such Advance to the Company or to any of the Permitted Borrowers. The Agent's and each Bank's, as applicable, calculations of any such loss or expense shall be furnished to the Company and shall be conclusive, absent manifest error.

11.9 Judgment Currency. The obligation of the Company and of the Permitted Borrowers to make payments of the principal of and interest on the Notes and any other amounts payable hereunder in the currency specified for such payment herein or in the Notes shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment, which is expressed in or converted into any other currency, except to the extent that such tender or recovery shall result in the actual receipt by each of the Banks of the full amount of the particular Permitted Currency expressed to be payable herein or in the Notes. The Agent (or the applicable Bank, in the case of a Bid Advance) shall, using all amounts obtained or received from the Company and from Permitted Borrowers pursuant to any such tender or recovery in payment of principal of and interest on the Notes, promptly purchase the applicable Permitted Currency at the most favorable spot exchange rate determined by the Agent to be available to it. The obligation of the Company and of the Permitted Borrowers to make payments in the applicable Permitted Currency shall be enforceable as an alternative or additional cause of action solely for the purpose of recovering in the applicable Permitted Currency the amount, if any, by which such actual receipt shall fall short of the full amount of the Permitted Currency expressed to be payable herein or in the Notes.

11.10 Other Increased Costs. In the event that at any time after the date of this Agreement any change in law such as described in Section 11.7 hereof, shall, in the opinion of the

Agent or any of the Banks (as certified to Agent in writing by such Bank) require that the Revolving Credit or any other Indebtedness or commitment under this Agreement or any of the other Loan Agreements be treated as an asset or otherwise be included for purposes of calculating the appropriate amount of capital to be maintained by each of the Banks or any corporation controlling such Banks, as the case may be, the Agent shall notify the Company. The Company and the Agent shall thereafter negotiate in good faith an agreement to increase the Revolving Credit Commitment Fee or other fees payable to the Agent, for the benefit of the Banks under this Agreement, which in the opinion of the Agent, will adequately compensate the Banks for the costs associated with such change in law. If such increase is approved in writing by the Company within thirty (30) days from the date of the notice to the Company from the Agent, the Revolving Credit Commitment Fee or other fees (if applicable) payable by the Company under this Agreement shall, effective from the date of such agreement, include the amount of such agreed increase. If the Company and the Agent are unable to agree on such an increase within thirty (30) days from the date of the notice to the Company, the Company shall have the option, exercised by written notice to the Agent within forty-five (45) days from the date of the aforesaid notice to the Company from the Agent, to terminate the Revolving Credit or other commitments if applicable, in which event, all sums then outstanding to Banks and to Agent hereunder shall be due and payable in full. If (a) the Company and the Agent fail to agree on an increase in the Revolving Credit Commitment Fee or other fees (if applicable), or (b) the Company fails to give timely notice that it has elected to exercise its option to terminate the Revolving Credit or other commitments, if applicable, as set forth above, then the Revolving Credit and such other commitments shall automatically terminate as of the last day of the aforesaid forty-five (45) day period, in which event all sums then outstanding to Banks and to Agent hereunder shall be due and payable in full.

12. AGENT

12.1 Appointment of Agent. Each Bank and the holder of each Note appoints and authorizes Agent to act on behalf of such Bank or holder under the Loan Documents and to exercise such powers hereunder and thereunder as are specifically delegated to or required of Agent by the terms hereof and thereof, together with such powers as may be reasonably incidental thereto. Each Bank agrees (which agreement shall survive any termination of this Agreement) to reimburse Agent for all reasonable out-of-pocket expenses (including in-house and outside attorneys' fees) incurred by Agent hereunder or in connection herewith or with any Default or Event of Default or in enforcing the obligations of Company or the Permitted Borrowers under this Agreement or the other Loan Documents or any other instrument executed pursuant hereto, and for which Agent is not reimbursed by Company, pro rata according to such Bank's Percentage. Agent shall not be required to take any

action under the Loan Documents, or to prosecute or defend any suit in respect of the Loan Documents, unless indemnified to its satisfaction by the Banks against loss, costs, liability and expense. If any indemnity furnished to Agent shall become impaired, it may call for additional indemnity and cease to do the acts indemnified against until such additional indemnity is given.

12.2 Deposit Account with Agent. Each of Company and the Permitted Borrowers hereby authorizes Agent to charge its general deposit account, if any, maintained with Agent for the amount of any principal, interest, or other amounts or costs due under this Agreement when the same becomes due and payable under the terms of this Agreement or the Revolving Credit Notes or the Term Notes, or any Bid Notes payable to Agent.

12.3 Exculpatory Provisions. Agent agrees to exercise its rights and powers, and to perform its duties, as Agent hereunder and under the Loan Documents in accordance with its usual customs and practices in bank-agency transactions, but only upon and subject to the express terms and conditions of Section 12, hereof (and no implied covenants or other obligations shall be read into this Agreement against the Agent); neither Agent nor any of its directors, officers, employees or agents shall be liable to any Bank for any action taken or omitted to be taken by it or them under this Agreement or any document executed pursuant hereto, or in connection herewith or therewith, except for its or their own willful misconduct or gross negligence, nor be responsible for any recitals or warranties herein or therein made by any other Person, nor for the effectiveness, enforceability, validity or due execution (other than its own due execution and delivery) of this Agreement or any document executed pursuant hereto, or any security thereunder, nor to make any inquiry respecting the performance by Company, any of its Subsidiaries or any of the Permitted Borrowers of its obligations hereunder or thereunder. Nor shall Agent have, or be deemed to have, a fiduciary relationship with any Bank by reason of this Agreement. Agent shall be entitled to rely upon advice of counsel concerning legal matters and upon any notice, consent, certificate, statement or writing which it believes to be genuine and to have been presented by a proper person.

12.4 Successor Agents. Agent may resign as such at any time upon at least 30 days prior notice to Company and all Banks. If Agent at any time shall resign or if the office of Agent shall become vacant for any other reason, Majority Banks shall, by written instrument, appoint a successor Agent (satisfactory to such Majority Banks) which shall thereupon become Agent hereunder and shall be entitled to receive from the prior Agent such documents of transfer and assignment as such successor Agent may reasonably request. Such successor Agent shall succeed to all of the rights and obligations of the retiring Agent as if originally named. The retiring or removed Agent shall duly assign, transfer and deliver to such successor Agent all moneys at the time held by the retiring

or removed Agent hereunder after deducting therefrom its expenses for which it is entitled to be reimbursed. Upon such succession of any such successor Agent, the retiring agent shall be discharged from its duties and obligations hereunder, except for its gross negligence or willful misconduct arising prior to its retirement hereunder, and the provisions of this Section 12 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Agent.

12.5 Loans by Agent. Agent shall have the same rights and powers with respect to the credit extended by it and the Notes held by it as any Bank and may exercise the same as if it were not Agent, and the term "Bank" and, when appropriate, "holder" shall include Agent in its individual capacity.

12.6 Credit Decisions. Each Bank acknowledges that it has, independently of Agent and each other Bank and based on the financial statements of Company and its Subsidiaries and such other documents, information and investigations as it has deemed appropriate, made its own credit decision to extend credit hereunder from time to time. Each Bank also acknowledges that it will, independently of Agent and each other Bank and based on such other documents, information and investigations as it shall deem appropriate at any time, continue to make its own credit decisions as to exercising or not exercising from time to time any rights and privileges available to it under this Agreement or any document executed pursuant hereto.

12.7 Notices by Agent. Agent shall give prompt notice to each Bank of its receipt of each notice or request required or permitted to be given to Agent by Company pursuant to the terms of this Agreement and shall promptly distribute to the Banks any reports received from the Company or any of its Subsidiaries or the Permitted Borrowers under the terms hereof, or other material information or documents received by Agent, in its capacity as Agent, from the Company, its Subsidiaries or the Permitted Borrowers.

12.8 Agent's Fees. Commencing on September 30, 1994, and on each succeeding anniversary date thereof until the Indebtedness has been repaid and no commitment to fund any loan hereunder is outstanding, the Company shall pay to Agent an annual agency fee set forth (or to be set forth from time to time) in a letter agreement between Company and Agent. The Agent's Fees described in this Section 12.8 shall not be refundable under any circumstances.

12.9 Nature of Agency. The appointment of Agent as agent is for the convenience of Banks, Company and the Permitted Borrowers in making Advances of the Revolving Credit, the Term Loan or any other Indebtedness of Company or the Permitted Borrowers hereunder, and collecting fees and principal and interest on the Indebtedness. No Bank is purchasing any Indebtedness from Agent and this

Agreement is not intended to be a purchase or participation agreement.

12.10 Actions; Confirmation of Agent's Authority to Act in Event of Default. Subject to the terms and conditions of this Agreement and to the direction of the Majority Banks, Agent is hereby expressly authorized to act in all litigation and in all other respects as the representative of the Banks where Agent considers it to be necessary or desirable in order to carry out the purposes of this Agreement or the Loan Documents. Without necessarily accepting service of process or designating Agent to do so in its stead, each Bank hereby agrees with each other Bank and with Agent, without intending to confer or conferring any rights on any other party, (a) that it shall be bound by any litigation brought by or against Agent by the Company, any Subsidiary or any other party in connection with the Indebtedness or any other rights, duties or obligations arising hereunder or under this Agreement or the Loan Documents and (b) that it now irrevocably waives the defense of procedural impediment or failure to name or join such Bank as an indispensable party; provided however that each Bank reserves the right, subject to applicable law, to intervene or otherwise appear in such litigation, and to retain its own counsel in connection therewith. In conducting such litigation hereunder on behalf of the Banks, Agent shall, subject to the terms hereof, accept the direction of the Majority Banks or all Banks, as the case may be and shall at all times be indemnified by the Banks as provided in Sections 12.1 and 12.12 hereof. Agent shall undertake to give each Bank prompt notice of any litigation commenced against Agent and/or the Banks with respect to this Agreement, the Loan Agreement or the Loan Documents or any matter referred to herein or therein.

12.11 Authority of Agent to Enforce Notes and This Agreement. Each Bank, subject to the terms and conditions of this Agreement (including without limitation Sections 12.10, 12.14 and 12.15 hereof), authorizes the Agent with full power and authority as attorney-in-fact to institute and maintain actions, suits or proceedings for the collection and enforcement of the Notes and to file such proofs of debt or other documents as may be necessary to have the claims of the Banks allowed in any proceeding relative to the Company, any of its Subsidiaries, any of the Permitted Borrowers or its creditors or affecting its properties, and to take such other actions which Agent considers to be necessary or desirable for the protection, collection and enforcement of the Notes, this Agreement or the other Loan Documents.

12.12 Indemnification. The Banks agree to indemnify the Agent in its capacity as such, to the extent not reimbursed by the Company, pro rata according to their respective Percentages, from and against any and all claims, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed

on, incurred by, or asserted against the Agent in any way relating to or arising out of this Agreement or any of the other Loan Documents or any action taken or omitted to be taken or suffered in good faith by the Agent hereunder, provided that no Bank shall be liable for any portion of any of the foregoing items resulting from the gross negligence or willful misconduct of the Agent or any of its officers, employees, directors or agents.

12.13 Knowledge of Default. It is expressly understood and agreed that the Agent shall be entitled to assume that no Default or Event of Default has occurred and is continuing, unless the officers of the Agent immediately responsible for matters concerning this Agreement shall have actual (rather than constructive) knowledge of such occurrence or shall have been notified in writing by a Bank that such Bank considers that a Default or an Event of Default has occurred and is continuing, and specifying the nature thereof. Upon obtaining actual knowledge of any Default or Event of Default as described above, the Agent shall promptly, but in any event within three (3) Business Days after obtaining knowledge thereof, notify each Bank of such Default or Event of Default and the action, if any, the Agent proposes be taken with respect thereto.

12.14 Agent's Authorization; Action by Banks. Except as otherwise expressly provided herein, whenever the Agent is authorized and empowered hereunder on behalf of the Banks to give any approval or consent, or to make any request, or to take any other action on behalf of the Banks (including without limitation the exercise of any right or remedy hereunder or under the other Loan Documents), the Agent shall be required to give such approval or consent, or to make such request or to take such other action only when so requested in writing by the Majority Banks or the Banks, as applicable hereunder. Action that may be taken by Majority Banks or all of the Banks, as the case may be (as provided for hereunder) may be taken (i) pursuant to a vote at a meeting (which may be held by telephone conference call) as to which all of the Banks have been given reasonable advance notice, or (ii) pursuant to the written consent of the requisite Percentages of the Banks as required hereunder, provided that all of the Banks are given reasonable advance notice of the requests for such consent.

12.15 Enforcement Actions by the Agent. Except as otherwise expressly provided under this Agreement or in any of the other Loan Documents and subject to the terms hereof, Agent will take such action, assert such rights and pursue such remedies under this Agreement and the other Loan Documents as the Majority Banks or all of the Banks, as the case may be (as provided for hereunder), shall direct. Except as otherwise expressly provided in any of the Loan Documents, Agent will not (and will not be obligated to) take any action, assert any rights or pursue any remedies under this Agreement or any of the other Loan Documents in violation or contravention of any express direction or instruction of the

Majority Banks or all of the Banks, as the case may be (as provided for hereunder). Agent may refuse (and will not be obligated) to take any action, assert any rights or pursue any remedies under this Agreement or any of the other Loan Documents in the absence of the express written direction and instruction of the Majority Banks or all of the Banks, as the case may be (as provided for hereunder). In the event Agent fails, within a commercially reasonable time, to take such action, assert such rights, or pursue such remedies as the Majority Banks or all of the Banks, as the case may be (as provided for hereunder), shall direct in conformity with this Agreement, the Majority Banks or all of the Banks, as the case may be (as provided for hereunder), shall have the right to take such action, to assert such rights, or pursue such remedies on behalf of all of the Banks unless the terms hereof otherwise require the consent of all the Banks to the taking of such actions (in which event all of the Banks must join in such action). Except as expressly provided above or elsewhere in this Agreement or the other Loan Documents, no Bank (other than the Agent, acting in its capacity as Agent) shall be entitled to take any enforcement action of any kind under any of the Loan Documents.

Co-Agent and Lead Managers. NationsBank has been designated by the Company as "Co-Agent" and BHF and Signet have been designated by the Company as "Lead Managers" under this Agreement. Other than its rights and remedies as a Bank hereunder, each such Co-Agent and Lead Manager shall have no administrative, collateral or other rights or responsibilities, provided, however, that each such Co-Agent and Lead Manager shall be entitled to the benefits afforded to Agent under Sections 12.5 and 12.6 hereof.

13. MISCELLANEOUS

13.1 Accounting Principles. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, it shall be done in accordance with GAAP.

13.2 Consent to Jurisdiction. The Company and each Permitted Borrower hereby irrevocably submits to the non-exclusive jurisdiction of any United States Federal or Michigan state court sitting in Detroit in any action or proceeding arising out of or relating to this Agreement or any of the Loan Documents and the Company and each Permitted Borrower hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in any such United States Federal or Michigan state court. Each of the Permitted Borrowers irrevocably appoints the Company as its agent for service of process. The Company and each Permitted Borrower irrevocably consents to the service of any and all process in any such action or proceeding brought in any court in or of the State of Michigan by the delivery of copies of such process to the Company at its address specified on the signature

page hereto or by certified mail directed to such address. Nothing in this Section shall affect the right of the Banks and the Agent to serve process in any other manner permitted by law or limit the right of the Banks or the Agent (or any of them) to bring any such action or proceeding against the Company or any of the Permitted Borrowers or any of its or their property in the courts of any other jurisdiction. The Company and each Permitted Borrower hereby irrevocably waives any objection to the laying of venue of any such suit or proceeding in the above described courts.

13.3 Law of Michigan. This Agreement, the Notes and the other Loan Documents executed have been delivered at Detroit, Michigan, and shall be governed by and construed and enforced in accordance with the laws of the State of Michigan, except as and to the extent expressed to the contrary in any of the Loan Documents. Whenever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

13.4 Interest. In the event the obligation of the Company or any of the Permitted Borrowers to pay interest on the principal balance of the Notes is or becomes in excess of the maximum interest rate which the Company is permitted by law to contract or agree to pay, giving due consideration to the execution date of this Agreement, then, in that event, the rate of interest applicable with respect to such Bank's Percentage shall be deemed to be immediately reduced to such maximum rate and all previous payments in excess of the maximum rate shall be deemed to have been payments in reduction of principal and not of interest.

13.5 Closing Costs; Other Costs. Company shall pay or reimburse Agent for payment of, on demand (a) all closing costs and expenses, including, by way of description and not limitation, in-house and outside attorney fees and advances, appraisal and accounting fees, title and lien search fees, and required travel costs, incurred by Agent in connection with the commitment, consummation and closing of the loans contemplated hereby, or in connection with any refinancing or restructuring of the loans or advances provided under this Agreement or the other Loan Documents, or any amendment thereof requested by Company, or in connection with the release of the Collateral under the Prior Loan Agreements pursuant to Section 13.22 hereof; and (b) all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing or recording of this Agreement and the Loan Documents and the consummation of the transactions contemplated hereby, and any and all liabilities with respect to or resulting from any delay in paying or omitting to pay such taxes or fees, and in connection with any releases or discharges of the

Collateral under the Prior Loan Agreements pursuant to Section 13.22 hereof. Furthermore, all reasonable costs and expenses, including without limitation attorney fees, and costs and expenses to Environmental Auditors retained by Agent hereunder, incurred by Agent in revising, preserving, protecting, exercising or enforcing any of its or any of the Banks' rights against Company or any of the Permitted Borrowers, or otherwise incurred by Agent and the Banks (using a single law firm retained by Agent, with the approval of the Majority Banks) in connection with any Event of Default or the enforcement of the loans (whether incurred through negotiations, legal proceedings or otherwise), including by way of description and not limitation, such charges in any court or bankruptcy proceedings or arising out of any claim or action by any person against Agent or any Bank which would not have been asserted were it not for Agent's or such Bank's relationship with Company and the Permitted Borrowers hereunder or otherwise, shall also be paid by Company and the Permitted Borrowers. All of said amounts required to be paid by Company hereunder and not paid forthwith upon demand, as aforesaid, shall bear interest, from the date incurred to the date payment is received by Agent, at the Prime-based Rate, plus three percent (3%).

13.6 Notices. Except as otherwise provided herein, all notices or demand hereunder to the parties hereto shall be sufficient if made in writing and delivered by messenger or deposited in the mail, postage prepaid, certified mail, and addressed to the parties as set forth on the signature pages of this Agreement and to Permitted Borrowers at the Company's address. Any notice or demand given to the Company hereunder shall be deemed given to the Permitted Borrowers, whether or not said notice or demand is addressed to or received by the Permitted Borrowers.

13.7 Further Action. Company, from time to time, upon written request of Agent will make, execute, acknowledge and deliver or cause to be made, executed, acknowledged and delivered, all such further and additional instruments, and take all such further action as may be required to carry out the intent and purpose of this Agreement, and to provide for Advances under and payment of the Notes, according to the intent and purpose herein and therein expressed.

13.8 Successors and Assigns; Assignments and Participations.

(a) This Agreement shall be binding upon and shall inure to the benefit of Company (and the Permitted Borrowers) and the Banks and their respective successors and assigns.

(b) The foregoing shall not authorize any assignment by Company, or any of the Permitted Borrowers, of its rights or duties hereunder, and no such assignment shall be made (or effective) without the prior written approval of the Banks.

(c) The Company and Agent acknowledge that each of the Banks may at any time and from time to time, subject to the terms and conditions hereof, assign or grant participations in such Bank's rights and obligations hereunder and under the other Loan Documents to any commercial bank, savings and loan association, insurance company, pension fund, mutual fund, commercial finance company or other similar financial institution, the identity of which institution is approved by Company and Agent, such approval not to be unreasonably withheld or delayed; provided, however, that (i) the approval of Company shall not be required upon the occurrence and during the continuance of a Default or Event of Default and (ii) the approval of Company and Agent shall not be required for any such sale, transfer, assignment or participation to the Affiliate of an assigning Bank, any other Bank or any Federal Reserve Bank; and provided further that the aggregate assignments and participation interests sold by a Bank (other than pursuant to subparagraph (ii) of this Section 13.8(c)) do not exceed fifty percent (50%) of its original interest therein. The Company authorizes each Bank to disclose to any prospective assignee or participant, once approved by Company and Agent, any and all financial information in such Bank's possession concerning the Company which has been delivered to such Bank pursuant to this Agreement; provided that each such prospective participant shall execute a confidentiality agreement consistent with the terms of Section 13.13, hereof.

(d) Each assignment by a Bank of any portion of its rights and obligations hereunder and under the other Loan Documents shall be made pursuant to an Assignment Agreement substantially (as determined by Agent) in the form attached hereto as Exhibit "I" (with appropriate insertions acceptable to Agent) and shall be subject to the terms and conditions hereof, and to the following restrictions:

- (i) each assignment shall cover all of the Notes issued by Company and its Subsidiaries hereunder and the notes issued by the Company or any of its Subsidiaries under the other Loan Agreements (and not any particular note or notes), and shall be for a fixed and not varying percentage thereof, with the same percentage applicable to each such Note;
- (ii) each assignment shall be in a minimum amount of Ten Million Dollars (\$10,000,000) or, as applicable, the Alternative Currency equivalent thereof;
- (iii) no assignment shall violate any "blue sky" or other securities law of any jurisdiction or shall require the Company or any other Person to file a registration statement or similar

application with the United States Securities and Exchange Commission (or similar state regulatory body) or to qualify under the "blue sky" or other securities laws of any jurisdiction; and

- (iv) no assignment shall be effective unless Agent has received from the assignee (or from the assigning Bank) an assignment fee of \$3,500 for each such assignment.

In connection with any assignment, Company and Agent shall be entitled to continue to deal solely and directly with the assigning Bank in connection with the interest so assigned until (x) the Agent shall have received a notice of assignment duly executed by the assigning Bank and an Assignment Agreement (with respect thereto) duly executed by the assigning Bank and each assignee; and (y) the assigning Bank shall have delivered to the Agent the original of each Note held by the assigning Bank under the Loan Agreements. From and after the date on which the Agent shall notify Company and the assigning Bank that the foregoing conditions shall have been satisfied and all consents (if any) required shall have been given, the assignee thereunder shall be deemed to be a party to this Agreement and the other Loan Agreements. To the extent that rights and obligations hereunder shall have been assigned to such assignee as provided in such notice of assignment (and Assignment Agreement), such assignee shall have the rights and obligations of a Bank under this Agreement (including without limitation the right to receive fees payable hereunder in respect of the period following such assignment). In addition, the assigning Bank, to the extent that rights and obligations hereunder shall have been assigned by it as provided in such notice of assignment (and Assignment Agreement), but not otherwise, shall relinquish its rights and be released from its obligations under this Agreement.

Within five (5) business days following Company's receipt of notice from the Agent that Agent has accepted and executed a notice of assignment and the duly executed Assignment Agreement, Company and the Permitted Borrowers shall, to the extent applicable, execute and deliver to the Agent in exchange for any surrendered Note, new Note(s) payable to the order of the assignee in an amount equal to the amount assigned to it pursuant to such notice of assignment (and Assignment Agreement), and with respect to the portion of the Indebtedness retained by the assigning Bank, to the extent applicable, a new Note payable to the order of the assigning Bank in an amount equal to the amount retained by such Bank hereunder shall be executed and delivered by the Company and the Permitted Borrowers. Agent, the Banks and the Company (and the Permitted Borrowers) acknowledge and agree that any such new Note(s) shall be given in renewal and replacement of the surrendered Notes and shall not effect or constitute a novation or discharge of the

Indebtedness evidenced by any surrendered Note, and each such new Note shall contain a provision confirming such agreement. In addition, promptly following receipt of such Notes, Agent shall prepare and distribute to Company, the Permitted Borrowers and each of the Banks a revised Exhibit G to this Agreement and a comparable revised exhibit to each of the other Loan Agreements setting forth the applicable new Percentages of the Banks (including the assignee Bank), taking into account such assignment.

(e) Each Bank agrees that any participation agreement permitted hereunder shall comply with all applicable laws and shall be subject to the following restrictions (which shall be set forth in the applicable Participation Agreement):

- (i) such Bank shall remain the holder of its Notes hereunder, notwithstanding any such participation;
- (ii) except as expressly set forth in this Section 13.8(e) with respect to rights of setoff and the benefits of Section 11 hereof, a participant shall have no direct rights or remedies hereunder;
- (iii) a participant shall not reassign or transfer, or grant any sub-participations in its participation interest hereunder or any part thereof; and
- (iv) such Bank shall retain the sole right and responsibility to enforce the obligations of the Company relating to the Notes and Loan Documents, including, without limitation, the right to proceed against any Guaranties, or cause Agent to do so (subject to the terms and conditions hereof), and the right to approve any amendment, modification or waiver of any provision of this Agreement without the consent of the participant, except for those matters covered by Section 13.11(a) through (d) and (h) hereof (provided that a participant may exercise approval rights over such matters only on an indirect basis, acting through such Bank, and Company, Agent and the other Banks may continue to deal directly with such Bank in connection with such Bank's rights and duties hereunder), and shall otherwise be in form satisfactory to Agent.

Company agrees that each participant shall be deemed to have the right of setoff under Section 10.4 hereof (and under the comparable terms of the other Loan Agreements), in respect of its

participation interest in amounts owing under this Agreement and the Loan Documents to the same extent as if the Indebtedness were owing directly to it as a Bank under this Agreement, shall be subject to the pro rata recovery provisions of Section 10.3 hereof (and under the comparable terms of the other Loan Agreements), and that each participant shall be entitled to the benefits of Section 11 hereof (and under the comparable terms of the other Loan Agreements). The amount, terms and conditions of any participation shall be as set forth in the participation agreement between the issuing Bank and the Person purchasing such participation, and none of the Company, the Agent and the other Banks shall have any responsibility or obligation with respect thereto, or to any Person to whom any such participation may be issued. No such participation shall relieve any issuing Bank of any of its obligations under this Agreement or any of the other Loan Documents, and all actions hereunder shall be conducted as if no such participation had been granted.

(f) Nothing in this Agreement, the Loan Documents or the Notes, expressed or implied, is intended to or shall confer on any Person other than the respective parties hereto and thereto and their successors and assignees permitted hereunder and thereunder any benefit or any legal or equitable right, remedy or other claim under this Agreement, the Notes or the other Loan Documents.

13.9 Indulgence. No delay or failure of Agent and the Banks in exercising any right, power or privilege hereunder shall affect such right, power or privilege nor shall any single or partial exercise thereof preclude any further exercise thereof, nor the exercise of any other right, power or privilege. The rights of Agent and the Banks hereunder are cumulative and are not exclusive of any rights or remedies which Agent and the Banks would otherwise have.

13.10 Counterparts. This Agreement may be executed in several counterparts, and each executed copy shall constitute an original instrument, but such counterparts shall together constitute but one and the same instrument.

13.11 Amendment and Waiver. No amendment or waiver of any provision of this Agreement or any Loan Document, nor consent to any departure by the Company or any of the Permitted Borrowers therefrom, shall in any event be effective unless the same shall be in writing and signed by the Majority Banks, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by all the Banks, do any of the following: (a) increase any commitment of the Banks hereunder or subject the Banks to any additional commitments or other obligations, (b) reduce or forgive the principal of, or interest on, the Notes or any fees or other

amounts payable hereunder, (c) postpone any date fixed for any payment of principal of, or interest on, the Notes or any fees or other amounts payable hereunder, (d) waive any Event of Default specified in Sections 9.1(a) or (b) hereof (provided that if, at the relevant time, only Bid Advances are outstanding hereunder, the prior written approval of all Banks shall be required to waive, whether by consent, waiver or amendment, any Event of Default under this Agreement), (e) release or defer the granting or perfecting of a lien or security interest in any collateral or release any guaranty or similar undertaking provided by any Person, except in each case as shall be otherwise expressly provided in this Agreement or any Loan Document, (f) take any action which requires the signing of all Banks pursuant to the terms of this Agreement or any Loan Document, (g) change the definitions of "Majority Banks", "Interest Periods" or "Alternative Currencies", (h) change the aggregate unpaid principal amount of the Notes which shall be required for the Banks or any of them to take any action under this Agreement or any Loan Document, or (i) change Section 13.21 hereof or this Section 13.11, and provided further, however, that no amendment, waiver, or consent shall, unless in writing and signed by the Agent in addition to all the Banks, affect the rights or duties of the Agent under this Agreement or any Loan Document. All references in this Agreement to "Banks" or "the Banks" shall refer to all Banks, unless expressly stated to refer to Majority Banks.

13.12 Taxes and Fees. Should any tax (other than a tax based upon the net income of any Bank or Agent), recording or filing fee become payable in respect of this Agreement or any of the Loan Documents or any amendment, modification or supplement hereof or thereof, the Company agrees to pay the same together with any interest or penalties thereon and agrees to hold the Agent and the Banks harmless with respect thereto.

13.13 Confidentiality. Each Bank agrees that it will not disclose without the prior consent of the Company (other than to its employees, to another Bank or to its auditors or counsel) any confidential information with respect to the Company or any of its Subsidiaries which is furnished pursuant to this Agreement or any of the Loan Documents; provided that any Bank may disclose any such information (a) as has become generally available to the public or has been lawfully obtained by such Bank from any third party not known by such Bank to be under any duty of confidentiality to the Company, (b) as may be required or appropriate in any report, statement or testimony submitted to, or in respect to any inquiry, by, any municipal, state or federal regulatory body having or claiming to have jurisdiction over such Bank, including the Board of Governors of the Federal Reserve System of the United States or the Federal Deposit Insurance Corporation or similar organizations (whether in the United States or elsewhere) or their successors, (c) as may be required or appropriate in respect to any summons or subpoena or in connection with any litigation, (d) in order to comply with any law, order, regulation or ruling applicable to such

Bank, and (e) to any permitted transferee or assignee or to any approved participant of, or with respect to, the Notes, as aforesaid.

13.14 Withholding Taxes. If any Bank is not incorporated under the laws of the United States or a state thereof, such Bank shall promptly deliver to the Agent two executed copies of (i) Internal Revenue Service Form 1001 specifying the applicable tax treaty between the United States and the jurisdiction of such Bank's domicile which provides for the exemption from withholding on interest payments to such Bank, (ii) Internal Revenue Service Form 4224 evidencing that the income to be received by such Bank hereunder is effectively connected with the conduct of a trade or business in the United States or (iii) other evidence satisfactory to the Agent that such Bank is exempt from United States income tax withholding with respect to such income. Such Bank shall amend or supplement any such form or evidence as required to insure that it is accurate, complete and non-misleading at all times. Promptly upon notice from the Agent of any determination by the Internal Revenue Service that any payments previously made to such Bank hereunder were subject to United States income tax withholding when made, such Bank shall pay to the Agent the excess of the aggregate amount required to be withheld from such payments over the aggregate amount actually withheld by the Agent. In addition, from time to time upon the reasonable request and at the sole expense of the Company or any Permitted Borrower, each Bank and the Agent shall (to the extent it is able to do so based upon applicable facts and circumstances), complete and provide the Company or any Permitted Borrower with such forms, certificates or other documents as may be reasonably necessary to allow the Company or any Permitted Borrower, as applicable, to make any payment under this Agreement or the other Loan Documents without any withholding for or on the account of any tax under Section 10.1(e) hereof (or with such withholding at a reduced rate), provided that the execution and delivery of such forms, certificates or other documents does not adversely affect or otherwise restrict the right and benefits (including without limitation economic benefits) available to such Bank or the Agent, as the case may be, under this Agreement or any of the other Loan Documents, or under or in connection with any transactions not related to the transactions contemplated hereby.

13.15 Effective Upon Execution. This Agreement shall become effective upon the execution hereof by Banks, Agent and the Company and the issuance by the Company and the Permitted Borrowers, as applicable, of the Revolving Credit Notes, and the Term Notes hereunder, and shall remain effective until the Indebtedness has been repaid and discharged in full and no commitment to extend any credit hereunder or under any of the other Loan Agreements remains outstanding.

13.16 Severability. In case any one or more of the obligations of the Company or any of the Permitted Borrowers under

this Agreement, the Notes or any of the other Loan Documents shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining obligations of the Company or any of the Permitted Borrowers shall not in any way be affected or impaired thereby, and such invalidity, illegality or unenforceability in one jurisdiction shall not affect the validity, legality or enforceability of the obligations of the Company or any of the Permitted Borrowers under this Agreement, the Notes or any of the other Loan Documents in any other jurisdiction.

13.17 Table of Contents and Headings. The table of contents and the headings of the various subdivisions hereof are for convenience of reference only and shall in no way modify or affect any of the terms or provisions hereof.

13.18 Construction of Certain Provisions. If any provision of this Agreement or any of the Loan Documents refers to any action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person, whether or not expressly specified in such provision.

13.19 Independence of Covenants. Each covenant hereunder shall be given independent effect (subject to any exceptions stated in such covenant) so that if a particular action or condition is not permitted by any such covenant (taking into account any such stated exception), the fact that it would be permitted by an exception to, or would be otherwise within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or such condition exists.

13.20 Reliance on and Survival of Various Provisions. All terms, covenants, agreements, representations and warranties of the Company or any party to any of the Loan Documents made herein or in any of the Loan Documents or in any certificate, report, financial statement or other document furnished by or on behalf of the Company, any such party in connection with this Agreement or any of the Loan Documents shall be deemed to have been relied upon by the Banks, notwithstanding any investigation heretofore or hereafter made by any Bank or on such Bank's behalf, and those covenants and agreements of the Company and the Permitted Borrowers set forth in Section 11.8 hereof (together with any other indemnities of the Company or the Permitted Borrowers contained elsewhere in this Agreement or in any of the Loan Documents) and of Banks set forth in Section 13.13 hereof shall survive the repayment in full of the Indebtedness and the termination of any commitments to make Advances hereunder.

13.21 Release of Guaranties. Upon the prior written request of Company to Agent following the satisfaction of the conditions set forth in this Section 13.21, Banks and the Agent agree, if Company obtains an S&P Rating of BBB- (or higher quality) or a

Moody's Rating of Baa3 (or higher quality) and such rating is then in effect, to release the Domestic Guaranty and the Permitted Borrowers Guaranty, and the Guarantors' obligations thereunder; provided, however, that:

- (a) no Default or Event of Default shall have occurred and be continuing on the date of Company's request hereunder, and as of the effective date of such release; and
- (b) concurrently with the release of such guaranties by Banks and Agent, the Company has irrevocably paid and discharged in full all Indebtedness outstanding under the Acquisition Loans on such date and has irrevocably cancelled any and all further commitments of Agent or the Banks to make further Advances thereof.

13.22 Release of Collateral under Prior Loan Agreements. Agent and the Prior Banks acknowledge and agree that the Collateral obtained by them from Company and its Subsidiaries, as applicable, under the Prior Loan Agreements shall be released and discharged (at Company's sole expense) as soon as reasonably practicable following the execution and delivery of this Agreement.

13.23 Complete Agreement. This Agreement, the Notes, any Requests for Advance hereunder, the other Loan Documents and any agreements, certificates, or other documents given to secure the Indebtedness and the Commitment Letter, contain the entire agreement of the parties hereto (provided that in the event of any inconsistency between this Agreement and the other Loan Documents, on one hand, and the Commitment Letter, on the other hand, this Agreement and the other Loan Documents shall control), and none of the parties hereto shall be bound by anything not expressed in writing.

WITNESS the due execution hereof as of the day and year first above written.

COMPANY:

AGENT:

VISHAY INTERTECHNOLOGY, INC.

COMERICA BANK, As Agent

By: _____

By: _____

Its: Vice President
63 Lincoln Highway
Malvern, Pennsylvania 19355

Its: Vice President
One Detroit Center
500 Woodward Avenue
Detroit, Michigan 48226
Attention: National Division

BANKS:

COMERICA BANK

By: _____

Its: _____
One Detroit Center
500 Woodward Avenue
Detroit, Michigan 48226
Attention: National Division
Telex: 235808
Fax No.: (313) 222-3330

NATIONSBANK OF NORTH
CAROLINA, N.A.

By: _____

Its: _____
NationsBank Corporate Center
100 North Tryon Street
NC 1007-08-04
Charlotte, NC 28255-0086
Attn: Mr. M. Gregory Seaton
Telex: 669959
Fax No.: (704) 386-3271

BERLINER HANDELS-UND FRANKFURTER
BANK KGaA

By: _____

Its: _____
Bockenheimer Landstr. 10
60323 Frankfurt/Main 1
Germany
Attn: Mr. Hans-Jurgen Scholz
Telex: 411 026
Fax No.: 4969/718-3011

BANK HAPOALIM, B.M.

By: _____

Its: _____
3 Penn Center Plaza
Philadelphia, Pennsylvania 19102
Attn: Mr. Andrew Niesen
Telex: 902022
Fax No.: (215) 665-2217

SIGNET BANK/MARYLAND

By: _____

Its: _____
7 St. Paul Street
Baltimore, Maryland 21202
Attn: Ms. Janice E. Godwin
Telex: 87638
Fax No.: (301) 625-6365

CORESTATES BANK, N.A.,
formerly known as and continuing
to do business under the name of
THE PHILADELPHIA NATIONAL BANK

By: _____

Its: _____
1345 Chestnut Street
F.C. 1-8-3-14
Philadelphia, Pennsylvania 19107
Attn: Mr. James A. Bennett
Telex: 845400
Fax No.: (215) 973-7820

BANK LEUMI le-ISRAEL, B.M.

By: _____

Its: _____
1511 Walnut Street
Philadelphia, Pennsylvania 19102
Attn: Mr. Joseph A. McBride
Telex: 173090
Fax No.: (215) 563-8688

MERIDIAN BANK

By: _____

Its: _____
1650 Market Street
Suite 3600
Philadelphia, Pennsylvania 19103
Attn: Mr. John M. Fessick
Telex: 173003
Fax No.: (215) 854-3774

ABN AMRO BANK N.V. NEW YORK BRANCH

By: _____

Its: _____

and

By: _____

Its: _____
500 Park Avenue
Second Floor
New York, New York 10022
Attn: Mr. James B. Sieger
Telex: 423721
Fax No.: (212) 759-4792

CREDIT LYONNAIS NEW YORK BRANCH

By: _____
Its: _____
1301 Avenue of the Americas
New York, New York 10019
Attn: Mr. Steve Levi
Telex:
Fax No.: (212) 459-3179

CREDIT SUISSE

By: _____
Its: _____

And By: _____

Its: _____

12 East 49th Street
New York, New York 10017
Attn: Ms. Eileen O'Connell Fox
Telex: 420149
Fax No.: (212) 238-5389

SCHEDULE 4.1 (VISHAY LOAN AGREEMENT)

Pricing Matrix (Determination of Pricing Levels)

	Applicable Margin for Advances for the Revolving Credit		Applicable Margin for Advances of the Term Loan		Applicable Fee Percentage For	
	Prime-based Rate	Eurocurrency- based Rate	Prime-based Rate	Eurocurrency- based Rate	Revolving Credit Facility Fee	Revolving Credit Commitment Fee on Revolving Credit Designated Portion

If Leverage Ratio is less than or equal to 1.5:1.0 OR If Rating Level 1 is in effect	0.00%	.375%	0.00%	.625%	.125%	.0625%

If Leverage Ratio is greater than 1.5:1.0, but less than or equal to 2.0:1.0 OR If Rating Level 2 is in effect	0.00%	.4875%	0.00%	.75%	.1375%	.0750%

If Leverage Ratio is greater than 2.0:1.0, but less than or equal to 3.9:1.0 OR If Rating Level 3 is in effect	0.00%	.5625%	0.00%	.875%	.1875%	.1250%

If Leverage Ratio is greater than 3.9:1.0 OR If Rating Level 4 is in effect	.125%	.6375%	.125%	1.125%	.3125%	.25%

EXHIBIT "A"

REQUEST FOR ADVANCE

A. Request

The undersigned authorized officer of _____ in accordance with Section 2.3 of the Amended and Restated Vishay Intertechnology, Inc. \$302,500,000 Revolving Credit and Term Loan Agreement dated as of July __, 1994, among Vishay Intertechnology, Inc. ("Company"), certain Banks and Comerica Bank, as Agent for the Banks (the "Agreement"), hereby requests Comerica Bank, in its capacity as Agent under the Agreement to make a (an) _____/1 advance to the undersigned on _____, 19 __,/2 in the amount of _____/3 under the Revolving Credit Notes ("Notes") dated July __, 1994 made by the undersigned to said Banks.

The Interest Period for the requested Advance shall be _____/4

B. Application of Proceeds

1. The proceeds of this Advance shall be applied first to convert/refund/5 the following outstanding Advances:

1/ Insert, as applicable, "Eurocurrency-based" or "Prime-based".

2/ Insert date at least four (4) Business Days after the date of Request if Request is for Eurocurrency-based Advance and, if Request involves the conversion or renewal of any outstanding Eurocurrency-based Advance, date must be the Business Day subsequent to last day of applicable Eurocurrency-based Interest Period.

3/ Insert amount and type of currency of Requested Advance. This amount, plus the amount of any other outstanding Indebtedness under the Agreement to be then combined therewith having the same Applicable Interest Rate and Interest Period, if any, shall not be less than \$500,000 in the case of a Prime-based Advance, or (y) \$1,000,000 (or the applicable foreign currency equivalent thereof) in the case of a Eurocurrency-based Advance, and shall not result in there being in effect, (i) more than two (2) Applicable Interest Rates and Interest Periods for Advances in Dollars, and (ii) more than one (1) Interest Rate and Interest Period for Advances in any Alternative Currency.

4/ For Eurocurrency-based Advance insert, as applicable, "1 month", "2 months", "3 months" or "6 months."

5/ Strike inapplicable term to indicate whether a conversion or refunding.

Type of Advance	Last Day of Interest Period	Principal Outstanding	Current Dollar Equivalent/6
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2. The balance of the proceeds of the Advance, being _____ (_____),/7 shall be deposited in the undersigned's account number _____, with _____, _____, _____./8

C. Advance Availability

The amount inserted at B.2 above (expressed, in the case of Alternative Currency Advances in a dollar amount calculated at current spot exchange rates) shall not exceed the amount calculated in Line C.1(iv) below, as follows:

- (i) Maximum principal amount available under all Revolving Credit Notes (\$200,000,000) less (in each case) the Revolving Credit Designated Portion..... \$ _____
- (ii) Aggregate amount of principal outstanding under all Revolving Credit Notes (including Alternative Currency Advances outstanding, expressed in a Dollar amount at current spot exchange rates)..... \$ _____
- (iii) Aggregate principal amount of Bid Advances then outstanding..... \$ _____
- (iv) Line C.1(i) minus Line C.1(ii) minus Line C.1(iii)..... \$ _____

6/ Applicable to Eurocurrency Advance conversions. To be determined by Agent.

7/ Amount inserted here may not exceed amount determined on Line C.(iv) below.

8/ Insert account number, bank name and bank address.

D. Request Irrevocable

Upon Agent's receipt of this Request For Advance, this Request For Advance shall be irrevocable.

E. Certification

The undersigned hereby certifies that:

- (1) both before and after the Advance, the obligations of the Company, its Subsidiaries and the Permitted Borrowers set forth in the Agreement and any of the Loan Documents to which such Persons are parties are and shall be valid, binding and enforceable obligations of the Company, its Subsidiaries and the Permitted Borrowers, as the case may be;
- (2) all conditions to Advances of the Revolving Credit have been satisfied, and shall remain satisfied to the date of Advance;
- (3) there is no Event of Default in existence, and no event which, with the giving of notice or the lapse of time, or both, would constitute such an Event of Default, and none will exist upon the making of the Advance;
- (4) the representations and warranties contained in the Agreement and the Loan Documents are true and correct in all material respects and shall be true and correct in all material respects as of the making of the Advance; and
- (5) the execution of this Request for Advance will not violate the material terms and conditions of any material contract, agreement or other borrowing of Company, its Subsidiaries or any of the Permitted Borrowers.

F. Defined Terms

Capitalized terms used herein, unless specifically defined to the contrary herein, have the meanings given them in the Agreement.

Dated this _____ day of _____, 1994.

(_____)

By:_____

Its:_____

Company hereby ratifies and confirms the truth and accuracy of the information, representations and certifications of _____ made in this Request for Advance and acknowledges and approves the disbursement of funds by Agent and the Banks pursuant to the Request for Advance.

VISHAY INTERTECHNOLOGY, INC.

By:_____

Its:_____

(This form of Request for Advance (including footnotes) is subject in all respects to the terms and conditions of the Agreement which shall govern in the event of any inconsistencies or omissions.)

EXHIBIT "B-1"

REVOLVING CREDIT NOTE

\$ _____

July ____, 1994

On or before the Revolving Credit Maturity Date, FOR VALUE RECEIVED, Vishay Intertechnology, Inc., a Delaware corporation ("Company") promises to pay to the order of (insert bank) ("Bank") at Detroit, Michigan, care of Agent, for the account of Bank's Eurocurrency Lending Office with respect to any Eurocurrency-based Advances hereunder, in lawful money of the United States of America or in such Alternative Currencies applicable to particular Advances which may, from time to time, be outstanding hereunder, the Indebtedness or so much of the sum of (insert amount derived from Percentages) Dollars (\$ _____) (or the foreign currency equivalent thereof then outstanding in any one or more of the Alternative Currencies if applicable), as may from time to time have been advanced and then be outstanding hereunder pursuant to the Amended and Restated Vishay Intertechnology, Inc. \$302,500,000 Revolving Credit and Term Loan Agreement dated as of July ____, 1994 (the "Agreement"), made by and among the Company, certain banks, including the Bank, and Comerica Bank, a Michigan banking corporation, as Agent for such banks, together with interest thereon as hereinafter set forth.

Each of the Advances made hereunder shall bear interest at the Eurocurrency-based Rate or the Prime-based Rate as elected by Company or as otherwise determined under the Agreement.

Interest on the unpaid balance of all Prime-based Advances shall be payable in United States Dollars quarterly commencing on September 30, 1994 and on the last day of each calendar quarter thereafter. Interest accruing at the Prime-based Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed, and in such computation effect shall be given to changes in the Prime-based Rate on the date of such change in the Prime-based Rate.

Interest on each 1 month, 2 month and 3 month Eurocurrency-based Advance shall be payable in United States Dollars or in the Alternative Currency applicable to such Advance, as the case may be, on the last day of the Interest Period applicable thereto. Interest on each 6 month Eurocurrency-based Advance outstanding from time to time shall be payable in United States Dollars or in the Alternative Currency applicable to such Advance, as the case may be, at intervals of 3 months after the first day of the applicable Interest Period and on the last day of the Interest Period applicable thereto. Interest accruing at the Eurocurrency-based Rate shall be computed on the basis of a 360 day year and assessed for the

actual number of days elapsed from the first day of the Interest Period applicable thereto, to, but not including, the last day thereof. Interest due on an Eurocurrency-based Advance made in an Alternative Currency shall be paid in such Alternative Currency.

Notwithstanding anything to the contrary in the preceding paragraph, interest shall be payable, in the currency applicable to such Advance, on every type of Advance on the date that any Advance is converted to another type of Advance.

In the event and so long as any default or Event of Default shall exist hereunder or under the Agreement, interest shall be payable daily on all Advances from time to time outstanding hereunder at a per annum rate equal to the Applicable Interest Rate plus three percent (3%) for the remainder of the then existing Interest Period, if any, and at all other times, with respect to Domestic Advances from time to time outstanding, at a per annum rate equal to the Prime-based Rate plus three percent (3%), and with respect to Eurocurrency-based Advances from time to time outstanding, (i) at a per annum rate calculated by the Agent, whose determination shall be conclusive absent manifest error, on a daily basis, equal to three percent (3%) above the interest rate per annum at which one (1) day deposits (or, if such amount due remains unpaid for more than three (3) Business Days, then for such other period of time as the Agent may elect which shall in no event be longer than six (6) months) in the relevant Eurocurrency in the amount of such overdue payment are offered by the Agent's Eurocurrency Lending Office for the applicable period so determined, or (ii) if at any such time such deposits are not offered by the Eurocurrency Lending Office, then at a rate per annum equal to three percent (3%) above the rate determined by the Agent to be its aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance) of carrying the amount of such Eurocurrency-based Advance.

This Note is a note under which advances, repayments and readvances may be made from time to time, but only in accordance with, the terms and conditions of the Agreement. This Note evidences borrowings under, is subject to, is secured in accordance with, and may be accelerated or matured under, the terms of the Agreement, to which reference is hereby made. Definitions and terms of the Agreement are hereby incorporated by reference herein.

As additional security for this Note, Company grants Bank a lien on all property and assets including deposits and other credits of the Company, at any time in possession or control of or owing by Bank for any purpose.

This Note shall be interpreted and the rights of the parties hereunder shall be determined under the laws of, and enforceable in, the State of Michigan.

Company hereby waives presentment for payment, demand, protest and notice of dishonor and nonpayment of this Note and agrees that no obligation hereunder shall be discharged by reason of any extension, indulgence, release, or forbearance granted by any holder of this Note to any party now or hereafter liable hereon or any present or subsequent owner of any property, real or personal, which is now or hereafter security for this Note.

Nothing herein shall limit any right granted Bank by any other instrument or by law.

VISHAY INTERTECHNOLOGY, INC.

By: _____

Its: _____

EXHIBIT "B-2"

REVOLVING CREDIT NOTE

\$ _____

July ____, 1994

On or before the Revolving Credit Maturity Date, FOR VALUE RECEIVED, (insert Permitted Borrower), a (insert jurisdiction of incorporation) corporation ("Permitted Borrower") promises to pay to the order of (insert Bank) ("Bank") at Detroit, Michigan, care of Agent, for the account of Bank's Eurocurrency Lending Office with respect to any Eurocurrency-based Advances hereunder, in lawful money of the United States of America or in such Alternative Currencies applicable to particular Advances which may, from time to time, be outstanding hereunder, the Indebtedness or so much of the sum of (insert amounts derived from Percentages) Dollars (\$) (or the foreign currency equivalent thereof then outstanding in any one or more of the Alternative Currencies if applicable), as may from time to time have been advanced and then be outstanding hereunder pursuant to the Amended and Restated Vishay Intertechnology, Inc. \$302,500,000 Revolving Credit and Term Loan Agreement dated as of July ____, 1994 (the "Agreement"), made by and among Vishay Intertechnology, Inc., certain banks, including the Bank, and Comerica Bank, a Michigan banking corporation, as Agent for such banks, together with interest thereon as hereinafter set forth.

By executing and delivering this Note to Bank, the Permitted Borrower hereby assumes and agrees, with respect to all Advances to it hereunder, to be bound by all of the terms and conditions of the Agreement as fully as though such terms and conditions were set forth herein, including without limitation, the Sublimit applicable to the Permitted Borrower.

Each of the Advances made hereunder shall bear interest at the Eurocurrency-based Rate or the Prime-based Rate as elected by Permitted Borrower or as otherwise determined under the Agreement.

Interest on the unpaid balance of all Prime-based Advances shall be payable in United States Dollars quarterly commencing on September 30, 1994 and on the last day of each calendar quarter thereafter. Interest accruing at the Prime-based Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed, and in such computation effect shall be given to changes in the Prime-based Rate on the date of such change in the Prime-based Rate.

Interest on each 1 month, 2 month and 3 month Eurocurrency-based Advance shall be payable in United States Dollars or in the Alternative Currency applicable to such

Advance, as the case may be, on the last day of the Interest Period applicable thereto. Interest on each 6 month Eurocurrency-based Advance outstanding from time to time shall be payable in United States Dollars or in the Alternative Currency applicable to such Advance, as the case may be, at intervals of 3 months after the first day of the Interest Period and on the last day of the Interest Period applicable thereto. Interest accruing at the Eurocurrency-based Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed from the first day of the Interest Period applicable thereto, to, but not including, the last day thereof. Interest due on a Eurocurrency-based Advance made in an Alternative Currency shall be paid in an Alternative Currency.

Notwithstanding anything to the contrary in the preceding paragraph, interest shall be payable, in the currency applicable to such Advance, on every type of Advance on the date that any Advance is converted to another type of Advance.

In the event and so long as a default or Event of Default shall exist hereunder or under the Agreement, interest shall be payable daily on all Advances from time to time outstanding hereunder at a per annum rate equal to the Applicable Interest Rate plus three percent (3%) for the remainder of the then existing Interest Period, if any, and at all other times, with respect to Domestic Advances from time to time outstanding, at a per annum rate equal to the Prime-based Rate plus three percent (3%), and with respect to Eurocurrency-based Advances from time to time outstanding, (i) at a per annum rate calculated by the Agent, whose determination shall be conclusive absent manifest error, on a daily basis, equal to three percent (3%) above the interest rate per annum at which one (1) day deposits (or, if such amount due remains unpaid for more than three (3) Business Days, then for such other period of time as the Agent may elect which shall in no event be longer than six (6) months) in the relevant Eurocurrency in the amount of such overdue payment are offered by the Agent's Eurocurrency Lending Office for the applicable period so determined, or (ii) if at any such time such deposits are not offered by the Eurocurrency Lending Office, then at a rate per annum equal to three percent (3%) above the rate determined by the Agent to be its aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance) of carrying the amount of such Eurocurrency-based Advance.

This Note is a note under which advances, repayments and readvances may be made from time to time, but only in accordance with the terms and conditions of the Agreement. This Note evidences borrowings under, is subject to, is secured in accordance with, and may be accelerated or matured under, the terms of the Agreement, to which reference is hereby made.

Definitions and terms of the Agreement are hereby incorporated by reference herein.

As additional security for this Note, Permitted Borrower grants Bank a lien on all property and assets including deposits and other credits of the Permitted Borrower, at any time in possession or control of or owing by Bank for any purpose.

This Note shall be interpreted and the rights of the parties hereunder shall be determined under the laws of, and enforceable in, the State of Michigan.

Permitted Borrower hereby waives presentment for payment, demand, protest and notice of dishonor and nonpayment of this Note and agrees that no obligation hereunder shall be discharged by reason of any extension, indulgence, release, or forbearance granted by any holder of this Note to any party now or hereafter liable hereon or any present or subsequent owner of any property, real or personal, which is now or hereafter security for this Note.

Nothing herein shall limit any right granted Bank by any other instrument or by law.

(PERMITTED BORROWER)

By: _____

Its: _____

EXHIBIT "C-1"

FORM OF BID BORROWING REQUEST

TO: Comerica Bank ("Agent")

Re: Amended and Restated Vishay Intertechnology, Inc. \$302,500,000
Revolving Credit and Term Loan Agreement dated as of July ____, 1994
(the "Agreement"), among Vishay Intertechnology, Inc. ("Company"),
Agent and certain Banks

Pursuant to Section 2.5(b) of the Agreement, the Company notifies you of
a request for offers to make the Bid Advances specified herein. Capitalized
terms not otherwise defined herein shall have the meanings ascribed to such
terms in the Agreement.

- (1) The date of the proposed Bid Advance borrowing is _____, 199_
(which day is at least one (1) Business Day from the date hereof in the
case of an Absolute Rate Bid Advance and at least five (5) Business Days
from the date hereof in the case of a Eurocurrency Bid Advance).
- (2) The aggregate amount of the proposed Bid Advance borrowing is
\$_____/1
- (3) The Bid Offer requested is for _____/2
- (4) The Interest Period(s) for the Bid Advances comprising the proposed Bid
Advance borrowing shall be _____/3

The undersigned hereby certifies that the following contents are true
and correct on and as of the date hereof, and will be true and correct on the
date of the proposed Bid Advance borrowing, before and after giving effect
thereto:

- - - - -
- 1/ Insert an amount which is a minimum amount of \$15,000,000 or
any multiple of \$1,000,000 in excess thereof.
 - 2/ Insert "Eurocurrency Bid Advances" or "Absolute Rate Bid
Advances" or both.
 - 3/ No more than three Interest Periods may be requested in a
single Bid Borrowing Request.

(a) the undersigned has complied and will be on the date of the proposed Bid Advance borrowing in compliance with all the terms, covenants and conditions of the Agreement and the other Loan Documents;

(b) no Default or Event of Default exists or shall result from the proposed Bid Advance borrowing;

(c) each and every representation and warranty contained in the Agreement is true and correct in all material respects with the same effect as if made on and as of the date of the proposed Bid Advance borrowing; and

(d) the aggregate amount of principal outstanding under all Advances of the Revolving Credit and Bid Advances does not exceed the Revolving Credit Aggregate Commitment.

VISHAY INTERTECHNOLOGY, INC.

Dated: _____

By: _____

Its: _____

(This form of Bid Borrowing Request (including footnotes) is subject in all respects to the terms and conditions of the Agreement which shall govern in the event of any inconsistencies or omissions.)

EXHIBIT "C-2"

FORM OF BID OFFER

TO: Comerica Bank ("Agent")

Re: Amended and Restated Vishay Intertechnology, Inc. \$302,500,000 Revolving Credit and Term Loan Agreement dated as of July ____, 1994 (the "Agreement"), among Vishay Intertechnology, Inc. ("Company"), Agent and certain Banks

In response to the Bid Borrowing Request of the Company dated ____ 199_ and in accordance with Section 2.5(c) of the Agreement, the undersigned Bid Lender offers to make Bid Advances thereunder in the following principal amount(s) at the following interest rate(s) for the following Interest Period(s) (the terms defined in the Agreement being used herein as therein defined):

INTEREST PERIOD	PRINCIPAL AMOUNT*	(Eurocurrency Bid Margin) (Absolute Rate)
-----	-----	-----
-----	-----	-----

The date of the proposed Bid Advance borrowing is ____ 19__ (which day is no earlier than date hereof in the case of an Absolute Rate Bid Advances and at least four (4) Business Days from the date hereof in the case of a Eurocurrency Bid Advance).

Acceptance of any bid contained herein is subject to compliance with the terms and conditions of the Agreement, including Section 2.5(d) thereof.

* Insert an amount which is a minimum amount of \$5,000,000 or any multiple of \$1,000,000 in excess thereof.

(NAME OF BID LENDER)

Dated: _____ By: _____
Its: _____

(This form of Bid Offer is subject in all respects to the terms and conditions of the Agreement which shall govern in the event of any inconsistencies or omissions.)

EXHIBIT "C-3"

FORM OF BID ACKNOWLEDGMENT

TO: Comerica Bank

Re: Amended and Restated Vishay Intertechnology, Inc.
\$302,500,000 Revolving Credit and Term Loan Agreement
dated as of July ____, 1994 (the "Agreement"), among Vishay
Intertechnology, Inc. ("Company"), Agent and certain
Banks

Pursuant to Sections 2.5(d) and 2.5(e) of the Agreement, the
undersigned hereby notifies you of its acceptance of the following
offers made by the Bid Lenders in response to the Bid Borrowing
Request submitted by the undersigned on ____, 199_ (the
terms defined in the Agreement being used herein as therein
defined) :

Table with 5 columns: Name of Lender, Interest Period, Type of Bid Advance*, Eurocurrency Bid Margin or Absolute Rate, as applicable, Principal Amount of Advances. The table body is currently empty.

Date of proposed Bid Advance borrowing: _____

The undersigned hereby certifies that its acceptance of the
offers listed above complies with and upon the funding of such Bid
Advances shall comply with the terms of the Agreement, including,
but not limited to, Section 2.5(d) thereof. The undersigned hereby

* Specify whether it is a Eurocurrency Bid Advance (and the Eurocurrency
Bid Margin) or an Absolute Rate Bid Advance (and the Absolute Bid Rate).

confirms and restates each of the statements certified by it in the Bid Borrowing Request relating to this Bid Acknowledgment.

VISHAY INTERTECHNOLOGY, INC.

Dated: _____

By: _____

Its: _____

(This form of Bid Acknowledgment is subject in all respects to the terms and conditions of the Agreement which shall govern in the event of any inconsistencies or omissions.)

EXHIBIT "C-4"

BID NOTE

\$200,000,000.00

July ____, 1994

On or before the Revolving Credit Maturity Date, subject to the terms hereof, FOR VALUE RECEIVED, Vishay Intertechnology, Inc., a Delaware corporation ("Company") promises to pay to the order of (insert bank) ("Bank") at _____, _____, care of Bank, in lawful money of the United States of America, the Indebtedness or so much of the sum of Two Hundred Million Dollars (\$200,000,000.00), as may from time to time have been advanced and then be outstanding hereunder pursuant to the Amended and Restated Vishay Intertechnology, Inc. \$302,500,000 Revolving Credit and Term Loan Agreement dated as of July ____, 1994 (the "Agreement"), made by and among the Company, certain banks, including the Bank, and Comerica Bank, a Michigan banking corporation, as Agent for such banks, together with interest thereon as hereinafter set forth.

The unpaid principal indebtedness from time outstanding under this Note shall be due and payable on the last day of the Interest Period applicable thereto or as otherwise set forth in the Agreement, provided that no Bid Advance may mature or be payable on a day later than the Revolving Credit Maturity Date.

Each of the Bid Advances made hereunder shall bear interest at the Absolute Rate or the Eurocurrency-based Rate as elected by Company or as otherwise determined under the Agreement.

Interest on each Absolute Rate Advance and each 1 month, 2 month and 3 month Eurocurrency-based Advance shall be payable in United States Dollars on the last day of the Interest Period applicable thereto. Interest on each 6 month Eurocurrency-based Advance outstanding from time to time shall be payable in United States Dollars, at intervals of 3 months after the first day of the applicable Interest Period and on the last day of the Interest Period applicable thereto. Interest accruing at the Absolute Rate or Eurocurrency-based Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed from the first day of the Interest Period applicable thereto, to, but not including, the last day thereof.

In the event and so long as any default or Event of Default shall exist hereunder or under the Agreement, interest shall be payable daily on all Bid Advances from time to time outstanding hereunder at a per annum rate equal to the Applicable Interest Rate plus three percent (3%) for the remainder of the then existing Interest Period, if any, and at all other times, with respect to Domestic Advances from time to time outstanding, at a per annum rate equal to the Absolute Rate plus three percent

(3%), and with respect to Eurocurrency-based Advances from time to time outstanding, (i) at a per annum rate calculated by the applicable Bid Lender having funded such Bid Advance, whose determination shall be conclusive absent manifest error, on a daily basis, equal to three percent (3%) above the interest rate per annum at which one (1) day deposits (or, if such amount due remains unpaid for more than three (3) Business Days, then for such other period of time as the applicable Bid Lender may elect which shall in no event be longer than six (6) months) in the relevant eurocurrency in the amount of such overdue payment due to the applicable Bid Lender are offered by such Bid Lender's Eurocurrency Lending Office for the applicable period so determined, or (ii) if at any such time such deposits are not offered by such Bid Lender's Eurocurrency Lending Office, then at a rate per annum equal to three percent (3%) above the rate determined by the applicable Bid Lender to be its aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance) of carrying the amount of such Eurocurrency-based Advance.

This Note is a note under which advances, repayments and readvances may be made from time to time, but only in accordance with, the terms and conditions of the Agreement. This Note evidences borrowings under, is subject to, is secured in accordance with, and may be accelerated or matured under, the terms of the Agreement, to which reference is hereby made. Definitions and terms of the Agreement are hereby incorporated by reference herein.

As additional security for this Note, Company grants Bank a lien on all property and assets including deposits and other credits of the Company, at any time in possession or control of or owing by Bank for any purpose.

This Note shall be interpreted and the rights of the parties hereunder shall be determined under the laws of, and enforceable in, the State of Michigan.

Company hereby waives presentment for payment, demand, protest and notice of dishonor and nonpayment of this Note and agrees that no obligation hereunder shall be discharged by reason of any extension, indulgence, release, or forbearance granted by any holder of this Note to any party now or hereafter liable hereon or any present or subsequent owner of any property, real or personal, which is now or hereafter security for this Note.

Nothing herein shall limit any right granted Bank by any other instrument or by law.

VISHAY INTERTECHNOLOGY, INC.

By: _____

Its: _____

EXHIBIT "D"

TERM NOTE

\$ _____

July ____, 1994

On or before December 31, 2000 (the "Term Loan Maturity Date"), FOR VALUE RECEIVED, Vishay Intertechnology, Inc., a Delaware corporation ("Company") promises to pay to the order of (insert bank) ("Bank") at Detroit, Michigan, care of Agent, in lawful money of the United States of America the Indebtedness or so much of the sum of (insert Bank's percentage of \$102,500,000) Dollars (\$ _____) which may have been advanced and then be outstanding hereunder, together with interest thereon, as hereinafter set forth, in accordance with that certain Amended and Restated Vishay Intertechnology, Inc. \$302,500,000 Revolving Credit and Term Loan Agreement dated as of July ____, 1994 (the "Agreement"), made by and among Company, certain banks, including the Bank, and Comerica Bank, a Michigan banking corporation, as Agent for such banks.

Until the Term Loan Maturity Date, when the entire unpaid principal balance of the Term Loan (as defined in the Agreement) and all accrued interest and other sums outstanding thereon shall be paid in full, the principal Indebtedness evidenced by this Note shall be repaid on the following dates and in the following amounts (irrespective of and in addition to any principal payments under the Agreement based on Excess Cash Flow, but taking into account any optional prepayments thereunder):

- (a) on or before December 31, 1994, (Bank's Percentage of \$5,000,000); and
- (b) commencing on March 31, 1995, and on the last day of each calendar quarter thereafter through December 31, 1996, the sum of (Bank's Percentage of \$2,500,000);
- (c) commencing on March 31, 1997, and on the last day of each calendar quarter thereafter through December 31, 1997, the sum of (Bank's Percentage of \$3,750,000);
- (d) commencing on March 31, 1998, and on the last day of each calendar quarter thereafter through December 31, 1999, the sum of (Bank's Percentage of \$5,000,000); and
- (e) commencing on March 31, 2000, and on the last day of each calendar quarter thereafter through December 31, 2000, the sum of (Bank's Percentage of \$5,625,000).

There shall be no readvance or reborrowing of any principal reductions of this Note.

Each of the Advances made hereunder shall bear interest at the Eurocurrency-based Rate, the Prime-based Rate or the Fixed Rate as elected by Company or as otherwise determined under the Agreement.

Interest on the unpaid balance of all Prime-based Advances or after the Fixed Rate Election shall be payable in United States Dollars quarterly commencing on September 30, 1994 and on the last day of each calendar quarter thereafter until the Term Loan Maturity Date. Interest accruing at the Prime-based Rate or the Fixed Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed, and in such computation effect shall be given to changes in the Prime-based Rate on the date of such change in the Prime-based Rate.

Interest on each 1 month, 2 month and 3 month Eurocurrency-based Advance shall be payable in United States Dollars on the last day of the Interest Period applicable thereto. Interest on each 6 month Eurocurrency-based Advance outstanding from time to time shall be payable in United States Dollars at intervals of 3 months after the first day of the Interest Period and on the last day of the Interest Period applicable thereto. Interest accruing at the Eurocurrency-based Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed from the first day of the Interest Period applicable thereto, to, but not including, the last day thereof.

In the event and so long as a default or Event of Default shall exist under this Note or under the Agreement, interest shall be payable daily on all Advances from time to time outstanding hereunder at a per annum rate equal to the Applicable Interest Rate plus three percent (3%) for the remainder of the then existing Interest Period, if any, and at all other times, with respect to Domestic Advances from time to time outstanding, at a per annum rate equal to the Prime-based Rate or the Fixed Rate, as applicable, plus three percent (3%), and with respect to Eurocurrency-based Advances from time to time outstanding under this Note, (i) at a per annum rate calculated by the Agent, whose determination shall be conclusive absent manifest error, on a daily basis, equal to three percent (3%) above the interest rate per annum at which one (1) day deposits (or, if such amount due remains unpaid for more than three (3) Business Days, then for such other period of time as the Agent may elect which shall in no event be longer than six (6) months) in the relevant Eurocurrency in the amount of such overdue payment due to the Agent are offered by the Eurocurrency Lending Office for the applicable period determined as provided above, or (ii) if at any such time such deposits are not offered by the Eurocurrency Lending Office, then at a rate per annum equal to three percent (3%) above the rate determined by the Agent to be its aggregate marginal cost (including the cost of

maintaining any required reserves or deposit insurance) of carrying the amount of such Eurocurrency Advance.

The amount and date of each Advance of the Term Loan, its Applicable Interest Rate and Interest Period, and the amount and date of any repayments shall be noted on Agent's records, which records will be conclusive evidence thereof, absent manifest error.

This Note is a note under which prepayments may be made from time to time, but only in accordance with the terms and conditions of the Agreement, including without limitation, after the Fixed Rate Election, the payment of Yield Maintenance Payments.

This Note evidences borrowings under, is subject to, is secured in accordance with, and may be accelerated or matured under, the terms of the Agreement, to which reference is hereby made. Definitions and terms of the Agreement are hereby incorporated herein.

As additional security for this Note, Company grants Bank a lien on all property and assets including deposits and other credits of the Company, at any time in possession or control of or owing by Bank for any purpose.

This Note shall be interpreted and the rights of the parties hereunder shall be determined under the laws of, and enforceable in, the State of Michigan.

Company hereby waives presentment for payment, demand, protest and notice of dishonor and nonpayment of this Note and agrees that no obligation hereunder shall be discharged by reason of any extension, indulgence, release, or forbearance granted by any holder of this Note to any party now or hereafter liable hereon or any present or subsequent owner of any property, real or personal, which is now or hereafter security for this Note.

Nothing herein shall limit any right granted Bank by any other instrument or by law.

VISHAY INTERTECHNOLOGY, INC.,
a Delaware corporation

By: _____

Its: _____

EXHIBIT "E"

REQUEST FOR TERM LOAN ADVANCE AND RATE REQUEST

To: Comerica Bank ("Agent")

A. Request

The undersigned authorized officer of Vishay Intertechnology, Inc. ("Company") in accordance with Section 3.9 of the Amended and Restated Vishay Intertechnology, Inc. \$302,500,000 Revolving Credit and Term Loan Agreement dated as of July __, 1994, among Company, certain Banks and Comerica Bank, as Agent for the Banks (the "Agreement"), hereby requests the Agent under the Agreement to make, refund or convert, as applicable, a (an) _____/1 Advance of the Term Loan to the undersigned on _____, 19____/2 in the amount of \$_____/3 under the Term Notes ("Notes") dated July __, 1994 made by Company to said Banks.

The Interest Period for the requested Advance shall be _____./4

- -----
1/ Insert, as applicable, "Eurocurrency-based" or "Prime-based."

2/ Insert date at least four (4) Business Days after the date of Request, if Request is for Eurocurrency-based Advance and, if Request involves the conversion or renewal of any outstanding Eurocurrency-based Advance, date must be the Business Day subsequent to the last day of the applicable Eurocurrency-based Interest Period.

3/ Insert amount of requested Advance. This amount, together with the amount of any other outstanding indebtedness evidenced by the Term Notes to be then combined therewith having the same Applicable Interest Rate and Interest Period, if any, shall not be less than (x) \$500,000 in the case of a Prime-based Advance, or (y) \$1,000,000 (or the applicable foreign currency equivalent thereof) in the case of a Eurocurrency-based Advance, and upon completion of the Advance there shall be no more than 1 Interest Period and 2 Applicable Interest Rates (including the Prime-based Rate).

4/ For Eurocurrency-based Advance insert, as applicable, "1 month", "2 months", "3 months" or "6 months." Such Interest Period (i) may not end after the Term Loan Maturity Date; and (ii) must leave a sufficient portion of the Term Loan subject to an Interest Period ending on the last day of the quarter to enable Company to make required principal repayments.

B. Application of Proceeds

The proceeds of this Advance shall be applied to refund/convert/5 the following outstanding Advances:

Type of Advance	Last Day of Interest Period	Principal Outstanding
-----------------	-----------------------------	-----------------------

C. Request Irrevocable

Upon Agent's receipt of this Request For Term Loan Advance, this Request For Term Loan Advance shall be irrevocable.

D. Certification

The undersigned hereby certifies that:

- (1) both before and after the Advance, the obligations of the Company and its Subsidiaries set forth in the Agreement and any of the Loan Documents to which such Persons are parties are and shall be valid, binding and enforceable obligations of the Company and its Subsidiaries;
- (2) all conditions to Advances of the Term Loan have been satisfied, and shall remain satisfied to the date of Advance;
- (3) there is no Event of Default in existence, and no event which, with the giving of notice or the lapse of time, or both, would constitute such an Event of Default, and none will exist upon the making of the Advance;
- (4) the representations and warranties contained in the Agreement and the Loan Documents are true and correct in all material respects and shall be true and correct in all material respects as of the making of the Advance; and
- (5) the execution of this Request for Term Loan Advance will not violate the material terms and conditions of any material contract, agreement or other borrowing of Company or its Subsidiaries

5/ Strike inapplicable term to indicate whether a conversion or refunding.

E. Defined Terms

Capitalized terms used herein, unless specifically defined to the contrary herein, have the meanings given them in the Agreement.

Dated this _____ day of _____, 1994.

VISHAY INTERTECHNOLOGY, INC.

By: _____

Its: _____

(This form of Request for Term Loan Advance (including footnotes) is subject in all respects to the terms and conditions of the Agreement which shall govern in the event of any inconsistencies or omissions.)

EXHIBIT "F"

FIXED RATE ELECTION

To: Comerica Bank ("Agent")

Re: Amended and Restated Vishay Intertechnology, Inc. \$302,500,000 Revolving Credit and Term Loan Agreement dated as of July _____, 1994 (the "Agreement"), among Vishay Intertechnology, Inc. ("Company"), Agent and certain Banks

Pursuant to Section 3.11 of the Agreement, the Company elects the Fixed Rate as the Applicable Interest Rate for the remaining balance of the Term Loan.

The Company certifies to the matters specified in Section 3.11(c) of the Agreement.

Capitalized terms used herein, unless specifically defined to the contrary herein, have the meanings given them in the Agreement.

Dated: _____ VISHAY INTERTECHNOLOGY, INC.

By: _____

Its: _____

EXHIBIT "G"

Percentages

Comerica Bank	15.42%
NationsBank of North Carolina, N.A.	15.42%
Berliner Handels-Und Frankfurter Bank	11.67%
Signet Bank Maryland	11.66%
Bank Hapoalim, B.M.	8.33%
CoreStates Bank, N.A.	8.33%
ABN AMRO Bank N.V.	8.33%
Credit Lyonnais New York Branch	8.33%
Bank Leumi le-Israel, B.M.	4.17%
Credit Suisse	4.17%
Meridian Bank	4.17%

EXHIBIT "H"

Sublimit

Vishay Beteiligungs GmbH, formerly
Draloric Electronic GmbH ("VBG").....\$25,000,000

Draloric Electronic GmbH, formerly
Vishay Electronic GmbH ("Draloric").....\$25,000,000;

provided, however, that to the extent of any increase in the nominal share capital of Draloric which causes its aggregate nominal share capital to exceed Fifteen Million Deutsche Marks (DM 15,000,000), the Sublimit applicable to VBG shall decrease dollar for dollar by the equivalent in Dollars of any such increase and the Sublimit applicable to Draloric shall increase by the equivalent in Dollars of any such increase.

EXHIBIT "I"
FORM OF
ASSIGNMENT AGREEMENT

Date: _____

To: VISHAY INTERTECHNOLOGY, INC.

and

COMERICA BANK ("Agent")

Re: Amended and Restated Vishay Intertechnology, Inc. \$302,500,000
Revolving Credit and Term Loan Agreement dated as of July _____,
1994 (the "Agreement"), among Vishay Intertechnology, Inc.
("Company"), Agent and certain Banks

Gentlemen and Ladies:

Reference is made to Section 13.8(c), (d) and (e) of the Agreement. Unless otherwise defined herein or the context otherwise requires, all initially capitalized terms used herein without definition shall have the meanings specified in the Agreement.

This Agreement constitutes notice to each of you of the proposed assignment and delegation by (insert assigner Bank) (the "Assignor") to (insert Proposed assignee) (the "Assignee") of a _____% undivided interest in each of the Assignor's notes under all of the Loan Agreements (the "Notes"), such that after giving effect to the assignment and assumption hereafter provided the Assignee's interest in the Notes shall equal \$_____* and its Percentage shall equal _____% under the Loan Documents.

The Assignor hereby instructs the Agent to make all payments from and including the "Effective Date" (as hereafter defined) hereof in respect of the interest assigned hereby, directly to the Assignee. The Assignor and the Assignee agree that all interest and fees accrued up to, but not including, the Effective Date of the assignment and delegation being made hereby are the property of the Assignor, and not the Assignee. The Assignee agrees that, upon receipt of any such interest or fees accrued up to the Effective Date, the Assignee will promptly remit the same to the Assignor.

The Assignee hereby confirms that it has received a copy of the Loan Agreements and the exhibits and schedules referred to therein, and all other Loan Documents which it considers necessary, together with copies of the other documents which were required to be delivered under the Loan Agreements as a condition to the making

- -----
*Such amount shall not be less than a minimum amount of \$10,000,000.

of the loans thereunder. The Assignee acknowledges and agrees that it: (a) has made and will continue to make such inquiries and has taken and will take such care on its own behalf as would have been the case had its Percentage been granted and its loans been made directly by such Assignee to the Company and/or the Permitted Borrowers without the intervention of the Agent, the Assignor or any other bank; and (b) has made and will continue to make, independently and without reliance upon the Agent, the Assignor or any other bank, and based on such documents and information as it has deemed appropriate, its own credit analysis and decisions relating to the Loan Agreements. The Assignee further acknowledges and agrees that neither the Agent, nor the Assignor has made any representations or warranties about the creditworthiness of the Company, the Permitted Borrowers or any other party to the Loan Agreements or any other of the Loan Documents, or with respect to the legality, validity, sufficiency or enforceability of the Loan Agreements, or any other of the Loan Documents. This assignment shall be made without recourse to or warranty by the Assignor, except as set forth herein.

Assignee represents and warrants that it is a Person to which assignments are permitted pursuant to Section 13.8(c) of the Agreement. Assignor and Assignee represent and warrant that this assignment shall not violate any "blue sky" or other securities law of any jurisdiction or require the Company or any other Person to file a registration statement with the United States Securities and Exchange Commission or Apply to qualify any loans or any interest in any thereof, under the "blue sky" or other securities laws of any jurisdiction.

Except as otherwise provided in the Loan Agreements, effective as of the Effective Date:

- (a) the Assignee: (i) shall be deemed automatically to have become a party to the Loan Agreements, to have assumed all of the Assignor's obligations thereunder to the extent of the Assignee's percentage referred to in the second paragraph of this Assignment Agreement, and to have all the rights and obligations of a party to the Loan Agreements, as if it were an original signatory thereto to the extent specified in the second paragraph hereof; and (ii) agrees to be bound by the terms and conditions set forth in the Loan Agreements as if it were an original signatory thereto; and
- (b) the Assignor's obligations under the Loan Agreements shall be reduced by the percentage referred to in the second paragraph of this Assignment Agreement.

As used herein, the term "Effective Date" means the date on which all of the following have occurred or have been completed, as reasonably determined by the Agent:

- (1) the delivery to the Agent of an original of this Assignment Agreement executed by the Assignor and the Assignee;
- (2) the payment to the Agent, of all accrued fees, expenses and other items for which reimbursement is then owing under the Loan Agreements;
- (3) the payment to the Agent of the \$3,500.00 processing fee referred to in Section 13.8(d) (iv) of the Agreement; and
- (4) all other restrictions and items noted in Sections 13.8(c), (d) and (e) of the Agreement have been completed.

The Agent shall notify the Assignor and the Assignee of the Effective Date.

The Assignee hereby advises each of you of the following administrative details with respect to the assigned loans:

(A) Address for Notices:

Institution Name:

Address:

Attention:

Telephone:

Facsimile:

(B) Payment Instructions:

(C) Proposed effective date of assignment.

The Assignee has delivered to the Agent (or is delivering to the Agent concurrently herewith) the tax forms referred to in Section 13.14 of the Agreement, other forms reasonably requested by the Agent, and the original of each Note held by the Assignor under the Loan Agreements.

Please evidence your consent to and acceptance of the proposed assignment and delegation set forth herein by signing and returning counterparts hereof to the Assignor and the Assignee.

(ASSIGNOR)

By: _____

Its: _____

(ASSIGNEE)

By: _____

Its: _____

ACCEPTED AND CONSENTED TO
this _____ day of _____ 199_

COMERICA BANK, Agent

By: _____

Its: _____

VISHAY INTERTECHNOLOGY, INC.

By: _____

Its: _____

(This form of Assignment Agreement (including footnotes) is subject in all respects to the terms and conditions of the Agreement which shall govern in the event of any inconsistencies or omissions.)

AMENDED AND RESTATED DRALORIC/VBG

DM 40,000,000 REVOLVING CREDIT

AND

DM 9,506,000 TERM LOAN AGREEMENT

DATED AS OF JULY 18, 1994,

COMERICA BANK, AS AGENT

NATIONSBANK OF NORTH CAROLINA, N.A., AS CO-AGENT

BERLINER HANDELS-UND FRANKFURTER BANK KGAA
AND SIGNET BANK/MARYLAND, AS LEAD MANAGERS

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LOAN AGREEMENT

THIS LOAN AGREEMENT ("Agreement") is made as of the 18th day of July, 1994, among Comerica Bank, successor by merger to Manufacturers Bank, N.A., formerly known as Manufacturers National Bank of Detroit, NationsBank of North Carolina, N.A., formerly known as NCNB National Bank of North Carolina, Berliner Handels-und Frankfurter Bank KGaA, Signet Bank/Maryland, formerly known as Union Trust Company of Maryland, CoreStates Bank, N.A., formerly known as and continuing to do business under the name of The Philadelphia National Bank, Bank Hapoalim, B.M., ABN AMRO Bank N.V. New York Branch, Credit Lyonnais New York Branch, Meridian Bank, Bank Leumi le-Israel, B.M. and Credit Suisse (individually, "Bank", and collectively "Banks"), Comerica Bank, as agent for the Banks (in such capacity, "Agent") and Vishay Beteiligungs GmbH, a German corporation ("Company").

RECITALS:

A. In connection with the execution and delivery of the Vishay Loan Agreement (as defined below), Company has requested that the Banks and Agent amend and renew revolving and term credit previously extended to Company pursuant to the Prior DM Loan Agreement (as defined below), all on the terms set forth herein.

B. Pursuant to the Commitment Letter (as defined below), the Banks are prepared to amend, renew and extend such credit as aforesaid on the terms and conditions set forth herein.

NOW THEREFORE, COMPANY, AGENT AND THE BANKS AGREE:

1. DEFINITIONS

For the purposes of this Agreement the following terms will have the following meanings:

1.1 "Absolute Rate" shall have the meaning ascribed to such term under Section 2.5(c) hereof.

1.2 "Absolute Rate Bid Advance" shall mean any Bid Advance bearing interest at an Absolute Rate.

1.3 "Absolute Rate Interest Period" shall mean, with respect to any Absolute Rate Bid Advance, the period (consisting of a whole number of days) commencing on (and including) the date such Bid Advance is made, and ending not less than seven (7) days and not more than thirty (30) days thereafter (but in no event later than the Revolving Credit Maturity Date), as selected by the Company in its Bid Borrowing Request.

1.4 "Acquisition Loan(s)" shall mean the Non-amortizing Term Loan and the Bridge Loan.

1.5 "Advance(s)" shall mean, as the context may indicate, a borrowing requested by Company and made by Banks under Section 2.1, or Section 3.1 of this Agreement, including without limitation any refunding or conversions of such borrowing under Section 2.3 or Section 3.5 hereof, or a borrowing requested by Company and made by a Bank or Banks under Section 2.5 of this Agreement, and shall include, as applicable, an Absolute Rate Bid Advance, a DM-based Advance and a Prime-based Advance.

1.6 "Affiliate" shall mean, with respect to any Person, any other Person or group acting in concert in respect of the Person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with such Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person or group of Persons, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

1.7 "Agent" shall mean Comerica Bank, a Michigan banking corporation, successor by merger to Manufacturers Bank, N.A. or any successor appointed in accordance with Section 12.4 hereof.

1.8 "Agent's Correspondent" shall mean, so long as the Revolving Credit and/or Term Loan is denominated in Deutsche Marks, Chemical Bank Frankfurt, or such other bank or banks as Agent may from time to time designate by written notice to Company and the Banks.

1.9 "Agent's Fees" shall mean those fees and expenses required to be paid by Company to Agent under Section 12.8 hereof.

1.10 "Alternate Base Rate" shall mean, for any day, an interest rate per annum equal to the Federal Funds Effective Rate in effect on such day, plus one-half percent (1/2%).

1.11 "Alternative Currency" shall have the meaning given it in the Vishay Loan Agreement.

1.12 "Applicable Fee Percentage" shall mean, as of any date of determination thereof, the applicable percentage used to calculate the fees due and payable hereunder, determined by reference to the appropriate columns in the Pricing Matrix attached to this Agreement as Schedule 14.

1.13 "Applicable Interest Rate" shall mean:

(a) for all periods during which the Revolving Credit, Bid Advances and/or the Term Loan, as applicable, are

denominated in Deutsche Marks hereunder, the Deutsche Mark-based Rate; and

(b) if the Revolving Credit, Bid Advances and/or Term Loan, as applicable, have been converted to Dollars pursuant to Section 4.5, hereof, and so long as such Indebtedness is denominated in Dollars hereunder, the Prime-based Rate.

1.14 "Applicable Margin" shall mean, as of any date of determination thereof, (i) with respect to the Revolving Credit and the Term Loan, the applicable interest rate margin, determined by reference to the appropriate columns in the Pricing Matrix attached to this Agreement as Schedule 14, and (ii) with respect to DM Bid Advances, the DM Bid Margin.

1.15 "Banks" shall mean Comerica Bank, successor by merger to Manufacturers Bank, N.A., formerly known as Manufacturers National Bank of Detroit ("Comerica"), NationsBank of North Carolina, N.A., formerly known as NNCB National Bank of North Carolina ("NationsBank"), Berliner Handels-und Frankfurter Bank KGaA ("BHF"), Signet Bank/Maryland, formerly known as Union Trust Company of Maryland ("Signet"), CoreStates Bank, N.A., formerly known as and continuing to do business under the name of Philadelphia National Bank, Bank Hapoalim, B.M., ABN AMRO Bank N.V. New York Branch, Credit Lyonnais New York Branch ("Credit Lyonnais"), Meridian Bank, Bank Leumi le-Israel, B.M. and Credit Suisse, and any assignee which becomes a Bank pursuant to Section 13.8 hereof.

1.16 "Bid Acknowledgment" shall have the meaning ascribed to such term in Section 2.5(e) hereof.

1.17 "Bid Advance" shall mean any Advance under Section 2.5 hereof, and shall include an Absolute Rate Bid Advance and a DM Bid Advance.

1.18 "Bid Borrowing Request" shall have the meaning ascribed to such term in Section 2.5(b) hereof.

1.19 "Bid Lender(s)" shall mean each of the Banks, other than any Bank which notifies Company and Agent in writing (so long as it has no Bid Offer outstanding) that it does not wish to fund a Bid Advance under Section 2.5 hereof.

1.20 "Bid Notes" shall have the meaning ascribed to such term in Section 2.5(g) hereof.

1.21 "Bid Offer" shall mean an offer by a Bid Lender to make a Bid Advance in accordance with Section 2.5(c) hereof.

1.22 "Bridge Loan" shall mean the bridge loan in an aggregate amount not to exceed One Hundred Million Dollars (\$100,000,000) to be advanced by the Banks to Vishay pursuant to the Target Company Loan Agreement.

1.23 "Business Day" shall mean any day on which commercial banks are open for domestic and international business (including dealings in foreign exchange) in Detroit, London, Frankfurt am Main (except with respect to any Prime-based Advances) and New York, and if funds are to be paid or made available in an Alternative Currency, on such day in the place where such funds are to be paid or made available.

1.24 "Commitment Letter" shall mean that certain commitment letter dated June 28, 1994 and issued to Vishay by the Agent, for itself and for and on behalf of the Banks, with respect to the credit to be amended, renewed, increased and/or extended under the terms and conditions of this Agreement, the Vishay Loan Agreement, the Roederstein Loan Agreement and the Target Company Loan Agreement.

1.25 "Company" shall mean Vishay Beteiligungs GmbH, a German corporation, formerly known as Draloric Electronic GmbH.

1.26 "Consolidated" and "Consolidating" shall have the meanings set forth in the Vishay Loan Agreement.

1.27 "conversion" or "converted", as used herein, shall refer, to any and all conversions or reconversions of the Indebtedness hereunder.

1.28 "Deutsche Mark Equivalent" shall mean the amount of Deutsche Marks which could be purchased with the then outstanding principal amount of Dollars at the most favorable spot exchange rate determined by the Agent to be available to it for the sale of Deutsche Marks for Dollars at approximately 11:00 a.m. (Detroit time) two (2) Business Days prior to any reconversion of the Indebtedness from Dollars to Deutsche Marks hereunder.

1.29 "Deutsche Mark-based Rate" shall mean a per annum interest rate which is the Applicable Margin (subject in each case, if applicable, to adjustment under Section 5.9 hereof), above (or below) the Deutsche Mark Adjusted Rate.

1.30 "Deutsche Mark Adjusted Rate" shall mean the quotient of:

(a) the per annum interest rate at which Agent's Eurocurrency Lending Office (or with respect to a Bid Advance, if applicable, the Eurocurrency Lending Office of the Bid Lender funding such Bid Advance) offers deposits in Deutsche Marks to United States regional prime banks in the

eurocurrency market in amounts comparable to the Indebtedness then outstanding and for a period equal to the relevant Interest Period at approximately 11:00 A.M. Detroit time (or, in the case of a Bid Advance, local time of the applicable Bid Lender) two (2) Business Days prior to the first day of such Interest Period; divided by

(b) a percentage equal to 100% minus the maximum rate on such date at which Agent (or, in the case of a Bid Advance, the applicable Bid Lender) is required to maintain reserves on "Eurocurrency Liabilities" as defined in and pursuant to Regulation D of the Board of Governors of the Federal Reserve System or, if such regulation or definition is modified, and as long as Agent (or, in the case of a Bid Advance, the applicable Bid Lender) is required to maintain reserves against a category of liabilities which includes eurocurrency deposits or includes a category of assets which includes eurocurrency loans, the rate at which such reserves are required to be maintained on such category,

such sum to be rounded upward, if necessary, to the nearest whole multiple of 1/16th of 1%.

1.31 "Deutsche Mark Principal Limit" shall mean:

(a) with respect to the Revolving Credit and the aggregate outstanding principal amount of Bid Advances at any time, the Revolving Credit Maximum Amount as of the date of any determination thereof; and

(b) with respect to the Term Loan, Nine Million Five Hundred Six Thousand Deutsche Marks (DM 9,506,000) minus the sum of (i) the amount of any prepayments of principal made on the Term Notes on or prior to the date of any determination thereof, and (ii) the amount of any principal repayments on the Term Notes scheduled to be paid under Section 3.2, hereof, on or prior to the date of any determination thereof.

1.32 "DM-based Advance" shall mean any Advance (including a DM Bid Advance) bearing interest at the Deutsche Mark-based Rate.

1.33 "DM Bid Advance" shall mean any Bid Advance bearing interest at the Deutsche Mark-based Rate.

1.34 "DM Bid Margin" shall have the meaning ascribed to such term in Section 2.5(c) hereof.

1.35 "DM Interest Period" shall mean an Interest Period of one, two, three or six months (or, with respect to Advances of the Revolving Credit, any lesser or greater number of days agreed to in advance by Company, Agent and the Banks) as selected by Company for a DM-based Advance pursuant to Section 4.3 hereof, or as offered by

a Bid Lender and selected by Company pursuant to Section 2.5 hereof or as selected by Company for a DM-based Advance pursuant to Section 3.10 hereof.

1.36 "Dollar Amount" shall mean (i) when the Indebtedness hereunder is being carried in Dollars, the principal amount thereof and (ii) when the Indebtedness hereunder is being carried in Deutsche Marks, the amount of Dollars which is equivalent to the principal amount of such Indebtedness at the most favorable spot exchange rate determined by the Agent to be available to it for the sale of Dollars for Deutsche Marks at the relevant time, as such Dollar Amount may be adjusted hereunder.

1.37 "Dollars" and the sign "\$" shall mean lawful money of the United States of America.

1.38 "Domestic Guaranty" shall have the meaning set forth in the Vishay Loan Agreement.

1.39 "Draloric" shall mean Draloric Electronic, GmbH, a German corporation, formerly known as Vishay Electronic, GmbH.

1.40 "Eurocurrency Lending Office" shall mean, as to Agent and each of the Banks, its office, branch or affiliate located at its address set forth on the signature pages hereof (or identified thereon as its Eurocurrency Lending Office), or at such other office, branch or affiliate of Agent or such Bank as it may hereafter designate as its Eurocurrency Lending Office by notice to Company and Agent.

1.41 "Event of Default" shall mean any of the Events of Default specified in Sections 11.1 and 11.6 hereof.

1.42 "Federal Funds Effective Rate" shall mean, for any day, a fluctuating interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by Agent from three Federal funds brokers of recognized standing selected by it.

1.43 "Fixed Charge Coverage Ratio" shall have the meaning set forth in the Vishay Loan Agreement.

1.44 "GAAP" shall mean generally accepted accounting principles in the United States of America as in effect from time to time.

1.45 "Guaranties" shall mean the Vishay Guaranty, the Domestic Guaranty, and the Permitted Borrowers Guaranty.

1.46 "Hazardous Materials" and "Hazardous Materials Laws" shall have the meanings set forth in the Vishay Loan Agreement.

1.47 "hereof", "hereto", "hereunder" and similar terms shall refer to this Agreement and not to any particular paragraph or provision of this Agreement.

1.48 "HLT Determination" shall have the meaning set forth in the Vishay Loan Agreement.

1.49 "Indebtedness" shall mean all indebtedness and liabilities, whether direct or indirect, absolute or contingent, owing by Company or Vishay to the Banks or to the Agent, in any manner and at any time, under this Agreement, the Vishay Loan Agreement, the Roederstein Loan Agreement or the Target Company Loan Agreement (or, in each case, any promissory notes issued thereunder) or the other Loan Documents, whether evidenced by the Notes or Company's revolving credit notes under the Vishay Loan Agreement, or by Company's term notes under the Roederstein Loan Agreement or arising under the Vishay Loan Agreement or the Roederstein Loan Agreement or the Company's execution and delivery of the Permitted Borrowers Guaranty, or otherwise, due or hereafter to become due, now owing or that may hereafter be incurred by the Company to, or acquired by, the Banks or by Agent, and any judgments that may hereafter be rendered on such indebtedness or any part thereof, with interest according to the rates and terms specified, or as provided by law, and any and all consolidations, amendments, renewals or extensions of any of the foregoing.

1.50 "Interest Period" shall mean either an Absolute Rate Interest Period or a DM Interest Period commencing on the day an Absolute Rate Bid Advance or a DM-based Advance, as the case may be, is made, or the effective date of an election of the Absolute Rate under Section 2.5 hereof or the DM-based Rate under Section 2.5 or 4.3 hereof, provided that

(a) any Interest Period which would otherwise end on a day which is not a Business Day shall be extended to the next succeeding Business Day, except that if the next succeeding Business Day falls in another calendar month, the Interest Period shall end on the next preceding Business Day, and when an Interest Period begins on a day which has no numerically corresponding day in the calendar month during which such Interest Period is to end, it shall end on the last Business Day of such calendar month, and

(b) no Interest Period shall extend beyond the then effective maturity date of the Note(s) to which such Interest Period is to apply.

1.51 "Loan Agreements" shall mean this Agreement, the Vishay Loan Agreement, the Roederstein Loan Agreement and the Target Company Loan Agreement.

1.52 "Loan Documents" shall mean collectively, the Notes, the Vishay Loan Agreement (with respect to the Company's obligations thereunder) and the Revolving Credit Notes issued by the Company thereunder, the Permitted Borrowers Guaranty (with respect to the Company's obligations thereunder), the Roederstein Loan Documents (with respect to the Company's obligations thereunder) and any other documents, instruments or agreements executed pursuant to or in connection with any such document or this Agreement, the Vishay Loan Agreement, or the Roederstein Loan Agreement, as such documents may be amended from time to time.

1.53 "Majority Banks" shall mean at any time the Banks holding 66 2/3% of the aggregate principal amount of the Indebtedness then outstanding under this Agreement and the other Loan Documents (excluding any Bid Notes issued under this Agreement or the Vishay Loan Agreement except upon the occurrence and during the continuance of an Event of Default, provided that the Indebtedness under any such Bid Notes shall not be included for purposes of Section 11.2(w) hereof) or, if no Indebtedness is then outstanding, the Banks holding 66 2/3% of the Percentages.

1.54 "Moody's Rating" shall mean the rating by Moody's Investors Services, Inc. (or any successor thereto) of Company's long-term, senior unsecured debt.

1.55 "New Banks" shall mean Credit Lyonnais and Credit Suisse.

1.56 "Non-Amortizing Term Loan" shall mean that certain non-amortizing term loan in an aggregate amount not to exceed One Hundred Million Dollars (\$100,000,000) to be advanced by the Banks to Vishay pursuant to the Target Company Loan Agreement.

1.57 "Notes" shall mean the Revolving Credit Notes, the Bid Notes or the Term Notes or all of the Revolving Credit Notes, the Bid Notes and the Term Notes, as the context indicates.

1.58 "Percentage" shall mean, with respect to any Bank, its percentage share, as set forth on Exhibit "F" hereto, of the Revolving Credit and/or the Term Loan as the context indicates, as such Exhibit may be revised from time to time by Agent in accordance with Section 13.8(d) of the Vishay Loan Agreement.

1.59 "Permitted Borrowers" and "Permitted Borrowers Guaranty" shall have the meanings set forth in the Vishay Loan Agreement.

1.60 "Permitted Encumbrances" shall mean, with respect to any Person:

(a) the liens and encumbrances granted under or established by this Agreement or the Loan Documents;

(b) liens for taxes not yet due and payable or which are being contested in good faith by appropriate proceedings diligently pursued, provided that such provision for the payment of all such taxes known to such Person has been made on the books of such Person as may be required by generally accepted accounting principles, consistently applied;

(c) mechanics', materialmen's, banker's, carriers', warehousemen's and similar liens and encumbrances arising in the ordinary course of business and securing obligations of such Person that are not overdue for a period of more than 60 days or are being contested in good faith by appropriate proceedings diligently pursued, provided that in the case of any such contest (i) any proceedings commenced for the enforcement of such liens and encumbrances shall have been duly suspended; and (ii) such provision for the payment of such liens and encumbrances has been made on the books of such Person as may be required by generally accepted accounting principles, consistently applied;

(d) liens arising in connection with worker's compensation, unemployment insurance, old age pensions (subject to the remaining provisions hereof) and social security benefits which are not overdue or are being contested in good faith by appropriate proceedings diligently pursued, provided that in the case of any such contest (i) any proceedings commenced for the enforcement of such liens shall have been duly suspended; and (ii) such provision for the payment of such liens has been made on the books of such Person as may be required by generally accepted accounting principles, consistently applied; and

(e)(i) liens incurred in the ordinary course of business to secure the performance of statutory obligations arising in connection with progress payments or advance payments due under contracts with the United States or any foreign government or any agency thereof entered into in the ordinary course of business and (ii) liens incurred or deposits made in the ordinary course of business to secure the performance of statutory obligations, bids, leases, fee and expense arrangements with trustees and fiscal agents and other similar obligations (exclusive of obligations incurred in connection with the borrowing of money, any lease-purchase arrangements or the payment of the deferred purchase price of property), provided that full provision for the payment of all

such obligations set forth in clauses (i) and (ii) has been made on the books of such Person as may be required by generally accepted accounting principles, consistently applied;

(f) any minor imperfections of title, including but not limited to easements, covenants, rights-of-way or other similar restrictions, which, either individually or in the aggregate do not materially adversely affect the present or future use of the property to which they relate, which would have a material adverse effect on the sale or lease of such property, or which would render title thereto unmarketable; and

(g) those liens and encumbrances of Company identified in Schedule 1.60, hereto.

1.61 "Person" shall mean an individual, corporation, partnership, trust, incorporated or unincorporated organization, joint venture, joint stock company, or a government or any agency or political subdivision thereof or other entity of any kind.

1.62 "Prime Rate" shall mean the per annum interest rate established by Agent as its prime rate for its borrowers as such rate may vary from time to time, which rate is not necessarily the lowest rate on loans made by Agent at any such time.

1.63 "Prime-based Advance" shall mean an Advance which bears interest at the Prime-based Rate.

1.64 "Prime-based Rate" shall mean that rate of interest which is the greater of (i) the Prime Rate or (ii) the Alternate Base Rate, plus, in each case, the Applicable Margin (subject to adjustment in each case, if applicable, under Section 5.9 hereof).

1.65 "Prior Agreements" shall have the meaning set forth in the Vishay Loan Agreement.

1.66 "Prior Banks" shall mean the Banks other than the New Banks.

1.67 "Prior DM Loan Agreement" shall mean that certain Amended and Restated Draloric Electronic, GmbH DM 42,375,000 Revolving Credit and DM 57,036,000 Term Loan Agreement dated as of January 10, 1992 among Company, the Prior Banks and Agent, as amended, which loan agreement is amended and restated in its entirety by this Agreement.

1.68 "Prior Vishay Loan Agreement" shall have the meaning set forth in the Vishay Loan Agreement.

1.69 "Rating Level" shall mean Rating Level 1, 2, 3 or 4 as then in effect hereunder.

1.70 "Rating Level 1" shall mean an S & P rating of BBB+ (or higher) and a Moody's rating of Baa1 (or higher quality).

1.71 "Rating Level 2" shall mean an S & P rating of BBB (or higher) and a Moody's rating of Baa2 (or higher quality).

1.72 "Rating Level 3" shall mean an S & P rating of BBB- (or higher) and a Moody's rating of Baa3 (or higher quality).

1.73 "Rating Level 4" shall mean the rating level (if any) which exists whenever the Company does not qualify for Rating Level 1, Rating Level 2 or Rating Level 3.

1.74 "Request for Advance" shall mean a Request for Advance issued by Company under this Agreement in the form annexed hereto as Exhibit "A".

1.75 "Revolving Credit" shall mean the revolving credit loan to be advanced to the Company pursuant to Article 2 hereof, in an amount not to exceed the Revolving Credit Maximum Amount.

1.76 "Revolving Credit Commitment Fee" shall mean the commitment fee payable to Agent for distribution to the Banks pursuant to Section 2.8 hereof.

1.77 "Revolving Credit Facility Fee" shall mean the facility fee payable to Agent for distribution to the Banks pursuant to Section 2.7 hereof.

1.78 "Revolving Credit Maturity Date" shall mean the earlier to occur of (i) December 31, 1997, as such date may be extended from time to time pursuant to Section 2.10 hereof, and (ii) the date on which the Revolving Credit Maximum Amount shall be terminated pursuant to Section 2.9 or 11.2 hereof.

1.79 "Revolving Credit Maximum Amount" shall mean Forty Million Deutsche Marks (DM 40,000,000), less any reductions in the Revolving Credit Maximum Amount under Section 2.9 of this Agreement.

1.80 "Revolving Credit Notes" shall mean the Notes described in Section 2.1 made by Company to each of the Banks in the form annexed to this Agreement as Exhibit "B", as such Notes may be amended, renewed, replaced or extended from time to time.

1.81 "Roederstein Loan Agreement" shall mean that certain Roederstein DM 104,315,990.20 Term Loan Agreement dated as of the date hereof among Company, the Banks and Agent, as amended from time to time.

1.82 "Roederstein Loan Documents" shall mean the Roederstein Loan Agreement and all notes, and other loan documents executed by Company, Vishay or any of the Permitted Borrowers pursuant to or in connection with the Roederstein Loan Agreement, as such documents may be amended from time to time.

1.83 "S & P Rating" shall mean the rating by Standard & Poor's Corporation (or any successor thereto) of Company's long-term, senior unsecured debt.

1.84 "Shares", "share capital", "capital stock", "stock" and words of similar import shall mean and refer to the equity capital interest under applicable law of any Person in a corporation, howsoever such interest is created or arises, whether such capital consists of common, preferred or preference shares or other stock, and whether such capital is evidenced by a certificate, share register entry or otherwise.

1.85 "Subsidiary(ies)" shall mean any corporation, association, joint stock company, or business trust of which more than fifty percent (50%) of the outstanding voting stock is owned either directly or indirectly by Company or one or more of its Subsidiaries or by Company and one or more of its Subsidiaries, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by Company and/or its Subsidiaries.

1.86 "Target Company" shall mean Vitramon, Incorporated, a Delaware corporation.

1.87 "Target Company Acquisition" shall have the meaning set forth in the Vishay Loan Agreement.

1.88 "Target Company Loan Agreement" shall mean that certain \$200,000,000 Target Company Loan Agreement dated as of the date hereof among Vishay, the Banks and Agent, as amended from time to time.

1.89 "Target Company Loan Documents" shall mean the Target Company Loan Agreement, and all notes and other loan documents executed by Vishay or any of its Subsidiaries pursuant to or in connection with the Target Company Loan Agreement, as such documents may be amended from time to time.

1.90 "Term Loan" shall mean the amortizing term loan in the amount of Nine Million Five Hundred Six Thousand Deutsche Marks (DM 9,506,000) advanced to Company by the Banks pursuant to Section 3.1 hereof.

1.91 "Term Loan Maturity Date" shall mean December 31, 1994.

1.92 "Term Loan Rate Request" shall mean a rate selection request issued by Company pursuant to Section 3.5 hereof in the form attached as Exhibit "E".

1.93 "Term Notes" shall mean the term notes described in Section 3.1 hereof, and made by Company to each of the Banks in the form attached as Exhibit "D".

1.94 "Vishay" shall mean Vishay Intertechnology, Inc., a Delaware corporation.

1.95 "Vishay Guaranty" shall have the meaning set forth in the Vishay Loan Agreement.

1.96 "Vishay Loan Agreement" shall mean that certain Amended and Restated Vishay Intertechnology, Inc. \$302,500,000 Revolving Credit and Term Loan Agreement dated as of the date hereof among Vishay, Agent and the Banks, as amended from time to time.

Unless otherwise defined herein, all capitalized terms used herein shall have the meanings set forth in the Vishay Loan Agreement.

2. REVOLVING CREDIT; BID ADVANCES

2.1 Commitment. Subject to the terms and conditions of this Agreement, each Bank severally agrees to make Advances to Company at any time and from time to time from the effective date hereof until (but excluding) the Revolving Credit Maturity Date, and Company agrees to borrow such Advances, of sums not to exceed each such Bank's Percentage of the Revolving Credit Maximum Amount at any time outstanding. All of the Advances hereunder shall be evidenced by Revolving Credit Notes under which advances, repayments and readvances may be made, subject to the terms and conditions of this Agreement.

2.2 Accrual of Interest and Maturity. The Revolving Credit Notes, and all principal and interest outstanding thereunder, shall mature and become due and payable in full on the Revolving Credit Maturity Date, and each Advance from time to time outstanding under the Revolving Credit Notes shall, from and after the date of such Advance, bear interest at its Applicable Interest Rate. The amount and date of each Advance, its Applicable Interest Rate, its Interest Period, and the amount and date of any repayment shall be noted on Agent's records, which records will be conclusive evidence thereof, absent manifest error.

2.3 Requests for and Refundings of Advances. Company may request an Advance under the Revolving Credit Notes only after delivery to Agent of a Request for Advance executed by an authorized officer of Company and subject to the following and to the remaining provisions of this Agreement:

(a) each such Request for Advance shall set forth the information required on the Request for Advance form annexed hereto as Exhibit "A", including without limitation:

- (i) the proposed date of Advance, which must be a Business Day;
- (ii) whether the Advance is a refunding or conversion of an outstanding Advance; and
- (iii) the first Interest Period applicable thereto.

(b) each such Request for Advance shall be delivered to Agent by 12 noon (Detroit time) not less than four (4) Business Days prior to the proposed date of Advance;

(c) the principal amount of such requested Advance, plus the principal amount of all other Advances of the Revolving Credit then outstanding hereunder, plus the aggregate principal amount of Bid Advances outstanding hereunder, plus the aggregate principal amount of Bid Advances requested but not yet advanced hereunder (determined as aforesaid), shall not exceed the Revolving Credit Maximum Amount;

(d) the principal amount of such Advance, plus the amount of any other outstanding Indebtedness under this Agreement to be then combined therewith having the same Interest Period, if any, shall be at least Five Million Deutsche Marks (DM 5,000,000) and at any one time the Company shall not have more than one (1) Interest Period in effect;

(e) a Request for Advance, once delivered to Agent, shall not be revocable by Company; and

(f) each Request for Advance shall constitute and include a certification by the Company as of the date thereof that:

- (i) both before and after the Advance, the obligations of the Company, its Subsidiaries and the Permitted Borrowers set forth in this Agreement and any of the Loan Documents to which such Persons are parties are valid, binding and enforceable obligations of the Company, its Subsidiaries and the Permitted Borrowers, as the case may be;
- (ii) all conditions to Advances of the Revolving Credit have been satisfied, and

- shall remain satisfied to the date of Advance;
- (iii) there is no Event of Default, in existence, and no event which, with the giving of notice or the lapse of time, or both, would constitute an Event of Default, and none will exist upon the making of the Advance;
 - (iv) the representations and warranties contained in this Agreement and the Loan Documents are true and correct in all material respects and shall be true and correct in all material respects as of the making of the Advance; and
 - (v) the execution of the Request for Advance will not violate the material terms and conditions of any material contract, agreement or other borrowing of Company or any of the Permitted Borrowers.

2.4 Disbursement of Advances.

(a) Upon receiving any Request for Advance from Company under Section 2.3 hereof, Agent shall promptly notify each Bank by wire, telex or by telephone (confirmed by wire, telecopy or telex) of the amount of such Advance to be made and the date such Advance is to be made by said Bank pursuant to its Percentage of the Advance. Unless such Bank's commitment to make Advances hereunder shall have been suspended or terminated in accordance with this Agreement, each Bank shall make available the amount of its Percentage of the Advance in immediately available funds in Deutsche Marks to Agent, at the Agent's Correspondent for the account of the Eurocurrency Lending Office of the Agent, not later than 12 noon (the time of the Agent's Correspondent) on the date of such Advance.

(b) Subject to submission of an executed Request for Advance by Company without exceptions noted in the compliance certification therein, Agent shall make available to Company, the aggregate of the amounts so received by it in like funds not later than 4:00 p.m. (the time of the Agent's Correspondent) on the date of such Advance, by credit to an account of Company maintained with Agent's Correspondent or to such other account or third party as Company may reasonably direct.

(c) Agent shall deliver the documents and papers received by it for the account of each Bank to such Bank or

upon its order. Unless Agent shall have been notified by any Bank prior to the date of any proposed Advance that such Bank does not intend to make available to Agent such Bank's Percentage of the Advance, Agent may assume that such Bank has made such amount available to Agent on such date and in Deutsche Marks, as aforesaid and may, in reliance upon such assumption, make available to Company, a corresponding amount. If such amount is not in fact made available to Agent by such Bank, as aforesaid, Agent shall be entitled to recover such amount on demand from such Bank. If such Bank does not pay such amount forthwith upon Agent's demand therefor, the Agent shall promptly notify Company and Company shall pay such amount to Agent. Agent shall also be entitled to recover from such Bank or Company, as the case may be, interest on such amount in respect of each day from the date such amount was made available by Agent to Company to the date such amount is recovered by Agent, at a rate per annum equal to:

- (i) in the case of a Bank, Agent's aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance and of any fees penalties, overdraft charges or other costs or expenses incurred by Agent as a result of such failure to deliver funds hereunder) of carrying such amount; and
- (ii) in the case of Company, the rate of interest then applicable to the Revolving Credit.

The obligation of any Bank to make any Advance hereunder shall not be affected by the failure of any other Bank to make any Advance hereunder, and no Bank shall have any liability to the Company, the Agent, or any other Bank for another Bank's failure to make any Advance hereunder.

2.5 Bid Advances.

(a) Bid Advances. Company may request Bid Offers from the Bid Lenders to make Bid Advances in Deutsche Marks in accordance with this Section 2.5 from time to time on any Business Day prior to the Revolving Credit Maturity Date ("Bid Advance(s)"); provided, however, that after giving effect to each Bid Advance and all other Advances of the Revolving Credit requested to be made on such date, the aggregate outstanding Advances of the Revolving Credit and Bid Advances shall not exceed the Revolving Credit Maximum Amount. Each Bid Advance shall mature, and the principal amount thereof shall be due and payable by the Company, on the last day of the Interest Period applicable thereto, provided, that no Bid Advance may mature or be payable on a day later than the Revolving Credit Maturity Date. In no event whatsoever shall any outstanding Bid Advance be deemed to reduce, modify or affect any Bank's commitment to make Advances of the Revolving Credit, based upon its Percentage. All

Bid Lenders, or any lesser number thereof (including any Bid Lender individually), may, but shall not be obligated to, make Bid Offers so requested, and the Company may, but shall not be obligated to, accept any Bid Lender's Bid Offer, subject to the terms hereof.

(b) Bid Requests. Company may request from all Bid Lenders a Bid Advance by telephonic notice to the Agent (which notice shall be immediately confirmed by a facsimile Bid Borrowing Request (each a "Bid Borrowing Request") in the form of Exhibit C-1 attached hereto) not later than 10:00 a.m. (Detroit time) at least five (5) Business Days prior to the date for such proposed Bid Advance in the case of an Absolute Rate Bid Advance, and not later than 10:00 a.m. (Detroit time) at least five (5) Business Days prior to the date for such proposed Bid Advance borrowing in the case of a DM Bid Advance, in each case specifying:

(i) the date (which must be a Business Day) and aggregate amount of the proposed Bid Advance (which shall be in a minimum aggregate principal amount of Ten Million Deutsche Marks (DM 10,000,000) and an integral multiple of One Million Deutsche Marks (DM 1,000,000);

(ii) whether the Bid Offers requested are to be for Absolute Rate Bid Advances or DM Bid Advances, or both; and

(iii) the duration of the Interest Period or Interest Periods applicable thereto, up to a maximum of three (3) such Interest Periods.

The Agent shall promptly (but in any event no later than 5:00 p.m. (Detroit time), on the same day of receipt of the Bid Borrowing Request) notify each Bid Lender by telephone (confirmed by facsimile) of each Bid Borrowing Request. The Company shall not request any Bid Advance within ten (10) Business Days after the date of any other Bid Borrowing Request or Bid Advance. Company may not request the refunding or conversion of any outstanding Advance (whether a Bid Advance or an Advance of the Revolving Credit) as a Bid Advance.

(c) Bid Offers.

(i) If any Bid Lender, in its sole discretion, elects to offer to make a Bid Advance to the Company as part of a proposed Bid Advance, it shall deliver by telephone (confirmed by facsimile promptly on the same day) to the Agent before 10:30 a.m. (Detroit time) four (4) Business Days prior to the date of such proposed Bid Advance, a Bid Offer, in the form of Exhibit C-2 attached hereto ("Bid Offer"), specifying:

(A) the amount and Interest Period of each Bid Advance which such Bid Lender would be willing to make as part of such proposed Bid Advance, which amount

shall be in a minimum principal amount of Three Million Deutsche Marks (DM 3,000,000) and in an integral multiple of One Million Deutsche Marks (DM 1,000,000), may not exceed the aggregate amount of the proposed Bid Advance as requested by the Company in connection with such Bid Advance, but may exceed such Bid Lender's Percentage of the Revolving Credit Maximum Amount, and which Interest Period shall be the Interest Period specified by the Company in the Bid Borrowing Request with respect to such Bid Advance;

(B) in the event the Company requests an Absolute Rate Bid Advance, the rate of interest per annum offered by such Bid Lender in its sole discretion with respect to such Bid Advance (rounded to the nearest 1/16th of 1%) (the "Absolute Rate") offered for each such Absolute Rate Bid Advance; and

(C) in the event the Company requests a DM Bid Advance, the margin offered by such Bid Lender in its sole discretion with respect to such Bid Advance above or below the DM Adjusted Rate expressed as a percentage (rounded to the nearest 1/16th of 1%) (the "DM Bid Margin") to be added to or subtracted from the applicable DM Adjusted Rate for the Interest Period for each such DM Bid Advance.

Notwithstanding the foregoing, Bid Offers submitted by Agent in its capacity as a Bank may be submitted, and may only be submitted, if the Agent notifies Company of the terms of such Bid Offer (and the content thereof) not later than 30 minutes prior to the deadline for the other Bid Lenders, in the case of a DM Bid Advance. Agent agrees to use good faith diligent efforts in formulating any such Bid Offers hereunder, not to review any Bid Offers submitted by other Bid Lenders.

(ii) Bid Offers shall be irrevocable, subject to the terms and conditions of this Agreement. If a Bid Offer is determined by the Agent (whose determination shall be conclusive in the absence of manifest error) to:

- (A) be not substantially in the form of Exhibit C-2 attached hereto;
- (B) omit any required information;
- (C) be conditional or qualified in any respect;
- (D) propose terms other than or in addition to those set forth in the related Bid Borrowing Request;

- (E) not have been delivered to the Agent in accordance with the time periods specified herein; or
- (F) be otherwise inconsistent with the provisions hereof,

the Agent will reject the offer made by such Bid Offer and give telephonic notice (confirmed by facsimile) of such rejection to the Bid Lender which submitted such Bid Offer. Promptly thereafter, and in any case, no later than 11:00 a.m. (Detroit time) four (4) Business Days prior to the date of the proposed Bid Advance, the Agent will give telephonic notice (confirmed by facsimile) to the Company of all conforming Bid Offers and the terms thereof.

(d) Acceptance by the Company of Bid Offers. The Company shall, four (4) Business Days prior to the date of the proposed Bid Advance, in its sole discretion, either:

- (i) irrevocably cancel the Bid Borrowing Request that requested such Bid Advance by giving the Agent telephonic notice confirmed promptly thereafter by facsimile) to that effect; or

- (ii) irrevocably accept one or more of the Bid Offers by giving telephonic notice to the Agent of the amount of the Bid Advance to be made on such date, specifying (A) the amount of each Bid Advance to be made by each Bid Lender as part of such Bid Advance, which amount shall not be greater than the amount offered by such Bid Lender in its Bid Offer, (B) the Interest Period with respect thereto, and (C) the Absolute Rate with respect to each Absolute Rate Bid Advance and the DM Bid Margin with respect to each DM Bid Advance;

provided, however, that:

- (A) the Company shall accept Bid Lenders' conforming Bid Offers only on the basis of ascending Absolute Rates or DM Bid Margins and shall not accept any Bid Lender's conforming Bid Offer to make a Bid Advance at a particular Absolute Rate or DM Bid Margin for a particular Interest Period if the Company has decided to reject any other Bid Lender's conforming Bid Offer to make a Bid Advance with the same Interest Period at a lower Absolute Rate or DM Bid Margin, as the case may be;

- (B) the aggregate principal amount of all Bid Offers accepted by the Company shall not, after giving effect to all reductions made pursuant to proviso (C) of this Section 2.5 (d)(ii) below, exceed the principal amount specified in the Bid Borrowing Request;

(C) if the Company shall accept any Bid Offer to make a Bid Advance at a particular Absolute Rate or DM Bid Margin, as the case may be, for a particular Interest Period, then the Company shall accept all offers to make Bid Advances at such Absolute Rate or DM Bid Margin, as the case may be, for the same Interest Period; provided, however, that, if Bid Offers are made by two or more Bid Lenders at the same Absolute Rates or DM Bid Margins (with respect to the related Interest Period(s)) as the case may be, for a greater aggregate principal amount than the amount in respect of which such Bid Offers are accepted for the related Interest Period, the principal amount of Bid Advances in respect of which such Bid Offers are accepted shall be allocated by the Agent among such Bid Lenders as nearly as possible (and in such multiples, not greater than One Million Five Hundred Thousand Deutsche Marks (DM 1,500,000), as the Agent may deem appropriate) in proportion to the aggregate principal amounts of such Bid Offers. Each Bid Lender acknowledges and agrees that any Bid Offer submitted by such Bid Lender may be modified in accordance with this clause (C), and no such modification shall constitute a rejection of such Bid Offer. Determinations by Agent of the amounts of Bid Advances hereunder shall be conclusive in the absence of manifest error.

Subject to the foregoing requirements, the Company may accept or reject, at the Company's sole discretion, the offer to make Bid Advances contained in any Bid Offer. Each notice given by the Company pursuant to this Section 2.5(d) shall be irrevocable. Failure by the Company to accept a Bid Offer in accordance with the provisions of this Section 2.5(d) shall constitute a rejection of such Bid Offer.

(e) Acknowledgment of Bid Borrowings. Promptly after acceptance of a Bid Offer by the Company pursuant to Section 2.5(d) (ii) hereof:

(i) in any case no later than 1:00 p.m. (Detroit time) four (4) Business Days prior to the date of such Bid Advance in the case of a DM Bid Advance, the Company shall deliver by facsimile to the Agent a Bid Acknowledgment in substantially the form of Exhibit C-3 hereto ("Bid Acknowledgment") confirming, with respect to each Bid Advance to be made to the Company, the Interest Period, the amount of the borrowing and the Absolute Rate or DM Bid Margin, as the case may be, therefor; and

(ii) in any case no later than 2:00 p.m. (Detroit time) four (4) Business Days prior to the date of such Bid Advance the Agent will give telephonic notice to each Bid Lender of

each Interest Period, amount of the borrowing, and the Absolute Rate or DM Bid Margin, as the case may be, so accepted by the Company.

(f) Bid Advance Funding. At or before noon (Detroit time) on the Business Day of such Bid Advance each Bid Lender whose Bid Offer in respect thereof the Company accepted pursuant to Section 2.5(d)(ii) hereof shall deposit with the Agent same day funds in an amount equal to the principal amount of such Bid Lender's Bid Advance. Such deposit will be made to an account which the Agent shall from time to time specify by notice to the Bid Lenders. To the extent same day funds are received from such Bid Lenders, the Agent shall make such same day funds available to the Company by wire transfer to the accounts which Company shall have specified in its Bid Acknowledgment. No Bid Lender's obligation to make any Bid Advance shall be affected by any other Bid Lender's failure to make any Bid Advance.

Unless Agent shall have received notice from a Bid Lender prior to the date of funding of such Bid Lender's Bid Advance accepted by the Company that such Bid Lender will not make available to the Agent such Bid Lender's share of such Bid Advance, Agent may assume that such Bid Lender has made such share available to Agent on the date of such Bid Advance in accordance with this subparagraph (f) and Agent may (but under no circumstances shall be required to do so), in reliance upon such assumption, make available to Company on such date a corresponding amount. If and to the extent that such Bid Lender shall not have so made such share available to Agent in accordance with the terms hereof, such Bid Lender and Company severally agree to repay to Agent forthwith upon demand such corresponding amount, together with interest thereon, for each day from the date such amount is made available to Company until the date such amount is repaid to Agent, at a rate per annum equal to:

- (i) in the case of a Bid Lender, Agent's aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance and of any fees penalties, overdraft charges or other costs or expenses incurred by Agent as a result of such failure to deliver funds hereunder) of carrying such amount; and
- (ii) so long as the Bid Advance is denominated in Deutsche Marks hereunder, (x) at a per annum rate calculated by the Agent, whose determination shall be conclusive absent manifest error, on a daily basis, equal to three percent (3%) above the interest rate per annum at which one (1) day (or, if such amount due remains unpaid for more than three (3) Business Days, then for such other period of

time as the Agent may elect which shall in no event be longer than six (6) months) deposits in Deutsche Marks, in the amount of such overdue payment due to the Agent are offered by the Agent's Eurocurrency Lending Office for the applicable period determined as provided above, or (y) if at any such time such deposits are not offered by the Agent's Eurocurrency Lending Office, then at a rate per annum equal to three percent (3%) above the rate determined by the Agent to be its aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance) of carrying the amount of the Indebtedness then outstanding; provided that, if the applicable Bid Advance has been converted to Dollars hereunder is then in effect, at a per annum rate equal to the Prime-based Rate, plus three percent (3%).

If such Bid Lender shall repay to Agent such corresponding amount, such amount so repaid shall constitute such Bid Lender's portion of the Bid Advance included in such Bid Advance for purposes of this Agreement.

Promptly after each Bid Advance, and in any case no later than the immediately succeeding Business Day, the Agent will deliver to each of the Banks, a copy of the Bid Acknowledgment, specifying the date and amount of such Bid Advance, the amounts of the Bid Advances which comprise such borrowing and the Interest Period(s) thereof and the Absolute Rate(s) or DM Bid Margin(s) as the case may be, accepted. Furthermore, upon the request of any Bank from time to time hereunder, the Agent will provide summaries to such Bid Lender of all Bid Offers received in response thereto.

(g) Bid Notes. The Bid Advances of each Bid Lender shall be evidenced by a promissory note in the form of Exhibit C-4 attached hereto ("Bid Notes"), with appropriate insertions and shall be payable to the order of such Bid Lender, shall be dated as of the date of this Agreement, shall set forth the maximum principal amount of the aggregate Bid Advances which may be made by such Bid Lender and shall mature, subject to the terms hereof, on the Revolving Credit Maturity Date. Each Bid Lender shall record in its records, or at its option on the schedule attached to its Bid Note, the date and amount of each Bid Advance made by such Bid Lender, the Applicable Interest Rate with respect to each Bid Advance, each repayment thereof and the dates on which each Interest Period for such Bid Advance shall begin and end. The aggregate unpaid principal amount so recorded shall be conclusive evidence of the principal amount owing and unpaid on such Bid Note, absent manifest error. The failure to so record any such amount or any error in so recording any such amount shall not, however, limit

or otherwise affect the obligations of the Company hereunder or under any such Bid Note.

2.6 No Dollar Advance Availability. Notwithstanding anything to the contrary contained in this Agreement, no additional Advances of the Revolving Credit shall be available to Company from the date of any notification by Agent that, pursuant to Section 4.5 hereof, the outstanding Indebtedness is to be converted to Dollars, unless and until Agent shall notify Company, pursuant to Section 4.6 hereof, that the outstanding Indebtedness is to be reconverted to Deutsche Marks in accordance with the terms hereof.

2.7 Revolving Credit Facility Fee. From the date hereof to the Revolving Credit Maturity Date, the Company shall pay to the Agent, for distribution to the Banks pro rata, a Revolving Credit Facility Fee consisting of the Applicable Fee Percentage per annum, calculated on a daily basis, times the Revolving Credit Maximum Amount then in effect hereunder, regardless of the aggregate amount of Advances of the Revolving Credit outstanding from time to time.

The Revolving Credit Facility Fee shall be payable quarterly in arrears commencing September 30, 1994, and on the last day of each calendar quarter thereafter and at the Revolving Credit Maturity Date, and shall be computed on the basis of a year of three hundred sixty (360) days and assessed for the actual number of days elapsed, giving immediate effect to any changes in the Applicable Fee Percentage. Whenever any payment of the Revolving Credit Facility Fee shall be due on a day which is not a Business Day, the date for payment thereof shall be extended to the next Business Day. Upon receipt of such payment, Agent shall make prompt payment to each Bank of its share of the Revolving Credit Facility Fee based upon its respective Percentage. The Revolving Credit Facility Fee shall not be refundable under any circumstances.

2.8 Revolving Credit Commitment Fee. From the date hereof to the Revolving Credit Maturity Date, the Company shall pay to the Agent, for distribution to the Banks as set forth below, in the currency in which the Indebtedness is then being carried, or, if no Indebtedness is then outstanding hereunder, in the currency in which the Indebtedness hereunder would be required to be carried if it were outstanding, a Revolving Credit Commitment Fee equal to .0625% per annum on the daily average amount by which the Revolving Credit Maximum Amount exceeds the principal amount outstanding from time to time under the Revolving Credit, plus the aggregate daily amount of Bid Advances outstanding from time to time hereunder determined in each case as of the last day of each Interest Period so long as, and during all times when the Indebtedness is carried in Deutsche Marks (but otherwise computed on a daily basis). The Revolving Credit Commitment Fee shall be payable quarterly in arrears commencing September 30, 1994 and on the last day of each December, March, June and September thereafter, and shall be computed on the basis of a year of three hundred sixty (360) days

and assessed for the actual number of days elapsed. Whenever any payment of the Revolving Credit Commitment Fee shall be due on a day which is not a Business Day, the date for payment thereof shall be extended to the next Business Day. Upon receipt of such payment Agent shall make prompt payment to each Bank of its share of the Revolving Credit Commitment Fee based upon its respective Percentage. It is expressly understood that the commitment fees described in this Section are not refundable under any circumstances.

2.9 Optional Reduction or Termination of Revolving Credit Maximum Amount. Provided that no Event of Default, or event which with the giving of notice or the passage of time, or both, would constitute an Event of Default, is in existence, the Company may upon at least five (5) Business Days' prior written notice to the Agent, permanently reduce the Revolving Credit Maximum Amount in whole at any time, or in part from time to time, without premium or penalty, provided that: (i) each partial reduction of the Revolving Credit Maximum Amount shall be in made in integral multiples of Two Million Deutsche Marks (DM 2,000,000) if the Deutsche Mark-based Rate is then in effect, or One Million Dollars (\$1,000,000) if the Prime-based Rate is then in effect; (ii) each reduction shall be accompanied by the payment of the Revolving Credit Commitment Fee, if any, accrued to the date of such reduction; (iii) the Company shall prepay in accordance with the terms hereof the amount, if any, by which the aggregate unpaid principal amount of Revolving Credit Notes, plus the aggregate principal amount of Bid Advances then outstanding, exceeds the amount of the Revolving Credit Maximum Amount as so reduced, together with interest thereon to the date of prepayment; and (iv) if the termination or reduction of the Revolving Credit Maximum Amount requires the prepayment of an Absolute Rate Bid Advance or a DM-based Advance, the termination or reduction may be made only on the last day of the then current Interest Period applicable to such Advance. Reductions of the Revolving Credit Maximum Amount and any accompanying prepayments of the Revolving Credit Notes shall be distributed to each Bank in accordance with such Bank's Percentage thereof, shall be permanent and irrevocable and will not be available for reinstatement by or readvance to the Company.

2.10 Extension of Revolving Credit Maturity Date. Provided that no Default or Event of Default has occurred and is continuing, Company may, by written notice to Agent and each Bank (which notice shall be irrevocable and which shall not be deemed effective unless actually received by Agent and each Bank) prior to May 18, 1994, but not before April 18, 1994, of each year, request that the Banks extend the then applicable Revolving Credit Maturity Date to a date that is one year later than the Revolving Credit Maturity Date then in effect (each such request, a "Request"). Each Bank shall, not later than thirty (30) calendar days following the date of its receipt of the Request, give written notice to the Agent stating whether such Bank is willing to extend the Revolving Credit

Maturity Date as requested. If Agent has received the aforesaid written approvals of such Request from each of the Banks, then, effective upon the date of Agent's receipt of all such written approvals from the Banks, as aforesaid, the Revolving Credit Maturity Date shall be so extended for an additional one year period, the term Revolving Credit Maturity Date shall mean such extended date and Agent shall promptly notify the Company that such extension has occurred. If (i) any Bank gives the Agent written notice that it is unwilling to extend the Revolving Credit Maturity Date as requested or (ii) any Bank fails to provide written approval to Agent of such a Request within thirty (30) calendar days of the date of Agent's receipt of the Request, then (x) the Banks shall be deemed to have declined to extend the Revolving Credit Maturity Date, (y) the then-current Revolving Credit Maturity Date shall remain in effect (with no further right on the part of Company to request extensions thereof under this Section 2.10) and (z) the commitments of the Banks to make Advances of the Revolving Credit hereunder shall terminate on the Revolving Credit Maturity Date then in effect, and Agent shall promptly notify Company thereof.

2.11 Revolving Credit as Renewal; Application of Advances. The Revolving Credit Notes issued by Company shall constitute renewal and replacement evidence of all present indebtedness of Company for the Revolving Credit outstanding under the Prior DM Loan Agreement as of the date hereof. Thereafter, Advances of the Revolving Credit shall be available, subject to the terms hereof, to fund working capital needs or other general corporate purposes of Company. Advances of the Revolving Credit shall not be available to fund, directly or indirectly, the Target Company Acquisition or the payment of any transfer taxes, stamp duties, brokerage fees or other costs and expenses resulting directly or indirectly from such acquisition.

3. TERM LOAN

3.1 Commitment. Subject to the terms and conditions of this Agreement, each Bank, severally and for itself alone, agrees to loan to Company, and Company agrees to borrow from each Bank, in a single advance of Deutsche Marks, concurrently with the execution and delivery of this Agreement, an amount equal to each Bank's respective Percentage of the Term Loan. Concurrently with the execution and delivery of this Agreement, Company agrees to issue a separate Term Note to each Bank, with appropriate insertions (acceptable to Banks in form and substance) as evidence of the Indebtedness under this Section 3.1.

3.2 Repayment of Term Loan. The principal indebtedness represented by the Term Notes shall be repaid, in Deutsche Marks (unless the Term Loan has been converted to Dollars pursuant to Section 4.5, hereof, and the Prime-based Rate is then in effect, in which event, said Indebtedness shall be paid in Dollars) in

quarterly principal installments of Four Million Seven Hundred Fifty Three Thousand Deutsche Marks (DM 4,753,000), provided that, during any period in which the Indebtedness under the Term Notes is carried in Dollars in accordance with Section 4.5 hereof, the Dollar Amount of each scheduled payment of principal and interest on the Term Notes shall be adjusted to provide for full amortization of the outstanding principal balance over the remaining term of the Term Loan. Such payments shall commence on September 30, 1994, and shall continue on the last day of each calendar quarter thereafter until the Term Loan Maturity Date, when the entire unpaid principal balance of such Indebtedness and accrued interest thereon shall be paid in full.

3.3 Accrual of Interest. Subject to Sections 4.6 and 4.8 hereof, the unpaid principal Indebtedness from time to time outstanding under the Term Notes shall, from the date of the issuance of the Term Notes (until paid), bear interest at the Deutsche Mark-based Rate. The amount and date of the extension of the Term Loan, Advances thereof, the amount of interest accruing thereon and Interest Periods for Advances, and the amount and date of any repayments, shall be noted on Agent's records, which records shall be conclusive evidence thereof, absent manifest error.

3.4 Deutsche Mark-Based Interest Payments. Interest on Indebtedness evidenced by the Term Notes which is funded or carried as a Deutsche Mark-based Advance from time to time shall be payable in immediately available funds on the last day of the Interest Period applicable thereto, or as otherwise set forth in Section 4.1 hereof.

3.5 Term Loan Rate Requests and Refundings. So long as the Deutsche Mark-based Rate is in effect hereunder, Company may refund any Advance of the Indebtedness outstanding under the Term Notes as a Deutsche Mark-based Advance with a like Interest Period, or convert such Indebtedness to a Deutsche Mark-based Advance with another Interest Period only after delivery to Agent of a Term Loan Rate Request executed by an authorized officer of Company, subject to the following and to the other provisions hereof:

(a) each such Term Loan Rate Request shall set forth the information required on the Term Loan Rate Request form annexed hereto as Exhibit "E", including without limitation the proposed date of Advance, which must be the day following the last day of the then ending Interest Period and the Interest Period applicable to the requested Advance;

(b) each such Term Loan Rate Request shall be delivered to Agent by 12 noon (Detroit time) four (4) Business Days prior to the proposed date of the refunding or conversion;

(c) Company shall not be entitled to request any Advance with an Interest Period ending after the Term Loan Maturity Date;

(d) the principal amount of such Advance, plus the amount of any other outstanding Indebtedness evidenced by the Term Notes to be then combined therewith having the same Interest Period, if any, shall be not less than Five Million Deutsche Marks (DM 5,000,000), unless the balance remaining outstanding on the Term Loan is less than such amount, then such lesser amount shall govern and, at any one time, the Company shall not have more than two (2) Interest Periods in effect with respect to the Term Loan; and

(e) a Term Loan Rate Request, once delivered to Agent, shall not be revocable by Company.

3.6 Prime-based Rate Applicability and Interest Payments. In the event that, pursuant to Section 4.5 hereof, or any other applicable provision of this Agreement, the Indebtedness outstanding under the Term Notes shall be converted to an Advance of Dollars as a Prime-based Advance, thereafter interest on the unpaid balance of Indebtedness evidenced by the Term Notes shall accrue from the date of such Advance to the Term Loan Maturity Date (or until paid, or refunded or reconverted to a Deutsche Mark-based Advance in accordance with Section 4.6 hereof), at a per annum interest rate equal to the Prime-based Rate, and shall be payable in immediately available funds quarterly commencing on the due date for the next principal installment required to be paid on the Term Loan pursuant to Section 3.2 hereof, and on the due date of each succeeding principal payment thereon.

3.7 Term Loan as Renewal. The Term Notes issued by Company shall constitute renewal and replacement evidence of all present indebtedness of Company for the Term Loan outstanding under the Prior DM Loan Agreement as of the date hereof.

4. INTEREST PAYMENTS AND PERIODS: REVOLVING CREDIT, BID ADVANCES AND TERM CREDIT

4.1 Interest Payments. All accrued and unpaid interest on the Indebtedness from time to time outstanding under the Revolving Credit or the Term Loan, or as Bid Advances, shall be due and payable in full, in immediately available funds, (a) whenever the Deutsche Mark-based Rate shall be then in effect, (i) on the last day of each Interest Period and, (ii) if such Interest Period is longer than 3 months, at intervals of 3 months after the first day of the Interest Period, and (b) whenever the Prime-based Rate shall be then in effect, quarterly on a calendar year basis until the Revolving Credit Maturity Date or the Term Loan Maturity Date, as applicable, when the entire Indebtedness, including all accrued interest, shall be due and payable in full.

4.2 Interest Calculation. Interest accruing under the Notes at the Deutsche Mark-based Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed from the first day of the Interest Period applicable thereto to but not including the last day thereof. Interest accruing at the Prime-based Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed, and in such computation effect shall be given to any change in the interest rate resulting from a change in the Prime-based Rate on the date of such change in the Prime-based Rate. Interest accruing under the Notes shall be repaid in Deutsche Marks, unless the Applicable Interest Rate in effect is the Prime-based Rate, in which event said interest shall be repaid in Dollars.

4.3 Interest Period Selection. So long as the Deutsche Mark-based Rate is in effect hereunder, Company shall have the option of selecting, subject to the provisions hereof, among one (1), two (2), three (3) or six (6) months as the term of each Interest Period available hereunder for the Revolving Credit or the Term Loan. The Revolving Credit shall, subject to the terms hereof, be carried in a single Interest Period for the balance outstanding from time to time hereunder. The Company may have in effect at any one time no more than two (2) Interest Periods for the balance outstanding under the Term Notes. Notwithstanding any provision hereof to the contrary, Company shall be required to select Interest Periods for a sufficient portion of the Term Loan so that at least one (1) Interest Period shall end on the last day of each calendar quarter while the Term Loan is outstanding (including without limitation, the scheduled maturity date of the Term Loan), thereby permitting the Company to make its required principal payments under Section 3.2 hereof. In the event Company shall fail to timely exercise its option in accordance with this Section 4.3, the next Interest Period shall be fixed by the Agent for the same period as the Interest Period then ending, or for the period to the next principal installment due date, or, if applicable, the Revolving Credit Maturity Date, whichever is the shorter period, provided that Company will indemnify Agent and each of the Banks against any loss or expense incurred by them (or any of them) pursuant to Section 5, hereof. Each selection of an Interest Period for the Revolving Credit or the Term Loan, and the amount and date of any repayment shall be noted on Agent's records, which records will be conclusive evidence thereof, absent manifest error.

4.4 Limited Availability. Notwithstanding the Company's selection of an Interest Period under Section 4.3 hereof, if prior to the last day of any Interest Period, Agent or the Banks (after consultation with Agent) shall determine that deposits of Deutsche Marks will not be available to Agent or the Banks in the amounts and for the terms necessary to carry the outstanding principal indebtedness of the Advance subject to such Interest Period for the next applicable Interest Period, then Agent shall so notify Company

and Company shall immediately select another Interest Period to be applicable as the next Interest Period.

4.5 Unavailability. If prior to the last day of any Interest Period, Agent or the Banks (after consultation with Agent) shall determine that by reason of circumstances affecting the foreign exchange and interbank markets, generally, or for any of the reasons set forth in Sections 5.3 or 5.4 hereof, deposits of Deutsche Marks will not be available to Agent and the Banks as of the last day of an applicable Interest Period in the amounts necessary to carry the outstanding principal of the Advances subject to such ending Interest Period in Deutsche Marks for any Interest Period, Agent (or, in the case of a DM Bid Advance, the applicable Bid Lender) shall notify the Company and the Advances shall then be automatically converted to and carried in Dollars, in the Dollar Amount of the Indebtedness then outstanding at the Prime-based Rate, until the first day of the next Interest Period, if any, selected pursuant to Section 4.6 hereof.

4.6 Reconversion to Deutsche Mark-based Rate on Re-availability. In the event that, after a conversion of Indebtedness to Dollars pursuant to Section 4.5 hereof, Agent determines that Deposits of Deutsche Marks are again available to Agent and/or the Banks in the amounts necessary to carry the principal Indebtedness under the Notes in Deutsche Marks for any Interest Period, Agent (or, in the case of any DM Bid Advance, the applicable Bid Lender) shall notify Company of the Interest Period(s) for which such deposits in Deutsche Marks are available and Company shall immediately select the next Interest Period from among such available Interest Periods, in accordance with Section 4.3 hereof.

4.7 Repayment or Reconversion. In the event that the currency in which the Indebtedness is being carried is required to be changed from Dollars to Deutsche Marks under Section 4.6, as aforesaid, and if the Deutsche Mark Equivalent of the principal amount of the Indebtedness under the Revolving Credit and/or the Term Loan outstanding upon such reconversion shall exceed the Deutsche Mark Principal Limit, then concurrently with such reconversion, Company shall pay to Agent in immediately available funds, for the ratable benefit of the Banks, an amount in Deutsche Marks sufficient to reduce the then outstanding principal amount of the Revolving Credit, the aggregate Bid Advances, and/or the Term Loan to an amount not greater than the applicable Deutsche Mark Principal Limit for the Revolving Credit and for the Term Loan.

4.8 Interest Payments on Conversions and Reconversions. Notwithstanding anything to the contrary in the preceding Sections, all accrued and unpaid interest on any Indebtedness converted or reconverted pursuant to Section 4.5 or 4.6 hereof, or otherwise, shall be due and payable in full on the date of such conversion or reconversion.

4.9 Interest on Default. In the event and so long as any Event of Default shall exist under any Note or any Event of Default shall exist under this Agreement, interest shall be payable daily on the principal balance of the Indebtedness then outstanding (a) if the Deutsche Mark-based Rate is then in effect, at a per annum rate equal to the Applicable Interest Rate plus three percent (3%) for the remainder of the then-existing Interest Period, if any, and at all other times (i) at a per annum rate calculated by the Agent, or, in the case of any Bid Advance, the applicable Bid Lender, whose determination shall be conclusive absent manifest error, on a daily basis, equal to three percent (3%) above the interest rate per annum at which one (1) day (or, if such amount due remains unpaid for more than three (3) Business Days, then for such other period of time as the Agent or such Bid Lender, as applicable, may elect which shall in no event be longer than six (6) months) deposits in Deutsche Marks in the amount of such overdue payment due to the Agent are offered by the Agent's or such Bid Lender Eurocurrency Lending Office for the applicable period determined as provided above, or (ii) if at any such time such deposits are not offered by the Agent's or such Bid Lender's Eurocurrency Lending Office, then at a rate per annum equal to three percent (3%) above the rate determined by the Agent to be its aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance) of carrying the amount of the Indebtedness then outstanding, and (b) if the Prime-based Rate is then in effect, at a per annum rate equal to the Prime-based Rate plus three percent (3%).

4.10 Prepayment.

(a) Company may, upon four (4) Business Days prior written notice to Agent, prepay all or any part of the outstanding balance of the Revolving Credit or the Term Loan and the entire outstanding balance (but no partial prepayment) of any Bid Advance without premium or penalty, provided that (i) if the Deutsche Mark-based Rate is then in effect, any such prepayment shall be made only on the last day of any Interest Period, (ii) the amount of any partial prepayment shall be at least One Million Deutsche Marks (DM 1,000,000), if the Deutsche Mark-based Rate is then in effect and One Million Dollars (\$1,000,000) if the Prime-based Rate is then in effect, and (iii) if any such prepayment would otherwise reduce the principal balance of the Revolving Credit or the Term Loan, as applicable, to an amount less than Five Million Deutsche Marks (DM 5,000,000), if the Deutsche Mark-based Rate is then in effect or One Million Dollars (\$1,000,000), if the Prime-based Rate is then in effect, such prepayment shall cover the entire remaining balance of the Revolving Credit or the Term Loan, as applicable.

(b) Any prepayments made in accordance with this Section on Indebtedness evidenced by the Revolving Credit

Notes or the Bid Notes shall be without prejudice to the right to reborrow under the Revolving Credit Notes, except that, as set forth in Section 2.5 hereof, Company shall not be entitled to any reborrowings of the Revolving Credit during any period which the Revolving Credit is carried in Dollars and except to the extent that such payment is made in connection with a reduction of the Revolving Credit Maximum Amount pursuant to Section 2.9 hereof.

(c) Any prepayments made in accordance with this Section on Indebtedness evidenced by the Term Notes (i) shall be without premium or penalty, but there shall be no reborrowing of such prepaid amounts and (ii) shall be applied to the principal installments under the Terms Notes in the inverse order of their maturities, and shall not affect the periodic payments of principal required thereunder.

4.11 Special Limitation. In the event, as a result of increases in the value of Deutsche Marks and/or any of the Alternative Currencies against the Dollar (taking into account the Current Dollar Equivalent of the Indebtedness outstanding from time to time under the Vishay Loan Agreement and the Roederstein Loan Agreement and any Indebtedness required to be aggregated under 12 USCA 84, as amended, the regulations promulgated thereunder, or other, similar applicable law) or for any other reason, the obligation of any of the Banks to advance additional funds hereunder or under any of the other Loan Agreements is determined by such Bank to exceed its then applicable legal lending limit under 12 USCA 84, as amended, and the regulations promulgated thereunder, or other, similar applicable laws, the amount of additional funds which such Bank shall be obligated to advance hereunder shall immediately be reduced to the maximum amount which such Bank may legally advance (as determined by such Bank) the obligation of each of the remaining Banks hereunder shall be proportionately reduced, based on the applicable Percentages, and, to the extent necessary under such laws and regulations (as determined by each of the Banks, with respect to the applicability of such laws and regulations to itself), the Company shall reduce, or cause to be reduced, complying to the extent practicable with the remaining provisions hereof, the Indebtedness outstanding hereunder or under any of the other Loan Agreements by an amount sufficient to comply with such maximum amounts. Upon any such reduction in the obligations of the Banks under this Section 4.11, Company shall have the right, subject to the terms and conditions of this Agreement (but subsequent to Company's compliance with its obligation to reduce the Indebtedness outstanding hereunder), to add to the Banks providing financing hereunder a bank reasonably acceptable to the Agent for the purpose of restoring the shortfall created by the reduction in such obligations of the Banks.

5. CHANGES IN LAW OR CIRCUMSTANCES; INCREASED COSTS;
MARGIN ADJUSTMENTS

5.1 Reimbursement of Prepayment Costs. If any prepayment of the Indebtedness shall occur on any day other than the last day of an Interest Period (whether pursuant to this Agreement or by acceleration, or otherwise), or if an Applicable Interest Rate shall be changed during any Interest Period pursuant to this Agreement, or if, after requesting an Advance or the conversion of outstanding Indebtedness hereunder, but prior to the Advance or conversion thereof, as the case may be, the Company is no longer entitled to the Advance or conversion requested hereunder, Company shall reimburse Banks on demand for any costs incurred by Banks as a result of the timing thereof, including but not limited to any net costs incurred in liquidating or employing deposits from third parties. Each Bank demanding reimbursement under this Section 5.1 shall deliver to Company a certificate setting forth the basis for determining such costs, which certificate shall be conclusively presumed correct save for manifest error.

5.2 Agent's Eurocurrency Lending Office. Agent and each of the Banks shall have the option of maintaining and carrying the Indebtedness on the books of its applicable Eurocurrency Lending Office.

5.3 Availability. The Agent and the Banks shall not be required to fund any Advance in Deutsche Marks if, at any time prior to the Advance or funding, the Agent or the Banks (after consultation with the Agent) shall determine, in their sole discretion, that (i) deposits in Deutsche Marks, in the amounts and maturities required to fund such Advances will not be available to the Agent and the Banks; (ii) a fundamental change has occurred in the foreign exchange or interbank markets with respect to Deutsche Marks (including, without limitation, changes in national or international financial, political or economic conditions or currency exchange rates or exchange controls); or (iii) it has become otherwise materially impractical for the Agent to make such advance in Deutsche Marks. The Agent shall promptly notify the Company and Banks of any such determination.

5.4 Laws Affecting Availability. If, after the date hereof, the introduction of, or any change in, any applicable law, rule or regulation or in the interpretation or administration thereof by any governmental authority charged with the interpretation or administration thereof, or compliance by any of the Banks (or any of their respective Eurocurrency Lending Offices) with any request or directive (whether or not having the force of law) of any such authority, shall make it unlawful or impossible for any of the Banks (or any of their respective Eurocurrency Lending Offices) to maintain the Indebtedness or any portion thereof with interest at the Deutsche Mark-based Rate or in Deutsche Marks, such Bank shall forthwith give notice thereof to Company and to Agent. Thereafter, if any of the Banks may not lawfully continue to maintain the Indebtedness hereunder or any portion thereof to the end of the then current Interest Period applicable thereto at the Deutsche

Mark based-Rate or in Deutsche Marks, the Indebtedness outstanding shall immediately be converted in the manner set forth under Section 4.5 hereof. For purposes of this Section, a change in law, rule, regulation, interpretation or administration shall include, without limitation, any change made or which becomes effective on the basis of a law, rule, regulation, interpretation or administration presently in force, the effective date of which change is delayed by the terms of such law, rule, regulation, interpretation or administration.

5.5 Increased Cost of Deutsche Marks. If the adoption after the date hereof, or any change after the date hereof in, any applicable law, rule or regulation of any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by Agent or any of the Banks (or any of their respective Eurocurrency Lending Offices) with any request or directive (whether or not having the force of law) made by any such authority, central bank or comparable agency after the date hereof:

(a) shall subject any of the Banks (or any of their respective Eurocurrency Lending Offices) to any tax, duty or other charge with respect to the Indebtedness hereunder, or any portion thereof, or shall change the basis of taxation of payments to any of the Banks (or any of their respective Eurocurrency Lending Offices) of the principal of or interest on the Indebtedness hereunder, or any portion thereof, or any other amounts due under this Agreement in respect thereof (except for changes in the rate of tax on the overall net income of any of the Banks or any of their respective Eurocurrency Lending Offices imposed by the jurisdiction in which such Bank's principal executive office or Eurocurrency Lending Office is located); or

(b) shall impose, modify or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System), special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by any of the Banks (or any of their respective Eurocurrency Lending Offices) or shall impose on any of the Banks (or any of their respective Eurocurrency Lending Offices) or the foreign exchange and interbank markets any other condition affecting the Indebtedness hereunder, or any portion thereof;

and the result of any of the foregoing is to increase the costs to any of the Banks of maintaining any part of the Indebtedness hereunder at the Deutsche Mark-based Rate or in Deutsche Marks or to reduce the amount of any sum received or receivable by any of the Banks under this Agreement, then such Bank shall promptly notify Agent (or in the case of a Bid Advance, shall notify Company directly, with a copy of such notice to Agent), and Agent (or such Bank, as aforesaid) shall promptly notify Company of such fact and demand compensation therefor and, within fifteen (15) days after

such notice by Agent, Company agrees to pay to such Bank such additional amount or amounts as will compensate such Bank or Banks for such increased cost or reduction. Agent will promptly notify Company of any event of which it has knowledge which will entitle Banks to compensation pursuant to this Section, or which will cause the Company to incur additional liability under Section 6.1(e) hereof, provided that Agent shall incur no liability whatsoever to the Banks or Company in the event it fails to do so. A certificate of Agent (or such Bank, if applicable) setting forth the basis for determining such additional amount or amounts necessary to compensate such Bank or Banks shall be conclusively presumed to be correct save for manifest error. For purposes of this Section, a change in law, rule, regulation, interpretation, administration, request or directive shall include, without limitation, any change made or which becomes effective on the basis of a law, rule, regulation, interpretation, administration, request or directive presently in force, the effective date of which change is delayed by the terms of such law, rule, regulation, interpretation, administration, request or directive.

5.6 Indemnity. The Company will indemnify Agent and each of the Banks against any loss or expense which may arise or be attributable to the Agent's and each Bank's obtaining, liquidating or employing deposits or other funds acquired to effect, fund or maintain the Indebtedness hereunder, or any portion thereof, (a) as a consequence of any failure by the Company to make any payment when due of any amount due hereunder, (b) due to any failure of the Company to specify an Interest Period or (c) due to any payment or prepayment of the Indebtedness or any portion thereof (unless the Prime-based rate is then in effect) on a date other than the last day of the Interest Period. Such loss or expense shall be calculated based upon the present value, as applicable, of payments due from the Company with respect to the deposits obtained by the Agent or any of the Banks in order to fund the Indebtedness or any portion thereof. The Agent's and each Bank's (as applicable) calculations of any such loss or expense shall be furnished to the Company and shall be conclusive, absent manifest error.

5.7 Judgment Currency. The obligation of the Company to make payments of the principal of and interest on the Notes and any other amounts payable hereunder in the currency specified for such payment herein or in the Notes shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment, which is expressed in or converted into any other currency, except to the extent that such tender or recovery shall result in the actual receipt by each of the Banks of the full amount of such currency expressed to be payable herein or in the Notes. The Agent (or the applicable Bank, in the case of a Bid Advance) shall, using all amounts obtained or received from the Company pursuant to such tender or recovery in payment of principal of and interest on the Notes, promptly purchase the specified currency, as aforesaid, at the most favorable spot exchange rate determined by the Agent to be

available to it. The obligation of the Company to make payments in the specified currency shall be enforceable as an alternative or additional cause of action solely for the purpose of recovering the amount, if any, by which such actual receipt shall fall short of the full amount of the currency expressed to be payable herein or in the Notes.

5.8 Other Increased Costs. In the event that at any time after the date of this Agreement any change in law such as described in Section 5.5 hereof, shall, in the opinion of the Agent or any of the Banks (as certified to Agent in writing by such Bank) require that the Revolving Credit or any other Indebtedness or commitment under this Agreement or any of the other Loan Agreements be treated as an asset or otherwise be included for purposes of calculating the appropriate amount of capital to be maintained by each of the Banks or any corporation controlling such Banks, as the case may be, the Agent shall notify the Company. The Company and the Agent shall thereafter negotiate in good faith an agreement to increase the Revolving Credit Commitment Fee or other fees payable to the Agent, for the benefit of the Banks under this Agreement, which in the opinion of the Agent, will adequately compensate the Banks for the costs associated with such change in law. If such increase is approved in writing by the Company within thirty (30) days from the date of the notice to the Company from the Agent, the Revolving Credit Commitment Fee or other fees (if applicable) payable by the Company under this Agreement shall, effective from the date of such agreement, include the amount of such agreed increase. If the Company and the Agent are unable to agree on such an increase within thirty (30) days from the date of the notice to the Company, the Company shall have the option, exercised by written notice to the Agent within forty-five (45) days from the date of the aforesaid notice to the Company from the Agent, to terminate the Revolving Credit or other commitments if applicable, in which event, all sums then outstanding to Banks and to Agent hereunder shall be due and payable in full. If (a) the Company and the Agent fail to agree on an increase in the Revolving Credit Commitment Fee or other fees (if applicable), or (b) the Company fails to give timely notice that it has elected to exercise its option to terminate the Revolving Credit or other commitments, if applicable, as set forth above, then the Revolving Credit and such other commitments hereunder shall automatically terminate as of the last day of the aforesaid forty-five (45) day period, in which event all sums then outstanding to Banks and to Agent hereunder shall be due and payable in full.

5.9 Margin Adjustments. Adjustments to the Applicable Margin, based on Schedule 5.9, shall be implemented as follows:

(i) Such margin adjustments shall be given prospective effect only, effective (A) as to all Prime-based Advances outstanding hereunder, immediately upon required date of delivery of the financial statements required to be

delivered under Section 7.3(b) and 7.3(c) of the Vishay Loan Agreement establishing applicability of the appropriate adjustments, if any, or on the obtaining and/or any change in the Rating Level then in effect, as applicable and (B) as to each DM-based Advance outstanding hereunder, effective upon the expiration of the applicable Interest Period(s), if any, in effect on (x) the required date of delivery of the latest of such financial statements required to be delivered hereunder during such Interest Period(s) or (y) the date of the obtaining and/or any change in the Rating Level in effect hereunder, as applicable, in each case with no retroactivity or claw-back.

(ii) With respect to DM-based Advances outstanding hereunder, an adjustment hereunder, after becoming effective, shall remain in effect only through the end of the applicable Interest Period(s) for such DM-based Advances if any; provided, however, that upon the delivery of quarterly financial statements demonstrating any change in the Leverage Ratio or the obtaining and/or change in the Rating Level then in effect, as aforesaid, or the occurrence of any other event which under the terms hereof causes such adjustment no longer to be applicable, then any such subsequent adjustment or no adjustment, as the case may be, shall be effective (and said pricing shall thereby be adjusted up or down, as applicable), with the commencement of each Interest Period following such change or event, all in accordance with the preceding subparagraph.

5.10 HLT Determination. In the event at any time (whether before or after the funding of the Acquisition Loans) of an HLT Determination, the Agent, the Banks and the Company shall commence negotiations in good faith to agree upon whether and, if so, the extent to which fees, interest rates and/or margins hereunder should be increased so as to reflect such HLT Determination and to compensate the Banks and Agent for additional costs, expenses and/or fees which result from or are associated with any such HLT Determination, including without limitation any costs resulting from any requirement that additional capital be allocated to the Indebtedness, or any portion thereof. If Company and the Majority Banks agree that fees, interest rates and/or margins should be increased, and agree on the amount of such increase or increases, this Agreement may be amended to give effect to such increase or increases as provided in Section 13.11 hereof. If Company and Majority Banks fail to agree on whether and, if so, the extent to which fees, interest rates and/or margins hereunder should be increased within 60 days after notice to Company of an HLT Determination as herein provided, then (i) the Agent shall, if requested by the Majority Banks, by written notice to the Company terminate the commitments of the Banks to fund and/or maintain Advances of the Revolving Credit hereunder and under the Vishay Loan Agreement, and if still outstanding, any commitment to fund

Advances of the Acquisition Loans, and such commitments shall thereupon terminate, (ii) Company shall be obligated to repay all outstanding Indebtedness at the end of the Interest Period applicable thereto and (iii) the Company may, at its option, on at least ten Business Days' written notice to the Agent (which shall promptly notify the Banks thereof) prepay all Indebtedness outstanding hereunder and under the other Loan Agreements by paying the aggregate principal amount thereof, together, with all accrued interest thereon to the date of prepayment; provided that, if the Company prepays any fixed rate loans or Advances carried at the Absolute Rate or the Deutsche Mark-based Rate, or any comparable rate, pursuant to this Section 5.10, Company shall compensate the Banks for any resulting funding losses as provided in Section 5.1 hereof. Subject to compliance by Company with this Section 5.10, the Banks acknowledge that an HLT Determination shall not constitute a Default or an Event of Default hereunder.

6. PAYMENTS, RECOVERIES AND COLLECTIONS

6.1 Payment Procedure.

(a) All payments by Company of principal of, or interest on, the Revolving Credit Notes, the Term Notes, or of any fees or other amount due hereunder, shall be made without setoff or counterclaim on the date specified for payment under this Agreement and shall be made in Deutsche Marks in immediately available funds for the account of Agent's Eurocurrency Lending Office, at the Agent's Correspondent, for the ratable account of the Banks, not later than 11:00 a.m. (local time of the Agent's Correspondent); provided however that subsequent to any conversion of the Indebtedness hereunder from Deutsche Marks to Dollars pursuant to Section 4.5 hereof, such payments shall be made not later than 11:00 a.m. (Detroit time) in Dollars in immediately available funds to Agent, for the ratable account of the Banks, at Agent's office located at 100 Renaissance Center, Detroit, Michigan 48243 until reconversion of the Indebtedness hereunder from Dollar to Deutsche Marks pursuant to Section 4.6 hereof. Upon receipt of each such payment, the Agent shall make prompt payment to each Bank, or such Bank's Eurocurrency Lending Office (as directed by such Bank), in like funds and currencies, of all amounts received by it for the account of such Bank.

(b) Unless the Agent shall have been notified by the Company prior to the date on which any payment to be made by the Company is due that the Company does not intend to remit such payment, the Agent may, in its discretion, assume that the Company has remitted such payment when so due and the Agent may, in reliance upon such assumption, make available to each Bank on such payment date an amount equal to such Bank's share of such assumed payment. If the Company has not in fact

remitted such payment to the Agent, each Bank shall forthwith on demand repay to the Agent in the applicable currency the amount of such assumed payment made available to such Bank, together with the interest thereon, in respect of each day from and including the date such amount was made available by the Agent to such Bank to the date such amount is repaid to the Agent at a rate per annum equal to Agent's aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance and of any fees penalties, overdraft charges or other costs or expenses incurred by Agent) of carrying such amount, unless the Indebtedness has been converted to Dollars hereunder, in which case said rate shall be the federal funds rate (daily average), as the same may vary from time to time.

(c) Whenever any payment of principal of, or interest on, the Indebtedness hereunder shall be due on a day which is not a Business Day the date of payment thereof shall be extended to the next succeeding Business Day, unless as a result thereof it would fall in the next calendar month, in which case it shall be shortened to the next preceding Business Day and, in the case of a payment of principal, interest thereon shall be payable for such extended or shortened time, if any, provided that if the Indebtedness hereunder is then being carried in Dollars, whenever any payment to be made hereunder shall otherwise be due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing interest, if any, in connection with such payment.

(d) Except as otherwise provided in this Agreement or the other Loan Documents (and subject to the terms and conditions thereof), all payment by Company of principal of or interest on the Bid Notes shall be made to the applicable Bid Lender in Deutsche Marks (unless the Prime-based Rate is then in effect, in which case payments shall be made in Dollars) without setoff or counterclaim on the dates and other terms provided in such Notes.

(e) All payments to be made by the Company under this Agreement or any of the Notes (including without limitation, payments under the Bid Notes) shall be made without set-off or counterclaim, as aforesaid, and without deduction for or on account of any present or future withholding or other taxes of any nature imposed by any governmental authority or of any political subdivision thereof or any federation or organization of which such governmental authority may at the time of payment be a member, unless Company is compelled by law to make payment subject to such tax. In such event the Company shall:

- (i) pay to the Agent for Agent's own account and/or for the account of the Banks (and in the case of Bid Advances, pay to the applicable Bank which funded such Advances) such additional amounts as may be necessary to ensure that the Agent and/or such Bank or Banks receive a net amount in Deutsche Marks or Dollars, as the case may be, equal to the full amount which would have been receivable had payment not been made subject to such tax; and
- (ii) remit such tax to the relevant taxing authorities according to applicable law, and send to the Agent or the applicable Bid Lender, as the case may be, such certificates or certified copy receipts as the Agent or such Bid Lender shall reasonably require as proof of the payment by the Company of any such taxes payable by the Company.

As used herein, the terms "tax", "taxes" and "taxation" include all existing taxes, levies, imposts, duties, charges, fees, deductions and withholdings and any restrictions or conditions resulting in a charge together with interest thereon and fines and penalties with respect thereto which may be imposed by reason of any violation or default with respect to the law regarding such tax, assessed as a result of or in connection with the transactions in Deutsche Marks hereunder, or the payment and or receipt of funds in Deutsche Marks or the payment or delivery of funds into or out of any jurisdiction other than the United States (whether assessed against Company, Agent or any of the Banks).

6.2 Application of Proceeds. Notwithstanding anything to the contrary in this Agreement, upon the occurrence and during the continuance an Event of Default, any offsets or voluntary payments by the Company, or others and any other sums received or collected in respect of the Indebtedness, shall be applied, first, to the Notes pro rata, based on the aggregate Indebtedness then outstanding thereunder (or in such other order and manner as determined by all of the Banks), next, to any other Indebtedness on a pro rata basis (as aforesaid), and then, if there is any excess, to the Company.

6.3 Pro-rata Recovery. If any Bank shall obtain any payment or other recovery (whether voluntary, involuntary, by application of offset or otherwise) on account of principal of, or interest on, any of the Revolving Credit Notes or Term Notes in excess of its pro rata share of payments then or thereafter obtained by all Banks upon principal of and interest on all such Notes, such Bank shall purchase from the other Banks such participations in the Revolving Credit Notes and Term Notes held by them as shall be necessary to

cause such purchasing Bank to share the excess payment or other recovery ratably in accordance with the Percentage with each of them; provided, however, that if all or any portion of the excess payment or other recovery is thereafter recovered from such purchasing holder, the purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

6.4 Deposits and Accounts. In addition to and not in limitation of any rights of any Bank or other holder of any Note under applicable law, each Bank and each other such holder shall, upon acceleration of the Indebtedness under the Notes and without notice or demand of any kind, have the right to appropriate and apply to the payment of the Notes owing to it (whether or not then due) any and all balances, credits, deposits, accounts or moneys of Company then or thereafter with such Bank or other holder; provided, however, that any such amount so applied by any Bank or other holder on any of the Notes owing to it shall be subject to the provisions of Section 6.3.

7. CONDITIONS.

The obligations of Banks to make Advances pursuant to this Agreement are subject to the following conditions:

7.1 Vishay Loan Agreement. All of the conditions required to be satisfied for the making of Advances under the Vishay Loan Agreement (as defined therein) shall have been satisfied or waived in accordance with the terms and conditions thereof.

7.2 Vishay's Certificate. The Agent shall have received, with a signed counterpart for each Bank, a certificate of a responsible senior officer of Vishay, dated the date hereof, stating that the conditions referred to (with respect to the Vishay Loan Agreement) in Section 7.1, hereof, have been fully satisfied.

7.3 Payment of Agent's and Other Fees. Vishay or Company shall have paid to the Agent the Agent's Fees and all costs and expenses required hereunder.

7.4 Other Documents and Instruments. The Agent shall have received, with a photocopy for each Bank, such other instruments and documents as the Majority Banks may reasonably request in connection with the making of Advances hereunder, and all such instruments and documents shall be satisfactory in form and substance to the Majority Banks.

7.5 Continuing Conditions. The obligations of the Banks to make Advances hereunder shall be subject to the continuing conditions that all documents executed or submitted pursuant hereto shall be satisfactory in form and substance (consistent with the terms hereof) to Agent and its counsel and to each of the Banks and

their respective counsel; Agent and its counsel and each of the Banks and their respective counsel shall have received all information, and such counterpart originals or such certified or other copies of such materials, as Agent or its counsel and each of the Banks and their respective counsel may reasonably request; and all other legal matters relating to the transactions contemplated by this Agreement (including, without limitation, matters arising from time to time as a result of changes occurring with respect to any statutory, regulatory or decisional law applicable hereto) shall be satisfactory to counsel to Agent and counsel to each of the Banks.

8. REPRESENTATIONS AND WARRANTIES

Company ratifies, confirms and, by reference thereto (as fully as though such matters were expressly set forth herein), represents and warrants with respect to itself and its Subsidiaries those matters set forth in Sections 6.1, 6.3 through 6.8, inclusive, 6.10, 6.12, 6.14, 6.15 through 6.21, inclusive, of the Vishay Loan Agreement, and such representations and warranties shall be deemed to be continuing representations and warranties during the life of this Agreement.

9. AFFIRMATIVE COVENANTS

Company covenants and agrees that so long as any of the Banks is committed to make any Advances under this Agreement and thereafter so long as any Indebtedness remains outstanding under this Agreement, it will, and as applicable, it will cause its Subsidiaries to, comply with the covenants set forth in Sections 7.1 through 7.3 and 7.9 through 7.15, inclusive, of the Vishay Loan Agreement as fully as though the obligations set forth therein were expressly set forth herein as the obligations of Company and its Subsidiaries. To the full extent set forth in Sections 7, 8 and 9 hereof, and elsewhere herein, the provisions of the Vishay Loan Agreement are incorporated herein by reference and shall remain in full force and effect for the benefit of Agent and the Banks, notwithstanding any amendment, supplement or termination of the Vishay Loan Agreement after the date hereof. Any amendments to the representations, warranties, covenants or other provisions of the Vishay Loan Agreement incorporated by reference herein which are contained in any future amendment or supplement thereto shall be deemed to run in favor of Agent and the Banks as additional rights and remedies, and not in derogation of the rights and remedies provided hereunder.

10. NEGATIVE COVENANTS

Company covenants and agrees that so long as any Indebtedness or any commitment to make Advances under this Agreement remains outstanding, it will not, and it will not allow any of its Subsidiaries, without the prior written consent of Agent, to

violate any of the covenants set forth in Sections 8.1 through 8.12, inclusive, of the Vishay Loan Agreement as fully as though the obligations set forth therein were expressly set forth herein as the obligations of the Company and its Subsidiaries.

11. DEFAULTS

11.1 Events of Default. Any of the following events is an "Event of Default":

(a) non-payment of the principal or interest, when due, under any of the Notes issued hereunder in accordance with the terms thereof;

(b) default in the payment of any money by Company under this Agreement, other than as set forth in subsection (a) above, or under any of the other Loan Documents, or by Vishay or any of the Permitted Borrowers under the Vishay Loan Agreement, or by Company under the Roederstein Loan Agreement, or by Vishay under the Target Company Loan Agreement or other documents or instruments executed in connection therewith (other than, in each case, as set forth therein), within three (3) days of the date the same is due and payable;

(c) default in the observance or performance or any of the other conditions, covenants or agreements set forth in this Agreement (subject, in the case of any covenants incorporated by reference herein from the Vishay Loan Agreement, to any applicable grace periods provided thereunder) or any of the Loan Documents by any party thereto or the occurrence of any other default or Event of Default, as the case may be, hereunder or thereunder;

(d) any representation or warranty made by Company herein (subject, in the case of any representations and warranties incorporated by reference herein from the Vishay Loan Agreement, to any applicable grace periods provided thereunder) or in any instrument submitted pursuant hereto or by any other party to the Loan Documents proves untrue in any material adverse respect when made or deemed made;

(e) any provision of the Vishay Guaranty, the Domestic Guaranty or the Permitted Borrowers Guaranty shall at any time for any reason (other than in accordance with its terms or the terms of this Agreement) cease to be valid and binding and enforceable against Vishay or the Significant Subsidiaries, as applicable, or the validity, binding effect or enforceability thereof shall be contested by any Person, or Vishay or any of the Significant Subsidiaries shall deny that it has any or further liability or obligation under the Vishay Guaranty, the Domestic Guaranty or the Permitted Borrowers Guaranty, as applicable, or the Vishay Guaranty, the Domestic

Guaranty or the Permitted Borrowers Guaranty shall be terminated, invalidated or set aside or in any way cease to give or provide to the Banks and the Agent the benefits purported to be created thereby;

(f) default in the payment of any other obligation of Company or its Subsidiaries for borrowed money in excess of One Million Dollars (\$1,000,000) (or the Alternative Currency equivalent thereof), individually, or in the aggregate, resulting in acceleration thereof prior to its expressed maturity;

(g) the rendering of any judgment or judgments for the payment of money in excess of the sum of One Million Dollars (\$1,000,000) (or the Alternative Currency equivalent thereof) in the aggregate against Company or any of its Subsidiaries and such judgments shall remain unpaid, unvacated, unbonded or unstayed by appeal or otherwise for a period of thirty (30) consecutive days, except as covered by adequate insurance with a reputable carrier and an action is pending in which an active defense is being made with respect thereto;

(h) if a creditors' committee shall have been appointed for the business of Company or any of its Subsidiaries; or if Company or any of its Subsidiaries shall have made a general assignment for the benefit of creditors or shall have been adjudicated bankrupt, or shall have filed a voluntary petition in bankruptcy or for reorganization or to effect a plan or arrangement with creditors or shall fail to pay its debts generally as such debts become due in the ordinary course of business (except as contested in good faith and for which adequate reserves are made in such party's financial statements) or otherwise sought protection or exercised any rights under other, similar laws in effect in any foreign jurisdiction; or shall file an answer to a creditor's petition or other petition filed against it, admitting the material allegations thereof for an adjudication in bankruptcy or for reorganization; or shall have applied for or permitted the appointment of a receiver or trustee or custodian for any of its property or assets; or such receiver, trustee or custodian shall have been appointed for any of its property or assets (otherwise than upon application or consent of Company or any of its Subsidiaries) and such appointment has not been dismissed or stayed within thirty (30) days from the date of appointment or if an order for relief or otherwise approving any petition for reorganization of Company or any of its Subsidiaries shall be entered and shall not be dismissed or stayed within thirty (30) days from the date of entry thereof.

11.2 Exercise of Remedies. If an Event of Default has occurred and is continuing hereunder: (w) the Agent shall, if directed to do so by the Majority Bank, declare the Banks' commitments to lend hereunder immediately and automatically terminated; (x) the Agent shall, at the direction of the Majority Banks, declare the entire unpaid principal Indebtedness, including the Notes, immediately due and payable, without presentment, notice or demand, all of which are hereby expressly waived by Company; (y) upon occurrence of any Event of Default specified in subsection 11.1(h), above, and notwithstanding the lack of any declaration by Agent under preceding clauses (w) or (x) the entire unpaid principal Indebtedness, including the Notes, shall become automatically due and payable unless such acceleration is delayed or waived by the Agent at the direction of the Banks; and (z) the Agent shall, if directed to do so by the Majority Banks or the Banks, as applicable (subject to the terms hereof), exercise any remedy permitted by this Agreement, the Loan Documents or law.

11.3 Rights Cumulative. No delay or failure of Agent and/or Banks in exercising any right, power or privilege hereunder shall affect such right, power or privilege, nor shall any single or partial exercise thereof preclude any further exercise thereof, or the exercise of any other power, right or privilege. The rights of Banks under this Agreement are cumulative and not exclusive of any right or remedies which Banks would otherwise have.

11.4 Waiver by Company of Certain Laws. To the extent permitted by applicable law, Company hereby agrees to waive, and does hereby absolutely and irrevocably waive and relinquish the benefit and advantage of any marshalling, valuation, stay, appraisalment, extension or redemption laws now existing or which may hereafter exist, which, but for this provision, might be applicable to any sale made under the judgment, order or decree of any court, on any claim for interest on the Notes, and further hereby irrevocably agrees to waive the right to trial by jury with respect to any and all actions or proceedings in which Agent or the Banks (or any of them), on one hand, and the Company or any of the Permitted Borrowers, on the other hand, are parties, whether or not such actions or proceedings arise out of this Agreement or the Loan Documents, or otherwise. These waivers have been voluntarily given, with full knowledge of the consequences thereof.

11.5 Waiver of Defaults. No Event of Default shall be waived by the Banks except in a writing signed by an officer of the Agent in accordance with Section 13.11 hereof. No single or partial exercise of any right, power or privilege hereunder, nor any delay in the exercise thereof, shall preclude other or further exercise of the Banks' rights by Agent. No waiver of any Default or Event of Default shall extend to any other or further Default or Event of Default. No forbearance on the part of the Agent or any Bank in enforcing any of the Banks' rights shall constitute a waiver of any of their rights. Company expressly agrees that this Section may not

be waived or modified by the Banks or Agent by course of performance, estoppel or otherwise.

11.6 Cross-Default. In addition to the other Events of Default specified herein, any failure to perform and discharge when due, after allowance for any applicable cure period, any of the obligations, covenants and agreements required to be performed under the provisions of any instruments evidencing or securing any other present and future borrowings of Company from the Banks (or from Agent) in renewal or extension of, or related to this Agreement or any of the other Loan Documents, shall be an Event of Default under the provisions of this Agreement entitling Agent, with the consent of the Majority Banks, (without notice or any cure period except as expressly provided herein or therein) to exercise any and all rights and remedies provided hereby. Any Event of Default under this Agreement or under any of the other Loan Documents shall also constitute a default under all other instruments securing this or any other present or future borrowings, or any agreements in relation thereto, entitling Agent and the Banks to exercise any and all rights and remedies provided therein.

12. AGENT

12.1 Appointment of Agent. Each Bank and the holder of each Note appoints and authorizes Agent to act on behalf of such Bank or holder under the Loan Documents and to exercise such powers hereunder and thereunder as are specifically delegated to or required of Agent by the terms hereof and thereof, together with such powers as may be reasonably incidental thereto. Each Bank agrees (which agreement shall survive any termination of this Agreement) to reimburse Agent for all reasonable out-of-pocket expenses (including in-house and outside attorneys' fees) incurred by Agent hereunder or in connection herewith or with any Default or Event of Default or in enforcing the obligations of Company under this Agreement or the Loan Documents or any other instrument executed pursuant hereto, and for which Agent is not reimbursed by Company, pro rata according to such Bank's Percentage. Agent shall not be required to take any action under the Loan Documents, or to prosecute or defend any suit in respect of the Loan Documents, unless indemnified to its satisfaction by the Banks against loss, costs, liability and expense. If any indemnity furnished to Agent shall become impaired, it may call for additional indemnity and cease to do the acts indemnified against until such additional indemnity is given.

12.2 Deposit Account with Agent. Company hereby authorizes Agent to charge its general deposit account, if any, maintained with Agent for the amount of any principal, interest, or other amounts or costs due under this Agreement when the same becomes due and payable under the terms of this Agreement the Revolving Credit Notes or Term Notes, or any Bid Notes payable to Agent.

12.3 Exculpatory Provisions. Agent agrees to exercise its rights and powers, and to perform its duties, as Agent hereunder and under the Loan Documents in accordance with its usual customs and practices in bank-agency transactions, but only upon and subject to the express terms and conditions of Section 12, hereof, (and no implied covenants or other obligations shall be read into this Agreement against the Agent); neither Agent nor any of its directors, officers, employees or agents shall be liable to any Bank for any action taken or omitted to be taken by it or them under this Agreement or any document executed pursuant hereto, or in connection herewith or therewith, except for its or their own willful misconduct or gross negligence, nor be responsible to any Bank for any recitals or warranties herein or therein made by any other Person, nor for the effectiveness, enforceability, validity or due execution (other than its own due execution and delivery) of this Agreement or any document executed pursuant hereto, or any security thereunder, nor to make any inquiry respecting the performance by Company or any of its Subsidiaries of its obligations hereunder or thereunder. Nor shall Agent have, or be deemed to have, a fiduciary relationship with any Bank by reason of this Agreement. Agent shall be entitled to rely upon advice of counsel concerning legal matters and upon any notice, consent, certificate, statement or writing which it believes to be genuine and to have been presented by a proper person.

12.4 Successor Agents. Agent may resign as such at any time upon at least thirty (30) days prior notice to Company and all Banks. If Agent at any time shall resign or if the office of Agent shall become vacant for any other reason, Majority Banks shall, by written instrument, appoint a successor Agent (satisfactory to such Majority Banks) which shall thereupon become Agent hereunder and shall be entitled to receive from the prior Agent such documents of transfer and assignment as such successor Agent may reasonably request. Such successor Agent shall succeed to all of the rights and obligations of the retiring Agent as if originally named. The retiring or removed Agent shall duly assign, transfer and deliver to such successor Agent all moneys at the time held by the retiring or removed Agent hereunder after deducting therefrom its expenses for which it is entitled to be reimbursed. Upon such succession of any such successor Agent, the retiring agent shall be discharged from its duties and obligations hereunder, except for its gross negligence or willful misconduct arising prior to its retirement hereunder, and the provisions of this Section 12 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Agent.

12.5 Loans by Agent. Agent shall have the same rights and powers with respect to the credit extended by it and the Notes held by it as any Bank and may exercise the same as if it were not Agent, and the term "Bank" and, when appropriate, "holder" shall include Agent in its individual capacity.

12.6 Credit Decisions. Each Bank acknowledges that it has, independently of Agent and each other Bank and based on financial statements and such other documents, information and investigations as it has deemed appropriate, made its own credit decision to extend credit hereunder from time to time. Each Bank also acknowledges that it will, independently of Agent and each other Bank and based on such other documents, information and investigations as it shall deem appropriate at any time, continue to make its own credit decisions as to exercising or not exercising from time to time any rights and privileges available to it under this Agreement or any document executed pursuant hereto.

12.7 Notices by Agent. Agent shall give prompt notice to each Bank of its receipt of each notice or request required or permitted to be given to Agent by Company pursuant to the terms of this Agreement and shall promptly distribute to the Banks and reports required from the Company or its Subsidiaries under the terms hereof received by Agent, in its capacity as Agent.

12.8 Agent's Fees. Commencing on September 30, 1994, and on each succeeding anniversary date thereof until the Indebtedness has been repaid, the Company shall cause Vishay to pay to Agent, in Dollars, an annual agency fee set forth (or to be set forth from time to time) in a letter agreement between Vishay and Agent. The Agent's Fees described in this Section are not refundable under any circumstances.

12.9 Nature of Agency. The appointment of Agent as agent is for the convenience of Banks and Company in making advances of the Revolving Credit or the Term Loan and other Indebtedness hereunder, and collecting fees and principal and interest on the Indebtedness hereunder. No Bank is purchasing any Indebtedness from Agent and this Agreement is not intended to be a purchase or participation agreement.

12.10 Actions; Confirmation of Agent's Authority to Act in Event of Default. Subject to the terms of this Agreement and to the direction of the Majority Banks, Agent is hereby expressly authorized to act in all litigation and in all other respects as the representative of the Banks where Agent considers it to be necessary or desirable in order to carry out the purposes of this Agreement or the Loan Documents. Without necessarily accepting service of process or designating Agent to do so in its stead, each Bank hereby agrees with each other Bank and with Agent, without intending to confer or conferring any rights on any other party, (i) that it shall be bound by any litigation brought by or against Agent by the Company, any Subsidiary or any other party in connection with the Indebtedness hereunder or any other rights, duties or obligations arising hereunder or under this Agreement or the Loan Documents and (ii) that it now irrevocably waives the defense of procedural impediment or failure to name or join such Bank as an indispensable party; provided however that each Bank

reserves the right, subject to applicable law, to intervene or otherwise appear in such litigation, and to retain its own counsel in connection therewith. In conducting such litigation hereunder on behalf of the Banks, Agent shall, subject to the terms hereof, accept the direction of the Majority Banks or all of the Banks, as the case may be, and shall at all times be indemnified by the Banks as provided in Sections 12.1 and 12.12 hereof. Agent shall undertake to give each Bank prompt notice of any litigation commenced against Agent and/or the Banks with respect to this Agreement, the Loan Agreement or the other Loan Documents or any matter referred to herein or therein.

12.11 Authority of Agent to Enforce Notes and This Agreement. Each Bank, subject to the terms and conditions of this Agreement including without limitation Sections 12.10, 12.14 and 12.15 hereof, authorizes the Agent with full power and authority as attorney-in-fact to institute and maintain actions, suits or proceedings for the collection and enforcement of the Notes and to file such proofs of debt or other documents as may be necessary to have the claims of the Banks allowed in any proceeding relative to the Company or any of its Subsidiaries, or its creditors or affecting its properties, and to take such other actions which Agent considers to be necessary or desirable for the protection, collection and enforcement of the Notes, this Agreement or the Loan Documents.

12.12 Indemnification. The Banks agree to indemnify the Agent in its capacity as such, to the extent not reimbursed by the Company, pro rata according to their respective Percentages, from and against any and all claims, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of this Agreement or any of the other Loan Documents or any action taken or omitted to be taken or suffered in good faith by the Agent hereunder, provided that no Bank shall be liable for any portion of any of the foregoing items resulting from the gross negligence or willful misconduct of the Agent or any of its officers, employees, directors or agents.

12.13 Knowledge of Default. It is expressly understood and agreed that the Agent shall be entitled to assume that no default or Event of Default has occurred and is continuing, unless the officers of the Agent immediately responsible for matters concerning this Agreement shall have actual (rather than constructive) knowledge of such occurrence or shall have been notified in writing by a Bank that such Bank considers that a default or an Event of Default has occurred and is continuing, and specifying the nature thereof. Upon obtaining actual knowledge of any default or Event of Default as described above, the Agent shall promptly, but in any event within three (3) Business Days after obtaining knowledge thereof, notify each Bank of such default or

Event of Default and the action, if any, the Agent proposes be taken with respect thereto.

12.14 Agent's Authorization; Action by Banks. Except as otherwise expressly provided herein, whenever the Agent is authorized and empowered hereunder on behalf of the Banks to give any approval or consent, or to make any request, or to take any other action on behalf of the Banks (including without limitation the exercise of any right or remedy hereunder or under the other Loan Documents), the Agent shall be required (but only to the extent otherwise required hereunder) to give such approval or consent, or to make such request or to take such other action only when so requested in writing by the Majority Banks or the Banks, as applicable hereunder. Action that may be taken by Majority Banks or all of the Banks, as the case may be (as provided for hereunder) may be taken (i) pursuant to a vote at a meeting (which may be held by telephone conference call) as to which all of the Banks have been given reasonable advance notice, or (ii) pursuant to the written consent of the requisite Percentages of the Banks as required hereunder, provided that all of the Banks are given reasonable advance notice of the requests for such consent.

12.15 Enforcement Actions by the Agent. Except as otherwise expressly provided under this Agreement or in any of the other Loan Documents and subject to the terms hereof, Agent will take such action, assert such rights and pursue such remedies under this Agreement and the other Loan Documents as the Majority Banks or all of the Banks, as the case may be (as provided for hereunder), shall direct. Except as otherwise expressly provided in any of the Loan Documents, Agent will not (and will not be obligated to) take any action, assert any rights or pursue any remedies under this Agreement or any of the other Loan Documents in violation or contravention of any express direction or instruction of the Majority Banks or all of the Banks, as the case may be (as provided for hereunder). Agent may refuse (and will not be obligated) to take any action, assert any rights or pursue any remedies under this Agreement or any of the other Loan Documents in the absence of the express written direction and instruction of the Majority Banks or all of the Banks, as the case may be (as provided for hereunder). In the event Agent fails, within a commercially reasonable time, to take such action, assert such rights, or pursue such remedies as the Majority Banks or all of the Banks, as the case may be (as provided for hereunder), shall direct in conformity with this Agreement, the Majority Banks or all of the Banks, as the case may be (as provided for hereunder), shall have the right to take such action, to assert such rights, or pursue such remedies on behalf of all of the Banks unless the terms hereof otherwise require the consent of all the Banks to the taking of such actions (in which event all of the Banks must join in such action). Except as expressly provided above or elsewhere in this Agreement or the other Loan Documents, no Bank (other than the Agent, acting in its

capacity as Agent) shall be entitled to take any enforcement action of any kind under any of the Loan Documents.

12.16 Co-Agents and Lead Managers. NationsBank has been designated by the Company as "Co-Agent" and BHF and Signet have been designated by the Company as "Lead Managers" under this Agreement. Other than its rights and remedies as a Bank hereunder, each such Co-Agent and Lead Manager shall have no administrative, collateral or other rights or responsibilities, provided, however, that each such Co-Agent and Lead Manager shall be entitled to the benefits afforded to Agent under Sections 12.5 and 12.6 hereof.

13. MISCELLANEOUS

13.1 Accounting Principles. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, it shall be done in accordance with generally accepted accounting principles consistently applied.

13.2 Consent to Jurisdiction. Company hereby irrevocably submits to the non-exclusive jurisdiction of any United States Federal or Michigan state court sitting in Detroit in any action or proceeding arising out of or relating to this Agreement or any of the Loan Documents and Company hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in any such United States Federal or Michigan state court. Company irrevocably consents to the service of any and all process in any such action or proceeding brought in any court in or of the state of Michigan by the delivery of copies of such process to Company at its address specified on the signature page hereto or by certified mail directed to such address. Nothing in this Section shall affect the right of the Banks and the Agent to serve process in any other manner permitted by law or limit the right of the Banks or the Agent (or any of them) to bring any such action or proceeding against the Company or any of its or their property in the courts of any other jurisdiction. The Company hereby irrevocably waives any objection to the laying of venue of any such suit or proceeding in the above described courts.

13.3 Law of Michigan. This Agreement, and the other Loan Documents have been delivered at Detroit, Michigan, U.S.A., and shall be governed by and construed and enforced in accordance with the laws of the State of Michigan, except as and to the extent expressed to the contrary in any of the Loan Documents. Whenever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without

invalidating the remainder of such provision or the remaining provisions of this Agreement.

13.4 Interest. In the event the obligation of the Company to pay interest on the principal balance of the Notes is or becomes in excess of the maximum interest rate which the Company is permitted by law to contract or agree to pay, giving due consideration to the execution date of this Agreement, then, in that event, the rate of interest applicable with respect to such Bank's Percentage shall be deemed to be immediately reduced to such maximum rate and all previous payments in excess of the maximum rate shall be deemed to have been payments in reduction of principal and not of interest.

13.5 Closing Costs; Other Costs and Expenses. Company shall pay or reimburse Agent for payment of, on demand (a) all closing costs and expenses, including, by way of description and not limitation, house and outside attorney fees and advances, appraisal and accounting fees, title and lien search fees, and required travel costs, incurred by Agent in connection with the commitment, consummation and closing of the loans contemplated hereby, or in connection with any refinancing or restructuring of the loans or advances provided under this Agreement or the other Loan Documents, or any amendment thereof requested by Company; and (b) all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing or recording of this Agreement and the Loan Documents and the consummation of the transactions contemplated hereby, and any and all liabilities with respect to or resulting from any delay in paying or omitting to pay such taxes or fees. Furthermore, all reasonable costs and expenses, including without limitation attorney fees, and costs and expenses to Environmental Auditors retained by Agent hereunder, incurred by Agent in revising, preserving, protecting, exercising or enforcing any of its or any of the Banks' rights against Company, or otherwise incurred by Agent and the Banks (using a single law firm retained by Agent, with the approval of the Majority Banks) in connection with any Event of Default or the enforcement of the loans (whether incurred through negotiations, legal proceedings or otherwise), including by way of description and not limitation, such charges in any court or bankruptcy proceedings or arising out of any claim or action by any person against Agent or any Bank which would not have been asserted were it not for Agent's or such Bank's relationship with Company hereunder or otherwise, shall also be paid by Company. All of said amounts required to be paid by Company hereunder and not paid forthwith upon demand, as aforesaid, shall bear interest, from the date incurred to the date payment is received by Agent, at the Prime-based Rate, plus three percent (3%).

13.6 Notices. Except as otherwise provided herein, all notices or demand hereunder to the parties hereto shall be sufficient if made in writing and delivered by messenger or deposited in the mail, postage prepaid, certified mail, and

addressed to the parties as set forth on the signature pages of this Agreement.

13.7 Further Action. Company, from time to time, upon written request of Agent will make, execute, acknowledge and deliver or cause to be made, executed, acknowledged and delivered, all such further and additional instruments, and take all such further action as may be required to carry out the intent and purpose of this Agreement, and to provide for the Advances under and payment of the Notes, according to the intent and purpose herein and therein expressed.

13.8 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of Company and the Banks and their respective successors and assigns. The foregoing shall not authorize any assignment by Company of its rights or duties hereunder, and no such assignment shall be made (or effective) without the prior written approval of the Banks. Nor may any Bank sell, assign, transfer, grant participations in, or otherwise dispose of all or any portion of their respective Notes, or of its right, title and interest therein or thereto or in or to this Agreement, except in accordance with and subject to the requirements set forth in Section 13.8 of the Vishay Loan Agreement.

13.9 Indulgence. No delay or failure of Agent and the Banks in exercising any right, power or privilege hereunder shall affect such right, power or privilege nor shall any single or partial exercise thereof preclude any further exercise thereof, nor the exercise of any other right, power or privilege. The rights of Agent and the Banks hereunder are cumulative and are not exclusive of any rights or remedies which Agent and the Banks would otherwise have.

13.10 Counterparts. This Agreement may be executed in several counterparts, and each executed copy shall constitute an original instrument, but such counterparts shall together constitute but one and the same instrument.

13.11 Amendment and Waiver. No amendment or waiver of any provision of this Agreement or any Loan Document, nor consent to any departure by the Company therefrom, shall in any event be effective unless the same shall be in writing and signed by the Majority Banks, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by all the Banks, do any of the following: (a) increase any commitment of the Banks hereunder or subject the Banks to any additional obligations, (b) reduce or forgive the principal of, or interest on, the Notes or any fees or other amounts payable hereunder, (c) postpone any date fixed for any payment of principal of, or interest on, the Notes or

any fees or other amounts payable hereunder, (d) waive any Event of Default specified in Sections 11.1(a) or (b) hereof (provided that if, at the relevant time, only Bid Advances are outstanding hereunder or under the Vishay Loan Agreement, the prior written approval of all Banks shall be required to waive, whether by consent, waiver or amendment, any Event of Default under this Agreement), (e) release or defer the granting or perfecting of a lien or security interest in any collateral or release any guaranty or similar undertaking provided by any Person, except in each case as shall be otherwise expressly provided in this Agreement or any Loan Document, (f) take any action which requires the signing of all Banks pursuant to the terms of this Agreement or any Loan Document, (g) change the definition of "Majority Banks" or "Interest Periods" (h) change the aggregate unpaid principal amount of the Notes which shall be required for the Banks or any of them to take any action under this Agreement or any Loan Document, (i) except for conversions from Deutsche Marks to Dollars under Section 4.5 hereof or reconversions from Dollars to Deutsche Marks under Section 4.6 hereof, as the case may be, change the currency in which any Indebtedness hereunder is denominated or (j) change this Section 13.11, and provided further, however, that no amendment, waiver, or consent shall, unless in writing and signed by the Agent in addition to all the Banks, affect the rights or duties of the Agent under this Agreement or any Loan Document.

13.12 Taxes and Fees. Should any tax (other than a tax based upon the net income of any Bank), recording or filing fee become payable in respect of this Agreement or any of the Loan Documents' or any amendment, modification or supplement hereof or thereof, the Company agrees to pay the same together with any interest or penalties thereon and agrees to hold the Agent and the Banks harmless with respect thereto.

13.13 Confidentiality. Each Bank agrees that it will not disclose without the prior consent of the Company, (other than to its employees, to another Bank or to its auditors or counsel) any confidential information with respect to the Company or any of its Subsidiaries which is furnished pursuant to this Agreement or any of the Loan Documents; provided that any Bank may disclose any such information (a) as has become generally available to the public or has been lawfully obtained by such Bank from any third party under no duty of confidentiality to the Company, (b) as may be required or appropriate in any report, statement or testimony submitted to, or in respect to any inquiry, by, any municipal, state or federal regulatory body having or claiming to have jurisdiction over such Bank, including the Board of Governors of the Federal Reserve System of the United States or the Federal Deposit Insurance Corporation or similar organizations (whether in the United States or elsewhere) or their successors, (c) as may be required or appropriate in respect to any summons or subpoena or in connection with any litigation, (d) in order to comply with any law, order, regulation or ruling applicable to such Bank, and (e) to any

permitted transferee or assignee or any approved participant of, or with respect to, the Notes, as aforesaid.

13.14 Withholding Taxes. If any Bank is not incorporated under the laws of the United States or a state thereof, such Bank shall promptly deliver to the Agent two executed copies of (i) Internal Revenue Service Form 1001 specifying the applicable tax treaty between the United States and the jurisdiction of such Bank's domicile which provides for the exemption from withholding on interest payments to such Bank, (ii) Internal Revenue Service Form 4224 evidencing that the income to be received by such Bank hereunder is effectively connected with the conduct of a trade or business in the United States or (iii) other evidence satisfactory to the Agent that such Bank is exempt from United States income tax withholding with respect to such income. Such Bank shall amend or supplement any such form or evidence as required to insure that it is accurate, complete and non-misleading at all times. Promptly upon notice from the Agent of any determination by the Internal Revenue Service that any payments previously made to such Bank hereunder were subject to United States income tax withholding when made, such Bank shall pay to the Agent the excess of the aggregate amount required to be withheld from such payments over the aggregate amount actually withheld by the Agent. In addition, from time to time upon the reasonable request and at the sole expense of the Company, each Bank and the Agent shall (to the extent it is able to do so based upon applicable facts and circumstances), complete and provide the Company with such forms, certificates or other documents as may be reasonably necessary to allow the Company to make any payment under this Agreement or the other Loan Documents without any withholding for or on the account of any tax under Section 6.1(e) hereof (or with such withholding at a reduced rate), provided that the execution and delivery of such forms, certificates or other documents does not adversely affect or otherwise restrict the right and benefits (including without limitation economic benefits) available to such Bank or the Agent, as the case may be, under this Agreement or any of the other Loan Documents, or under or in connection with any transactions not related to the transactions contemplated hereby.

13.15 Effective Upon Execution. This Agreement shall become effective upon the execution hereof by Banks, Agent, and Company and shall remain effective until the Indebtedness has been repaid and discharged in full and no commitment to make Advances hereunder or under the Vishay Loan Agreement, the Roederstein Loan Agreement or the Target Company Loan Agreement remains outstanding.

13.16 Severability. In case any one or more of the obligations of the Company under this Agreement, the Notes or any of the other Loan Documents shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining obligations of the Company shall not in any way be affected or impaired thereby, and such

invalidity, illegality or unenforceability in one jurisdiction shall not affect the validity, legality or enforceability of the obligations of the Company under this Agreement, the Notes or any of the other Loan Documents in any other jurisdiction.

13.17 Table of Contents and Headings. The table of contents and the headings of the various subdivisions hereof are for convenience of reference only and shall in no way modify or affect any of the terms or provisions hereof.

13.18 Construction of Certain Provisions. If any provision of this Agreement or any of the Loan Documents refers to any action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person, whether or not expressly specified in such provision.

13.19 Independence of Covenants. Each covenant hereunder shall be given independent effect (subject to any exceptions stated in such covenant) so that if a particular action or condition is not permitted by any such covenant (taking into account any such stated exception), the fact that it would be permitted by an exception to, or would be otherwise within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or such condition exists.

13.20 Reliance on and Survival of Various Provisions. All terms, covenants, agreements, representations and warranties of the Company or any party to any of the Loan Documents made herein or in any of the Loan Documents or in any certificate, report, financial statement or other document furnished by or on behalf of the Company, any such party in connection with this Agreement or any of the Loan Documents shall be deemed to have been relied upon by the Banks, notwithstanding any investigation heretofore or hereafter made by any Bank or on such Bank's behalf, and those covenants and agreements of the Company set forth in Section 5.6 hereof (together with any other indemnities of the Company contained elsewhere in this Agreement or in any of the Loan Documents) and of Banks set forth in Section 13.13 hereof shall survive the repayment in full of the Indebtedness and the termination of any commitments to make Advances hereunder.

13.21 Complete Agreement. This Agreement, the Notes, the other Loan Documents and any agreements, certificates, or other documents given to evidence or secure the Indebtedness and the Commitment Letter, contain the entire agreement of the parties hereto (provided that in the event of any inconsistency between this Agreement and the other Loan Documents, on one hand, and the Commitment Letter on the other hand, this Agreement and other Loan Documents shall control), and none of the parties shall be bound by anything not expressed in writing.

BANKS:

COMERICA BANK

By: -----

Its: -----

Comerica Bank Building
One Detroit Center
500 Woodward Avenue
Detroit, Michigan 48275
Attention: National Division
Telex: 235808
Fax No.: (313) 222-3330

NATIONSBANK OF NORTH
CAROLINA, N.A.

By: -----

Its: -----

NationsBank Corporate Center
100 North Tryon Street
NC 1007-08-04
Charlotte, NC 28255-0086
Attn: Mr. M. Gregory Seaton
Telex: 669959
Fax No.: (704) 386-3271

BERLINER HANDELS-UND FRANKFURTER
BANK KGaA

By: -----

Its: -----

Bockenheimer Landstr. 10
60323 Frankfurt/Main 1
Germany
Attn: Mr. Hans-Jurgen Scholz
Telex: 411 026
Fax No.: 4969/718-3011

BANK HAPOALIM, B.M.

By: _____
Its: _____
3 Penn Center Plaza
Philadelphia, Pennsylvania 19102
Attn: Mr. Andrew Niesen
Telex: 902022
Fax No.: (215) 665-2217

SIGNET BANK/MARYLAND

By: _____
Its: _____
7 St. Paul Street
Baltimore, Maryland 21202
Attn: Ms. Janice E. Godwin
Telex: 87638
Fax No.: (301) 625-6365

CORESTATES BANK, N.A.,
formerly known as and continuing
to do business under the name of
THE PHILADELPHIA NATIONAL BANK

By: _____
Its: _____
1345 Chestnut Street
F.C. 1-8-3-14
Philadelphia, Pennsylvania 19107
Attn: Mr. James A. Bennett
Telex: 845400
Fax No.: (215) 973-7820

BANK LEUMI le-ISRAEL, B.M.

By: _____
Its: _____
1511 Walnut Street
Philadelphia, Pennsylvania 19102
Attn: Mr. Joseph A. McBride
Telex: 173090
Fax No.: (215) 563-8688

MERIDIAN BANK

By: _____
Its: _____
1650 Market Street
Suite 3600
Philadelphia, Pennsylvania 19103
Attn: Mr. John M. Fessick
Telex: 173003
Fax No.: (215) 854-3774

ABN AMRO BANK N.V. NEW YORK BRANCH

By: _____
Its: _____
and
By: _____
Its: _____
500 Park Avenue
Second Floor
New York, New York 10022
Attn: Mr. James B. Sieger
Telex: 423721
Fax No.: (212) 759-4792

CREDIT LYONNAIS NEW YORK BRANCH

By: -----
Its: -----
1301 Avenue of the Americas
New York, New York 10019
Attn: Mr. Steve Levi
Telex: -----
Fax No.: (212) 459-3179

CREDIT SUISSE

By: -----
Its: -----
And By: -----
Its: -----
12 East 49th Street
New York, New York 10017
Attn: Ms. Eileen O'Connell Fox
Telex: 420149
Fax No.: (212) 238-5389

SCHEDULE 1.14 (DM LOAN AGREEMENT)

Pricing Matrix (Determination of Pricing Levels)

	Applicable Margin for Advances for the Revolving Credit		Applicable Margin for Advances of the Term Loan		Applicable Fee Percentage For
	Prime-based Rate	Deutsche Mark- based Rate	Prime-based Rate	Deutsche Mark- based Rate	Revolving Credit Facility Fee
If Leverage Ratio is less than or equal to 1.5:1.0 OR If Rating Level 1 is in effect	0.00%	.375%	0.00%	.625%	.125%
If Leverage Ratio is greater than 1.5:1.0, but less than or equal to 2.0:1.0 OR If Rating Level 2 is in effect	0.00%	.4875%	0.00%	.75%	.1375%
If Leverage Ratio is greater than 2.0:1.0, but less than or equal to 3.9:1.0 OR If Rating Level 3 is in effect	0.00%	.5625%	0.00%	.875%	.1875%
If Leverage Ratio is greater than 3.9:1.0 OR If Rating Level 4 is in effect	.125%	.6375%	.125%	1.125%	.3125%

EXHIBIT "A"

REQUEST FOR ADVANCE

The undersigned authorized officer of Vishay Beteiligungs GmbH (formerly Draloric Electronic GmbH) ("Company") in accordance with Section 2.3 of the Amended and Restated Draloric/VBG DM 40,000,000 Revolving Credit and DM 9,506,000 Term Loan Agreement dated as of July , 1994, among Company, certain Banks and Comerica Bank, as Agent for the Banks (the "Agreement"), hereby requests Comerica Bank, in its capacity as Agent under the Agreement to make a Deutsche Mark-based Rate Advance to the undersigned on_____, 19-,/1 in the amount of DM _____/2 under the Revolving Credit Notes ("Notes") dated July __, 1994 made by the undersigned to said Banks.

The Interest Period for the requested Advance shall be _____./3

B. Application of Proceeds

1. The proceeds of this Advance shall be applied first to convert/renew/4 the following outstanding Advances:

- -----
1/ Insert date at least four (4) Business Days after the date of Request and, if Request involves the conversion or renewal of any outstanding Deutsche Mark-based Rate Advance, date must be the Business Day subsequent to last day of applicable Interest Period.

2/ Insert amount, in Deutsche Marks, of Requested Advance. This amount, plus the amount of any other outstanding Indebtedness under the Agreement to be then combined therewith having the same Interest Period, if any, shall be at least DM 1,000,000 and at any one time the Company shall not have more than 1 Interest Period in effect with respect to the Notes.

3/ Insert, as applicable, "1 month", "2 months", "3 months" or "6 months."

4/ Strike inapplicable term to indicate whether a conversion or renewal.

Type of Advance	Last Day of Interest Period	Principal outstanding	Current Dollar Equivalent/5
-----------------------	-----------------------------------	--------------------------	-----------------------------------

2. The balance of the proceeds of the Advance, being _____
 _____ Deutsche Marks (DM _____), /6 shall
 be deposited in the undersigned's account number _____, with
 _____, _____, _____./7

C. Advance Availability

The amount inserted at B.2 above shall not exceed the amount
 calculated in Line C.1(iv) below, as follows:

- 1. (i) Maximum principal amount available under
 all Revolving Credit Notes (DM
 40,000,000) less any reductions in
 Revolving Credit Maximum Amount pursuant
 to Section 2.9..... \$ -----
- (ii) Aggregate amount of principal outstanding
 under all Revolving Credit Notes..... \$ -----
- (iii) Aggregate principal amount of Bid
 Advances then outstanding..... \$ -----
- (iv) Line C.1(i) minus Line C.1(ii) minus Line
 C.1(iii)..... \$ -----

D. Request Irrevocable

Upon Agent's receipt of this Request For Advance, this
 Request For Advance shall be irrevocable.

5/ Applicable to reconversions from Prime-based Rate. To be
 determined by Agent.

6/ Amount inserted here may not exceed amount determined on
 Line C.1(iv) below.

7/ Insert account number, bank name and bank address.

E. Certification

The undersigned hereby certifies that:

- (1) both before and after the Advance, the obligations of the Company, its Subsidiaries and the Permitted Borrowers set forth in the Agreement and any of the Loan Documents to which such Persons are parties are and shall be valid, binding and enforceable obligations of the Company and its Subsidiaries, as the case may be;
- (2) all conditions to Advances of the Revolving Credit have been satisfied, and shall remain satisfied to the date of Advance;
- (3) there is no Event of Default in existence, and no event which, with the giving of notice or the lapse of time, or both, would constitute such an Event of Default, and none will exist upon the making of the Advance;
- (4) the representations and warranties contained in the Agreement and the Loan Documents are true and correct in all material respects and shall be true and correct in all material respects as of the making of the Advance; and
- (5) the execution of this Request for Advance will not violate the material terms and conditions of any material contract, agreement or other borrowing of Company or any of its Subsidiaries.

F. Defined Terms

Capitalized terms used herein, unless specifically defined to the contrary herein, have the meanings given them in the Agreement.

Dated this ____ day of _____, 1994.

VISHAY BETEILIGUNGS GmbH

By: _____
 Its: _____

(This form of Request for Advance (including footnotes) is subject in all respects to the terms and conditions of the Agreement which shall govern in the event of any inconsistencies or omissions.)

EXHIBIT "B"

REVOLVING CREDIT NOTE

\$ July ____, 1994

On or before the Revolving Credit Maturity Date, FOR VALUE RECEIVED, Vishay Beteiligungs GmbH, a German corporation ("Company") promises to pay to the order of (insert bank) ("Bank") at Detroit, Michigan, care of Agent, for the account of Bank's Eurocurrency Lending Office, at the office of Agent's Correspondent, in Deutsche Marks if the Deutsche Mark-based Rate is then in effect, and at Agent's Detroit, Michigan office in Dollars if the Prime-based Rate is then in effect, the Indebtedness or so much of the sum of _____ Deutsche Marks (DM _____) (or the Dollar Amount equivalent thereof then outstanding if the Prime-based Rate is then applicable), as may from time to time have been advanced and then be outstanding hereunder pursuant to the Amended and Restated Draloric/VBG, DM 40,000,000 Revolving Credit and DM 9,506,000 Term Loan Agreement ("Agreement") dated as of July __, 1994, made by and among Company, certain banks, including the Bank, and Comerica Bank, as Agent for such banks, together with interest thereon as hereinafter set forth.

Each of the Advances made hereunder shall bear interest at the Deutsche Mark-based Rate as elected by Company or determined under the Agreement, or the Prime-based Rate as determined under the Agreement.

All accrued and unpaid interest on the Indebtedness outstanding under this Note from time to time shall be due and payable in full, in immediately available funds, (a) whenever the Deutsche Mark-based Rate shall be in effect, (i) on the last day of each Interest Period, and, (ii) if such Interest Period is longer than 3 months, at intervals of 3 months after the first day of the Interest Period, (b) whenever the Prime-based Rate shall be then in effect, on the last day of each quarter on a calendar year basis, and (c) on the date of any conversion or reconversion pursuant to Section 4.5 or 4.6 of the Agreement, until the Revolving Credit Maturity Date when the entire Indebtedness outstanding under this Note including all accrued interest, shall be due and payable in full.

In the event and so long as any default or Event of Default shall exist under any Note or any Event of Default shall exist under the Agreement, interest shall be payable daily on the principal balance of the Indebtedness then outstanding hereunder (a) if the Deutsche Mark-based Rate is then in effect, at a per annum rate equal to the Applicable Interest Rate, plus three percent (3%) for the remainder of the then existing Interest Period, if any, and at all other times (i) at a per annum rate

calculated by the Agent, whose determination shall be conclusive absent manifest error, on a daily basis, equal to three percent (3%) above the interest rate per annum at which one (1) day (or, if such amount due remains unpaid for more than three (3) Business Days, then for such other period of time as the Agent may elect which shall in no event be longer than six (6) months) deposits in the relevant currency in the amount of such overdue payment due to the Agent are offered by the Agent's Eurocurrency Lending Office for the applicable period determined as provided above, or (ii) if at any such time such deposits are not offered by the Agent's Eurocurrency Lending Office, then at a rate per annum equal to three percent (3%) above the rate determined by the Agent to be its aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance) of carrying the amount of the Indebtedness then outstanding, and (b) if the Prime-based Rate is then in effect, at a per annum rate equal to the Applicable Interest Rate plus three percent (3%).

Interest accruing under this Note at the Deutsche Mark-based Rate shall be computed on the basis of a 360 day Year and assessed for the actual number of days elapsed from the first day of the Interest Period applicable thereto, to, but not including, the last day thereof. Interest accruing at the Prime-based Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed, and in such computation effect shall be given to any change in the interest rate resulting from a change in the Prime-based Rate on the date of such change in the Prime-based Rate. Interest accruing under this Note shall be repaid in Deutsche Marks, unless the Prime-based Rate be then in effect, in which event said interest shall be repaid in Dollars.

This Note is a note under which advances, repayments and readvances may be made from time to time, but only in accordance with the terms and conditions of the Agreement. This Note evidences borrowings under, is subject to, is secured in accordance with, and may be accelerated or matured under, the terms of the Agreement, to which reference is hereby made. Definitions and terms of the Agreement are hereby incorporated by reference herein.

As additional security for this Note, Company grants Bank a lien an all property and assets including deposits and other credits of the Company, at any time in possession or control of or owing by Bank for any purpose.

This Note shall be interpreted and the rights of the parties hereunder shall be determined under the laws of, and enforceable in, the State of Michigan.

Company hereby waives presentment for payment, demand, protest and notice of dishonor and nonpayment of this Note and agrees that no obligation hereunder shall be discharged by reason of any extension, indulgence, release, or forbearance granted by any

holder of this Note to any party now or hereafter liable hereon or any present or subsequent owner of any property, real or personal, which is now or hereafter security for this Note.

Nothing herein shall limit any right granted Bank by any other instrument or by law.

VISHAY BETEILIGUNGS GmbH

By: _____

Its: _____

EXHIBIT "C-1"

FORM OF BID BORROWING REQUEST

TO: Comerica Bank ("Agent")

Re: Amended and Restated Draloric/VBG DM 40,000,000
Revolving Credit and DM 9,506,000 Term Loan Agreement
dated as of July ____, 1994 (the "Agreement"), among
Vishay Beteiligungs GmbH (formerly Draloric Electronic
GmbH) ("Company"), Agent and certain Banks

Pursuant to Section 2.5(b) of the Agreement, the Company
notifies you of a request for offers to make the Bid Advances
specified herein. Capitalized terms not otherwise defined herein
shall have the meanings ascribed to such terms in the Agreement.

- (1) The date of the proposed Bid Advance borrowing is
199_ (which day is at least five (5) Business Day from the
date hereof in the case of an Absolute Rate Bid Advance and
at least five (5) Business Days from the date hereof in the
case of a DM Bid Advance).
- (2) The aggregate amount of the proposed Bid Advance borrowing is
DM _____/1
- (3) The Bid offer requested is for _____/2
- (4) The Interest Period(s) for the Bid Advances comprising the
proposed Bid Advance borrowing shall be _____/3

The undersigned hereby certifies that the following contents
are true and correct on and as of the date hereof, and will be
true and correct on the date of the proposed Bid Advance
borrowing, before and after giving effect thereto:

(a) the undersigned has complied and will be on the
date of the proposed Bid Advance borrowing in compliance with all the

- -----
1/ Insert an amount which is a minimum amount of DM 10,000,000
or any multiple of DM 1,000,000 in excess thereof.

2/ Insert "DM Bid Advances" or "Absolute Rate Bid Advances" or
both.

3/ No more than three Interest Periods may be requested in a
single Bid Borrowing Request.

terms, covenants and conditions of the Agreement and the other Loan Documents;

(b) no Default or Event of Default exists or shall result from the proposed Bid Advance borrowing;

(c) each and every representation and warranty contained in the Agreement is true and correct in all material respects with the same effect as if made on and as of the date of the proposed Bid Advance borrowing; and

(d) the aggregate amount of principal outstanding under all Advances of the Revolving Credit and Bid Advances does not exceed the Revolving Credit Maximum Amount.

VISHAY BETEILIGUNGS GmbH

Dated: _____

By: _____

Its: _____

(This form of Bid Borrowing Request (including footnotes) is subject in all respects to the terms and conditions of the Agreement which shall govern in the event of any inconsistencies or omissions.)

EXHIBIT "C-2"

FORM OF BID OFFER

TO: Comerica Bank ("Agent")

Re: Amended and Restated Draloric/VBG DM 40,000,000 Revolving Credit and DM 9,506,000 Term Loan Agreement dated as of July ____, 1994 (the "Agreement"), among Vishay Beteiligungs GmbH (formerly Draloric Electronic GmbH) ("Company"), Agent and certain Banks

In response to the Bid Borrowing Request of the Company dated _____ 199__ and in accordance with Section 2.5(c) of the Agreement, the undersigned Bid Lender offers to make Bid Advances thereunder in the following principal amount(s) at the following interest rate(s) for the following Interest Period(s) (the terms defined in the Agreement being used herein as therein defined):

INTEREST PERIOD	PRINCIPAL AMOUNT*	(DM Bid Margin) (Absolute Rate)
--------------------	----------------------	------------------------------------

The date of the proposed Bid Advance borrowing is, 19__ (which day is at least four (4) Business Days from the date hereof).

Acceptance of any bid contained herein is subject to compliance with the terms and conditions of the Agreement, including Section 2.5(d) thereof.

- -----
*Insert an amount which is a minimum amount of DM 3,000,000 or any multiple of DM 1,000,000 in excess thereof.

(NAME OF BID LENDER)

Dated: _____

By: _____

Its: _____

(This form of Bid Offer is subject in all respects to the terms and conditions of the Agreement which shall govern in the event of any inconsistencies or omissions.)

EXHIBIT "C-3"

FORM OF BID ACKNOWLEDGMENT

TO: Comerica Bank

Re: Amended and Restated Draloric/VBG DM 40,000,000 Revolving Credit and DM 9,506,000 Term Loan Agreement dated as of July _____, 1994 (the "Agreement"), among Vishay Beteiligungs GmbH (formerly Draloric Electronic GmbH) ("Company"), Agent and certain Banks

Pursuant to Sections 2.5(d) and 2.5(e) of the Agreement, the undersigned hereby notifies you of its acceptance of the following offers made by the Bid Lenders in response to the Bid Borrowing Request submitted by the undersigned on _____, 199_ (the terms defined in the Agreement being used herein as therein defined):

Name of Lender	Interest Period	Type of Bid Advance*	DM Bid margin or Absolute Rate, as applicable	Principal Amount of Advances
----------------	-----------------	----------------------	---	------------------------------

Date of proposed Bid Advance borrowing: _____

The undersigned hereby certifies that its acceptance of the offers listed above complies with and upon the funding of such Bid Advances shall comply with the terms of the Agreement, including, but not limited to, Section 2.5(d) thereof. The undersigned hereby

*Specify whether it is a DN Bid Advance (and the DM Bid Margin) or an Absolute Rate Bid Advance (and the Absolute Bid Rate).

confirms and restates each of the statements certified by it in the Bid Borrowing Request relating to this Bid Acknowledgment.

VISHAY BETEILIGUNGS GmbH

Dated:

By:

Its:

(This form of Bid Acknowledgment is subject in all respects to the terms and conditions of the Agreement which shall govern in the event of any inconsistencies or omissions.)

EXHIBIT "C-4"

BID NOTE

DM 40,000,000

July __, 1994

On or before the Revolving Credit Maturity Date, subject to the terms hereof, FOR VALUE RECEIVED, Vishay Beteiligungs GmbH, a German corporation ("Company") promises to pay to the order of (_insert bank_____) ("Bank") at _____, care of Bank, in Deutsche Marks, the Indebtedness or so much of the sum of Forty Million Deutsche Marks (DM 40,000,000), as may from time to time have been advanced and then be outstanding hereunder pursuant to the Amended and Restated Draloric/VBG, DM 40,000,000 Revolving Credit and DH 9,506,000 Term Loan Agreement dated as of July __, 1994 (the "Agreement"), made by and among the Company, certain banks, including the Bank, and Comerica Bank, a Michigan banking corporation, as Agent for such banks, together with interest thereon as hereinafter set forth.

The unpaid principal indebtedness from time outstanding under this Note shall be due and payable on the last day of the Interest Period applicable thereto or as otherwise set forth in the Agreement, provided that no Bid Advance may mature or be payable on a day later than the Revolving Credit Maturity Date.

Each of the Bid Advances made hereunder shall bear interest at the Absolute Rate or the Deutsche Mark-based Rate as elected by Company or as otherwise determined under the Agreement.

Interest on each Absolute Rate Advance and each 1 month, 2 month and 3 month DM-based Advance shall be payable in Deutsche Marks on the last day of the Interest Period applicable thereto. Interest on each 6 month DM-based Advance outstanding from time to time shall be payable in Deutsche Marks, at intervals of 3 months after the first day of the applicable Interest Period and on the last day of the Interest Period applicable thereto. Interest accruing at the Absolute Rate or Deutsche Mark-based Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed from the first day of the Interest Period applicable thereto, to, but not including, the last day thereof.

In the event and so long as any default or Event of Default shall exist hereunder or under the Agreement, interest shall be payable daily on all Bid Advances from time to time outstanding hereunder at a per annum rate equal to the Applicable Interest Rate plus three percent (3%) for the remainder of the then existing Interest Period, if any, and at all other times, with respect to Absolute Rate Advances from time to time outstanding, at a per annum rate equal to the Absolute Rate plus three percent (3%), and with respect to DM-based Advances from time to time outstanding, (i) at a per annum rate calculated by the applicable Bid Lender

having funded such Bid Advance, whose determination shall be conclusive absent manifest error, on a daily basis, equal to three percent (3%) above the interest rate per annum at which one (1) day deposits (or, if such amount due remains unpaid for more than three (3) Business Days, then for such other period of time as the applicable Bid Lender may elect which shall in no event be longer than six (6) months) in Deutsche Marks in the amount of such overdue payment due to the applicable Bid Lender are offered by such Bid Lender's Eurocurrency Lending Office for the applicable period so determined, or (ii) if at any such time such deposits are not offered by such Bid Lender's Eurocurrency Lending Office, then at a rate per annum equal to three percent (3%) above the rate determined by the applicable Bid Lender to be its aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance) of carrying the amount of such DM-based Advance.

This Note is a note under which advances, repayments and readvances may be made from time to time, but only in accordance with, the terms and conditions of the Agreement. This Note evidences borrowings under, is subject to, is secured in accordance with, and may be accelerated or matured under, the terms of the Agreement, to which reference is hereby made. Definitions and terms of the Agreement are hereby incorporated by reference herein.

As additional security for this Note, Company grants Bank a lien on all property and assets including deposits and other credits of the Company, at any time in possession or control of or owing by Bank for any purpose.

This Note shall be interpreted and the rights of the parties hereunder shall be determined under the laws of, and enforceable in, the State of Michigan.

Company hereby waives presentment for payment, demand, protest and notice of dishonor and nonpayment of this Note and agrees that no obligation hereunder shall be discharged by reason of any extension, indulgence, release, or forbearance granted by any holder of this Note to any party now or hereafter liable hereon or any present or subsequent owner of any property, real or personal, which is now or hereafter security for this Note.

Nothing herein shall limit any right granted Bank by any other instrument or by law.

VISHAY BETEILIGUNGS GmbH

By: _____
Its: _____

EXHIBIT "D"

TERM NOTE

DM

July , 1994

On or before December 31, 1994 (the "Term Loan Maturity Date"), FOR VALUE RECEIVED, Vishay Beteiligungs GmbH, a German corporation ("Company") promises to pay to the order of (insert bank) ("Bank") at Detroit, Michigan, care of Agent, in Deutsche Marks, the sum of _____ Deutsche Marks (DM _____), in quarterly principal installments of _____ Deutsche Marks (DM _____) each, commencing on September 30, 1994 and on the last day of each calendar quarter thereafter until December 31, 1994, when the entire principal balance hereunder and interest thereon as hereinafter set forth, shall be due and payable in full, all in accordance with that certain Amended and Restated Draloric/VBG DM 40,000,000 Revolving Credit and DM 9,506,000 Term Loan Agreement ("Agreement") dated as of July , 1994 by and among Company, certain banks, including the Bank, and Comerica Bank, as Agent for such banks. Capitalized terms used herein, except as defined to the contrary, have the meanings given them in the Agreement. Notwithstanding the foregoing, in the event the Term Loan is converted to Dollars pursuant to the Agreement, this Note shall be payable in Dollars, as set forth therein, and the quarterly installments of principal specified above shall be due and payable in the Dollar Amount necessary to provide full amortization of outstanding principal over the remaining term of this Note.

Each of the Advances made hereunder shall bear interest at the Deutsche Mark-based Rate, as determined under the Agreement, or, if applicable from time to time under the Agreement, the Prime-based Rate.

All accrued and unpaid interest on the Indebtedness outstanding under this Note from time to time shall be due and payable in full, in immediately available funds, (a) whenever the Deutsche Mark-based Rate shall be in effect, (i) on the last day of each Interest Period, and, (ii) if such Interest Period is longer than 3 months, at intervals of 3 months after the first day of the applicable Interest Period, and (b) whenever the Prime-based Rate shall be then in effect, on the last day of each quarter on a calendar year basis until December 31, 1994, when the entire Indebtedness outstanding under this Note including all accrued interest, shall be due and payable in full.

In the event and so long as a default or Event of Default shall exist under this Note or under the Agreement, interest shall be payable daily on the principal balance then outstanding

hereunder (a) if the Deutsche Mark-based Rate is then in effect, at a per annum rate equal to the Applicable Interest Rate plus three percent (3%) for the remainder of the then existing Interest Period, if any, and at all other times, (i) at a per annum rate calculated by the Agent, whose determination shall be conclusive absent manifest error, on a daily basis, equal to three percent (3%) above the interest rate per annum at which one (1) day deposits (or, if such amount due remains unpaid for more than three (3) Business Days, then for such other period of time as the Agent may elect which shall in no event be longer than six (6) months) in the relevant currency in the amount of such overdue payment due to the Agent are offered by the Agent's Eurocurrency Lending Office for the applicable period determined as provided above, or (ii) if at any such time such deposits are not offered by the Agent's Eurocurrency Lending Office, then at a rate per annum equal to three percent (3%) above the rate determined by the Agent to be its aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance) of carrying the amount of the Indebtedness then outstanding, and (b) if the Prime-based Rate is then in effect, at a per annum rate equal to the Prime-based Rate plus three percent (3%).

Interest accruing under this Note at the Deutsche Mark-based Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed from the first day of the Interest Period applicable thereto, to, but not including, the last day thereof. Interest accruing at the Prime-based Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed, and in such computation effect shall be given to any change in the interest rate resulting from a change in the prime-based Rate on the date of such change in the Prime-based Rate. Interest accruing under this Note shall be repaid in Deutsche Marks, unless the prime-based Rate is applicable thereto, in which event said interest shall be repaid in Dollars.

The amount and date of each Advance of the Term Loan, its Applicable Interest Rate and Interest Period, and the amount and date of any repayments shall be noted on Agent's records, which records will be conclusive evidence thereof, absent manifest error.

This Note is a note under which prepayments may be made from time to time, but only in accordance with the terms and conditions of the Agreement.

This Note evidences borrowings under, is subject to, is secured in accordance with, and may be accelerated or matured under, the terms of the Agreement, to which reference is hereby made. Definitions and terms of the Agreement are hereby incorporated herein.

As additional security for this Note, Company grants Bank a lien on all property and assets including deposits and other

credits of the Company, at any time in possession or control of or owing by Bank for any purpose.

This Note shall be interpreted and the rights of the parties hereunder shall be determined under the laws of, and enforceable in, the State of Michigan.

Company hereby waives presentment for payment, demand, protest and notice of dishonor and nonpayment of this Note and agrees that no obligation hereunder shall be discharged by reason of any extension, indulgence, release, or forbearance granted by any holder of this Note to any party now or hereafter liable hereon or any present or subsequent owner of any property, real or personal, which is now or hereafter security for this Note.

Nothing herein shall limit any right granted Bank by any other instrument or by law.

VISHAY BETEILIGUNGS GmbH,
a German corporation

By: _____

Its: _____

EXHIBIT "E"

TERM LOAN RATE REQUEST

To: Comerica Bank ("Agent")

A. Request

The undersigned authorized officer of Vishay Beteiligungs GmbH ("Company") in accordance with Section 3.5 of the Amended and Restated Draloric/VBG DM 40,000,000 Revolving Credit and DM 9,506,000 Term Loan Agreement dated as of July __, 1994, among Company, certain Banks and Comerica Bank, as Agent for the Banks (the "Agreement"), hereby requests the Agent under the Agreement to refund or convert DM _____ of the Indebtedness evidenced by the Term Notes with a _____ Advance on _____, 199__.

The Interest Period for the requested Advance shall be _____.

1/Insert amount of requested Advance. This amount, together with the amount of any other outstanding Indebtedness evidenced by the Term Notes to be then combined therewith having the same Applicable Interest Rate and Interest Period, if any, shall not be less than DM 5,000,000, unless the balance remaining outstanding on the Term Loan is less, in which case such lesser amount shall control, and at any time the Company shall not have more than 2 Interest Periods in effect with respect to the Term Loan.

2/Insert, as applicable, "Deutsche Mark-based" or "Prime-based."

3/Insert date at least four (4) Business Days after the date of Request, if Request is for DM-based Advance and, if Request involves the conversion or renewal of any outstanding DM-based Advance, date must be the Business Day subsequent to the last day of the applicalbe DM-based Interest Period.

4/For DM-based Advance insert, as applicable, "1 month", "2 months", "3 months" or "6 months."

EXHIBIT "F"

Percentages

Comerica Bank	15.42%
NationsBank of North Carolina, N.A.	15.42%
Berliner Handels-Und Frankfurter Bank	11.67%
Signet Bank Maryland	11.66%
Bank Hapoalim, B.M.	8.33%
CoreStates Bank, N.A.	8.33%
ABN AMRO Bank N.V.	8.33%
Credit Lyonnais New York Branch	8.33%
Bank Leumi le-Israel, B.M.	4.17%
Credit Suisse	4.17%
Meridian Bank	4.17%

=====

AMENDED AND RESTATED ROEDERSTEIN

DM 104,315,990.20 TERM LOAN AGREEMENT

DATED AS OF JULY 18, 1994

COMERICA BANK, AS AGENT

NATIONSBANK OF NORTH CAROLINA, N.A., AS CO-Agent
BERLINER HANDELS-UND FRANKFURTER BANK KGAA and
SIGNET BANK/MARYLAND, as Lead Managers

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Percentages.....	C

LOAN AGREEMENT

THIS LOAN AGREEMENT ("Agreement") is made as of the 18th day of July, 1994, among Comerica Bank, successor by merger to Manufacturers Bank, N.A., formerly known as Manufacturers National Bank of Detroit, NationsBank of North Carolina, N.A., formerly known as NCNB National Bank of North Carolina, Berliner Handels-und Frankfurter Bank KGaA, Signet Bank/Maryland, formerly known as Union Trust Company of Maryland, CoreStates Bank, N.A., formerly known as and continuing to do business under the name of The Philadelphia National Bank, Bank Hapoalim, B.M., ABN AMRO Bank N.V. New York Branch, Credit Lyonnais New York Branch, Meridian Bank, Bank Leumi le-Israel, B.M. and Credit Suisse (individually, "Bank", and collectively "Banks") Comerica Bank, as agent for the Banks (in such capacity, "Agent") and Vishay Beteiligungs GmbH, a German corporation ("Company").

RECITALS:

A. Company has requested that the Banks renew credit in the form of a Term Loan (as defined below) in the aggregate amount of up to One Hundred Four Million Three Hundred Fifteen Thousand Nine Hundred Ninety and 20/100 Deutsche Marks (DM 104,315,990.20), subject to the funding of a portion thereof in Dollars, all on the terms set forth herein.

B. Pursuant to the Commitment Letter (as defined below), the Banks are prepared to extend such credit as aforesaid, but only on the terms and conditions set forth herein.

NOW THEREFORE, COMPANY, AGENT AND THE BANKS AGREE:

1. DEFINITIONS

For the purposes of this Agreement the following terms will have the following meanings:

1.1 "Advance(s)" shall mean the borrowings requested by Company and made by Banks under Section 2.1 of this Agreement, including any refundings or conversions of such borrowing under Section 3 hereof.

1.2 "Agent" shall mean Comerica Bank, a Michigan banking corporation, successor by merger to Manufacturers Bank, N.A., formerly known as Manufacturers National Bank of Detroit, or any successor appointed in accordance with Section 11.4 hereof.

1.3 "Agent's Correspondent" shall mean, for Advances in Deutsche Marks, Chemical Bank Frankfurt, Germany, or such other bank or banks as Agent may from time to time designate by written notice to Company, Vishay and the Banks.

1.4 "Agent's Fees" shall mean those fees and expenses required to be paid by Vishay and Company to Agent under Section 11.8 hereof.

1.5 "Alternate Base Rate" shall mean, for any day, an interest rate per annum equal to the Federal Funds Effective Rate in effect on such day, plus one-half percent (1/2%).

1.6 "Applicable Interest Rate" shall mean:

(a) for all periods during which the Term Loan is denominated in DM, the Deutsche Mark-based Rate; and

(b) for all periods during which the Term Loan has been converted to Dollars hereunder (but only so long as such Indebtedness is so denominated according to the terms hereof), the Prime-based Rate.

1.7 "Applicable Margin" shall mean, as of any date of determination thereof, the applicable interest rate margin, determined by reference to the appropriate columns in the Pricing Matrix attached to this Agreement as Schedule 1.7.

1.8 "Banks" shall mean Comerica Bank, successor by merger to Manufacturers Bank, N.A., formerly known as Manufacturers National Bank of Detroit ("Comerica"), NationsBank of North Carolina, N.A., formerly known as NCBN National Bank of North Carolina ("NationsBank"), Berliner Handels-und Frankfurter Bank KGaA ("BHF"), Signet Bank/Maryland, formerly known as Union Trust Company of Maryland ("Signet"), Bank Hapoalim, B.M., CoreStates Bank, N.A., formerly known as and continuing to do business under the name of Philadelphia National Bank, ABN AMRO Bank N.V. New York Branch, Credit Lyonnais New York Branch ("Credit Lyonnais"), Meridian Bank, Bank Leumi le-Israel, B.M. and Credit Suisse, and any assignee which becomes a Bank pursuant to Section 13.8 hereof.

1.9 "Bridge Loan" shall mean the bridge loan in an aggregate amount not to exceed One Hundred Million Dollars (\$100,000,000) to be advanced by the Banks to Vishay pursuant to the Target Company Loan Agreement.

1.10 "Business Day" shall mean any day on which commercial banks are open for domestic and international business (including dealings in foreign exchange) in Detroit, London, New York and Frankfurt am Main (except with respect to any Prime-based Advances), and if funds are to be paid or made available other than in Dollars, on such day in the place where such funds are to be paid or made available.

1.11 "Commitment Letter" shall mean that certain commitment letter dated June 28, 1994 and issued to Vishay by the Agent, for itself and for and on behalf of the Banks, with respect to the

credit to be amended, renewed, increased and/or extended under the terms and conditions of this Agreement, the DM Loan Agreement, the Vishay Loan Agreement and the Target Company Loan Agreement.

1.12 "Company" shall mean Vishay Beteiligungs GmbH, a German corporation, formerly known as Draloric Electronic GmbH.

1.13 "Conversion" or "converted", as used herein, shall refer, to any and all conversions or reconversions of the Indebtedness hereunder.

1.14 "Deutsche Mark Equivalent" shall mean the amount of Deutsche Marks which could be purchased with the then outstanding principal amount of Dollars at the most favorable spot exchange rate determined by the Agent to be available to it for the sale of Deutsche Marks for Dollars at approximately 11:00 a.m. (Detroit time) two (2) Business Days prior to any conversion or reconversion of the Indebtedness from Dollars to Deutsche Marks hereunder.

1.15 "Deutsche Mark-based Advance" shall mean an Advance which bears interest at the Deutsche Mark-based Rate.

1.16 "Deutsche Mark-based Rate" shall mean a per annum interest rate which is the Applicable Margin (subject, if applicable, to adjustment under Section 4.8), above (or below) the quotient of:

(a) the per annum interest rate at which Agent's Eurocurrency Lending Office offers deposits in Deutsche Marks to United States regional prime banks in the eurocurrency market in amounts comparable to the Indebtedness then outstanding and for a period equal to the relevant Deutsche Mark-Interest Period at approximately 11:00 A.M. Detroit time two (2) Business Days prior to the first day of such Deutsche Mark-Interest Period; divided by

(b) a percentage equal to 100% minus the maximum rate on such date at which Agent is required to maintain reserves on "Euro-currency Liabilities" as defined in and pursuant to Regulation D of the Board of Governors of the Federal Reserve System or, if such regulation or definition is modified, and as long as Agent is required to maintain reserves against a category of liabilities which includes eurocurrency deposits or includes a category of assets which includes eurocurrency loans, the rate at which such reserves are required to be maintained on such category,

such sum to be rounded upward, if necessary, to the nearest whole multiple of 1/16th of 1%.

1.17 "Deutsche Mark-Interest Period" shall mean an Interest Period of one, two, three or six months (or any lesser or greater

number of days agreed to in advance by Company, Agent and the Banks), to the extent available hereunder, as selected by Company for a Deutsche Mark-based Advance in accordance with and subject to Sections 3.1 and 3.2 hereof.

1.18 "Deutsche Mark Principal Limit" shall mean One Hundred Four Million Three Hundred Fifteen Thousand Nine Hundred Ninety and 20/100 Deutsche Marks (DM 104,315,990.20) minus the sum of (a) the amount of any payments or prepayments of principal made on the Term Notes on or prior to the date of any determination thereof, and (b) the amount of any principal repayments on the Term Notes scheduled to be paid under Section 2.2 hereof or required to be paid under Section 2.3 hereof, on or prior to the date of any determination thereof.

1.19 "DM Loan Agreement" shall mean that certain Amended and Restated Draloric/VBG GmbH DM 40,000,000 Revolving Credit and DM 9,506,000 Term Loan Agreement among Company, Agent and the Banks dated as of the date hereof, as amended from time to time.

1.20 "Dollar Amount" shall mean (a) with respect to the Indebtedness, if any, being carried in Dollars from time to time hereunder (and to the extent thereof), the principal amount thereof, and (b) with respect to the Indebtedness being carried in Deutsche Marks from time to time hereunder (and to the extent thereof), the amount of Dollars which is equivalent to the principal amount of such Indebtedness at the most favorable spot exchange rate determined by the Agent to be available to it for the sale of Dollars for Deutsche Marks at the relevant time, as such Dollar Amount may be adjusted hereunder.

1.21 "Dollars" and the sign "\$" shall mean lawful money of the United States of America.

1.22 "Eurocurrency Lending Office" shall mean, as to Agent and each of the Banks, its office, branch or affiliate located at its address set forth on the signature pages hereof (or identified thereon as its Eurocurrency Lending Office), or at such other office, branch or affiliate of Agent or such Bank as it may hereafter designate as its Eurocurrency Lending Office by notice to Company and Agent.

1.23 "Event of Default" shall mean any of the Events of Default specified in Section 10.1 and 10.6 hereof.

1.24 "hereof", "hereto", "hereunder" and similar terms shall refer to this Agreement and not to any particular paragraph or provision of this Agreement.

1.25 "Indebtedness" shall mean all indebtedness and liabilities, whether direct or indirect, absolute or contingent, owing by Company or Vishay to the Banks or to the Agent, in any

manner and at any time, under this Agreement or the Loan Documents, whether evidenced by the Term Notes, the Permitted Borrowers Guaranty, or otherwise (including without limitation any and all Indebtedness as defined in the Vishay Loan Agreement), due or hereafter to become due, now owing or that may hereafter be incurred by the Company or Vishay to, or acquired by, the Banks or by Agent, and any judgments that may hereafter be rendered on such indebtedness or any part thereof, with interest according to the rates and terms specified, or as provided by law, and any and all consolidations, amendments, renewals or extensions of any of the foregoing.

1.26 "Interest Period" shall mean a Deutsche Mark-Interest Period selected by Company in accordance with and subject to Sections 3.1 and 3.2 hereof, provided that

(a) any Interest Period which would otherwise end on a day which is not a Business Day shall be extended to the next succeeding Business Day, except that if the next succeeding Business Day falls in another calendar month, the Interest Period shall end on the next preceding Business Day, and when an Interest Period begins on a day which has no numerically corresponding day in the calendar month during which such Interest Period is to end, it shall end on the last Business Day of such calendar month, and

(b) no Interest Period shall extend beyond the maturity date set forth in the Term Notes to which such Interest Period is to apply.

1.27 "Loan Documents" shall mean, collectively, the Term Notes, this Agreement, the Vishay Loan Agreement (with respect to the Company's obligations thereunder), the DM Loan Agreement, the Permitted Borrowers Guaranty and any other documents, instruments or agreements executed pursuant to or in connection with any such document or this Agreement, the Vishay Loan Agreement or the DM Loan Agreement.

1.28 "Majority Banks" shall mean at any time the Banks holding 66 2/3% of the aggregate principal amount of the Indebtedness then outstanding under this Agreement and the other Loan Documents (excluding any Bid Notes issued under the DM Loan Agreement or the Vishay Loan Agreement except upon the occurrence and during the continuance of an Event of Default) or, if no Indebtedness is then outstanding, the Banks holding 66 2/3% of the Percentages.

1.29 "Moody's Rating" shall mean the rating by Moody's Investors Services, Inc. (or any successor thereto) of Company's long-term, senior unsecured debt.

1.30 "New Banks" shall mean Credit Lyonnais and Credit Suisse.

1.31 "Non-Amortizing Term Loan" shall mean that certain non-amortizing term loan in an aggregate amount not to exceed One Hundred Million Dollars (\$100,000,000) to be advanced by the Banks to the Company pursuant to the Target Company Loan Agreement.

1.32 "Percentage" shall mean, with respect to any Bank, its percentage share, as set forth on Exhibit "C" hereto, of the Term Loan, as such Exhibit may be revised from time to time by Agent in accordance with Section 13.8(d) of the Vishay Loan Agreement.

1.33 "Permitted Borrowers" and "Permitted Borrowers Guaranty" shall have the meanings set forth in the Vishay Loan Agreement.

1.34 "Permitted Encumbrances" shall mean, with respect to any Person:

(a) the liens and encumbrances granted under or established by this Agreement or the Loan Documents;

(b) liens for taxes not yet due and payable or which are being contested in good faith by appropriate proceedings diligently pursued, provided that such provision for the payment of all such taxes known to such Person has been made on the books of such Person as may be required by generally accepted accounting principles, consistently applied;

(c) mechanics', materialmen's, banker's, carriers', warehousemen's and similar liens and encumbrances arising in the ordinary course of business and securing obligations of such Person that are not overdue for a period of more than 60 days or are being contested in good faith by appropriate proceedings diligently pursued, provided that in the case of any such contest (i) any proceedings commenced for the enforcement of such liens and encumbrances shall have been duly suspended; and (ii) such provision for the payment of such liens and encumbrances has been made on the books of such Person as may be required by generally accepted accounting principles, consistently applied;

(d) liens arising in connection with worker's compensation, unemployment insurance, old age pensions (subject to the remaining provisions hereof) and social security benefits which are not overdue or are being contested in good faith by appropriate proceedings diligently pursued, provided that in the case of any such contest (i) any proceedings commenced for the enforcement of such liens shall have been duly suspended; and (ii) such provision for the

payment of such liens has been made on the books of such Person as may be required by generally accepted accounting principles, consistently applied;

(e)(i) liens incurred in the ordinary course of business to secure the performance of statutory obligations arising in connection with progress payments or advance payments due under contracts with the United States or any foreign government or any agency thereof entered into in the ordinary course of business and (ii) liens incurred or deposits made in the ordinary course of business to secure the performance of statutory obligations, bids, leases, fee and expense arrangements with trustees and fiscal agents and other similar obligations (exclusive of obligations incurred in connection with the borrowing of money, any lease-purchase arrangements or the payment of the deferred purchase price of property), provided that full provision for the payment of all such obligations set forth in clauses (i) and (ii) has been made on the books of such Person as may be required by generally accepted accounting principles, consistently applied;

(f) any minor imperfections of title, including but not limited to easements, covenants, rights-of-way or other similar restrictions, which, either individually or in the aggregate do not materially adversely affect the present or future use of the property to which they relate, which would have a material adverse effect on the sale or lease of such property, or which would render title thereto unmarketable; and

(g) those liens and encumbrances of Company and its Subsidiaries identified in Schedule 1.34 of the DM Loan Agreement.

1.35 "Person" shall mean an individual, corporation, partnership, trust, incorporated or unincorporated organization, joint venture, joint stock company, or a government or any agency or political subdivision thereof or other entity of any kind.

1.36 "Prime Rate" shall mean the per annum interest rate established by Agent as its prime rate for its borrowers as such rate may vary from time to time, which rate is not necessarily the lowest rate on loans made by Agent at any such time.

1.37 "Prime-based Advance" shall mean an Advance which bears interest at the Prime-based Rate.

1.38 "Prime-based Rate" shall mean that rate of interest which is the greater of (a) the Prime Rate or (b) the Alternate Base Rate, plus the Applicable Margin, subject to adjustment in each case, if applicable, under Section 4.8 hereof.

1.39 "Prior Banks" shall mean the Banks other than the New Banks.

1.40 "Prior Roederstein Loan Agreement" shall mean that certain Roederstein 104,315,990.20 Term Loan Agreement dated as of January 29, 1994 among Company, Vishay, the Prior Banks and Agent, as amended.

1.41 "Rating Level" shall mean Rating Level 1, 2, 3 or 4 as then in effect hereunder.

1.42 "Rating Level 1" shall mean an S & P rating of BBB+ (or higher) and a Moody's rating of Baa1 (or higher quality).

1.43 "Rating Level 2" shall mean an S & P rating of BBB (or higher) and a Moody's rating of Baa2 (or higher quality).

1.44 "Rating Level 3" shall mean an S & P rating of BBB- (or higher) and a Moody's rating of Baa3 (or higher quality).

1.45 "Rating Level 4" shall mean the rating level (if any) which exists whenever the Company does not qualify for Rating Level 1, Rating Level 2 or Rating Level 3.

1.46 "Roederstein" shall mean Roederstein Spezialfabriken fur Bauelemente der Elektronik und Kondensatoren der Starkstromtechnik GmbH.

1.47 "Roederstein Acquisition" shall mean the acquisition by Company, and/or by Vishay (subject to the terms hereof), of the entire remaining share capital of Roederstein or of substantially all of the domestic and foreign assets of Roederstein (including foreign subsidiaries).

1.48 "S & P Rating" shall mean the rating by Standard & Poor's Corporation (or any successor thereto) of Company's long-term, senior unsecured debt.

1.49 "Shares", "share capital", "capital stock", "stock" and words of similar import shall mean and refer to the equity capital interest under applicable law of any Person in a corporation, howsoever such interest is created or arises, whether such capital consists of common, preferred or preference shares or other stock, and whether such capital is evidenced by a certificate, share register entry or otherwise.

1.50 "Target Company" shall mean Vitramon, Incorporated, a Delaware corporation.

1.51 "Target Company Acquisition" shall mean the acquisition by the Company, subject to the terms hereof, of all of the issued

and outstanding shares of stock of the Target Company for the price and on the terms set forth in the Purchase and Sale Agreement.

1.52 "Target Company Loan Agreement" shall mean that certain \$200,000,000 Target Company Loan Agreement dated as of the date hereof among Vishay, the Banks and Agent, as amended from time to time.

1.53 "Target Company Loan Documents" shall mean the Target Company Loan Agreement, and all notes and other loan documents executed by Vishay or any of its Subsidiaries pursuant to or in connection with the Target Company Loan Agreement, as such documents may be amended from time to time.

1.54 "Term Loan" shall mean the term loan in the amount of One Hundred Four Million Three Hundred Fifteen Thousand Nine Hundred Ninety and 20/100 Deutsche Marks (DM 104,315,990.20) to be advanced by the Banks to Company pursuant to Section 2.1 hereof.

1.55 "Term Loan Maturity Date" shall mean December 31, 1997.

1.56 "Term Loan Rate Request" shall mean a rate selection request issued by Company pursuant to Section 3.1 hereof in the form attached as Exhibit "B".

1.57 "Term Notes" shall mean the term notes described in Section 2.1 hereof, and made by Company to each of the Banks in the form attached hereto as Exhibit "A".

1.58 "Vishay" shall mean Vishay Intertechnology, Inc., a Delaware corporation.

1.59 "Vishay Loan Agreement" shall mean that certain Amended and Restated Vishay Intertechnology, Inc. \$302,500,000 Revolving Credit and Term Loan Agreement dated as of the date hereof among Vishay, Agent and the Banks, as amended from time to time.

Unless otherwise defined herein, all capitalized terms used herein shall have the meanings set forth in the Vishay Loan Agreement.

2. THE INDEBTEDNESS: TERM LOAN

2.1 Commitment. Subject to the terms and conditions of this Agreement, each Bank, severally and for itself alone, agrees to loan to Company, and Company agrees to borrow from each Bank, in a single advance of Deutsche Marks, concurrently with the execution and delivery of this Agreement, an amount equal to each Bank's respective Percentage of One Hundred Four Million Three Hundred Fifteen Thousand Nine Hundred Ninety and 20/100 Deutsche Marks (DM 104,315,990.20).

Concurrently with the execution and delivery of this Agreement, Company agrees to issue a separate Term Note to each Bank, in the form attached hereto as Exhibit A, with appropriate insertions (acceptable to Banks in form and substance) and in the face amount of each Bank's respective Percentage of the Term Loan hereunder.

2.2 Scheduled Repayment of Term Loan. The principal indebtedness represented by the Term Loan shall be repaid in Deutsche Marks (unless the Term Loan has been converted to Dollars pursuant to Section 3.4 hereof, in which event said Indebtedness shall be paid in Dollars). Scheduled principal payments shall be required under the Term Loan, irrespective of and in addition to any principal payments based on Excess Cash Flow, or any optional prepayments, on the following dates and in the following amounts:

- (a) on or before December 31, 1994, DM 18,700,000;
- (b) on or before December 31, 1995, DM 34,100,000;
- (c) on or before December 31, 1996, DM 37,000,000; and
- (d) on or before December 31, 1997, the entire remaining unpaid principal balance of such Indebtedness and accrued interest and other sums thereon shall be due and payable in full;

provided however that during any of the foregoing periods in which the Indebtedness under the Term Loan is carried in Dollars in accordance with Section 3.4 hereof, the amount of each scheduled payment of principal on such Term Notes shall be payable in that amount of Dollars which is equivalent to the stated principal amount of such payment at the most favorable spot exchange rate determined by the Agent to be available to it for the sale of Dollars for Deutsche Marks at approximately 11:00 a.m. (Detroit time) two (2) Business Days prior to the relevant payment date. There shall be no readvance or reborrowing of any principal reductions of the Term Loan under Sections 2.2, 2.3, 2.8 or elsewhere hereunder.

2.3 Excess Cash Flow Recapture. The Term Loan shall be subject to additional required principal reductions in the Dollar Amount of fifty percent (50%) of Excess Cash Flow, to be applied against the balances outstanding in Deutsche Marks and Dollars under this Agreement (pro rata, based on the respective amounts thereof then outstanding hereunder), payable only if the Term Loan under the Vishay Loan Agreement has been paid and discharged in full on or before the applicable dates set forth below (and only to the extent that fifty percent (50%) of Excess Cash Flow for the applicable fiscal year has not been applied to reduce the Term Loan under the Vishay Loan Agreement in respect of such fiscal year) or if the Company has elected the Fixed Rate as the Applicable

Interest Rate for such Term Loan under Section 3.1 thereof, as follows:

(a) in respect of calendar years 1994 and 1995, on the earlier of (i) the date of Vishay's delivery of the financial statements for such calendar years under Section 7.3(b) of the Vishay Loan Agreement or (ii) May 31st of the applicable fiscal year; and

(b) in respect of calendar year 1996, on the earlier of (i) the date of Vishay's delivery of financial statements for calendar year 1996 under Section 7.3(b) of the Vishay Loan Agreement or (ii) May 31, 1997; provided, however, that the entire balance of the Term Loan shall be due and payable on the Term Loan Maturity Date.

Principal reductions based on Excess Cash Flow shall be in addition to other required principal repayments hereunder, or any optional prepayments made prior thereto, shall be made in Deutsche Marks or Dollars, as applicable, and shall be applied against principal installments due hereunder in the inverse order of their maturity.

2.4 Accrual of Interest; Interest Payments. The unpaid principal Indebtedness from time to time outstanding hereunder shall, from the date of the issuance of the Term Notes (until paid), bear interest at the Applicable Interest Rates, as selected by Company pursuant to Sections 3.1 and 3.2 hereof. The amount and date of the extension of the Term Loan, any Advances thereof, the Applicable Interest Rates and the amount of interest accruing thereon and Interest Periods for Advances, and the amount and date of any repayments, shall be noted on Agent's records, which records shall be conclusive evidence thereof, absent manifest error. All accrued and unpaid interest on the Indebtedness from time to time outstanding under the Term Loan, shall be due and payable in full, in immediately available funds, (a) whenever a Deutsche Mark-based Rate shall be then in effect, (i) on the last day of each applicable Interest Period and, (ii) if such Interest Period is longer than 3 months, at intervals of 3 months, after the first day of the Interest Period, and (b) in the case of Prime-based Advances, on the last day of each calendar quarter and on the date of any conversion to a Deutsche Mark-based Advance, until the Term Loan Maturity Date, when the entire Indebtedness, including all accrued interest, shall be due and payable in full.

2.5 Prime-based Rate Applicability and Interest Payments. In the event that, pursuant to Section 3.4 hereof, or any other applicable provision of this Agreement, the Indebtedness outstanding under the Term Loan shall be converted to an Advance of Dollars as a Prime-based Advance, thereafter interest on the unpaid balance of Indebtedness evidenced by the Term Loan shall accrue from the date of such Advance to the Term Loan Maturity Date (or until paid, or reconverted to a Deutsche Mark-based Advance in

accordance with Section 3.6 hereof), at a per annum interest rate equal to the Prime-based Rate, and shall be payable in immediately available funds quarterly commencing on the last day of the calendar quarter coinciding with or next following the date of such conversion and on the last day of each calendar quarter thereafter, until the Term Loan Maturity Date.

2.6 Interest Calculation. Interest accruing under the Term Notes at a Deutsche Mark-based Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed from the first day of the Interest Period applicable thereto, to, but not including the last day thereof. Interest accruing at the Prime-based Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed, and in such computation effect shall be given to any change in the interest rate resulting from a change in the Prime-based Rate on the date of such change in the Prime-based Rate. Interest accruing under the Term Loan shall be repaid in Deutsche Marks, unless the Indebtedness outstanding under such notes has been converted to an Advance of Dollars as a Prime-based Advance, in which event said interest shall be repaid in Dollars.

2.7 Interest on Default. In the event and so long as any Event of Default shall exist under any Term Note or any Event of Default shall exist under this Agreement, interest shall be payable daily on the principal balance of the Indebtedness then outstanding at a per annum rate equal to the Applicable Interest Rate plus three percent (3%) for the remainder of the then-existing Interest Period, if any, and, at all other times, with respect to any principal Indebtedness hereunder denominated in Dollars, at a per annum rate equal to the Prime-based Rate plus three percent (3%), and, with respect to any principal Indebtedness hereunder denominated in Deutsche Marks, (a) at a per annum rate calculated by the Agent, whose determination shall be conclusive absent manifest error, on a daily basis, equal to three percent (3%) above the interest rate per annum at which one (1) day (or, if such amount due remains unpaid for more than three (3) Business Days, then for such other period of time as the Agent may elect which shall in no event be longer than six (6) months) deposits in Deutsche Marks in the amount of such overdue payment due to the Agent are offered by the Agent's Eurocurrency Lending Office for the applicable period determined as provided above, or (b) if at any such time such deposits are not offered by the Agent's Eurocurrency Lending Office, then at a rate per annum equal to three percent (3%) above the rate determined by the Agent to be its aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance) of carrying the amount (in Deutsche Marks) of the Indebtedness then outstanding.

2.8 Prepayment.

(a) Company may, upon four (4) Business Days prior written notice to Agent, prepay all or any part of the outstanding balance of the Term Loan without premium or penalty, provided that (i) if the Deutsche Mark-based Rate is then in effect, any such prepayment shall be made only on the last day of any Interest Period, (ii) the amount of any partial prepayment shall be at least One Million Deutsche Marks (DM 1,000,000) (if the Term Loan is then denominated in Deutsche Marks) and One Million Dollars (\$1,000,000) (if the Term Loan is then denominated in Dollars), and (iii) if any such prepayment would otherwise reduce the principal balance of the Term Loan to an amount less than Five Million Deutsche Marks (DM 5,000,000) (if then denominated in Deutsche Marks) or Two Million Dollars (\$2,000,000) (if the Term Loan is then denominated in Dollars), such prepayment shall include the entire remaining balance of the Term Loan, as applicable.

(b) Any prepayments made in accordance with this Section 2.9 (i) shall be without premium or penalty, but there shall be no reborrowing of such prepaid amounts and (ii) shall be applied to the principal installments then outstanding under this Agreement in the inverse order of their maturities, and shall not affect the periodic or other payments of principal required hereunder.

2.10 Term Loan as Renewal. The Term Notes issued by Company shall constitute renewal and replacement evidence of all present Indebtedness of Company for the Term Loan outstanding under the Prior Roederstein Loan Agreement as of the date hereof.

3. SELECTION OF INTEREST RATES AND PERIODS; CONVERSION AND RECONVERSION OF TERM LOAN

3.1 Term Loan Rate Requests, Refundings and Conversions. So long as the Deutsche Mark-based Rate is in effect hereunder, Company may refund any Advance of the Indebtedness outstanding under the Term Loan as a Deutsche Mark-based Advance with a like Interest Period, or convert such Indebtedness to a Deutsche Mark-based Advance with another Interest Period, only after delivery to Agent of a Term Loan Rate Request executed by an authorized officer of Company or Vishay, as applicable, subject to the following and to the other provisions of this Agreement:

(a) each such Term Loan Rate Request shall set forth the information required on the Term Loan Rate Request form annexed hereto as Exhibit "B", including, without limitation, the proposed date of Advance, which must be the day following the last day of the then ending Interest Period, the Applicable Interest Rate and Interest Period applicable to the requested Advance;

(b) each such Term Loan Rate Request shall be delivered to Agent by 12 noon (Detroit time) four (4) Business Days prior to the proposed date of the refunding or conversion;

(c) No Advance may be requested with an Interest Period ending after the Term Loan Maturity Date;

(d) the principal amount of such Advance, plus the amount of any other outstanding Indebtedness evidenced by the Term Notes to be then combined therewith having the same Applicable Interest Rate and Interest Period, if any, shall be not less than Five Million Deutsche Marks (DM 5,000,000) or Two Million Dollars (\$2,000,000), as applicable, unless the balance remaining outstanding on the Term Loan is less than such amount, then such lesser amount shall govern;

(e) at any one time, there shall not be in effect more than one (1) Applicable Interest Rate and, if applicable, two (2) Interest Periods for the Term Loan; and

(f) a Term Loan Rate Request, once delivered to Agent, shall not be revocable by Company.

3.2 Interest Period Selection. Company shall have the option of selecting, subject to the provisions hereof, among one (1), two (2), three (3) or six (6) months as the term of each Deutsche Mark Interest Period. There may be in effect at any one time no more than one (1) Applicable Interest Rate and, if applicable, two (2) Interest Periods for the balance outstanding under the Term Loan. Notwithstanding any provision hereof to the contrary, Company shall be required to select Interest Periods for a sufficient amount of the Term Loan, so that at least one (1) Interest Period shall end on the date of each scheduled principal payment due thereon while the Term Loan is outstanding (including without limitation, the scheduled maturity date of the Term Loan), or, in the case of any Advance funded in Dollars, outstanding as a Prime-based Advance, thereby permitting the Company to make the required principal payments under Section 2.2 hereof. In the event the Company shall fail with respect to any Advance to timely exercise its option to refund or convert such Advance in accordance with this Section 3.2 (and Agent has not received payment in full on the last day of the Interest Period applicable thereto), or, subject to Section 2.9 hereof, if on last day of an applicable Interest Period an Event of Default or event which with the giving of notice or the passage of time, or both, would constitute an Event of Default shall have occurred and be continuing, the principal amount of such Advance which has not been prepaid shall:

(a) in the case of any Advance denominated in Dollars, be automatically converted to a Prime-based Advance; and

(b) in the case of any Advance denominated in Deutsche Marks, the next Interest Period shall be fixed by the Agent for the same period as the Interest Period then in effect, or, if applicable, the Term Loan Maturity Date, whichever is the shorter period, provided that Company will indemnify Agent and each of the Banks against any loss or expense incurred by them (or any of them) pursuant to Section 4 hereof.

Each selection of an Interest Period, and the amount and date of any repayment shall be noted on Agent's records, which records will be conclusive evidence thereof, absent manifest error.

3.3 Limited Availability. Notwithstanding the selection of an Interest Period under Sections 3.1 and 3.2 hereof, if prior to the last day of any Interest Period, Agent or the Banks (after consultation with Agent) shall determine that deposits of Deutsche Marks will not be available to Agent or the Banks in the amounts and for the terms necessary to carry the outstanding principal indebtedness of the Advance subject to such Interest Period for the next applicable Interest Period, then Agent shall so notify Company and, subject to the terms hereof, Company shall immediately select another next Interest Period to be applicable as the next Interest Period.

3.4 Unavailability. If, prior to the last day of any Interest Period, Agent or the Banks (after consultation with Agent) shall determine that by reason of circumstances affecting the foreign exchange and interbank markets, generally, or for any of the reasons set forth in Sections 4.3 or 4.4 hereof, deposits of Deutsche Marks will not be available to Agent and the Banks as of the last day of an applicable Interest Period in the amounts necessary to carry the outstanding principal of the Advances subject to such ending Interest Period in Deutsche Marks for any Interest Period, Agent shall notify the Company and such Advances shall then be automatically converted to and carried in Dollars, in the Dollar Amount of the Indebtedness then outstanding, and shall bear interest at the Prime-based Rate, until the first day of the next Interest Period, if any, selected pursuant to Section 3.5 hereof.

3.5 Reconversion to Deutsche Mark-based Rate on Re-availability. In the event that, after a conversion of Indebtedness to Dollars pursuant to Section 3.4 hereof, Agent determines that deposits of Deutsche Marks are again available to Agent and the Banks in the amounts necessary to carry the principal Indebtedness under the Term Loan in Deutsche Marks for any Interest Period, Agent shall notify Company of the Interest Period(s) for which such deposits in Deutsche Marks are available and Company shall immediately select the next Interest Period from among such available Interest Periods, in accordance with Sections 3.1 and 3.2 hereof, and the Indebtedness previously converted from Deutsche

Marks to Dollars under Section 3.4 hereof shall be reconverted to Deutsche Marks (in the amount of the Deutsche Mark Equivalent of such Indebtedness), all in accordance with and subject to Section 3.6 hereof, below.

3.6 Repayment on Reconversion. In the event that the currency in which Indebtedness is being carried is required to be changed from Dollars to Deutsche Marks under Section 3.5 hereof, as aforesaid, and if the Deutsche Mark Equivalent of the principal amount of the Indebtedness under the Term Loan outstanding upon such reconversion shall exceed the Deutsche Mark Principal Limit, then concurrently with such reconversion, Company shall pay to Agent in immediately available funds, for the ratable benefit of the Banks, an amount in Deutsche Marks sufficient to reduce the then outstanding principal amount of the Term Loan to an amount not greater than the Deutsche Mark Principal Limit.

3.7 Interest Payments on Conversions and Reconversions. Notwithstanding anything to the contrary in the preceding Sections, all accrued and unpaid interest on any Indebtedness converted or reconverted pursuant to the foregoing Sections or otherwise, shall be due and payable in full on the date of such conversion or reconversion.

4. CHANGES IN LAW OR CIRCUMSTANCES; INCREASED COSTS; MARGIN ADJUSTMENTS; SPECIAL LIMITATION

4.1 Reimbursement of Prepayment Costs. As to any Deutsche Mark-based Advance, if any prepayment thereof shall occur on any day other than the last day of an Interest Period, whether pursuant to this Agreement or by acceleration, or otherwise, or if the rate applicable to such Advance shall be changed during any Interest Period pursuant to this Agreement, or if, after requesting the refunding or conversion of outstanding Indebtedness hereunder, but prior to the refunding or conversion thereof, Company is no longer entitled to the refunding or conversion requested hereunder, Company shall reimburse Banks on demand for any costs incurred by Banks as a result of the timing thereof, including but not limited to any net costs incurred in liquidating or employing deposits from third parties. Each Bank demanding reimbursement under this Section 4.1 shall deliver to Company a certificate setting forth the basis for determining such costs, which certificate shall be conclusively presumed correct save for manifest error.

4.2 Agent's Eurocurrency Lending Office. For any Advance to which a Deutsche Mark-based Rate is applicable, Agent (if Agent shall designate a Eurocurrency Lending Office which maintains books separate from those of the rest of Agent), and each of the Banks shall have the option of maintaining and carrying such Advance on the books of its applicable Eurocurrency Lending Office.

4.3 Circumstances Affecting Deutsche Mark-based Rate Availability. If with respect to any Interest Period Agent or the Banks (after consultation with Agent) shall determine that, by reason of circumstances affecting the foreign exchange and interbank markets generally, deposits in Eurodollars or in Deutsche Marks, as the case may be, in the applicable amounts are not being offered to the Agent for such Interest Period, (a) the obligation of Banks to make the applicable Deutsche Mark-based Advances, and the right of Company to convert an Advance to or refund an Advance as a Deutsche Mark-based Advance, shall be suspended, and (b) the Company, shall, to the extent it is able to do so hereunder, convert said Advance to another type of Advance, or, if unable to do so, shall repay in full (or cause to be repaid in full) the then outstanding principal amount of each such Deutsche Mark-based Advance covered hereby in Deutsche Marks, together with accrued interest thereon, together with any amounts payable under Section 4.6, hereof, and all other amounts payable hereunder on the last day of the then current Interest Period applicable to such Advance.

4.4 Laws Affecting Deutsche Mark-based Advance Availability. If, after the date hereof, the introduction of, or any change in, any applicable law, rule or regulation or in the interpretation or administration thereof by any governmental authority charged with the interpretation or administration thereof, or compliance by any of the Banks (or any of their respective Eurocurrency Lending Offices) with any request or directive (whether or not having the force of law) of any such authority, shall make it unlawful or impossible for any of the Banks (or any of their respective Eurocurrency Lending Offices) to honor its obligations hereunder to make or maintain any Advance with interest at the Deutsche Mark-based Rate, or in Deutsche Marks, such Bank shall forthwith give notice thereof to Company and to Agent. Thereafter, the obligations of Banks to make Deutsche Mark-based Advances or Advances in Deutsche Marks and the right of Company to convert an Advance or refund an Advance as a Deutsche Mark-based Advance or as an Advance carried in Deutsche Marks, shall be suspended and Advances at the Deutsche Mark based-Rate or carried in Deutsche Marks shall immediately be converted in the manner set forth under Section 3.4 hereof. If any of the Banks may not lawfully continue to maintain an Advance to the end of the then current Interest Period applicable thereto as an Advance in Deutsche Marks or at the Deutsche Mark-based Rate, the applicable Advance shall immediately be converted to a Prime-based Advance (in the Dollar Amount thereof) in the manner set forth under Section 3.5 hereof and the Prime-based Rate shall be applicable thereto for the remainder of such Interest Period. For purposes of this Section, a change in law, rule, regulation, interpretation or administration shall include, without limitation, any change made or which becomes effective on the basis of a law, rule, regulation, interpretation or administration presently in force, the effective date of which change is delayed by the terms of such law, rule, regulation, interpretation or administration.

4.5 Increased Cost of Deutsche Mark-based Advances. If the adoption after the date hereof, or any change after the date hereof in, any applicable law, rule or regulation of any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by Agent or any of the Banks (or any of their respective Eurocurrency Lending Offices) with any request or directive (whether or not having the force of law) made by any such authority, central bank or comparable agency after the date hereof:

(a) shall subject any of the Banks (or any of their respective Eurocurrency Lending Offices) to any tax, duty or other charge with respect to the Indebtedness hereunder, or any portion thereof, or shall change the basis of taxation of payments to any of the Banks (or any of their respective Eurocurrency Lending Offices) of the principal of or interest on the Indebtedness hereunder, or any portion thereof, or any other amounts due under this Agreement in respect thereof (except for changes in the rate of tax on, or measured by, the overall net income of any of the Banks or any of their respective Eurocurrency Lending Offices imposed by the jurisdiction in which such Bank's principal executive office or Eurocurrency Lending Office is located); or

(b) shall impose, modify or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System), special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by any of the Banks (or any of their respective Eurocurrency Lending Offices) or shall impose on any of the Banks (or any of their respective Eurocurrency Lending Offices) or the foreign exchange and interbank markets any other condition affecting the Indebtedness hereunder, or any portion thereof;

and the result of any of the foregoing is to increase the costs to any of the Banks of maintaining any part of the Indebtedness hereunder as an Advance in Deutsche Marks or to reduce the amount of any sum received or receivable by any of the Banks under this Agreement, then such Bank shall promptly notify Agent, and Agent shall promptly notify Company of such fact and demand compensation therefor and, within fifteen (15) days after such notice by Agent and/or Company, as applicable, agree to pay to such Bank such additional amount or amounts as will compensate such Bank or Banks for such increased cost or reduction. Agent will promptly notify Company of any event of which it has knowledge which will entitle Banks to compensation pursuant to this Section, or which will cause the Company to incur additional liability under Section 5.1(d) hereof, provided that Agent shall incur no liability whatsoever to the Banks or Company in the event it fails to do so. A certificate of Agent setting forth the basis for determining such additional amount or amounts necessary to compensate such Bank or Banks shall

be conclusively presumed to be correct save for manifest error. For purposes of this Section, a change in law, rule, regulation, interpretation, administration, request or directive shall include, without limitation, any change made or which becomes effective on the basis of a law, rule, regulation, interpretation, administration, request or directive presently in force, the effective date of which change is delayed by the terms of such law, rule, regulation, interpretation, administration, request or directive.

4.6 Indemnity. The Company will indemnify Agent and each of the Banks against any loss or expense which may arise or be attributable to the Agent's and each Bank's obtaining, liquidating or employing deposits or other funds acquired to effect, fund or maintain the Indebtedness hereunder, or any portion thereof, (a) as a consequence of any failure by the Company to make any payment when due of any amount due hereunder, (b) due to any failure of the Company to specify an Interest Period or (c) due to any payment or prepayment of the Indebtedness or any portion thereof (unless the Prime-based rate is then in effect) on a date other than the last day of the Interest Period. Such loss or expense shall be calculated based upon the present value, as applicable, of payments due from the Company with respect to the deposits obtained by the Agent or any of the Banks in order to fund the Indebtedness or any portion thereof. The Agent's and each Bank's (as applicable) calculations of any such loss or expense shall be furnished to the Company and shall be conclusive, absent manifest error.

4.7 Judgment Currency. The obligation of the Company to make payments of the principal of and interest on the Term Notes and any other amounts payable hereunder in the currency specified for such payment herein or in the Term Notes shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment, which is expressed in or converted into any other currency, except to the extent that such tender or recovery shall result in the actual receipt by the Bank of the full amount of such currency expressed to be payable herein or in the Term Notes. The Agent shall, using all amounts obtained or received from the Company pursuant to such tender or recovery in payment of principal of and interest on the Term Notes, promptly purchase the specified currency, as aforesaid, at the most favorable spot exchange rate determined by the Agent to be available to it. The respective obligations of the Company to make payments in the specified currency shall be enforceable as an alternative or additional cause of action solely for the purpose of recovering the amount, if any, by which such actual receipt shall fall short of the full amount of the currency expressed to be payable herein or in the Term Notes.

4.8 Margin Adjustments. Adjustments to the Applicable Margin, based on Schedule 4.8, shall be implemented on a quarterly basis as follows:

(a) Such margin adjustments shall be given prospective effect only, effective (A) as to all Prime-based Advances outstanding hereunder, immediately upon required date of delivery of the financial statements required to be delivered under Section 7.3(b) and 7.3(c) of the Vishay Loan Agreement establishing applicability of the appropriate adjustments, if any, or on the obtaining and/or any change in the Rating Level then in effect, as applicable and (B) as to each DM-based Advance outstanding hereunder, effective upon the expiration of the applicable Interest Period(s), if any, in effect on (x) the required date of delivery of the latest of such financial statements required to be delivered hereunder during such Interest Period(s) or (y) the date of the obtaining and/or any change in the Rating Level in effect hereunder, as applicable, in each case with no retroactivity or claw-back.

(ii) With respect to DM-based Advances outstanding hereunder, an adjustment hereunder, after becoming effective, shall remain in effect only through the end of the applicable Interest Period(s) for such DM-based Advances if any; provided, however, that upon the delivery of quarterly financial statements demonstrating any change in the Leverage Ratio or the obtaining and/or change in the Rating Level then in effect, as aforesaid, or the occurrence of any other event which under the terms hereof causes such adjustment no longer to be applicable, then any such subsequent adjustment or no adjustment, as the case may be, shall be effective (and said pricing shall thereby be adjusted up or down, as applicable), with the commencement of each Interest Period following such change or event, all in accordance with the preceding subparagraph.

4.9 HLT Determination. In the event at any time (whether before or after the funding of the Acquisition Loans) of an HLT Determination, the Agent, the Banks and the Company shall commence negotiations in good faith to agree upon whether and, if so, the extent to which fees, interest rates and/or margins hereunder should be increased so as to reflect such HLT Determination and to compensate the Banks and Agent for additional costs, expenses and/or fees which result from or are associated with any such HLT Determination, including without limitation any costs resulting from any requirement that additional capital be allocated to the Indebtedness, or any portion thereof. If Company and the Majority Banks agree that fees, interest rates and/or margins should be increased, and agree on the amount of such increase or increases, this Agreement may be amended to give effect to such increase or increases as provided in Section 12.11 hereof. If Company and Majority Banks fail to agree on whether and, if so, the extent to which fees, interest rates and/or margins hereunder should be increased within 60 days after notice to Company of an HLT Determination as herein provided, then (i) the Agent shall, if

requested by the Majority Banks, by written notice to the Company terminate the commitments of the Banks to fund and/or maintain Advances of the Revolving Credit under the DM Loan Agreement and under the Vishay Loan Agreement, and if still outstanding, any commitment to fund Advances of the Acquisition Loans, and such commitments shall thereupon terminate, (ii) Company shall be obligated to repay all outstanding Indebtedness at the end of the Interest Period applicable thereto and (iii) the Company may, at its option, on at least ten Business Days' written notice to the Agent (which shall promptly notify the Banks thereof) prepay all Indebtedness outstanding hereunder and under the other Loan Agreements by paying the aggregate principal amount thereof, together, with all accrued interest thereon to the date of prepayment; provided that, if the Company prepays any fixed rate loans or Advances carried at the Deutsche Mark-based Rate, or any comparable rate, pursuant to this Section 4.9, Company shall compensate the Banks for any resulting funding losses as provided in Section 4.1 hereof. Subject to compliance by Company with this Section 4.9, the Banks acknowledge that an HLT Determination shall not constitute a Default or an Event of Default hereunder.

4.10 Special Limitation. In the event, as a result of increases in the value of Deutsche Marks and/or any of the Alternative Currencies against the Dollar (taking into account the Current Dollar Equivalent of the Indebtedness outstanding from time to time under the Vishay Loan Agreement, the DM Loan Agreement and any Indebtedness required to be aggregated under 12 USCA 84, as amended, the regulations promulgated thereunder, or other, similar applicable law) or for any other reason, the obligation of any of the Banks to advance additional funds hereunder or under any of the other Loan Agreements is determined by such Bank to exceed its then applicable legal lending limit under 12 USCA 84, as amended, and the regulations promulgated thereunder, or other, similar applicable laws, the amount of additional funds which such Bank shall be obligated to advance hereunder shall immediately be reduced to the maximum amount which such Bank may legally advance (as determined by such Bank) and the obligation of each of the remaining Banks hereunder shall be proportionately reduced, based on the applicable Percentages, and, to the extent necessary under such laws and regulations (as determined by each of the Banks, with respect to the applicability of such laws and regulations to itself), the Company shall reduce, or cause to be reduced, complying to the extent practicable with the remaining provisions hereof, the Indebtedness outstanding hereunder or under any of the other Loan Agreements by an amount sufficient to comply with such maximum amounts. Upon any such reduction in the obligations of the Banks under this Section 4.10, Company shall have the right, subject to the terms and conditions of this Agreement (but subsequent to Company's compliance with its obligation to reduce the Indebtedness outstanding hereunder), to add to the Banks providing financing hereunder a bank reasonably acceptable to the

Agent for the purpose of restoring the shortfall created by the reduction in such obligations of the Banks.

5. PAYMENTS, RECOVERIES AND COLLECTIONS

5.1 Payment Procedure.

(a) All payments by the Company of principal of, or interest on, the Term Notes, or of any other amount due hereunder, shall be made without setoff or counterclaim on the date specified for payment under this Agreement and, (if the Term Loan is then denominated in Deutsche Marks), shall be made by the Company in Deutsche Marks in immediately available funds for the account of Agent's Eurocurrency Lending Office, at the Agent's Correspondent, for the ratable account of the Banks, not later than 11:00 a.m. (local time of the Agent's Correspondent); provided, however, that subsequent to any conversion of the Indebtedness hereunder from Deutsche Marks to Dollars pursuant to Section 3.4 hereof, such payments shall be made not later than 11:00 a.m. (Detroit time) in Dollars in immediately available funds to Agent, for the ratable account of the Banks, at Agent's office located at Comerica Bank Building, One Detroit Center, 500 Woodward Avenue, Detroit, Michigan 48275 until reconversion of the Indebtedness hereunder from Dollar to Deutsche Marks pursuant to Section 3.5 hereof. Upon receipt of each such payment, the Agent shall make prompt payment to each Bank, or such Bank's Eurocurrency Lending Office (as directed by such Bank), in like funds and currencies, of all amounts received by it for the account of such Bank.

(b) Unless the Agent shall have been notified by the Company prior to the date on which any payment to be made pursuant to the terms hereof is due that the Company does not intend to remit such payment, the Agent may, in its discretion, assume that such payment has been remitted when so due and the Agent may, in reliance upon such assumption, make available to each Bank on such payment date an amount equal to such Bank's share of such assumed payment. If the Company has not in fact remitted such payment to the Agent, each Bank shall forthwith on demand repay to the Agent in the applicable currency the amount of such assumed payment made available to such Bank, together with the interest thereon, in respect of each day from and including the date such amount was made available by the Agent to such Bank to the date such amount is repaid to the Agent at a rate per annum equal to (i) with respect to Deutsche Mark-based Advances, Agent's aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance and of any fees, penalties, overdraft charges or other costs or expenses incurred by Agent) of carrying such amount, and (ii) with respect to Indebtedness which has been converted to a Prime-based Advance

pursuant to Section 3.4 hereof, the federal funds rate (daily average), as the same may vary from time to time.

(c) Whenever any payment of principal of, or interest on, a Deutsche Mark-based Advance shall be due on a day which is not a Business Day the date of payment thereof shall be extended to the next succeeding Business Day, unless as a result thereof it would fall in the next calendar month, in which case it shall be shortened to the next preceding Business Day and, in the case of a payment of principal, interest thereon shall be payable for such extended or shortened time, if any. Whenever any payment to be made hereunder of principal of, or interest on, a Prime-based Advance shall otherwise be due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing interest, if any, in connection with such payment.

(d) All payments to be made by the Company under this Agreement shall be made without set-off or counterclaim, as aforesaid, and without deduction for or on account of any present or future withholding or other taxes of any nature imposed by any governmental authority or of any political subdivision thereof or any federation or organization of which such governmental authority may at the time of payment be a member, unless the Company is compelled by law to make payment subject to such tax. In such event, the Company shall:

- (i) pay to the Agent for Agent's own account and/or (as the case may be) for the account of the Banks such additional amounts as may be necessary to ensure that the Agent and/or such Banks receive a net amount in Deutsche Marks or Dollars, as the case may be, equal to the full amount which would have been receivable had payment not been made subject to such tax; and
- (ii) remit such tax to the relevant taxing authorities according to applicable law and send to the Agent such certificates or certified copy receipts as the Agent shall reasonably require as proof of the payment by Vishay or the Company of any such taxes payable by Vishay or the Company.

As used herein, the terms "tax", "taxes" and "taxation" include all existing taxes, levies, imposts, duties, charges, fees, deductions and withholdings and any restrictions or conditions resulting in a charge together with interest thereon and fines and penalties with respect thereto which may be imposed by reason of

any violation or default with respect to the law regarding such tax, assessed as a result of or in connection with the transactions in Deutsche Marks hereunder, or the payment and or receipt of funds in Deutsche Marks or the payment or delivery of funds into or out of any jurisdiction other than the United States (whether assessed against Vishay, Company, Agent or any of the Banks).

5.2 Application of Proceeds of Collateral. Notwithstanding anything to the contrary in this Agreement, upon the occurrence and during the continuance of an Event of Default, any offsets or voluntary payments by the Company, or others and any other sums received or collected in respect of the Indebtedness, shall be applied, first, to the Notes pro rata, based on the aggregate Indebtedness then outstanding thereunder (or in such other order and manner as determined by all of the Banks), next, to any other Indebtedness on a pro rata basis (as aforesaid), and then, if there is any excess, to Company.

5.3 Pro rata Recovery. If any Bank shall obtain any payment or other recovery (whether voluntary, involuntary, by application of offset or otherwise) on account of principal of, or interest on, any of the Term Notes in excess of its pro rata share of payments then or thereafter obtained by all Banks upon principal of and interest on all Term Notes, such Bank shall purchase from the other Banks such participation in the Term Notes held by them as shall be necessary to cause such purchasing Bank to share the excess payment or other recovery ratably in accordance with the Percentage with each of them; provided, however, that if all or any portion of the excess payment or other recovery is thereafter recovered from such purchasing holder, the purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

5.4 Deposits and Accounts. In addition to and not in limitation of any rights of any Bank or other holder of any Term Note under applicable law, each Bank and each other such holder shall, upon acceleration of the Indebtedness under the Term Notes and without notice or demand of any kind, have the right to appropriate and apply to the payment of the Term Notes owing to it (whether or not then due) any and all balances, credits, deposits, accounts or moneys of Vishay or Company then or thereafter with such Bank or other holder; provided, however, that any such amount so applied by any Bank or other holder on any of the Term Notes owing to it shall be subject to the provisions of Section 5.3.

6. CONDITIONS.

The obligations of Banks to make Advances of the Term Loan pursuant to this Agreement are subject to the following conditions:

6.1 Vishay Loan Agreement. All of the conditions required to be satisfied for the making of Advances under the Vishay Loan

Agreement (as defined therein) shall have been satisfied or waived in accordance with the terms and conditions thereof.

6.2 Vishay's Certificate. The Agent shall have received, with a signed counterpart for each Bank, a certificate of a responsible senior officer of Vishay, dated the date hereof, stating that the conditions referred to (with respect to the Vishay Loan Agreement) in Section 6.1, hereof, have been fully satisfied.

6.3 Payment of Agent's and Other Fees. Vishay or Company shall have paid to the Agent the Agent's Fees and all costs and expenses required hereunder.

6.4 Other Documents and Instruments. The Agent shall have received, with a photocopy for each Bank, the Roederstein Loan Documents, and all such instruments and documents shall be satisfactory in form and substance to the Majority Banks.

7. REPRESENTATIONS AND WARRANTIES

Company ratifies, confirms and, by reference thereto (as fully as though such matters were expressly set forth herein), represents and warrants with respect to itself and its Subsidiaries those matters set forth in Sections 6.1, 6.3 through 6.8, inclusive, 6.10, 6.12, 6.14, 6.15 through 6.21, inclusive, of the Vishay Loan Agreement and such representations and warranties of Company shall be deemed to be continuing representations and warranties during the life of this Agreement.

8. AFFIRMATIVE COVENANTS

Company covenants and agrees that it will, and, as applicable, will cause its Subsidiaries to, so long as any of the Banks is committed to make any Advances under this Agreement and thereafter so long as any Indebtedness remains outstanding under this Agreement:

8.1 Vishay Loan Agreement. Comply with the covenants set forth in Sections 7.1 through 7.3 and 7.9 through 7.15, inclusive, of the Vishay Loan Agreement, as fully as though the obligations set forth therein were expressly set forth herein as the obligations of the Company and its Subsidiaries.

8.2 Incorporation of Vishay Loan Agreement. To the full extent set forth in Sections 7, 8 and 9 hereof, and elsewhere herein, the provisions of the Vishay Loan Agreement are incorporated herein by reference and shall remain in full force and effect for the benefit of Agent and the Banks, notwithstanding any amendment, supplement or termination of the Vishay Loan Agreement after the date hereof. Any amendments to the representations, warranties, covenants or other provisions of the Vishay Loan Agreement incorporated by reference herein which are contained in

any future amendment or supplement thereto shall be deemed to run in favor of Agent and the Banks as additional rights and remedies, and not in derogation of the rights and remedies provided hereunder.

9. NEGATIVE COVENANTS

Company covenants and agrees that so long as any Indebtedness or any commitment to make Advances under this Agreement remains outstanding, it will not, and will not allow any of its Subsidiaries, without the prior written consent of Agent, to violate any of the covenants set forth in Sections 8.1 through 8.12, inclusive, of the Vishay Loan Agreement, as fully as though the obligations set forth therein were expressly set forth herein as the obligations of the Company and its Subsidiaries.

10. DEFAULTS

10.1 Events of Default. Any of the following events is an "Event of Default":

(a) non-payment of the principal or interest, when due, under any of the Term Notes issued hereunder in accordance with the terms thereof;

(b) default in the payment of any money by Company under this Agreement or any of the other Loan Documents or by Company under the DM Loan Agreement, or by Vishay or any of the Permitted Borrowers under the Vishay Loan Agreement or the Target Company Loan Agreement, other than, in each case, as set forth in subsection (a) above, within three (3) days of the date the same is due and payable;

(c) default in the observance or performance of any of the other conditions, covenants or agreements set forth in this Agreement (subject, in the case of any covenants incorporated by reference herein from the Vishay Loan Agreement, to any applicable grace periods provided thereunder) or any of the Loan Documents by any party thereto or the occurrence of any other default or Event of Default, as the case may be, hereunder or thereunder;

(d) any representation or warranty made by Company herein (subject, in the case of any representations and warranties incorporated by reference herein from the Vishay Loan Agreement, to any applicable grace periods provided thereunder) or in any instrument submitted pursuant hereto or by any other party to the Loan Documents proves untrue in any material adverse respect when made or deemed made;

(e) any provision of the Vishay Guaranty, the Domestic Guaranty or the Permitted Borrowers Guaranty shall at

any time for any reason (other than in accordance with its terms or the terms of this Agreement) cease to be valid and binding and enforceable against Vishay or the Significant Subsidiaries, as applicable, or the validity, binding effect or enforceability thereof shall be contested by any Person, or Vishay or any of the Significant Subsidiaries shall deny that it has any or further liability or obligation under the Vishay Guaranty, the Domestic Guaranty or the Permitted Borrowers Guaranty, as applicable, or the Vishay Guaranty, the Domestic Guaranty or the Permitted Borrowers Guaranty shall be terminated, invalidated or set aside or in any way cease to give or provide to the Banks and the Agent the benefits purported to be created thereby;

(f) default in the payment of any other obligation of Vishay, Company or their respective Subsidiaries for borrowed money in excess of One Million Dollars (\$1,000,000) (or the Alternative Currency equivalent thereof), individually or in the aggregate, resulting in acceleration thereof prior to its expressed maturity;

(g) the rendering of any judgment or judgments for the payment of money in excess of the sum of One Million Dollars (\$1,000,000) (or the Alternative Currency equivalent thereof) in the aggregate against Vishay, Company or any of their respective Subsidiaries and such judgments shall remain unpaid, unvacated, unbonded or unstayed by appeal or otherwise for a period of thirty (30) consecutive days, except as covered by adequate insurance with a reputable carrier and an action is pending in which an active defense is being made with respect thereto;

(h) if a creditors' committee shall have been appointed for the business of Company or any of its Subsidiaries; or if Company or any of its Subsidiaries shall have made a general assignment for the benefit of creditors or shall have been adjudicated bankrupt, or shall have filed a voluntary petition in bankruptcy or for reorganization or to effect a plan or arrangement with creditors or shall fail to pay its debts generally as such debts become due in the ordinary course of business (except as contested in good faith and for which adequate reserves are made in such party's financial statements) or otherwise sought protection or exercised any rights under other, similar laws in effect in any foreign jurisdiction; or shall file an answer to a creditor's petition or other petition filed against it, admitting the material allegations thereof for an adjudication in bankruptcy or for reorganization; or shall have applied for or permitted the appointment of a receiver or trustee or custodian for any of its property or assets; or such receiver, trustee or custodian shall have been appointed for any of its property or assets (otherwise than upon application or consent

of Company or any of its Subsidiaries) and such appointment has not been dismissed or stayed within thirty (30) days from the date of appointment or if an order for relief or otherwise approving any petition for reorganization of Company or any of its respective Subsidiaries shall be entered and shall not be dismissed or stayed within thirty (30) days from the date of entry thereof.

10.2 Exercise of Remedies. If an Event of Default has occurred and is continuing hereunder: (a) the Agent shall, at the direction of the Majority Banks, declare the entire unpaid principal Indebtedness, including the Term Notes, immediately due and payable, without presentment, notice or demand, all of which are hereby expressly waived by Vishay and Company; (b) upon occurrence of any Event of Default specified in subsection 10.1(h), above, and notwithstanding the lack of any declaration by Agent under preceding clause (a), the entire unpaid principal Indebtedness, including the Term Notes, shall become automatically due and payable unless such acceleration is delayed or waived by the Agent at the direction of the Banks; and (c) the Agent shall, if directed to do so by the Majority Banks or the Banks, as applicable (subject to the terms hereof), exercise any remedy permitted by this Agreement, the Loan Documents or law.

10.3 Rights Cumulative. No delay or failure of Agent and/or Banks in exercising any right, power or privilege hereunder shall affect such right, power or privilege, nor shall any single or partial exercise thereof preclude any further exercise thereof, or the exercise of any other power, right or privilege. The rights of Banks under this Agreement are cumulative and not exclusive of any right or remedies which Banks would otherwise have.

10.4 Waiver by Vishay and Company of Certain Laws. To the extent permitted by applicable law, Vishay and Company hereby agree to waive, and do hereby absolutely and irrevocably waive and relinquish the benefit and advantage of any marshalling, valuation, stay, appraisalment, extension or redemption laws now existing or which may hereafter exist, which, but for this provision, might be applicable to any sale made under the judgment, order or decree of any court, on any claim for interest on the Term Notes, and further hereby irrevocably agree to waive the right to trial by jury with respect to any and all actions or proceedings in which Agent or the Banks (or any of them), on one hand, and Vishay, the Company or any of their respective Subsidiaries, on the other hand, are parties, whether or not such actions or proceedings arise out of this Agreement or the Loan Documents, or otherwise. These waivers have been voluntarily given, with full knowledge of the consequences thereof.

10.5 Waiver of Defaults. No Event of Default shall be waived by the Banks except in a writing signed by an officer of the Agent in accordance with Section 12.11 hereof. No single or partial

exercise of any right, power or privilege hereunder, nor any delay in the exercise thereof, shall preclude other or further exercise of the Banks' rights by Agent. No waiver of any Default or Event of Default shall extend to any other or further Default or Event of Default. No forbearance on the part of the Agent or any Bank in enforcing any of the Banks' rights shall constitute a waiver of any of their rights. Company expressly agrees that this Section may not be waived or modified by the Banks or Agent by course of performance, estoppel or otherwise.

10.6 Cross-Default. In addition to the other Events of Default specified herein, any failure to perform and discharge when due, after allowance for any applicable cure period, any of the obligations, covenants and agreements required to be performed under the provisions of any instruments evidencing or securing any other present and future borrowings of Company from the Banks (or from Agent) in renewal or extension of, or related to this Agreement or any of the other Loan Documents, shall be an Event of Default under the provisions of this Agreement entitling Agent, with the consent of the Majority Banks (without notice or any cure period except as expressly provided herein or therein), to exercise any and all rights and remedies provided hereby. Any Event of Default under this Agreement or under any of the Loan Documents shall also constitute a default under all other instruments securing this or any other present or future borrowings, or any agreements in relation thereto, entitling Agent and the Banks to exercise any and all rights and remedies provided therein.

11. AGENT

11.1 Appointment of Agent. Each Bank and the holder of each Term Note appoints and authorizes Agent to act on behalf of such Bank or holder under the Loan Documents and to exercise such powers hereunder and thereunder as are specifically delegated to or required of Agent by the terms hereof and thereof, together with such powers as may be reasonably incidental thereto. Each Bank agrees (which agreement shall survive any termination of this Agreement) to reimburse Agent for all reasonable out-of-pocket expenses (including in-house and outside attorneys' fees) incurred by Agent hereunder or in connection herewith or with any Default or Event of Default or in enforcing the obligations of Company under this Agreement or the Loan Documents or any other instrument executed pursuant hereto, and for which Agent is not reimbursed by Company, pro rata according to such Bank's Percentage. Agent shall not be required to take any action under the Loan Documents, or to prosecute or defend any suit in respect of the Loan Documents, unless indemnified to its satisfaction by the Banks against loss, costs, liability and expense. If any indemnity furnished to Agent shall become impaired, it may call for additional indemnity and cease to do the acts indemnified against until such additional indemnity is given.

11.2 Deposit Account with Agent. Company hereby authorizes Agent to charge its general deposit accounts, if any, maintained with Agent for the amount of any principal, interest, or other amounts or costs due under this Agreement when the same becomes due and payable under the terms of this Agreement or the Term Notes.

11.3 Exculpatory Provisions. Agent agrees to exercise its rights and powers, and to perform its duties, as Agent hereunder and under the Loan Documents in accordance with its usual customs and practices in bank-agency transactions, but only upon and subject to the express terms and conditions of Section 11, hereof (and no implied covenants or other obligations shall be read into this Agreement against the Agent); neither Agent nor any of its directors, officers, employees or agents shall be liable to any Bank for any action taken or omitted to be taken by it or them under this Agreement or any document executed pursuant hereto, or in connection herewith or therewith, except for its or their own willful misconduct or gross negligence, nor be responsible to any Bank for any recitals or warranties herein or therein made by any Person, nor for the effectiveness, enforceability, validity or due execution (other than its own execution and delivery) of this Agreement or any document executed pursuant hereto, or any security thereunder, nor to make any inquiry respecting the performance by Company or any of its Subsidiaries of its obligations hereunder or thereunder. Nor shall Agent have, or be deemed to have, a fiduciary relationship with any Bank by reason of this Agreement. Agent shall be entitled to rely upon advice of counsel concerning legal matters and upon any notice, consent, certificate, statement or writing which it believes to be genuine and to have been presented by a proper person.

11.4 Successor Agents. Agent may resign as such at any time upon at least thirty (30) days prior notice to Company and all Banks. If Agent at any time shall resign or if the office of Agent shall become vacant for any other reason, Majority Banks shall, by written instrument, appoint a successor Agent (satisfactory to such Majority Banks) which shall thereupon become Agent hereunder and shall be entitled to receive from the prior Agent such documents of transfer and assignment as such successor Agent may reasonably request. Such successor Agent shall succeed to all of the rights and obligations of the retiring Agent as if originally named. The retiring or removed Agent shall duly assign, transfer and deliver to such successor Agent all moneys at the time held by the retiring or removed Agent hereunder after deducting therefrom its expenses for which it is entitled to be reimbursed. Upon such succession of any such successor Agent, the retiring agent shall be discharged from its duties and obligations hereunder, except for its gross negligence or willful misconduct arising prior to its retirement hereunder, and the provisions of this Section 11 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Agent.

11.5 Loans by Agent. Agent shall have the same rights and powers with respect to the credit extended by it and the Term Notes held by it as any Bank and may exercise the same as if it were not Agent, and the term "Bank" and, when appropriate, "holder" shall include Agent in its individual capacity.

11.6 Credit Decisions. Each Bank acknowledges that it has, independently of Agent and each other Bank and based on financial statements and such other documents, information and investigations as it has deemed appropriate, made its own credit decision to extend credit hereunder from time to time. Each Bank also acknowledges that it will, independently of Agent and each other Bank and based on such other documents, information and investigations as it shall deem appropriate at any time, continue to make its own credit decisions as to exercising or not exercising from time to time any rights and privileges available to it under this Agreement or any document executed pursuant hereto.

11.7 Notices by Agent. Agent shall give prompt notice to each Bank of its receipt of each notice or request required or permitted to be given to Agent by Vishay and/or Company pursuant to the terms of this Agreement and shall promptly distribute to the Banks and reports required from Vishay and/or the Company or its Subsidiaries under the terms hereof received by Agent, in its capacity as Agent.

11.8 Agent's Fees. Commencing on September 30, 1994, and on each succeeding anniversary date thereof until the Indebtedness has been repaid, Company shall cause Vishay to pay to Agent, in Dollars, an annual agency fee set forth (or to be set forth from time to time) in a letter agreement between Vishay and Agent. The Agent's Fees described in this Section are not refundable under any circumstances.

11.9 Nature of Agency. The appointment of Agent as agent is for the convenience of Banks, Vishay and Company in making Advances of the Term Loan, collecting fees and principal and interest on the Term Loan and dealing with the Collateral. No Bank is purchasing the Term Loan from Agent and this Agreement is not intended to be a purchase or participation agreement.

11.10 Actions; Confirmation of Agent's Authority to Act in Event of Default. Subject to the terms of this Agreement and to the direction of the Majority Banks, Agent is hereby expressly authorized to act in all litigation and in all other respects as the representative of the Banks where Agent considers it to be necessary or desirable in order to carry out the purposes of this Agreement or the Loan Documents. Without necessarily accepting service of process or designating Agent to do so in its stead, each Bank hereby agrees with each other Bank and with Agent, without intending to confer or conferring any rights on any other party, (a) that it shall be bound by any litigation brought by or against

Agent by the Company, any Subsidiary or any other party in connection with the Term Loan and Indebtedness or any other rights, duties or obligations arising hereunder or under this Agreement or the Loan Documents and (b) that it now irrevocably waives the defense of procedural impediment or failure to name or join such Bank as an indispensable party; provided however that each Bank reserves the right, subject to applicable law, to intervene or otherwise appear in such litigation, and to retain its own counsel in connection therewith. In conducting such litigation hereunder on behalf of the Banks, Agent shall, subject to the terms hereof, accept the direction of the Majority Banks or all of the Banks, as the case may be, and shall at all times be indemnified by the Banks as provided in Sections 11.1 and 11.12 hereof. Agent shall undertake to give each Bank prompt notice of any litigation commenced against Agent and/or the Banks with respect to this Agreement, the Loan Agreement or the Loan Documents or any matter referred to herein or therein.

11.11 Authority of Agent to Enforce Term Notes and This Agreement. Each Bank, subject to the terms and conditions of this Agreement including without limitation Sections 12.10, 12.14 and 12.15 hereof, authorizes the Agent with full power and authority as attorney-in-fact to institute and maintain actions, suits or proceedings for the collection and enforcement of the Term Notes and to file such proofs of debt or other documents as may be necessary to have the claims of the Banks allowed in any proceeding relative to the Company or any of its Subsidiaries, or their creditors or affecting their properties, and to take such other actions which Agent considers to be necessary or desirable for the protection, collection and enforcement of the Term Notes, this Agreement or the Loan Documents.

11.12 Indemnification. The Banks agree to indemnify the Agent in its capacity as such, to the extent not reimbursed by the Company, pro rata according to their respective Percentages, from and against any and all claims, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of this Agreement or any of the other Loan Documents or any action taken or omitted to be taken or suffered in good faith by the Agent hereunder, provided that no Bank shall be liable for any portion of any of the foregoing items resulting from the gross negligence or willful misconduct of the Agent or any of its officers, employees, directors or agents.

11.13 Knowledge of Default. It is expressly understood and agreed that the Agent shall be entitled to assume that no default or Event of Default has occurred and is continuing, unless the officers of the Agent immediately responsible for matters concerning this Agreement shall have actual (rather than constructive) knowledge of such occurrence or shall have been

notified in writing by a Bank that such Bank considers that a default or an Event of Default has occurred and is continuing, and specifying the nature thereof. Upon obtaining actual knowledge of any default or Event of Default as described above, the Agent shall promptly, but in any event within three (3) Business Days after obtaining knowledge thereof, notify each Bank of such default or Event of Default and the action, if any, the Agent proposes be taken with respect thereto.

11.14 Agent's Authorization; Action by Banks. Except as otherwise expressly provided herein, whenever the Agent is authorized and empowered hereunder on behalf of the Banks to give any approval or consent, or to make any request, or to take any other action on behalf of the Banks (including without limitation the exercise of any right or remedy hereunder or under the other Loan Documents), the Agent shall be required (but only to the extent otherwise required hereunder) to give such approval or consent, or to make such request or to take such other action only when so requested in writing by the Majority Banks or the Banks, as applicable hereunder. Action that may be taken by Majority Banks or all of the Banks, as the case may be (as provided for hereunder) may be taken (a) pursuant to a vote at a meeting (which may be held by telephone conference call) as to which all of the Banks have been given reasonable advance notice, or (b) pursuant to the written consent of the requisite Percentages of the Banks as required hereunder, provided that all of the Banks are given reasonable advance notice of the requests for such consent.

11.15 Enforcement Actions by the Agent. Except as otherwise expressly provided under this Agreement or in any of the other Loan Documents and subject to the terms hereof, Agent will take such action, assert such rights and pursue such remedies under this Agreement and the other Loan Documents as the Majority Banks or all of the Banks, as the case may be (as provided for hereunder), shall direct. Except as otherwise expressly provided in any of the Loan Documents, Agent will not (and will not be obligated to) take any action, assert any rights or pursue any remedies under this Agreement or any of the other Loan Documents in violation or contravention of any express direction or instruction of the Majority Banks or all of the Banks, as the case may be (as provided for hereunder). Agent may refuse (and will not be obligated) to take any action, assert any rights or pursue any remedies under this Agreement or any of the other Loan Documents in the absence of the express written direction and instruction of the Majority Banks or all of the Banks, as the case may be (as provided for hereunder). In the event Agent fails, within a commercially reasonable time, to take such action, assert such rights, or pursue such remedies as the Majority Banks or all of the Banks, as the case may be (as provided for hereunder), shall direct in conformity with this Agreement, the Majority Banks or all of the Banks, as the case may be (as provided for hereunder), shall have the right to take such action, to assert such rights, or pursue such remedies on

behalf of all of the Banks unless the terms hereof otherwise require the consent of all the Banks to the taking of such actions (in which event all of the Banks must join in such action). Except as expressly provided above or elsewhere in this Agreement or the other Loan Documents, no Bank (other than the Agent, acting in its capacity as Agent) shall be entitled to take any enforcement action of any kind under any of the Loan Documents.

11.16 Co-Agents and Lead Managers. NationsBank has been designated by the Company as "Co-Agent" and BHF and Signet have been designated by the Company as "Lead Managers" under this Agreement. Other than its rights and remedies as a Bank hereunder, each such Co-Agent and Lead Manager shall have no administrative, collateral or other rights or responsibilities, provided, however, that each such Co-Agent and Lead Manager shall be entitled to the benefits afforded to Agent under Sections 12.5 and 12.6 hereof.

12. MISCELLANEOUS

12.1 Accounting Principles. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, it shall be done in accordance with generally accepted accounting principles consistently applied.

12.2 Consent to Jurisdiction. Company hereby irrevocably submits to the non-exclusive jurisdiction of any United States Federal or Michigan state court sitting in Detroit in any action or proceeding arising out of or relating to this Agreement or any of the Loan Documents and Company hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in any such United States Federal or Michigan state court. Company irrevocably consents to the service of any and all process in any such action or proceeding brought in any court in or of the State of Michigan by the delivery of copies of such process to Company at its address specified on the signature page hereto or by certified mail directed to such address. Nothing in this Section shall affect the right of the Banks and the Agent to serve process in any other manner permitted by law or limit the right of the Banks or the Agent (or any of them) to bring any such action or proceeding against the Company or any of its or their property in the courts of any other jurisdiction. The Company hereby irrevocably waives any objection to the laying of venue of any such suit or proceeding in the above described courts.

12.3 Law of Michigan. This Agreement and the Term Notes have been delivered at Detroit, Michigan, U.S.A., and shall be governed by and construed and enforced in accordance with the laws of the State of Michigan except as and to the extent expressed to the contrary in any of the Loan Documents. Whenever possible each provision of this Agreement shall be interpreted in such manner as

to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

12.4 Interest. In the event the obligation of Vishay and/or the Company to pay interest on the principal balance of the Term Notes is or becomes in excess of the maximum interest rate which Vishay and/or the Company is permitted by law to contract or agree to pay, giving due consideration to the execution date of this Agreement, then, in that event, the rate of interest applicable with respect to such Bank's Percentage shall be deemed to be immediately reduced to such maximum rate and all previous payments in excess of the maximum rate shall be deemed to have been payments in reduction of principal and not of interest.

12.5 Closing Costs; Other Costs and Expenses. Company shall pay or reimburse Agent for payment of, on demand (a) all closing costs and expenses, including, by way of description and not limitation, house and outside attorney fees and advances, appraisal and accounting fees, title and lien search fees, and required travel costs, incurred by Agent in connection with the commitment, consummation and closing of the loans contemplated hereby, or in connection with any refinancing or restructuring of the loans or advances provided under this Agreement or the other Loan Documents, or any amendment thereof requested by Company; and (b) all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing or recording of this Agreement and the Loan Documents and the consummation of the transactions contemplated hereby, and any and all liabilities with respect to or resulting from any delay in paying or omitting to pay such taxes or fees. Furthermore, all reasonable costs and expenses, including without limitation attorney fees, and costs and expenses to Environmental Auditors retained by Agent hereunder, incurred by Agent in revising, preserving, protecting, exercising or enforcing any of its or any of the Banks' rights against Company, or otherwise incurred by Agent and the Banks (using a single law firm retained by Agent, with the approval of the Majority Banks) in connection with any Event of Default or the enforcement of the loans (whether incurred through negotiations, legal proceedings or otherwise), including by way of description and not limitation, such charges in any court or bankruptcy proceedings or arising out of any claim or action by any person against Agent or any Bank which would not have been asserted were it not for Agent's or such Bank's relationship with Company hereunder or otherwise, shall also be paid by Company. All of said amounts required to be paid by Company hereunder and not paid forthwith upon demand, as aforesaid, shall bear interest, from the date incurred to the date payment is received by Agent, at the Prime-based Rate, plus three percent (3%).

12.6 Notices. Except as otherwise provided herein, all notices or demands hereunder to the parties hereto shall be sufficient if made in writing and delivered by messenger or deposited in the mail, postage prepaid, certified mail, and addressed to the parties as set forth on the signature pages of this Agreement.

12.7 Further Action. Company, from time to time upon written request of Agent, will make, execute, acknowledge and deliver or cause to be made, executed, acknowledged and delivered, all such further and additional instruments, and take all such further action as may be required to carry out the intent and purpose of this Agreement, and to provide for the Advances under and payment of the Term Notes, according to the intent and purpose herein and therein expressed.

12.8 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of Company and the Banks and their respective successors and assigns. The foregoing shall not authorize any assignment by Company of its rights or duties hereunder, and no such assignment shall be made (or effective) without the prior written approval of the Banks. Nor may any Bank sell, assign, transfer, grant participation in, or otherwise dispose of all or any portion of their respective Term Notes, or of its right, title and interest therein or thereto or in or to this Agreement, except in accordance with and subject to the requirements set forth in Section 13.8 of the Vishay Loan Agreement, which shall be deemed incorporated by reference herein.

12.9 Indulgence. No delay or failure of Agent and the Banks in exercising any right, power or privilege hereunder shall affect such right, power or privilege nor shall any single or partial exercise thereof preclude any further exercise thereof, nor the exercise of any other right, power or privilege. The rights of Agent and the Banks hereunder are cumulative and are not exclusive of any rights or remedies which Agent and the Banks would otherwise have.

12.10 Counterparts. This Agreement may be executed in several counterparts, and each executed copy shall constitute an original instrument, but such counterparts shall together constitute but one and the same instrument.

12.11 Amendment and Waiver. No amendment or waiver of any provision of this Agreement or any Loan Document, nor consent to any departure by the Company therefrom, shall in any event be effective unless the same shall be in writing and signed by the Majority Banks, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by all the Banks, do any of the following: (a) increase any commitment of the Banks

hereunder or subject the Banks to any additional obligations, (b) reduce or forgive the principal of, or interest on, the Term Notes or any fees or other amounts payable hereunder, (c) postpone any date fixed for any payment of principal of, or interest on, the Term Notes or any fees or other amounts payable hereunder, (d) waive any Event of Default specified in Sections 10.1(a) or (b) hereof (provided that if, at the relevant time, only Bid Advances are outstanding under the DM Loan Agreement or the Vishay Loan agreement, the prior written approval of all Banks shall be required to waive, whether consent, waiver or amendment, any Event of Default under this Agreement), (e) release or defer the granting or perfecting of a lien or security interest or release any guaranty or similar undertaking by any Person, except in each case as shall be otherwise expressly provided in this Agreement or any Loan Document, (f) take any action which requires the signing of all Banks pursuant to the terms of this Agreement or any Loan Document, (g) change the definitions of "Majority Banks" or "Interest Periods" (h) change the aggregate unpaid principal amount of the Term Notes which shall be required for the Banks or any of them to take any action under this Agreement or any Loan Document, (i) except for conversions from Deutsche Marks to Dollars under Section 3.5 hereof or reconversions from Dollars to Deutsche Marks under Section 3.6 hereof, as the case may be, change the currency in which the Term Loan is denominated or (j) change this Section 12.11, and provided further, however, that no amendment, waiver, or consent shall, unless in writing and signed by the Agent in addition to all the Banks, affect the rights or duties of the Agent under this Agreement or any Loan Document.

12.12 Taxes and Fees. Should any tax (other than a tax based upon the net income of any Bank), recording or filing fee become payable in respect of this Agreement or any of the Loan Documents or any amendment, modification or supplement hereof or thereof, Vishay agrees to pay or cause Company to pay the same together with any interest or penalties thereon, and Company and Vishay agree to hold the Agent and the Banks harmless with respect thereto.

12.13 Confidentiality. Each Bank agrees that it will not disclose without the prior consent of the Company (other than to its employees, to another Bank or to its auditors or counsel), any confidential information with respect to the Company or any of its Subsidiaries which is furnished pursuant to this Agreement or any of the Loan Documents; provided that any Bank may disclose any such information (a) as has become generally available to the public or has been lawfully obtained by such Bank from any third party under no duty of confidentiality to the Company, (b) as may be required or appropriate in any report, statement or testimony submitted to, or in respect to any inquiry, by, any municipal, state or federal regulatory body having or claiming to have jurisdiction over such Bank, including the Board of Governors of the Federal Reserve System of the United States or the Federal Deposit Insurance Corporation or similar organizations (whether in the United States

or elsewhere) or their successors, (c) as may be required or appropriate in respect to any summons or subpoena or in connection with any litigation, (d) in order to comply with any law, order, regulation or ruling applicable to such Bank, and (e) to any permitted transferrer or assignee or any approved participant of, or with respect to, the Term Notes, as aforesaid.

12.14 Withholding Taxes. If any Bank is not incorporated under the laws of the United States or a state thereof, such Bank shall promptly deliver to the Agent two executed copies of (i) Internal Revenue Service Form 1001 specifying the applicable tax treaty between the United States and the jurisdiction of such Bank's domicile which provides for the exemption from withholding on interest payments to such Bank, (ii) Internal Revenue Service Form 4224 evidencing that the income to be received by such Bank hereunder is effectively connected with the conduct of a trade or business in the United States or (iii) other evidence satisfactory to the Agent that such Bank is exempt from United States income tax withholding with respect to such income. Such Bank shall amend or supplement any such form or evidence as required to insure that it is accurate, complete and non-misleading at all times. Promptly upon notice from the Agent of any determination by the Internal Revenue Service that any payments previously made to such Bank hereunder were subject to United States income tax withholding when made, such Bank shall pay to the Agent the excess of the aggregate amount required to be withheld from such payments over the aggregate amount actually withheld by the Agent. In addition, from time to time upon the reasonable request and at the sole expense of the Company or any Permitted Borrower, each Bank and the Agent shall (to the extent it is able to do so based upon applicable facts and circumstances), complete and provide the Company or any Permitted Borrower with such forms, certificates or other documents as may be reasonably necessary to allow the Company or any Permitted Borrower, as applicable, to make any payment under this Agreement or the other Loan Documents without any withholding for or on the account of any tax under Section 5.1(d) hereof (or with such withholding at a reduced rate), provided that the execution and delivery of such forms, certificates or other documents does not adversely affect or otherwise restrict the right and benefits (including without limitation economic benefits) available to such Bank or the Agent, as the case may be, under this Agreement or any of the other Loan Documents, or under or in connection with any transactions not related to the transactions contemplated hereby.

12.15 Effective Upon Execution. This Agreement shall become effective upon the execution hereof by Banks, Agent, Vishay and Company and shall remain effective until the Indebtedness has been repaid and discharged in full and no commitment to make Advances hereunder, under the Vishay Loan Agreement or under the DM Loan Agreement remains outstanding.

12.16 Severability. In case any one or more of the obligations of the Company under this Agreement, the Notes or any of the other Loan Documents shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining obligations of the Company shall not in any way be affected or impaired thereby, and such invalidity, illegality or unenforceability in one jurisdiction shall not affect the validity, legality or enforceability of the obligations of the Company under this Agreement, the Notes or any of the other Loan Documents in any other jurisdiction.

12.17 Table of Contents and Headings. The table of contents and the headings of the various subdivisions hereof are for convenience of reference only and shall in no way modify or affect any of the terms or provisions hereof.

12.18 Construction of Certain Provisions. If any provision of this Agreement or any of the Loan Documents refers to any action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person, whether or not expressly specified in such provision.

12.19 Independence of Covenants. Each covenant hereunder shall be given independent effect (subject to any exceptions stated in such covenant) so that if a particular action or condition is not permitted by any such covenant (taking into account any such stated exception), the fact that it would be permitted by an exception to, or would be otherwise within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or such condition exists.

12.20 Reliance on and Survival of Various Provisions. All terms, covenants, agreements, representations and warranties of the Company or any party to any of the Loan Documents made herein or in any of the Loan Documents or in any certificate, report, financial statement or other document furnished by or on behalf of the Company, any such party in connection with this Agreement or any of the Loan Documents shall be deemed to have been relied upon by the Banks, notwithstanding any investigation heretofore or hereafter made by any Bank or on such Bank's behalf, and those covenants and agreements of the Company set forth in Section 4.6 hereof (together with any other indemnities of the Company contained elsewhere in this Agreement or in any of the Loan Documents) and of Banks set forth in Section 13.13 hereof shall survive the repayment in full of the Indebtedness and the termination of any commitments to make Advances hereunder.

12.21 Complete Agreement. This Agreement, the Term Notes, the Loan Documents and any agreements, certificates, or other documents given to evidence or secure the Indebtedness ("Loan Documents") and the Commitment Letter contain the entire agreement of the parties,

hereto (provided that in the event of any inconsistency between this Agreement and the other Loan Documents, on one hand, and the Commitment Letter, on the other hand, this Agreement and the other Loan Documents shall control), and none of the parties shall be bound by anything not expressed in writing.

WITNESS the due execution hereof as of the day and year first above written.

COMERICA BANK
as Agent

VISHAY BETEILIGUNGS GmbH

By: _____

By: _____

Its: _____

Its: _____

Comerica Bank Building
One Detroit Center
500 Woodward Avenue
Detroit, Michigan 48275
Attn: National Division

c/o Vishay Intertechnology, Inc.
63 Lincoln Highway
Malvern, Pennsylvania 19355
Attention: Mr. Robert A. Freece

BANKS:

COMERICA BANK

By: _____

Its: _____

Comerica Bank Building
One Detroit Center
500 Woodward Avenue
Detroit, Michigan 48275
Attention: National Division
Telex: 235808
Fax No.: (313) 222-3330

NATIONSBANK OF NORTH
CAROLINA, N.A.

By: _____

Its: _____

NationsBank Corporate Center
100 North Tryon Street
NC 1007-08-04
Charlotte, NC 28255-0086
Attn: Mr. M. Gregory Seaton
Telex: 669959
Fax No.: (704) 386-3271

BERLINER HANDELS-UND FRANKFURTER
BANK KGaA

By: _____

Its: _____

Bockenheimer Landstr. 10
60323 Frankfurt/Main 1
Germany
Attn: Mr. Hans-Jurgen Scholz
Telex: 411 026
Fax No.: 4969/718-3011

BANK HAPOALIM, B.M.

By: _____

Its: _____
3 Penn Center Plaza
Philadelphia, Pennsylvania 19102
Attn: Mr. Andrew Niesen
Telex: 902022
Fax No.: (215) 665-2217

SIGNET BANK/MARYLAND

By: _____

Its: _____
7 St. Paul Street
Baltimore, Maryland 21202
Attn: Ms. Janice E. Godwin
Telex: 87638
Fax No.: (301) 625-6365

CORESTATES BANK, N.A.,
formerly known as and continuing
to do business under the name of
THE PHILADELPHIA NATIONAL BANK

By: _____

Its: _____
1345 Chestnut Street
F.C. 1-8-3-14
Philadelphia, Pennsylvania 19107
Attn: Mr. James A. Bennett
Telex: 845400
Fax No.: (215) 973-7820

BANK LEUMI le-ISRAEL, B.M.

By: _____

Its: _____
1511 Walnut Street
Philadelphia, Pennsylvania 19102
Attn: Mr. Joseph A. McBride
Telex: 173090
Fax No.: (215) 563-8688

MERIDIAN BANK

By: _____

Its: _____
1650 Market Street
Suite 3600
Philadelphia, Pennsylvania 19103
Attn: Mr. John M. Fessick
Telex: 173003
Fax No.: (215) 854-3774

ABN AMRO BANK N.V. NEW YORK BRANCH

By: _____

Its: _____

and

By: _____

Its: _____
500 Park Avenue
Second Floor
New York, New York 10022
Attn: Mr. James B. Sieger
Telex: 423721
Fax No.: (212) 759-4792

CREDIT LYONNAIS NEW YORK BRANCH

By: _____

Its: _____

1301 Avenue of the Americas

New York, New York 10019

Attn: Mr. Steve Levi

Telex: _____

Fax No.: (212) 459-3179

CREDIT SUISSE

By: _____

Its: _____

And By: _____

Its: _____

12 East 49th Street

New York, New York 10017

Attn: Ms. Eileen O'Connell Fox

Telex: 420149

Fax No.: (212) 238-5389

SCHEDULE 1.7 (ROEDERSTEIN LOAN AGREEMENT)

Pricing Matrix (Determination of Pricing Levels)

Applicable Margin for Advances
of the Term Loan

	Prime-based Rate	Deutsche Mark- based Rate
If Leverage Ratio is less than or equal to 1.5:1.0 OR If Rating Level 1 is in effect	0.00%	.625%
If Leverage Ratio is greater than 1.5:1.0, but less than or equal to 2.0:1.0 OR If Rating Level 2 is in effect	0.00%	.75%
If Leverage Ratio is greater than 2.0:1.0, but less than or equal to 3.9:1.0 OR If Rating Level 3 is in effect	0.00%	.875%
If Leverage Ratio is greater than 3.9:1.0 OR If Rating Level 4 is in effect	.125%	1.125%

EXHIBIT "A"

TERM NOTE

DM _____ July __, 1994

On or before December 31, 1997 (the "Term Loan Maturity Date"), FOR VALUE RECEIVED, Vishay Beteiligungs GmbH, a German corporation (formerly Draloric Electronic GmbH) ("Company") promises to pay to the order of _____ ("Bank") at Detroit, Michigan, care of Agent, for the account of Bank's Eurocurrency Lending Office, in Deutsche Marks, the sum of _____ (DM _____) together with interest thereon, as hereinafter set forth, in accordance with that certain Amended and Restated Roederstein DM 104,315,990.20 Term Loan Agreement ("Agreement") dated as of July __, 1994, by and among Company, certain banks, including the Bank, and Comerica Bank, a Michigan banking corporation, as Agent for such banks. Notwithstanding the foregoing, in the event the Term Loan (as defined in the Agreement) is converted to Dollars pursuant to the Agreement, this Note shall be payable in Dollars, and the principal payments specified below shall be due and payable as set forth in the Agreement.

Until the Term Loan Maturity Date, when the entire unpaid principal balance of the Term Loan and all accrued interest and other sums outstanding thereon shall be paid in full (subject to the terms of the Agreement), the principal Indebtedness evidenced by this Term Note shall be repaid on the following dates and in the following amounts (irrespective of and in addition to any principal payments under the Agreement based on Excess Cash Flow or any optional prepayments thereunder):

(a) on or before December 31, 1994, (Bank's percentage of DM 18,700,000);

(b) on or before December 31, 1995, (Bank's percentage of DM 34,100,000);

(c) on or before December 31, 1996, (Bank's percentage of DM 37,000,000); and

(d) on or before the Term Loan Maturity Date, the entire remaining unpaid principal balance of such Indebtedness and accrued interest and other sums thereon shall be due and payable in full.

There shall be no readvance or reborrowing of any principal reductions of this Note.

Each of the Advances made hereunder shall bear interest at the Deutsche Mark-based Rate, as determined under the Agreement,

or, if applicable from time to time under the Agreement, the Prime-based Rate.

All accrued and unpaid interest on the Indebtedness outstanding under this Note from time to time shall be due and payable in full, in immediately available funds, (a) whenever the Deutsche Mark-based Rate shall be in effect, (i) on the last day of each Interest Period, and, (ii) if such Interest Period is longer than 3 months, at intervals of 3 months after the first day of the applicable Interest Period, and (b) whenever the Prime-based Rate shall be then in effect (after conversion of the Term Loan to an Advance of Dollars as a Prime-based Advance as provided in the Agreement), commencing on the last day of the calendar quarter coinciding with or next following the date of such conversion and on the last day of each calendar quarter thereafter, and on the date of any reconversion to a Deutsche Mark-based Advance pursuant to the Agreement, until the Term Loan Maturity Date, when the entire Indebtedness, including all accrued interest, shall be due and payable in full.

In the event and so long as any default or Event of Default shall exist under this Note or any Event of Default shall exist under the Agreement, interest shall be payable daily on the principal balance of the Indebtedness then outstanding at a per annum rate equal to the Applicable Interest Rate plus three percent (3%) for the remainder of the then-existing Interest Period, if any, and, at all other times, if the principal Indebtedness hereunder is then denominated in Dollars as provided in the Agreement, at a per annum rate equal to the Prime-based Rate plus three percent (3%), and, if the principal Indebtedness hereunder is then denominated in Deutsche Marks, (a) at a per annum rate calculated by the Agent, whose determination shall be conclusive absent manifest error, on a daily basis, equal to three percent (3%) above the interest rate per annum at which one (1) day (or, if such amount due remains unpaid for more than three (3) Business Days, then for such other period of time as the Agent may elect which shall in no event be longer than six (6) months) deposits in Deutsche Marks in the amount of such overdue payment due to the Agent are offered by the Agent's Eurocurrency Lending Office for the applicable period determined as provided above, or (b) if at any such time such deposits are not offered by the Agent's Eurocurrency Lending Office, then at a rate per annum equal to three percent (3%) above the rate determined by the Agent to be its aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance) of carrying the amount (in Deutsche Marks) of the Indebtedness then outstanding.

Interest accruing under this Note at the Deutsche Mark-based Rate shall be computed on a basis of a 360 day year and assessed for the actual number of days elapsed from the first day of the Interest Period applicable thereto, to, but not including the last day thereof. Interest accruing at the Prime-based Rate shall

be computed on the basis of a 360 day year and assessed for the actual number of days elapsed, and in such computation effect shall be given to any change in the interest rate resulting from a change in the Prime-based Rate on the date of such change in the Prime-based Rate. Interest accruing under this Note shall be repaid in Deutsche Marks, unless the Prime-based Rate is applicable thereto, in which event said interest shall be repaid in Dollars.

The amount and date of the extension of the Term Loan, any Advances thereof, the Applicable Interest Rates and the amount of interest accruing thereon and Interest Periods for Advances, and the amount and date of any repayments, shall be noted on Agent's records, which records shall be conclusive evidence thereof, absent manifest error.

This Note evidences borrowings under, is subject to, is secured in accordance with, and may be accelerated or matured under, the terms of the Agreement, to which reference is hereby made. Definitions and terms of the Agreements are hereby incorporated herein.

As additional security for this Note, Company grants Bank a lien on all property and assets including deposits and other credits of the Company, at any time in possession or control of or owing by Bank for any purpose.

This Note shall be interpreted and the rights of the parties hereunder shall be determined under the laws of, and enforceable in, the State of Michigan.

Company hereby waives presentment for payment, demand, protest and notice of dishonor and nonpayment of this Note and agrees that no obligations hereunder shall be discharged by reason of any extension, indulgence, release, or forbearance granted by any holder of this Note to any party now or hereafter liable hereon or any present or subsequent owner of any property, real or personal, which is now or hereafter security for this Note.

Nothing herein shall limit any right granted Bank by any other instrument or by law.

VISHAY BETEILIGUNGS GmbH,
a German corporation

By: _____

Its: _____

EXHIBIT "B"

TERM LOAN RATE REQUEST

A. Request

The undersigned authorized officer of Vishay Beteiligungs GmbH (formerly Draloric Electronic GmbH) ("Company") in accordance with Section 3.1 of the Amended and Restated Roederstein DM 104,315,990.20 Term Loan Agreement, dated as of July __, 1994, among Company, certain Banks and Comerica Bank, a Michigan banking corporation, as Agent for the Banks (the "Agreement"), hereby requests Comerica Bank, in its capacity as Agent under the Agreement to refund or convert DM _____/1 of the indebtedness evidenced on by the Term Notes with a Deutsche Mark-based Advance on _____, 19__./2

The Interest Period for the requested Advance shall be _____./3

B. Application of Proceeds

The proceeds of this Advance shall be applied to refund/convert/4 the following outstanding Advance(s)

- - - - -

1/ Insert amount of requested Advance. This amount, plus the amount of any other outstanding Indebtedness under the Term Notes to be then combined therewith having the same Interest Period, if any, shall not be less than DM 5,000,000 or \$2,000,000, as applicable, unless the balance remaining outstanding on the Term Loan is less, in which case such lesser amount shall control, and at any time the Company shall not have more than 2 Interest Periods in effect with respect to the Term Loan.

2/ Insert date at least four (4) Business Days after the date of Request. Such date must be the Business Day subsequent to the last day of the applicable Deutsche Mark-based Interest Period.

3/ Insert, as applicable, "1 month", "2 months", "3 months" or "6 months".

4/ Strike inapplicable term to indicate whether a conversion or refunding.

Type of Advance -----	Last Day of Interest Period -----	Principal Outstanding -----
--------------------------------	--	-----------------------------------

C. Request Irrevocable

Upon Agent's receipt of this Term Loan Rate Request, this Term Loan Rate Request shall be irrevocable.

D. Maturity Date

Company shall not be entitled to request any Advance with an Interest Period ending after the Term Loan Maturity Date.

E. Defined Terms

Capitalized terms used herein, unless specifically defined to the contrary herein, have the meanings given them in the Agreement.

Dated this _____ day of _____, 19__.

VISHAY BETEILIGUNGS GmbH

By: _____

Its: _____

(This form of Term Loan Rate Request (including footnotes) is subject in all respects to the terms and conditions of the Agreement which shall govern in the event of any inconsistencies or omissions.)

EXHIBIT "C"

Percentages

Comerica Bank	15.42%
NationsBank of North Carolina, N.A.	15.42%
Berliner Handels-Und Frankfurter Bank	11.67%
Signet Bank Maryland	11.66%
Bank Hapoalim, B.M.	8.33%
CoreStates Bank, N.A.	8.33%
ABN AMRO Bank N.V.	8.33%
Credit Lyonnais New York Branch	8.33%
Bank Leumi le-Israel, B.M.	4.17%
Credit Suisse	4.17%
Meridian Bank	4.17%

VISHAY INTERTECHNOLOGY, INC.

\$200,000,000 ACQUISITION

LOAN AGREEMENT

DATED AS OF JULY 18, 1994

COMERICA BANK, AS AGENT

NATIONSBANK OF NORTH CAROLINA, N.A., AS CO-AGENT

BERLINER HANDELS-UND FRANKFURTER BANK KGAA
AND SIGNET/BANK MARYLAND, AS LEAD MANAGERS

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PERCENTAGESF

LOAN AGREEMENT

THIS LOAN AGREEMENT ("Agreement") is made as of the 18th day of July, 1994, among Comerica Bank, successor by merger to Manufacturers Bank, N.A., formerly known as Manufacturers National Bank of Detroit, NationsBank of North Carolina, N.A., formerly known as NCNB National Bank of North Carolina, Berliner Handels-und Frankfurter Bank KGaA, Signet Bank/Maryland, formerly known as Union Trust Company of Maryland, CoreStates Bank, N.A., formerly known as and continuing to do business under the name of The Philadelphia National Bank, Bank Hapoalim, B.M., ABN AMRO Bank N.V. New York Branch, Credit Lyonnais New York Branch, Meridian Bank, Bank Leumi le-Israel, B.M. and Credit Suisse (individually, "Bank", and collectively "Banks") Comerica Bank, as agent for the Banks (in such capacity, "Agent") and Vishay Intertechnology, Inc., a Delaware corporation ("Company").

RECITALS:

- A. Company has requested that the Banks extend credit in the form of the Acquisition Loans (as defined below) in the aggregate amount of up to Two Hundred Million Dollars (\$200,000,000), all on the terms set forth herein.
- B. Pursuant to the Commitment Letter (as defined below), the Banks are prepared to extend such credit as aforesaid, but only on the terms and conditions set forth herein.

NOW THEREFORE, COMPANY, AGENT AND THE BANKS AGREE:

1. DEFINITIONS

For the purposes of this Agreement the following terms will have the following meanings:

- 1.1 "Acquisition Loan(s)" shall mean the non-amortizing Term Loan and the Bridge Loan to be advanced hereunder.
- 1.2 "Advance(s)" shall mean the borrowings requested by Company and made by Banks under Sections 2.1 and 3.1 of this Agreement, including any refundings or conversions of such borrowings hereunder.
- 1.3 "Agent" shall mean Comerica Bank, a Michigan banking corporation, successor by merger to Manufacturers Bank, N.A., or any successor appointed in accordance with Section 12.4 hereof.
- 1.4 "Agent's Correspondent" shall mean, for Advances in Eurodollars, Agent's Grand Cayman Branch (or for the account of said branch office, at Agent's main office in Detroit, Michigan, United States); or at such other bank or banks as Agent may from time to time designate by written notice to Company and the Banks.

1.5 "Agent's Fees" shall mean those fees and expenses required to be paid by Company to Agent under Section 12.8 hereof.

1.6 "Alternate Base Rate" shall mean, for any day, an interest rate per annum equal to the Federal Funds Effective Rate in effect on such day, plus one-half percent (1/2%).

1.7 "Alternative Currency" shall have the meaning specified in the Vishay Loan Agreement.

1.8 "Applicable Fee Percentage" shall mean, as of any date of determination thereof, the applicable percentage used to calculate the fees due and payable hereunder, determined by reference to the appropriate columns in the Pricing Matrix attached to this Agreement as Schedule 1.8.

1.9 "Applicable Interest Rate" shall mean the Eurocurrency-based Rate or the Prime-based Rate, as selected by Company from time to time subject to the terms and conditions of this Agreement, and, if elected by the Company pursuant to Section 2.11 hereof (with respect to the Term Loan), the Fixed Rate.

1.10 "Applicable Margin" shall mean, as of any date of determination thereof, the applicable interest rate margin, determined by reference to the appropriate columns in the Pricing Matrix attached to this Agreement as Schedule 1.8.

1.11 "Banks" shall mean Comerica Bank, successor by merger to Manufacturers Bank, N.A., formerly known as Manufacturers National Bank of Detroit ("Comerica"), NationsBank of North Carolina, N.A., formerly known as NNCB National Bank of North Carolina ("NationsBank"), Berliner Handels-und Frankfurter Bank KGaA ("BHF"), Signet Bank/Maryland, formerly known as Union Trust Company of Maryland ("Signet"), Bank Hapoalim, B.M. ("Hapoalim"), CoreStates Bank, N.A., formerly known as and continuing to do business under the name of Philadelphia National Bank, ABN AMRO Bank N.V. New York Branch ("ABN-AMRO") Credit Lyonnais New York Branch ("Credit Lyonnais"), Meridian Bank, Bank Leumi le-Israel, B.M., Credit Suisse, and any assignee which becomes a Bank pursuant to Section 13.8 hereof.

1.12 "Bridge Loan" shall mean the bridge loan in an aggregate amount not to exceed One Hundred Million Dollars (\$100,000,000) to be advanced by the Banks to the Company pursuant to Section 3 of this Agreement.

1.13 "Bridge Loan Commitment Fee" shall mean the commitment fee payable to Agent for distribution to the Banks pursuant to Section 3.14 hereof.

1.14 "Bridge Loan Extension Fee" shall mean the extension fee payable to Agent for distribution to the Banks pursuant to

Section 3.13 hereof, consisting of Installments 1 through 4 as set forth (and defined) in said Section 3.13.

1.15 "Bridge Loan Maturity Date" shall mean July 18, 1996.

1.16 "Bridge Notes" shall mean the bridge notes described in Section 3.1 hereof, made by the Company to each of the Banks in the form annexed to this Agreement as Exhibit "D".

1.17 "Business Day" shall mean any day on which commercial banks are open for domestic and international business (including dealings in foreign exchange) in Detroit, London, New York and (except with respect to any Prime-based Advances) Frankfurt am Main.

1.18 "Closing Fee" shall mean the remaining installment of the up-front fee in the amount of \$558,750 to be paid by Company to the Agent and distributed to the Banks pursuant to the Commitment Letter (and Section II of the Summary of Terms and Conditions attached thereto), subject to a reduction in the aggregate amount of \$192,000 in the event, on or before the date of this Agreement (by written notice to Agent), Company has cancelled the Banks' commitments for funding the Acquisition Loans (such fee reduction to be allocated among the Banks in accordance with the Commitment Letter and the Summary of Terms and Conditions, as aforesaid).

1.19 "Commitment Letter" shall mean that certain commitment letter dated June 28, 1994 and issued to the Company by the Agent, for itself and for and on behalf of the Banks, with respect to the credit to be amended, renewed, increased and/or extended under the terms and conditions of this Agreement, the DM Loan Agreement, the Roederstein Loan Agreement and the Vishay Loan Agreement.

1.20 "Company" shall mean Vishay Intertechnology, Inc., a Delaware corporation.

1.21 "Default" shall mean any event which with the giving of notice or the passage of time, or both, would constitute an Event of Default under this Agreement.

1.22 "DM Loan Agreement" shall mean that certain Amended and Restated Draloric/VBG DM 40,000,000 Revolving Credit and DM 9,506,000 Term Loan Agreement, dated as of the date hereof, among VBG, the Banks and Agent, as amended from time to time.

1.23 "DM Loan Documents" shall mean the DM Loan Agreement and all notes, guaranties and other security or loan documents executed by VBG pursuant to or in connection with the DM Loan Agreement.

1.24 "DM Revolving Credit" and "DM Term Loan" shall mean the Revolving Credit and the Term Loan, respectively, as extended by

the Banks to VBG pursuant to the DM Loan Documents (and as defined therein).

1.25 "Dollars" and the sign "\$" shall mean lawful money of the United States of America.

1.26 "Domestic Advance" shall mean any Advance other than a Eurocurrency-based Advance.

1.27 "Domestic Guaranty" shall have the meaning specified in the Vishay Loan Agreement.

1.28 "Domestic Subsidiaries" shall mean those Subsidiaries of the Company which are chartered or incorporated under the laws of the United States of America, or any state, territory, possession or any political subdivision thereof.

1.29 "Draloric" shall mean Draloric Electronic, GmbH, a German corporation, formerly known as Vishay Electronic, GmbH.

1.30 "Eurocurrency Adjusted Rate" shall mean the quotient of:

- (i) the per annum interest rate at which Agent's Eurocurrency Lending Office offers deposits in the relevant eurocurrency to United States regional prime banks in the eurocurrency market in an amount comparable to the relevant Eurocurrency-based Advance and for a period equal to the relevant Eurocurrency-Interest Period at approximately 11:00 A.M. Detroit time two (2) Business Days prior to the first day of such Eurocurrency-Interest Period, divided by
- (ii) a percentage equal to 100% minus the maximum rate on such date at which Agent is required to maintain reserves on 'Eurocurrency Liabilities' as defined in and pursuant to Regulation D of the Board of Governors of the Federal Reserve System or, if such regulation or definition is modified, and as long as Agent is required to maintain reserves against a category of liabilities which includes eurocurrency deposits or includes a category of assets which includes eurocurrency loans, the rate at which such reserves are required to be maintained on such category,

such sum to be rounded upward, if necessary, to the nearest whole multiple of 1/16th of 1%.

1.31 "Eurocurrency-based Advance" shall mean any Advance which bears interest at the Eurocurrency-based Rate.

1.32 "Eurocurrency-based Rate" shall mean a per annum interest rate which is the Applicable Margin (subject in each case, if applicable, to adjustment under Section 4.1 hereof) above (or below) the Eurocurrency Adjusted Rate.

1.33 "Eurocurrency-Interest Period" shall mean an Interest Period of one, two, three or six months as selected by Company, for a Eurocurrency-based Advance pursuant to Section 2.9 or 3.9 hereof.

1.34 "Eurocurrency Lending Office" shall mean, (a) with respect to the Agent, Agent's office located at its Grand Caymans Branch or such other branch of Agent, domestic or foreign, as it may hereafter designate as its Eurocurrency Lending Office by notice to Company and the Banks and (b) as to each of the Banks, its office, branch or affiliate located at its address set forth on the signature pages hereof (or identified thereon as its Eurocurrency Lending Office), or at such other office, branch or affiliate of such Bank as it may hereafter designate as its Eurocurrency Lending Office by notice to Company and Agent.

1.35 "Event of Default" shall mean each of the Events of Default specified in Section 9.1 hereof.

1.36 "Excess Cash Flow" shall mean for any fiscal year (using the terms contained in the Company's Consolidated financial statements for its fiscal year ending December 31, 1993 and the sources and uses statement contained in Company's 10-K Report filed with the Federal Securities and Exchange Commission in respect of such period), net cash provided by operating activities for such fiscal year, less purchase of property and equipment for such fiscal year, less principal payments on long-term debt for such fiscal year (including all principal payments based on Excess Cash Flow made on any Indebtedness pursuant to the Loan Agreements, if any, during such fiscal year, but excluding all payments on the Revolving Credit under the Vishay Loan Agreement, the Revolving Credit under the DM Loan Agreement or any other revolving loan facility utilized at any time by Company or any of its Subsidiaries), all calculated based upon Company's annual Consolidated financial statements required to be delivered to Agent and the Banks under Section 7.3(b) of the Vishay Loan Agreement.

1.37 "Federal Funds Effective Rate" shall mean, for any day, a fluctuating interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such

transactions received by Agent from three Federal funds brokers of recognized standing selected by it.

1.38 "Fees" shall mean the Bridge Loan Commitment Fee, the Bridge Loan Extension Fee and the Agent's Fees.

1.39 "Fixed Rate" shall mean the per annum fixed rate of interest for the Term Loan established by the Agent under Section 3.17 hereof, such rate to be based on (a) an average of the funding cost of each of the Reference Banks on that date which is three (3) Business Days prior to the effective date of the Company's election of the Fixed Rate Option (subject to Section 3.11 hereof), as determined by each such Reference Bank in the interbank swap market for the weighted average life of the Term Loan then remaining, plus (b) the Applicable Margin which would then be in effect for Eurocurrency-based Rate Advances of the Term Loan if the Company had selected such rate, subject to any applicable margin adjustment under Section 4.1 hereof, giving immediate effect thereto based on the most current quarterly financial statement delivered by the Company under Section 7.3(b) or 7.3(c) hereof, as the case may be.

1.40 "Fixed Rate Option" shall mean the Company's right, subject to and in accordance with Section 3.11 hereof, to elect the Fixed Rate as the Applicable Interest Rate for the Term Loan.

1.41 "Fixed Rate Election" shall mean the Company's written election of the Fixed Rate as the Applicable Interest Rate for the Term Loan, submitted by the Company under Section 3.11 hereof, in the form attached hereto as Exhibit "C."

1.42 "Foreign Subsidiaries" shall mean all of the Company's Subsidiaries other than the Domestic Subsidiaries.

1.43 "Funding Expiration Date" shall mean the initial Funding Expiration Date of October 18, 1994, subject to any extension thereof in accordance with Section 3.3 of this Agreement.

1.44 "GAAP" shall mean generally accepted accounting principles in the United States of America, as in effect from time to time, applied on a consistent basis.

1.45 "Guaranties" shall mean the Company Guaranty, the Domestic Guaranty, and the Permitted Borrowers Guaranty.

1.46 "hereof", "hereto", "hereunder" and similar terms shall refer to this Agreement and not to any particular paragraph or provision of this Agreement.

1.47 "HLT Determination" shall mean any determination by the Agent or by the Majority Banks, or by applicable federal or state regulatory authorities (including without limitation any central bank or other governmental body having jurisdiction over any of the

Banks) that the Indebtedness (or any specific loan facility or portion thereof pursuant to this Agreement or the other Loan Agreements) would be classified as a "highly-leveraged transaction" or an "HLT" under applicable federal or state law, regulations or guidelines in effect from time to time, provided that (a), with any determination of HLT status by Agent or the Majority Banks, Agent shall have given Company not less than thirty (30) days prior written notice thereof, accompanied by a certificate setting forth the basis for such determination (which shall be presumed correct absent manifest error) and (b) with respect to any determination of HLT status by a federal or state regulatory authority, Agent shall have given written notice thereof to Company, accompanied by a copy of such determination (if in writing).

1.48 "Indebtedness" shall mean all indebtedness and liabilities, whether direct or indirect, absolute or contingent, owing by Company to the Banks (or any of them) or to the Agent, in any manner and at any time, under this Agreement or the Loan Documents, whether evidenced by the Notes, arising under the DM Loan Agreement (or any promissory notes issued thereunder), the Roederstein Loan Agreement (or any promissory notes issued thereunder), the Vishay Loan Agreement (or any promissory notes issued thereunder), the Vishay Guaranty, the Domestic Guaranty, the Permitted Borrowers Guaranty, or otherwise, due or hereafter to become due, now owing or that may hereafter be incurred by the Company or any of its Subsidiaries to, or acquired by, the Banks (or any of them) or by Agent hereunder or thereunder, and any judgments that may hereafter be rendered on such indebtedness or any part thereof, with interest according to the rates and terms specified, or as provided by law, and any and all consolidations, amendments, renewals, replacements or extensions of any of the foregoing.

1.49 "Interest Period" shall mean either a Eurocurrency-Interest Period commencing on the day a Eurocurrency-based Advance is made, or on the effective date of an election of the Eurocurrency-based Rate made under Section 2.9 or 3.9, hereof, provided that:

(a) any Interest Period which would otherwise end on a day which is not a Business Day shall be extended to the next succeeding Business Day, except that as to a Eurocurrency-Interest Period, if the next succeeding Business Day falls in another calendar month, the Eurocurrency-Interest Period shall end on the next preceding Business Day, and when a Eurocurrency-Interest Period begins on a day which has no numerically corresponding day in the calendar month during which such Eurocurrency-Interest Period is to end, it shall end on the last Business Day of such calendar month, and

(b) no Interest Period shall extend beyond the then effective maturity date of the Note or Notes to which such Interest Period is to apply.

1.50 "Internal Revenue Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated thereunder.

1.51 "Lien" shall mean any pledge, assignment, hypothecation, mortgage, security interest, deposit arrangement, option, trust receipt, conditional sale or title retaining contract, sale and leaseback transaction, or any other type of lien, charge or encumbrance, whether based on common law, statute or contract.

1.52 "Loan Agreements" shall mean this Agreement, the Vishay Loan Agreement, the DM Loan Agreement, and the Roederstein Loan Agreement.

1.53 "Loan Documents" shall mean collectively, this Agreement, the Notes, the Guaranties, the DM Loan Documents, the Roederstein Loan Documents, Vishay Loan Documents and any other documents, instruments or agreements executed pursuant to or in connection with any such document, this Agreement, the DM Loan Agreement, the Roederstein Loan Agreement, or the Vishay Loan Agreement, as such documents may be amended from time to time.

1.54 "Majority Banks" shall mean at any time Banks holding 66-2/3% of the aggregate principal amount of the Indebtedness then outstanding under this Agreement and the other Loan Documents (excluding any Bid Notes issued under Vishay Loan Agreement or the DM Loan Agreement except upon the occurrence and during the continuance of an Event of Default, provided that the Indebtedness under any such Bid Notes shall not be included for purposes of Section 9.2(w) hereof), or, if no such Indebtedness is then outstanding, Banks holding 66-2/3% of the Percentages.

1.55 "Moody's Rating" shall mean the rating by Moody's Investors Services, Inc. (or any successor thereto) of Company's long-term, senior unsecured debt.

1.56 "New Banks" shall mean Credit Lyonnais and Credit Suisse.

1.57 "Notes" shall mean the Term Notes or the Bridge Notes, or any or all of the Term Notes and the Bridge Notes, as the context indicates, and in the absence of such indication, all such notes.

1.58 "Percentage" shall mean, with respect to any Bank, its percentage share, as set forth on Exhibit "F", hereto, of the Term

Loan and/or the Bridge Loan, as the context indicates, as such Exhibit may be revised from time to time by Agent in accordance with Section 13.8(d) of the Vishay Loan Agreement.

1.59 "Permitted Borrowers Guaranty" shall have the meaning specified in the Vishay Loan Agreement.

1.60 "Permitted Company Encumbrances" shall mean, in addition to Permitted Encumbrances, those liens and encumbrances of the Company identified in Schedule 1.60, hereto.

1.61 "Permitted Encumbrances" shall mean, with respect to any Person:

(a) the liens and encumbrances granted under or established by this Agreement or the Loan Documents;

(b) liens for taxes not yet due and payable or which are being contested in good faith by appropriate proceedings diligently pursued, provided that such provision for the payment of all such taxes known to such Person has been made on the books of such Person as may be required by GAAP;

(c) mechanics', materialmen's, banker's, carriers', warehousemen's and similar liens and encumbrances arising in the ordinary course of business and securing obligations of such Person that are not overdue for a period of more than 60 days or are being contested in good faith by appropriate proceedings diligently pursued, provided that in the case of any such contest (i) any proceedings commenced for the enforcement of such liens and encumbrances shall have been duly suspended; and (ii) such provision for the payment of such liens and encumbrances has been made on the books of such Person as may be required by GAAP;

(d) liens arising in connection with worker's compensation, unemployment insurance, old age pensions (subject to the applicable provisions of this Agreement) and social security benefits which are not overdue or are being contested in good faith by appropriate proceedings diligently pursued, provided that in the case of any such contest (i) any proceedings commenced for the enforcement of such liens shall have been duly suspended; and (ii) such provision for the payment of such liens has been made on the books of such Person as may be required by GAAP; and

(e) (i) liens incurred in the ordinary course of business to secure the performance of statutory obligations arising in connection with progress payments or advance payments due under contracts with the United States or any foreign government or any agency thereof entered into in the

ordinary course of business and (ii) liens incurred or deposits made in the ordinary course of business to secure the performance of statutory obligations, bids, leases, fee and expense arrangements with trustees and fiscal agents and other similar obligations (exclusive of obligations incurred in connection with the borrowing of money, any lease-purchase arrangements or the payment of the deferred purchase price of property), provided that full provision for the payment of all such obligations set forth in clauses (i) and (ii) has been made on the books of such Person as may be required by GAAP; and

(f) any minor imperfections of title, including but not limited to easements, covenants, rights-of-way or other similar restrictions, which, either individually or in the aggregate do not materially adversely affect the present or future use of the property to which they relate, which would have a material adverse effect on the sale or lease of such property, or which would render title thereto unmarketable.

1.62 "Permitted Encumbrances of the Subsidiaries" shall mean, in addition to Permitted Encumbrances, those liens and encumbrances of the Subsidiaries identified in Schedule 1.62, hereto.

1.63 "Permitted Transferee" shall mean a "Permitted Transferee" as defined in the Company's current Certificate of 3 Incorporation, and any subsequent amendment of the definition of such term approved by the Majority Banks.

1.64 "Person" shall mean an individual, corporation, partnership, trust, incorporated or unincorporated organization, joint venture, joint stock company, or a government or any agency or political subdivision thereof or other entity of any kind.

1.65 "Prime Rate" shall mean the per annum interest rate established by Agent as its prime rate for its borrowers as such rate may vary from time to time, which rate is not necessarily the lowest rate on loans made by Agent at any such time.

1.66 "Prime-based Advance" shall mean an Advance which bears interest at the Prime-based Rate.

1.67 "Prime-based Rate" shall mean that rate of interest which is the greater of (i) the Prime Rate or (ii) the Alternate Base Rate, plus in each case the Applicable Margin (subject in each case, if applicable, to adjustment under Section 4.1 hereof).

1.68 "Prior Banks" shall mean the Banks, other than the New Banks.

- 1.69 "Rating Level" shall mean Rating Level 1, 2, 3 or 4 as then in effect hereunder.
- 1.70 "Rating Level 1" shall mean an S & P rating of BBB+ (or higher) and a Moody's rating of Baa1 (or higher).
- 1.71 "Rating Level 2" shall mean an S & P rating of BBB (or higher) and a Moody's rating of Baa2 (or higher).
- 1.72 "Rating Level 3" shall mean an S & P rating of BBB- (or higher) and a Moody's rating of Baa3 (or higher).
- 1.73 "Rating Level 4" shall mean the rating level (if any) which exists whenever the Company does not qualify for Rating Level 1, Rating Level 2 or Rating Level 3.
- 1.74 "Reference Banks" shall mean Comerica, NationsBank and BHF, or such other Banks as may be agreed to constitute the "Reference Banks" by Company, Agent and the Majority Banks.
- 1.75 "Request for Bridge Loan Advance and Rate Request" shall mean a request for advance and rate request issued by Company (with respect to the Bridge Loan) under Section 3.9 of this Agreement in the form annexed hereto as Exhibit "E".
- 1.76 "Request for Term Loan Advance and Rate Request" shall mean a request for advance and rate request issued by the Company (with respect to the Term Loan) under Section 2.9 of this Agreement in the form annexed hereto as Exhibit "B".
- 1.77 "Roederstein Loan Agreement" shall mean that certain Roederstein DM 104,315,990.20 Term Loan Agreement dated as of the date hereof, among VBG, the Banks and Agent, as amended from time to time.
- 1.78 "Roederstein Loan Documents" shall mean the Roederstein Loan Agreement and all notes, and other loan documents (or any assignments thereof) executed by VBG or any of its Subsidiaries pursuant to or in connection with the Roederstein Loan Agreement, as such documents may be amended from time to time.
- 1.79 "S & P Rating" shall mean the rating by Standard & Poor's Corporation (or any successor thereto) of Company's long-term, senior unsecured debt.
- 1.80 "Seller" shall mean Thomas & Betts Corporation, a New Jersey Corporation.
- 1.81 "Shares", "share capital", "capital stock", "stock" and words of similar import shall mean and refer to the equity capital interest under applicable law of any Person in a corporation, howsoever such interest is created or arises, whether such capital

consists of common stock, preferred stock or preference shares, or other stock, and whether such capital is evidenced by a certificate, share register entry or otherwise.

1.82 "Significant Domestic Subsidiaries" shall have the meaning specified in the Vishay Loan Agreement.

1.83 "Significant Foreign Subsidiaries" shall have the meaning specified in the Vishay Loan Agreement.

1.84 "Significant Subsidiaries" shall mean the Significant Domestic Subsidiaries and the Significant Foreign Subsidiaries.

1.85 "Stock Purchase Agreement" shall mean that certain stock purchase agreement dated as of July 12, 1994 entered into between Seller (and certain of its subsidiaries), as sellers, and the Company, as purchasers, as amended (subject to the terms hereof), from time to time.

1.86 "Subsidiary(ies)" shall mean any other corporation, association, joint stock company, or business trust of which more than fifty percent (50%) of the outstanding voting stock is owned either directly or indirectly by Company or one or more of its Subsidiaries or by Company and one or more of its Subsidiaries, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by Company and/or its Subsidiaries.

1.87 "Target Company" shall mean Vitramon, Incorporated, a Delaware corporation.

1.88 "Target Company Acquisition" shall mean the acquisition by the Company, subject to the terms hereof, of all of the issued and outstanding shares of stock of the Target Company for the price and on the terms set forth in the Stock Purchase Agreement.

1.89 "Target Company Loan Documents" shall mean this Agreement, and all notes and other loan documents executed by Company or any of its Subsidiaries pursuant to or in connection with the Target Company Loan Agreement, as such documents may be amended from time to time.

1.90 "Term Loan" shall mean that certain non-amortizing term loan in an aggregate amount not to exceed One Hundred Million Dollars (\$100,000,000) to be advanced by the Banks to the Company pursuant to Section 2 of this Agreement.

1.91 "Term Loan Maturity Date" shall mean, July 18, 2001.

1.92 "Term Notes" shall mean the term notes described in Section 2.1 hereof, made by Company to each of the Banks in the form annexed to this Agreement as Exhibit "A".

1.93 "Vishay Guaranty" shall have the meaning specified in the Vishay Loan Agreement.

1.94 "Vishay Loan Agreement" shall mean that certain Amended and Restated Vishay Intertechnology, Inc. \$302,500,000 Revolving Credit and Term Loan Agreement dated as of the date hereof among Vishay, Agent and the Banks, as amended from time to time.

1.95 "Vishay Loan Documents" shall mean this Agreement, the Vishay Loan Agreement and all notes and other loan documents executed by Company pursuant to or in connection with such Loan Agreements as such documents may be amended from time to time.

1.96 "VBG" shall mean Vishay Beteiligungs GmbH, a German corporation, formerly known as Draloric Electronic GmbH.

1.97 "Yield Maintenance Payment" shall mean the yield maintenance payment required to be paid by the Company under Section 3.13(b) hereof in connection with any prepayment of the Term Loan following the Company's Fixed Rate Election hereunder.

Unless otherwise defined herein, all capitalized terms used herein shall have the meanings set forth in the Vishay Loan Agreement.

2. TERM LOAN

2.1 Commitment. Subject to the terms and conditions of this Agreement (including without limitation those conditions specified or incorporated by reference in Section 6 hereof), each Bank, severally and for itself alone, agrees to advance to the Company, in a single Advance in Dollars on or before the Funding Expiration Date, sums not to exceed in the aggregate such Bank's respective Percentage of the Term Loan. Advances of the Term Loan shall be evidenced by Term Notes executed and delivered by the Company to each of the Banks concurrently herewith in the form attached hereto as Exhibit "A" (with appropriate insertions acceptable to the Banks in form and substance) and in the face amount of each Bank's respective Percentage thereof. The commitment of the Banks to fund the Term Loan shall expire and be of no further force and effect at the close of Agent's business on the Funding Expiration Date, after which date the Company shall no longer be entitled to the Advance of the Term Loan.

2.2 Repayment of Principal. The Term Notes, and all principal, interest and other sums outstanding thereunder, shall mature and become due and payable in full on the Term Loan Maturity Date. Subject to the terms hereof (including without limitation acceleration under Section 9.2, below), no periodic installments of principal shall be required under the Term Notes except to the extent that Company is required to make principal payments based on Excess Cash Flow under Section 2.3 hereof.

2.3 Excess Cash Flow Recapture. Until the Company's election of the Fixed Rate in accordance with Section 2.11 hereof, the Term Loan shall be subject to required principal reductions in the amount of twenty-five percent (25%) of Excess Cash Flow, to be applied pro rata to the Term Notes issued by the Company hereunder (based on the principal amounts outstanding under such Notes at the time any such payments are made hereunder), payable in respect of each calendar year (or portion thereof) from 1994 through 2000, on the earlier of (i) the respective dates of Company's delivery of financial statements for such calendar years under Section 7.3(b) of the Vishay Loan Agreement hereof or (ii) May 31st of the succeeding year, as applicable, commencing on May 31, 1995 and on each May 31st thereafter until the Term Loan Maturity Date; provided, however, that payments of Excess Cash Flow under this Section 2.3 shall be required only if (i) the Term Loan under the Vishay Loan Agreement has been paid and discharged in full on or before the applicable dates set forth above (and only to the extent that twenty-five percent (25%) of Excess Cash Flow for the applicable fiscal year has not been applied to reduce such Term Loan in respect of such fiscal year) or if the Company has elected the Fixed Rate as the Applicable Interest Rate for such Term Loan under Section 3.1 thereof and (ii) if the Term Loan under the Roederstein Loan Agreement has been paid and discharged in full on or before the applicable dates set forth above (and only to the extent that twenty-five percent (25%) of Excess Cash Flow for the applicable fiscal year has not been applied to reduce such Term Loan in respect of such fiscal year).

Principal reductions based on Excess Cash Flow shall be in addition to any optional prepayments made prior thereto. There shall be no readvance or re-borrowing of any principal reductions of the Term Loan hereunder.

2.4 Accrual of Interest. Each Advance of Indebtedness evidenced by the Term Notes from time to time outstanding hereunder shall, from and after the date of such Advance, bear interest at its Applicable Interest Rate. The amount and date of each Advance, its Applicable Interest Rate, its Interest Period, and the amount and date of any repayment shall be noted on Agent's records, which records will be conclusive evidence thereof, absent manifest error.

2.5 Prime-based Interest Payments. Interest on the unpaid balance of Indebtedness evidenced by the Term Notes which is funded or carried as a Prime-based Advance from time to time shall accrue from the date of such Advance to the Term Loan Maturity Date (or until refunded, converted or paid), at a per annum interest rate equal to the Prime-based Rate, and shall be payable in immediately available funds quarterly commencing on the last day of the calendar quarter in which the Advance under the applicable Term Notes is made, and continuing on the last day of each calendar quarter thereafter until the Term Loan Maturity Date. Interest accruing at the Prime-based Rate shall be computed on the basis of

a 360-day year and assessed for the actual number of days elapsed, and in such computation effect shall be given to any change in the interest rate resulting from a change in the Prime-based Rate on the date of such change in the Prime-based Rate.

2.6 Eurocurrency-based Interest Payments. Interest on Indebtedness evidenced by the Term Notes which is funded or carried as a 1-month, 2-month and 3-month Eurocurrency-based Advance from time to time shall accrue at its Applicable Interest Rate and shall be payable in immediately available funds on the last day of the Interest Period applicable thereto. Interest on Indebtedness evidenced by the Term Notes which is funded or carried as a 6-month Eurocurrency-based Advance outstanding from time to time shall be payable in immediately available funds at intervals of 3 months after the first day of the applicable Interest Period, and on the last day of the applicable Interest Period. Interest accruing at the Eurocurrency-based Rate shall be computed on the basis of a 360-day year and assessed for the actual number of days elapsed from the first day of the Interest Period applicable thereto to, but not including, the last day thereof.

2.7 Interest Payments on Conversions. Notwithstanding anything to the contrary in the preceding Sections, all accrued and unpaid interest on any Advance of the Term Loan converted pursuant to Section 2.9 hereof shall be due and payable in full on the date such Advance of the Term Loan is converted.

2.8 Interest on Default. In the event and so long as any Event of Default shall exist under any Term Note or under this Agreement, interest shall be payable daily on all Advances evidenced by the Term Notes from time to time outstanding at a per annum rate equal to the Applicable Interest Rate, plus three percent (3%) for the remainder of the then existing Interest Period, if any, and at all other such times, with respect to Domestic Advances from time to time outstanding, at a per annum rate equal to the Prime-based Rate plus three percent (3%), and, with respect to Eurocurrency-based Advances from time to time outstanding under the Term Notes, (i) at a per annum rate calculated by the Agent, whose determination shall be conclusive absent manifest error, on a daily basis, equal to three percent (3%) above the interest rate per annum at which one (1) day deposits (or, if such amount due remains unpaid for more than three (3) Business Days, then for such other period of time as the Agent may elect which shall in no event be longer than six (6) months) in the relevant eurocurrency in the amount of such overdue payment due to the Agent are offered by the Eurocurrency Lending Office for the applicable period determined as provided above, or (ii) if at any such time such deposits are not offered by the Eurocurrency Lending Office, then at a rate per annum equal to three percent (3%) above the rate determined by the Agent to be its aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance) of carrying the amount of such Eurocurrency Advance.

2.9 Requests for and Refundings and Conversions of Advances. Company may request the Advance of the Term Loan and, until the exercise of the Fixed Rate Option, refund any Advance of the Term Loan in the same type of Advance or convert any Advance of the Term Loan to any other type of Advance of the Term Loan only after delivery to Agent of a Request for Term Loan Advance and Rate Request executed by an authorized officer of Company and subject to the following:

(a) each such Request for Term Loan Advance and Rate Request shall set forth the information required on the Request for Advance form annexed hereto as Exhibit "B", including without limitation:

- (i) the proposed date of Advance, which must be a Business Day;
- (ii) whether the Advance is a refunding or conversion of an outstanding Advance; and
- (iii) whether such Advance is to be a Prime-based Advance or a Eurocurrency-based Advance, and, except in the case of a Prime-based Advance, the first Interest Period applicable thereto.

(b) each such Request for Term Loan Advance and Rate Request shall be delivered to Agent by 12 Noon (Detroit time) four (4) Business Days prior to the proposed date of Advance, except in the case of a Prime-based Advance, for which the Request for Advance must be delivered by 11 a.m. on the proposed date of Advance;

(c) the principal amount of such Advance, plus the amount of any other outstanding Indebtedness evidenced by the Term Notes to be then combined therewith having the same Applicable Interest Rate and Interest Period, if any, shall be (i) in the case of a Prime-based Advance at least One Million Dollars (\$1,000,000) and (ii) in the case of a Eurocurrency-based Advance at least Five Million Dollars (\$5,000,000);

(d) no Advance shall have an Interest Period ending after the Term Loan Maturity Date.

(e) upon completion of the Advance there shall be no more than one (1) Interest Period and one (1) Applicable Interest Rate (including the Prime-based Rate) with respect to Indebtedness evidenced by the Term Notes;

(f) a Request for Term Loan Advance and Rate Request, once delivered to Agent, shall not be revocable by Company;

(g) each Request for Term Loan Advance and Rate Request shall constitute and include a certification by the Company as of the date thereof that:

- (i) both before and after the Advance, the obligations of the Company and its Subsidiaries set forth in this Agreement and the Loan Documents to which such Persons are parties are valid, binding and enforceable obligations of the Company and its Subsidiaries, as the case may be;
- (ii) all conditions to Advances of the Term Loan have been satisfied, and shall remain satisfied to the date of Advance;
- (iii) there is no Default or Event of Default in existence, and none will exist upon the making of the Advance;
- (iv) the representations and warranties contained in this Agreement and the Loan Documents are true and correct in all material respects and shall be true and correct in all material respects as of the making of the Advance; and
- (v) the execution of the Request for Advance will not violate the material terms and conditions of any material contract, agreement or other borrowing of Company or any of its Subsidiaries;

(h) each Request for Term Loan Advance, and Rate Request shall be accompanied by such documents, instruments and other materials required hereunder or otherwise necessary to evidence satisfaction of all conditions to Advances of the Term Loan.

In the event with respect to any Advance Company shall fail to timely exercise its option in accordance with this Section 2.9, then the principal amount thereof which is not then prepaid shall be converted to a Prime-based Advance in accordance with Section 2.12 hereof (Agent to notify Company promptly of the occurrence thereof).

2.10 Disbursement of Advances.

(a) Upon receiving any Request for Term Loan Advance and Rate Request from Company in compliance with Section 2.9 hereof, Agent shall promptly notify each Bank by wire, telex or by telephone (confirmed by wire, telecopy or telex) of the amount of such Advance to be made and the date

such Advance is to be made by said Bank pursuant to its Percentage of the Advance. Unless such Bank's commitment to make Advances hereunder shall have been suspended or terminated in accordance with this Agreement, each Bank shall make available to Agent the amount of its Percentage of the Advance in immediately available funds, as follows:

- (i) for Prime-based Advances, at the office of Agent located at One Detroit Center, 500 Woodward Avenue, Detroit, Michigan 48226, not later than 2:00 p.m. (Detroit time) on the date of such Advance; and
- (ii) for Eurocurrency-based Advances, at the Agent's Correspondent for the account of the Eurocurrency Lending Office of the Agent, not later than 12 Noon (the time of the Agent's Correspondent) on the date of such Advance.

(b) Subject to submission of an executed Request for Term Loan Advance and Rate Request by Company without exceptions noted in the compliance certification therein, Agent shall make available to Company the aggregate of the amounts, in Dollars, so received by it from the Banks in like funds:

- (i) for Prime-based Advances, not later than 4:00 p.m. (Detroit time) on the date of such Advance by deposit to an account of the Company maintained with Agent, or to such other account or third party as Company may reasonably direct;
- (ii) for Eurocurrency-based Advances, not later than 4:00 p.m. (the time of the Agent's Correspondent) on the date of such Advance, by deposit to an account of the Company maintained with Agent's Correspondent, or to such other account or third party as Company may reasonably direct.

(c) Agent shall deliver the documents and papers received by it for the account of each Bank to such Bank or upon its order. Unless Agent shall have been notified by any Bank prior to the date of any proposed Advance that such Bank does not intend to make available to Agent such Bank's Percentage of the Advance, Agent may assume that such Bank has made such amount available to Agent on such date, as aforesaid and may, in reliance upon such assumption, make available to Company a corresponding amount. If such amount is not in fact made available to Agent by such Bank, as aforesaid, Agent shall be entitled to recover such amount on demand from such

Bank. If such Bank does not pay such amount forthwith upon Agent's demand therefor, the Agent shall promptly notify Company and Company shall pay such amount to Agent. Agent shall also be entitled to recover from such Bank or Company, as the case may be, interest on such amount in respect of each day from the date such amount was made available by Agent to Company to the date such amount is recovered by Agent, at a rate per annum equal to:

- (i) in the case of such Bank, with respect to Prime-based Advances, the Federal Funds Effective Rate, and with respect to Eurocurrency-based Advances, Agent's aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance and of any fees, penalties, overdraft charges or other costs or expenses incurred by Agent as a result of such failure to deliver funds hereunder) of carrying such amount; and
- (ii) in the case of Company, the rate of interest then applicable to the Term Loan.

The obligation of any Bank to make any Advance hereunder shall not be affected by the failure of any other Bank to make any Advance hereunder, and no Bank shall have any liability to the Company or its Subsidiaries, the Agent, any other Bank, or any other party for another Bank's failure to make any loan or Advance hereunder.

2.11 Fixed Rate Election. (a) The Fixed Rate Election shall set forth the information required on the Fixed Rate Election form attached hereto as Exhibit "C" and shall constitute Company's certification that the conditions required under subparagraph (c), below, have been satisfied and that Company is entitled to elect the Fixed Rate hereunder;

(b) The Fixed Rate Election shall be delivered to Agent by 11:00 a.m. (Detroit time) not less than five (5) nor greater than ten (10) Business Days prior to the proposed effective date of such election, and once delivered to Agent by the Company, shall not be revocable by Company;

(c) In order for the Fixed Rate to become effective, the following conditions shall be satisfied by the Company (unless waived by the Banks) on or before the proposed effective date of the Fixed Rate Election, and shall remain satisfied on the actual effective date thereof:

- (i) As of the proposed effective date of the Fixed Rate Election, and as of the

actual effective date thereof, no Eurocurrency-based Advance of the Term Loan shall be outstanding;

- (ii) All accrued interest outstanding under the Term Notes as of the effective date of the Fixed Rate Election has been paid and discharged in full;
- (iii) both before and after the effective date of such election, the obligations of Company set forth in this Agreement are valid, binding and enforceable obligations of Company;
- (iv) there is no Default or Event of Default in existence, and none will exist upon the effective date of such election; and
- (v) the execution of such election will not violate the terms and conditions of any material contract, agreement or other borrowing of Company or any of its Subsidiaries;

(d) Subject to the foregoing, the Fixed Rate Election shall become effective (and the Fixed Rate shall become the Applicable Interest Rate for the Term Loan) on the proposed effective date of the Fixed Rate Election, as specified by the Company, whereupon Agent will notify Company and the Banks promptly of the Fixed Rate established by it hereunder. If a Fixed Rate Election has been submitted by Company hereunder, the Prime-base Rate shall be the only rate available to Company for the refunding or conversion of outstanding Advances of the Term Loan after such submission.

(e) Company shall be entitled to deliver only one Fixed Rate Election for the Term Loan while this Agreement is in effect, and once so elected, the Fixed Rate shall, subject to the terms hereof, remain the Applicable Interest Rate for the Term Loan so long as the Term Loan is outstanding hereunder.

(f) Interest accruing at the Fixed Rate shall be payable in immediately available funds quarterly commencing on the last day of the calendar quarter in which the Fixed Rate Election shall have been made by the Company, and continuing on the last day of each calendar quarter thereafter until the Term Loan Maturity Date, shall be computed on the basis of a 360-day year and assessed for the actual number of days elapsed. In the

event and so long as any Event of Default shall exist under any Term Note or under the Vishay Loan Agreement or any of the other Loan Documents, interest shall be payable daily on the Indebtedness evidenced by the Term Notes from time to time outstanding at a per annum rate equal to the Fixed Rate, plus three percent (3%).

2.12 Prime-based Advance in Absence of Election or Upon Default. If, as to any outstanding Eurocurrency-based Advance, Agent has not received payment on the last day of the Interest Period applicable thereto, or does not receive a timely Request for Term Loan Advance and Rate Request meeting the requirements of Section 2.9 with respect to the refunding or conversion of such Advance, or if on such day a Default or Event of Default shall have occurred and be continuing, the principal amount thereof which is not then prepaid in the case of a Eurocurrency-based Advance shall be converted automatically to a Prime-based Advance and the Agent shall thereafter promptly notify Company of said action.

2.13 Prepayment. (a) Company may prepay all or part of the outstanding balance of any Prime-based Advance(s) under its Term Notes at any time (subject to not less than one (1) Business Day's notice to Agent), provided that the amount of any partial prepayment by such party shall be at least One Million Dollars (\$1,000,000) and the aggregate balance of Prime-based Advance(s) remaining outstanding on such Notes shall be at least One Million Dollars (\$1,000,000). Company may prepay all or part of any Eurocurrency-based Advance (subject to not less than three (3) Business Days' notice to Agent) only on the last day of the Interest Period applicable thereto, provided that the amount of any such partial prepayment by such party shall be at least One Million Dollars (\$1,000,000), and the unpaid portion of such Advance which is refunded or converted by such party under Section 2.9 hereof shall be at least Five Million Dollars (\$5,000,000). Furthermore, no such prepayment may be made using funds advanced, directly or indirectly, by the Banks under this Agreement or the DM Loan Agreement. Upon Agent's request in connection with any prepayment, Company shall provide evidence satisfactory to the Majority Banks that the source of funding for such prepayment consists of new equity, surplus cash (not the result of any Advance under this Agreement) or otherwise was not derived, directly or indirectly, from any Advance hereunder. Any prepayment made in accordance with this Section shall be without premium or penalty (subject to Section 10 hereof), but there shall be no readvance or reborrowing of any principal reductions of the Term Loan (whether or not such principal reductions constitute prepayments).

(b) Once the Fixed Rate becomes the applicable Interest Rate for the Term Loan hereunder, at its option and upon not less than five (5) business days prior written notice to Agent, Company may prepay the principal balance outstanding under the Term Loan in whole or in part (in amounts of not less than Five Million Dollars

(\$5,000,000) only upon payment to the Agent, for distribution to the Banks pro rata, of a Yield Maintenance Payment in an amount calculated by Agent to make the Banks whole (to the extent of the interest which would have been earned by the Banks but for the occurrence of such prepayment) on the basis of the discounted net present values of the interest payments that would otherwise be payable on the principal amount of the Term Loan being prepaid, after taking into account the amount of interest which would be payable on each interest payment due date if the principal amount being repaid were reinvested at the Current Market Rate (defined below).

As used herein, "Current Market Rate" shall mean a per annum interest rate equal to one-half percentage point (.5%) above the rate reasonably determined by Agent (based on quotations from established dealers) to be in effect two (2) days prior to the repayment date in the secondary market for United States Treasury Securities of a comparable amount and with a comparable term to maturity as the principal amount being prepaid hereunder. For purposes of computation, the discount rate for each computation will be the Current Market Rate for the relevant principal installment.

Upon any involuntary prepayment of the Term Loan hereunder, whether by acceleration, or otherwise, the Company shall pay to Agent, for distribution to the Banks pro rata, a Yield Maintenance Payment in an amount equal to the Yield Maintenance Payment which would have been due and payable hereunder if the Company had voluntarily elected to prepay the Term Loan (in an amount equal to such involuntary prepayment) on such date of involuntary prepayment.

2.14 Use of Term Loan Proceeds. The proceeds of the Term Loan shall be used by the Company solely for the purpose of funding amounts required to be paid by it for or in connection with the Target Company Acquisition, including without limitation provision for transfer taxes, stamp duties and brokerage fees resulting directly from such Acquisition.

3. BRIDGE LOAN

3.1 Commitment. Subject to the terms and conditions of this Agreement (including without limitation those conditions specified or incorporated by reference in Section 6 hereof) and subject to the prior or concurrent Advance, in its entirety, of the Term Loan under Section 2 hereof, each Bank, severally and for itself alone, agrees to advance to the Company, in a single Advance in Dollars on or before Agent's close of business on the Funding Expiration Date, sums not to exceed in the aggregate such Bank's respective Percentage of the Bridge Loan. Advances of the Bridge Loan shall be evidenced by Bridge Notes executed and delivered by the Company to each of the Banks concurrently herewith in the form attached hereto as Exhibit "D" (with appropriate insertions acceptable to the Banks

in form and substance) and in the face amount of each Bank's respective Percentage thereof. The commitment of the Banks to fund the Bridge Loan shall expire and be of no further force and effect at the close of Agent's business on the Funding Expiration Date (subject to Section 3.3 hereof), after which date the Company shall no longer be entitled to the Advance of the Bridge Loan.

3.2 Repayment of Principal. The Bridge Notes, and all principal, interest and other sums outstanding thereunder, shall mature and become due and payable in full on the Bridge Loan Maturity Date. Subject to the terms hereof (including without limitation acceleration under Section 9.2, below), no periodic installments of principal shall be required under the Bridge Notes. There shall be no readvance or reborrowing of any principal reductions of the Bridge Loan.

3.3 Extension of Funding Expiration Date. So long as no Default or Event of Default has occurred and is continuing on the date of its request therefor (or upon the effective date of any such extension), the Company may extend the initial Funding Expiration Date, or any succeeding Funding Expiration Date as extended hereunder, upon written notice to Agent prior to the Funding Expiration Date then in effect, as follows:

(a) From October 18, 1994 to January 18, 1995, provided that Installment 1 of the Bridge Loan Extension Fee has been paid or is paid concurrently with such request for extension;

(b) From January 18, 1995 to April 18, 1995, provided that Installment 2 of the Bridge Loan Extension Fee has been paid or is paid concurrently with such request;

(c) From April 18, 1995 to July 18, 1995, provided that Installment 3 of the Bridge Loan Extension Fee has been paid or is paid concurrently with such request; and

(d) From July 18, 1995 to July 18, 1996, provided that Installment 4 of the Bridge Loan Extension Fee has been paid or is paid concurrently with such request.

3.4 Accrual of Interest. Each Advance of Indebtedness evidenced by the Bridge Notes from time to time outstanding hereunder shall, from and after the date of such Advance, bear interest at its Applicable Interest Rate. The amount and date of each Advance, its Applicable Interest Rate, its Interest Period, and the amount and date of any repayment shall be noted on Agent's records, which records will be conclusive evidence thereof, absent manifest error.

3.5 Prime-based Interest Payments. Interest on the unpaid balance of Indebtedness evidenced by the Bridge Notes which is

funded or carried as a Prime-based Advance from time to time shall accrue from the date of such Advance to the Bridge Loan Maturity Date (or until refunded, converted or paid), at a per annum interest rate equal to the Prime-based Rate, and shall be payable in immediately available funds quarterly commencing on the last day of the calendar quarter in which the Advance under the applicable Bridge Notes is made, and continuing on the last day of each calendar quarter thereafter until the Bridge Loan Maturity Date. Interest accruing at the Prime-based Rate shall be computed on the basis of a 360-day year and assessed for the actual number of days elapsed, and in such computation effect shall be given to any change in the interest rate resulting from a change in the Prime-based Rate on the date of such change in the Prime-based Rate.

3.6 Eurocurrency-based Interest Payments. Interest on Indebtedness evidenced by the Bridge Notes which is funded or carried as a 1-month, 2-month and 3-month Eurocurrency-based Advance from time to time shall accrue at its Applicable Interest Rate and shall be payable in immediately available funds on the last day of the Interest Period applicable thereto. Interest on Indebtedness evidenced by the Bridge Notes which is funded or carried as a 6-month Eurocurrency-based Advance outstanding from time to time shall be payable in immediately available funds at intervals of 3 months after the first day of the applicable Interest Period, and on the last day of the applicable Interest Period. Interest accruing at the Eurocurrency-based Rate shall be computed on the basis of a 360-day year and assessed for the actual number of days elapsed from the first day of the Interest Period applicable thereto to, but not including, the last day thereof.

3.7 Interest Payments on Conversions. Notwithstanding anything to the contrary in the preceding Sections, all accrued and unpaid interest on any Advance of the Bridge Loan converted pursuant to Section 3.9 hereof shall be due and payable in full on the date such Advance of the Bridge Loan is converted.

3.8 Interest on Default. In the event and so long as any Event of Default shall exist under any Bridge Note or under this Agreement, interest shall be payable daily on all Advances evidenced by the Bridge Notes from time to time outstanding at a per annum rate equal to the Applicable Interest Rate, plus three percent (3%) for the remainder of the then existing Interest Period, if any, and at all other such times, with respect to Domestic Advances from time to time outstanding, at a per annum rate equal to the Prime-based Rate plus three percent (3%), and, with respect to Eurocurrency-based Advances from time to time outstanding under the Bridge Notes, (i) at a per annum rate calculated by the Agent, whose determination shall be conclusive absent manifest error, on a daily basis, equal to three percent (3%) above the interest rate per annum at which one (1) day deposits (or, if such amount due remains unpaid for more than three (3) Business Days, then for such other period of time as the Agent

may elect which shall in no event be longer than six (6) months) in the relevant eurocurrency in the amount of such overdue payment due to the Agent are offered by the Eurocurrency Lending Office for the applicable period determined as provided above, or (ii) if at any such time such deposits are not offered by the Eurocurrency Lending Office, then at a rate per annum equal to three percent (3%) above the rate determined by the Agent to be its aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance) of carrying the amount of such Eurocurrency Advance.

3.9 Request for and Refundings and Conversions of Advances. Company may request the Advance of the Bridge Loan, refund any Advance of the Bridge Loan in the same type of Advance or convert any Advance of the Bridge Loan to any other type of Advance of the Bridge Loan only after delivery to Agent of a Request for Bridge Loan Advance and Rate Request executed by an authorized officer of Company and subject to the following:

(a) each such Request for Bridge Loan Advance and Rate Request shall set forth the information required on the Request for Advance form annexed hereto as Exhibit "E", including without limitation:

- (i) the proposed date of Advance, which must be a Business Day;
- (ii) whether the Advance is a refunding or conversion of an outstanding Advance; and
- (iii) whether such Advance is to be a Prime-based Advance or a Eurocurrency-based Advance, and, except in the case of a Prime-based Advance, the first Interest Period applicable thereto.

(b) each such Request for Bridge Loan Advance and Rate Request shall be delivered to Agent by 12 Noon (Detroit time) four (4) Business Days prior to the proposed date of Advance, except in the case of a Prime-based Advance, for which the Request for Advance must be delivered by 11 a.m. on the proposed date of Advance;

(c) the principal amount of such Advance, plus the amount of any other outstanding Indebtedness evidenced by the Bridge Notes to be then combined therewith having the same Applicable Interest Rate and Interest Period, if any, shall be (i) in the case of a Prime-based Advance at least One Million Dollars (\$1,000,000) and (ii) in the case of a Eurocurrency-based Advance at least Five Million Dollars (\$5,000,000);

(d) no Advance shall have an Interest Period ending after the Bridge Loan Maturity Date. In the event with respect to any Advance Company shall fail to timely exercise its

option in accordance with this Section 3.9, then the principal amount thereof which is not then prepaid shall be converted to a Prime-based Advance in accordance with Section 3.11 hereof (Agent to notify Company promptly of the occurrence thereof);

(e) upon completion of the Advance there shall be no more than one (1) Interest Period and one (1) Applicable Interest Rate (including the Prime-based Rate) with respect to Indebtedness evidenced by the Bridge Notes;

(f) a Request for Bridge Loan Advance and Rate Request, once delivered to Agent, shall not be revocable by Company;

(g) each Request for Bridge Loan Advance and Rate Request shall constitute and include a certification by the Company as of the date thereof that:

(i) both before and after the Advance, the obligations of the Company and its Subsidiaries set forth in this Agreement and the Loan Documents to which such Persons are parties are valid, binding and enforceable obligations of the Company and its Subsidiaries, as the case may be;

(ii) all conditions to Advances of the Bridge Loan have been satisfied, and shall remain satisfied to the date of Advance;

(iii) there is no Default or Event of Default in existence, and none will exist upon the making of the Advance;

(iv) the representations and warranties contained in this Agreement and the Loan Documents are true and correct in all material respect and shall be true and correct in all material respects as of the making of the Advance; and

(v) the execution of the Request for Advance will not violate the material terms and conditions of any material contract, agreement or other borrowing of Company or any of its Subsidiaries;

(h) each Request for Bridge Loan Advance, and Rate Request shall be accompanied by such documents, instruments and other materials required hereunder or otherwise necessary to evidence satisfaction of all conditions to Advances of the Bridge Loan.

3.10 Disbursement of Advances.

(a) Upon receiving any Request for Bridge Loan Advance and Rate Request from Company in compliance with Section 3.9 hereof, Agent shall promptly notify each Bank by wire, telex or by telephone (confirmed by wire, telecopy or telex) of the amount of such Advance to be made and the date such Advance is to be made by said Bank pursuant to its Percentage of the Advance. Unless such Bank's commitment to make Advances hereunder shall have been suspended or terminated in accordance with this Agreement, each Bank shall make available to Agent the amount of its Percentage of the Advance in immediately available funds, as follows:

- (i) for Prime-based Advances, at the office of Agent located at One Detroit Center, 500 Woodward Avenue, Detroit, Michigan 48226, not later than 2:00 p.m. (Detroit time) on the date of such Advance; and
- (ii) for Eurocurrency-based Advances, at the Agent's Correspondent for the account of the Eurocurrency Lending Office of the Agent, not later than 12 Noon (the time of the Agent's Correspondent) on the date of such Advance.

(b) Subject to submission of an executed Request for Bridge Loan Advance and Rate Request by Company without exceptions noted in the compliance certification therein, Agent shall make available to Company the aggregate of the amounts, in Dollars, so received by it from the Banks in like funds:

- (i) for Prime-based Advances, not later than 4:00 p.m. (Detroit time) on the date of such Advance by deposit to an account of the Company maintained with Agent, or to such other account or third party as Company may reasonably direct;
- (ii) for Eurocurrency-based Advances, not later than 4:00 p.m. (the time of the Agent's Correspondent) on the date of such Advance, by deposit to an account of the Company maintained with Agent's Correspondent, or to such other account or third party as Company may reasonably direct.

(c) Agent shall deliver the documents and papers received by it for the account of each Bank to such Bank or upon its order. Unless Agent shall have been notified by any Bank prior to the date of any proposed Advance that such Bank

does not intend to make available to Agent such Bank's Percentage of the Advance, Agent may assume that such Bank has made such amount available to Agent on such date, as aforesaid and may, in reliance upon such assumption, make available to Company a corresponding amount. If such amount is not in fact made available to Agent by such Bank, as aforesaid, Agent shall be entitled to recover such amount on demand from such Bank. If such Bank does not pay such amount forthwith upon Agent's demand therefor, the Agent shall promptly notify Company and Company shall pay such amount to Agent. Agent shall also be entitled to recover from such Bank or Company, as the case may be, interest on such amount in respect of each day from the date such amount was made available by Agent to Company to the date such amount is recovered by Agent, at a rate per annum equal to:

- (i) in the case of such Bank, with respect to Prime-based Advances, the Federal Funds Effective Rate, and with respect to Eurocurrency-based Advances, Agent's aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance and of any fees, penalties, overdraft charges or other costs or expenses incurred by Agent as a result of such failure to deliver funds hereunder) of carrying such amount; and
- (ii) in the case of Company, the rate of interest then applicable to the Bridge Loan.

The obligation of any Bank to make any Advance hereunder shall not be affected by the failure of any other Bank to make any Advance hereunder, and no Bank shall have any liability to the Company or its Subsidiaries, the Agent, any other Bank, or any other party for another Bank's failure to make any loan or Advance hereunder.

3.11 Prime-based Advance in Absence of Election or Upon Default. If, as to any outstanding Eurocurrency-based Advance, Agent has not received payment on the last day of the Interest Period applicable thereto, or does not receive a timely Request for Term Loan Advance and Rate Request meeting the requirements of Section 3.9 with respect to the refunding or conversion of such Advance, or if on such day a Default or Event of Default shall have occurred and be continuing, the principal amount thereof which is not then prepaid in the case of a Eurocurrency-based Advance shall be converted automatically to a Prime-based Advance and the Agent shall thereafter promptly notify Company of said action.

3.12 Prepayment. Company may prepay all or part of the outstanding balance of any Prime-based Advance(s) under its Bridge

Notes at any time (subject to not less than one (1) Business Day's notice to Agent), provided that the amount of any partial prepayment by such party shall be at least One Million Dollars (\$1,000,000) and the aggregate balance of Prime-based Advance(s) remaining outstanding on such Notes shall be at least One Million Dollars (\$1,000,000). Company may prepay all or part of any Eurocurrency-based Advance (subject to not less than three (3) Business Days' notice to Agent) only on the last day of the Interest Period applicable thereto, provided that the amount of any such partial prepayment by such party shall be at least One Million Dollars (\$1,000,000), and the unpaid portion of such Advance which is refunded or converted by such party under Section 3.9 hereof shall be at least Five Million Dollars (\$5,000,000). Furthermore, no such prepayment may be made using funds advanced, directly or indirectly, by the Banks under this Agreement or the DM Loan Agreement. Upon Agent's request in connection with any prepayment, Company shall provide evidence satisfactory to the Majority Banks that the source of funding for such prepayment consists of new equity, surplus cash (not the result of any Advance under this Agreement) or otherwise was not derived, directly or indirectly, from any Advance hereunder. Any prepayment made in accordance with this Section shall be without premium or penalty (subject to Section 10 hereof), but there shall be no readvance or reborrowing of any principal reductions of the Bridge Loan (whether or not such principal reductions constitute prepayments).

3.13 Bridge Loan Extension Fee. From the date hereof to the Bridge Loan Maturity Date, (i) unless (if the Bridge Loan has not been funded prior thereto) the Banks' commitment to fund the Bridge Loan has been cancelled by written notice to Agent prior thereto or (ii) unless (if the Bridge Loan has been funded prior thereto) the Bridge Loan has been paid and discharged in full prior thereto, as the case may be, the Company shall pay to the Banks a Bridge Loan Extension Fee as follows:

- (a) on or before October 18, 1994, the sum of Fifty Thousand Dollars (\$50,000) ("Installment 1");
- (b) on or before January 18, 1995, the sum of Fifty Thousand Dollars (\$50,000) ("Installment 2");
- (c) on or before April 18, 1995, the sum of Fifty Thousand Dollars (\$50,000) ("Installment 3"); and
- (d) on or before July 18, 1995, the sum of Two Hundred Thousand Dollars (\$200,000) ("Installment 4").

Whenever any payment of the Bridge Loan Extension Fee shall be due and payable on a day which is not a Business Day, the date for payment thereof shall be extended to the next Business Day. Upon receipt of each payment of the Bridge Loan Extension Fee, Agent shall make prompt payment to each Bank of its share of the Bridge

Loan Extension Fee based on the respective percentages of the Banks. The Bridge Loan Extension Fee shall not be refundable under any circumstances.

3.14 Bridge Loan Commitment Fee. From and after the date hereof to (but not including) the date of funding of the Bridge Loan by the Banks hereunder, the Company shall pay to the Agent, for distribution to the Banks based on their respective percentages, a Bridge Loan Commitment Fee equal to the Applicable Fee Percentage per annum times One Hundred Million Dollars (\$100,000,000), calculated on a daily basis. The Bridge Loan Commitment Fee shall be payable quarterly in arrears commencing on September 30, 1994 and on the last day of each calendar quarter thereafter and, unless funded concurrently with the execution and delivery of this Agreement, on the date of funding of the Bridge Loan, and shall be computed on the basis of a year of three hundred sixty (360) days and assessed for the actual number of days elapsed. Whenever any payment of the Bridge Loan Commitment Fee shall be due and payable on a day which is not a Business Day, the date for payment shall be extended to the next Business Day. Upon receipt of each such payment of the Bridge Loan Commitment Fee, Agent shall make prompt payment to each Bank of its share of the Bridge Loan Commitment Fee based upon the respective percentages of the Banks. It is expressly understood that the Bridge Loan Commitment Fee shall not be refundable under any circumstances.

3.15 Use of Bridge Loan Proceeds. The proceeds of the Bridge Loan shall be used by the Company solely for the purpose of funding amounts (in addition to the proceeds of the Term Loan) required to be paid by it for or in connection with the Target Company Acquisition, including without limitation provision for transfer taxes, stamp duties and brokerage fees resulting directly from such Acquisition.

4. MARGIN ADJUSTMENTS; HLT DETERMINATION; SPECIAL LIMITATION

4.1 Margin Adjustments. Adjustments to the Applicable Margin, based on Schedule 4.1, shall be implemented on a quarterly basis as follows:

(i) Such Margin adjustments shall be given prospective effect only, effective (A) as to all Prime-based Advances outstanding hereunder, immediately upon required date of delivery of the financial statements required to be delivered under Section 7.3(b) and 7.3(c) of the Vishay Loan Agreement establishing applicability of the appropriate adjustments, if any, or on the obtaining and/or any change in the Rating Level then in effect, as applicable and (B) as to each Eurocurrency-based Advance outstanding hereunder, effective upon the expiration of the applicable Interest Period(s), if any, in effect on (x) the required date of delivery of the latest of such financial

statements required to be delivered hereunder during such Interest Period(s) or (y) the date of the obtaining and/or any change in the Rating Level in effect hereunder, as applicable, in each case with no retroactivity or claw-back.

(ii) With respect to Eurocurrency-based Advances outstanding hereunder, an adjustment hereunder, after becoming effective, shall remain in effect only through the end of the applicable Interest Period(s) for such Eurocurrency-based Advances if any; provided, however, that upon the delivery of quarterly financial statements demonstrating any change in the Leverage Ratio or the obtaining and/or change in the Rating Level then in effect, as aforesaid, or the occurrence of any other event which under the terms hereof causes such adjustment no longer to be applicable, then any such subsequent adjustment or no adjustment, as the case may be, shall be effective (and said pricing shall thereby be adjusted up or down, as applicable), with the commencement of each Interest Period following such change or event, all in accordance with the preceding subparagraph.

4.2 HLT Determination. In the event at any time (whether before or after the funding of the Acquisition Loans) of an HLT Determination, the Agent, the Banks and the Company shall commence negotiations in good faith to agree upon whether and, if so, the extent to which fees, interest rates and/or margins hereunder should be increased so as to reflect such HLT Determination and to compensate the Banks and Agent for additional costs, expenses and/or fees which result from or are associated with any such HLT Determination, including without limitation any costs resulting from any requirement that additional capital be allocated to the Indebtedness, or any portion thereof. If Company and the Majority Banks agree that fees, interest rates and/or margins should be increased, and agree on the amount of such increase or increases, this Agreement may be amended to give effect to such increase or increases as provided in Section 13.11 hereof. If Company and Majority Banks fail to agree on whether and, if so, the extent to which fees, interest rates and/or margins hereunder should be increased within 60 days after notice to Company of an HLT Determination as herein provided, then (i) the Agent shall, if requested by the Majority Banks, by written notice to the Company terminate the commitments of the Banks to fund and/or maintain Advances of the Revolving Credit under the Vishay Loan Agreement and the DM Revolving Credit, and if still outstanding, any commitment to fund Advances of the Acquisition Loans, and such commitments shall thereupon terminate, (ii) Company shall be obligated to repay all outstanding Indebtedness at the end of the Interest Period applicable thereto and (iii) the Company may, at its option, on at least ten Business Days' written notice to the Agent (which shall promptly notify the Banks thereof) prepay all

Indebtedness outstanding hereunder and under the other Loan Agreements by paying the aggregate principal amount thereof, together, with all accrued interest thereon to the date of prepayment; provided that, if the Company prepays any fixed rate loans or Advances carried at the Eurocurrency-based Rate or any comparable rate, pursuant to this Section 4.2, Company shall compensate the Banks for any resulting funding losses as provided in Section 11.1 hereof. Subject to compliance by Company with this Section 4.2, the Banks acknowledge that an HLT Determination shall not constitute a Default or an Event of Default hereunder.

4.3 Special Limitation. In the event, as a result of increases in the value of any of the Alternative Currencies against the Dollar or for any other reason, the obligation of any of the Banks to advance additional funds hereunder and under the other Loan Agreements (taking into account the Dollar Amount of the Indebtedness outstanding from time to time under the other Loan Agreements, and any other Indebtedness required to be aggregated under 12 USCA 84, as amended, the regulations promulgated thereunder, or other, similar applicable law) is determined by such Bank to exceed its then applicable legal lending limit under 12 USCA 84, as amended, and the regulations promulgated thereunder, or other, similar applicable laws, the amount of additional funds which such Bank shall be obligated to advance hereunder and under the other Loan Agreements shall immediately be reduced to the maximum amount which such Bank may legally advance (as determined by such Bank), the obligation of each of the remaining Banks hereunder shall be proportionately reduced, based on the applicable Percentages, and, to the extent necessary under such laws and regulations (as determined by each of the Banks, with respect to the applicability of such laws and regulations to itself), the Company shall reduce, or cause to be reduced, complying to the extent practicable with the remaining provisions hereof, the Indebtedness outstanding hereunder or under the other Loan Agreements by an amount sufficient to comply with such maximum amounts. Upon any such reduction in the obligations of the Banks under this Section 4.3, Company shall have the right, subject to the terms and conditions of this Agreement (but subsequent to Company's compliance with its obligation to reduce the Indebtedness outstanding hereunder), to add to the Banks providing financing hereunder a bank reasonably acceptable to the Agent for the purpose of restoring the shortfall created by the reduction in such obligations of the Banks.

5. CONDITIONS.

The obligations of Banks to make Advances of the Term Loan and the Bridge Loan pursuant to this Agreement are subject to the following conditions:

5.1 Vishay Loan Agreement. All of the conditions required to be satisfied for the making of Advances under the Vishay Loan

Agreement (as defined therein) shall have been satisfied or waived in accordance with the terms and conditions thereof.

5.2 Special Conditions. The following special terms and conditions ("Special Conditions"), together with the other terms and conditions set forth herein, shall have been satisfied:

(a) On the date of funding each of the Acquisition Loans, there shall have been no material adverse change in the condition (financial or otherwise), properties, business, results or operations of Target Company and its subsidiaries to be acquired pursuant to the Stock Purchase Agreement (taken as a whole) from that existing as of the date of the Commitment Letter (as determined with reference to the summary financial information of the Target Company contained in the Confidential Information Memorandum dated June 3, 1994 ("Confidential Offering Memorandum") or distributed by the Company at the June 10, 1994 Bank Meeting); nor shall any omission, inconsistency, inaccuracy, or any change in presentation or accounting standards which renders such financial statements materially misleading have been determined by Agent or the Banks to exist;

(b) Agent shall have received (i) environmental audits covering each parcel of real property of Target Company or its subsidiaries located in the United States, such environmental audits to be performed by Company's present outside environmental consultants, or by environmental engineers satisfactory to Agent and the Banks, (ii) environmental audits covering the material foreign facilities of Target Company and its Subsidiaries, such environmental audits to be performed by Company's internal environmental compliance staff, (iii) information satisfactory in form and substance to the Banks as to all environmental liabilities of Target Company and its subsidiaries, generally (including foreign facilities), which, upon the Target Company Acquisition, could materially adversely affect the Company or its material Subsidiaries, taking into account any environmental escrows, holdbacks, reserves or indemnifications established in connection with the Acquisition, and (iv) audits and other information (performed by internal or external auditors, as aforesaid) disclosing, in each case (other than as approved by the Banks and Agent), no environmental condition for which material remedial action could be required by any governmental agency and no material violations of applicable environmental laws or regulations, and otherwise in form and substance satisfactory to Agent and the Banks;

(c) Agent shall have received payment of the remaining installment of the Closing Fee and satisfactory evidence of (i) all governmental, third party and/or other

approvals, permits, registrations and the like, necessary or appropriate in connection with the Target Company Acquisition or any other transaction contemplated thereby, (ii) the corporate approval of all of the documents (including loan documents), instruments and transactions related to the Target Company Acquisition or the Acquisition Loans; and (iii) opinions of legal counsel for Company and its Subsidiaries covering such matters as required by and otherwise in form and content satisfactory to Agent and its counsel with respect to such transactions; and

(d) On or before the funding of the Acquisition Loans, the Target Company Acquisition shall be consummated in accordance with the terms and conditions of the Stock Purchase Agreement.

5.3 Vishay's Certificate. The Agent shall have received, with a signed counterpart for each Bank, a certificate of a responsible senior officer of Company, dated the date hereof, stating that the conditions referred to (with respect to the Vishay Loan Agreement) in Section 5.1 and 5.2, hereof, have been fully satisfied.

5.4 Payment of Agent's and Other Fees. Company shall have paid to the Agent the Agent's Fees and all costs and expenses required hereunder.

5.5 Other Documents and Instruments. The Agent shall have received, with a photocopy for each Bank, the Loan Documents, and all such instruments and documents shall be satisfactory in form and substance to the Majority Banks.

6. REPRESENTATIONS AND WARRANTIES

Company ratifies, confirms and, by reference thereto (as fully as though such matters were expressly set forth herein), represents and warrants with respect to itself and its Subsidiaries those matters set forth in Sections 6.1 through 6.21, inclusive, of the Vishay Loan Agreement and such representations and warranties of Company shall be deemed to be continuing representations and warranties during the life of this Agreement.

7. AFFIRMATIVE COVENANTS

Company covenants and agrees that it will, and, as applicable, will cause its Subsidiaries to, so long as any of the Banks is committed to make any Advances under this Agreement and thereafter so long as any Indebtedness remains outstanding under this Agreement:

7.1 Vishay Loan Agreement. Comply with the covenants set forth in Sections 7.1 through 7.15, inclusive, of the Vishay Loan

Agreement, as fully as though the obligations set forth therein were expressly set forth herein as the obligations of the Company and its Subsidiaries.

7.2 Incorporation of Vishay Loan Agreement. To the full extent set forth in Sections 5 through 9 hereof, and elsewhere herein, the provisions of the Vishay Loan Agreement are incorporated herein by reference and shall remain in full force and effect for the benefit of Agent and the Banks, notwithstanding any amendment, supplement or termination of the Vishay Loan Agreement after the date hereof. Any amendments to the representations, warranties, covenants or other provisions of the Vishay Loan Agreement incorporated by reference herein which are contained in any future amendment or supplement thereto shall be deemed to run in favor of Agent and the Banks as additional rights and remedies, and not in derogation of the rights and remedies provided hereunder.

8. NEGATIVE COVENANTS

Company covenants and agrees that so long as any Indebtedness or any commitment to make Advances under this Agreement remains outstanding, it will not, and will not allow any of its Subsidiaries, without the prior written consent of Agent, to violate any of the covenants set forth in Sections 8.1 through 8.12, inclusive, of the Vishay Loan Agreement, as fully as though the obligations set forth therein were expressly set forth herein as the obligations of the Company and its Subsidiaries.

9. DEFAULTS

9.1 Events of Default. Any of the following events is an "Event of Default":

(a) non-payment of the principal or interest, when due, under any of the Notes issued hereunder, in accordance with the terms thereof;

(b) Default in the payment of any money by Company under this Agreement (other than as set forth in subsection (a), above), or by VBG under the DM Loan Agreement or by VBG under the Roederstein Loan Agreement or by the Company, VBG or Draloric under the Vishay Loan Agreement (other than, in each case, as set forth therein), within three (3) days of the date the same is due and payable;

(c) default in the observance or performance of any of the other conditions, covenants or agreements set forth in this Agreement or any of the Loan Documents by any party thereto (provided that, with respect to the covenants set forth in Sections 7.8, 7.10, 7.12, 7.13 and 7.14 of the Vishay Loan Agreement, such event has continued for thirty (30)

consecutive days) or the occurrence of any other default or Event of Default, as the case may be hereunder or thereunder;

(d) any representation or warranty made by Company or any of its Subsidiaries herein or in any instrument submitted pursuant hereto or by any other party to the Loan Documents proves untrue in any material adverse respect when made; provided that, with respect to any misrepresentation or breach of warranty arising subsequent to the date hereof under Sections 6.7, 6.8, 6.13 through 6.15 and 6.18 of the Vishay Loan Agreement solely by virtue of the nature of the representations and warranties hereunder as continuing, (i) as to Section 6.8 of the Vishay Loan Agreement, any applicable cure period existing in respect of such matters shall have expired and (ii) as to the remaining Sections of this Agreement specified in this subparagraph (d), such misrepresentation or breach of warranty hereunder shall have continued for a period of thirty (30) consecutive days;

(e) any provision of the Vishay Guaranty, the Domestic Guaranty or the Permitted Borrowers Guaranty shall at any time for any reason (other than in accordance with its terms or the terms of this Agreement) cease to be valid and binding and enforceable against Company or the Significant Subsidiaries, as applicable, or the validity, binding effect or enforceability thereof shall be contested by any Person, or Company or any of the Significant Subsidiaries shall deny that it has any or further liability or obligation under the Vishay Guaranty, the Domestic Guaranty or the Permitted Borrowers Guaranty, as applicable, or the Vishay Guaranty, the Domestic Guaranty or the Permitted Borrowers Guaranty shall be terminated, invalidated or set aside or in any way cease to give or provide to the Banks and the Agent the benefits purported to be created thereby;

(f) default in the payment of any other obligation of Company or its Subsidiaries for borrowed money in excess of One Million Dollars (\$1,000,000) (or the Alternative Currency equivalent thereof), individually or in the aggregate, resulting in the acceleration thereof prior to its expressed maturity;

(g) the rendering of any judgment or judgments for the payment of money in excess of the sum of One Million Dollars (\$1,000,000) (or the Alternative Currency equivalent thereof) in the aggregate against Company or any of its Subsidiaries and such judgments shall remain unpaid, unvacated, unbonded or unstayed by appeal or otherwise for a period of thirty (30) consecutive days, except as covered by adequate insurance with a reputable carrier and an action is pending in which an active defense is being made with respect thereto;

(h) any Person shall engage in any Prohibited Transaction involving any Pension Plan, (ii) any Accumulated Funding Deficiency, whether or not waived, shall exist with respect to any Pension Plan or any Lien in favor of the PBGC or a Pension Plan shall arise on the assets of the Company or any ERISA Affiliate, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, or (v) the Company or any ERISA Affiliate shall, or in the reasonable opinion of the Majority Banks is likely to, incur any liability in connection with a withdrawal from, or the insolvency, bankruptcy or reorganization of, a Multiemployer Plan; and in each case in clauses (i) through (v) above, (x) a period of sixty (60) days, or more, has elapsed from the occurrence of such event or condition and (y) such event or condition, together with all other such events or conditions, if any, could reasonably be expected to subject the Company or any of its Subsidiaries to any tax, penalty or other liabilities in the aggregate material in relation to the business, operations, property or financial or other condition of the Company and its Subsidiaries taken as a whole;

(i) (A) any one Person or group of Persons acting in concert shall acquire or control, directly or indirectly, whether by ownership, proxy, voting trust or otherwise, forty percent (40%) or more of the voting power of the issued and outstanding stock of Company, other than (x) any Person or group of Persons beneficially owning, directly or indirectly, as of the date hereof capital stock of the Company with 40% or more of such voting power or (y) any Permitted Transferee; or (B) individuals who constitute the Continuing Directors cease for any reason to constitute at least a majority of the Company's directors (for purposes of this Section 9.1(i)(B), "Continuing Director" means any director who is currently a director and any director who is nominated or elected by a majority of Continuing Directors who are then directors);

(j) If a creditors' committee shall have been appointed for the business of Company or any of its Subsidiaries; or if Company or any of its Subsidiaries shall have made a general assignment for the benefit of creditors or shall have been adjudicated bankrupt, or shall have filed a voluntary petition in bankruptcy or for reorganization or to effect a plan or arrangement with creditors or shall fail to pay its debts generally as such debts become due in the ordinary course of business (except as contested in good faith and for which adequate reserves are made in such party's financial statements); or shall file an answer to a creditor's petition or other petition filed against it, admitting the material allegations thereof for an adjudication in bankruptcy

or for reorganization; or shall have applied for or permitted the appointment of a receiver or trustee or custodian for any of its property or assets; or such receiver, trustee or custodian shall have been appointed for any of its property or assets (otherwise than upon application or consent of Company, or any of its Subsidiaries) and such appointment has not been dismissed or stayed within thirty (30) days from the date of the appointment or if an order for relief or otherwise approving any petition for reorganization of Company or any of its Subsidiaries shall be entered and shall not be dismissed or stayed within thirty (30) days from the date of entry thereof.

9.2 Exercise of Remedies. If an Event of Default has occurred and is continuing hereunder: (w) the Agent shall, if directed to do so by the Majority Banks, declare the Banks' commitments to lend hereunder immediately and automatically terminated; (x) the Agent shall, if directed to do so by the Majority Banks, declare the entire unpaid principal Indebtedness, including the Notes, immediately due and payable, without presentment, notice or demand, all of which are hereby expressly waived by Company; (y) upon the occurrence of any Event of Default specified in subsection 9.1 (i), above, and notwithstanding the lack of any declaration by Agent under preceding clause (w) or (x), the entire unpaid principal Indebtedness, including the Notes, shall become automatically due and payable; and (z) the Agent shall, if directed to do so by the Majority Banks or the Banks, as applicable (subject to the terms hereof), exercise any remedy permitted by this Agreement, the Loan Documents or law.

9.3 Rights Cumulative. No delay or failure of Agent and/or Banks in exercising any right, power or privilege hereunder shall affect such right, power or privilege, nor shall any single or partial exercise thereof preclude any further exercise thereof, or the exercise of any other power, right or privilege. The rights of Banks under this Agreement are cumulative and not exclusive of any right or remedies which Banks would otherwise have.

9.4 Waiver by Company of Certain Laws. To the extent permitted by applicable law, Company hereby agrees to waive, and does hereby absolutely and irrevocably waive and relinquish the benefit and advantage of any valuation, stay, appraisalment, extension or redemption laws now existing or which may hereafter exist, which, but for this provision, might be applicable to any sale made under the judgment, order or decree of any court, on any claim for interest on the Notes, and further hereby irrevocably agrees to waive the right to trial by jury with respect to any and all actions or proceedings in which Agent or the Banks (or any of them), on one hand, and the Company, on the other hand, are parties, whether or not such actions or proceedings arise out of this Agreement or the Loan Documents, or otherwise. These waivers

have been voluntarily given, with full knowledge of the consequences thereof.

9.5 Waiver of Defaults. No Event of Default shall be waived by the Banks except in a writing signed by an officer of the Agent in accordance with Section 13.11 hereof. No single or partial exercise of any right, power or privilege hereunder, nor any delay in the exercise thereof, shall preclude other or further exercise of the Banks' rights by Agent. No waiver of any Default or Event of Default shall extend to any other or further Default or Event of Default. No forbearance on the part of the Agent or any Bank in enforcing any of the Banks' rights shall constitute a waiver of any of their rights. Company expressly agrees that this Section may not be waived or modified by the Banks or Agent by course of performance, estoppel or otherwise.

9.6 Cross-Default. In addition to the other Events of Default specified herein, any failure to perform and discharge when due, after allowance for any applicable cure period, any of the obligations, covenants and agreements required to be performed under the provisions of any instruments evidencing or securing any other present and future borrowings of Company from the Banks (or from Agent) in renewal or extension of, or related to this Agreement or any of the Loan Document shall be an Event of Default under the provisions of this Agreement entitling Agent, with the consent of the Majority Banks, (without notice or any cure period except as expressly provided herein or therein) to exercise any and all rights and remedies provided hereby. Any Event of Default under this Agreement or under any of the Loan Documents shall also constitute a default under all other instruments securing this or any other present or future borrowings, or any agreements in relation thereto, entitling Agent and the Banks to exercise any and all rights and remedies provided therein.

10. PAYMENTS, RECOVERIES AND COLLECTIONS.

10.1 Payment Procedure.

(a) All payments by Company of principal of, or interest on, the Term Notes or the Bridge Notes or of any Fees, shall be made without setoff or counterclaim on the date specified for payment under this Agreement not later than 11:00 a.m. (Detroit time) in Dollars in immediately available funds to Agent, for the ratable account of the Banks, at Agent's office located at One Detroit Center, Detroit, Michigan 48226, in respect of Domestic Advances. Upon receipt of each such payment, the Agent shall make prompt payment to each Bank, or, in respect of Eurocurrency-based Advances, such Bank's Eurocurrency Lending Office, in like funds and currencies, of all amounts received by it for the account of such Bank.

(b) Unless the Agent shall have been notified by the Company prior to the date on which any payment to be made by the Company is due that the Company does not intend to remit such payment, the Agent may, in its discretion, assume that the Company has remitted such payment when so due and the Agent may, in reliance upon such assumption, make available to each Bank on such payment date an amount equal to such Bank's share of such assumed payment. If the Company has not in fact remitted such payment to the Agent, each Bank shall forthwith on demand repay to the Agent in the applicable currency the amount of such assumed payment made available to such Bank, together with the interest thereon, in respect of each day from and including the date such amount was made available by the Agent to such Bank to the date such amount is repaid to the Agent at a rate per annum equal to (i) for Domestic Advances, the Federal Funds Effective Rate (daily average), as the same may vary from time to time, and (ii) with respect to Eurocurrency-based Advances, Agent's aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance and of any fees, penalties, overdraft charges or other costs or expenses incurred by Agent) of carrying such amount.

(c) Whenever any payment to be made hereunder (other than payments in respect of any Eurocurrency-based Advance) shall otherwise be due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing interest, if any, in connection with such payment. Whenever any payment of principal of, or interest on, a Eurocurrency-based Advance shall be due on a day which is not a Business Day the date of payment thereof shall be extended to the next succeeding Business Day unless as a result thereof it would fall in the next calendar month, in which case it shall be shortened to the next preceding Business Day and, in the case of a payment of principal, interest thereon shall be payable for such extended or shortened time, if any.

(d) All payments to be made by the Company under this Agreement or any of the Notes shall be made without set-off or counterclaim, as aforesaid, and without deduction for or on account of any present or future withholding or other taxes of any nature imposed by any governmental authority or of any political subdivision thereof or any federation or organization of which such governmental authority may at the time of payment be a member, unless Company is compelled by law to make payment subject to such tax. In such event, Company shall:

- (i) pay to the Agent, for Agent's own account and/or, as the case may be, for the account of

the Banks such additional amounts as may be necessary to ensure that the Agent and/or such Banks receive a net amount in the applicable currency equal to the full amount which would have been receivable had payment not been made subject to such tax; and

- (ii) remit such tax to the relevant taxing authorities according to applicable law, and send to the Agent such certificates or certified copy receipts as the Agent shall reasonably require as proof of the payment by the Company or the applicable Permitted Borrower, of any such taxes payable by the Company or any Permitted Borrower.

As used herein, the terms "tax", "taxes" and "taxation" include all existing taxes, levies, imposts, duties, charges, fees, deductions and withholdings and any restrictions or conditions resulting in a charge together with interest thereon and fines and penalties with respect thereto which may be imposed by reason of any violation or default with respect to the law regarding such tax, assessed as a result of or in connection with the transactions in any Alternative Currency hereunder, or the payment and or receipt of funds in any Alternative Currency hereunder, or the payment or delivery of funds into or out of any jurisdiction other than the United States (whether assessed against Company, Agent or any of the Banks).

10.2 Application of Proceeds. Notwithstanding anything to the contrary in this Agreement, upon the occurrence and during the continuance of any Event of Default, any offsets or voluntary payments by the Company, any of its Subsidiaries or others and any other sums received or collected in respect of the Indebtedness, shall be applied, first, to the Notes pro rata, based on the aggregate Indebtedness then outstanding thereunder (or in such other order and manner as determined by all of the Banks), next, to any other Indebtedness on a pro rata basis, and then, if there is any excess, to the Company.

10.3 Pro-rata Recovery. If any Bank shall obtain any payment or other recovery (whether voluntary, involuntary, by application of offset or otherwise) on account of principal of, or interest on, any of the Term Notes or the Bridge Notes in excess of its pro rata share of payments then or thereafter obtained by all Banks upon principal of and interest on all such Notes or Bridge Notes, such Bank shall purchase from the other Banks such participations in the Term Notes and Bridge Notes held by them as shall be necessary to cause such purchasing Bank to share the excess payment or other recovery ratably in accordance with the Percentage held by each of them in such Notes; provided, however, that if all or any portion of the excess payment or other recovery is thereafter recovered

from such purchasing holder, the purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

10.4 Deposits and Accounts. In addition to and not in limitation of any rights of any Bank or other holder of any of the Notes under applicable law, each Bank and each other such holder shall, upon acceleration of the Indebtedness under the Notes and without notice or demand of any kind, have the right to appropriate and apply to the payment of the Notes owing to it (whether or not then due) any and all balances, credits, deposits, accounts or moneys of Company then or thereafter with such Bank or other holder; provided, however, that any such amount so applied by any Bank or other holder on any of the Notes owing to it shall be subject to the provisions of Section 10.3, hereof.

11. CHANGES IN LAW OR CIRCUMSTANCES; INCREASED COSTS.

11.1 Reimbursement of Prepayment Costs. As to any Eurocurrency-based Advance, if any prepayment thereof shall occur on any day other than the last day of an Interest Period (whether pursuant to this Agreement or by acceleration, or otherwise), or if the rate applicable to such Advance shall be changed during any Interest Period pursuant to this Agreement, Company shall reimburse each of the Banks on demand for any costs incurred by such Banks as a result of the timing thereof, including but not limited to any net costs incurred in liquidating or employing deposits from third parties, to each Bank which shall have delivered to Company a certificate setting forth the basis for determining such costs, which certificate shall be conclusively presumed correct save for manifest error.

11.2 Eurocurrency Lending Office. For any Advance to which the Eurocurrency-based Rate is applicable, if Agent or a Bank, as applicable, shall designate a Eurocurrency Lending Office which maintains books separate from those of the rest of Agent, Agent or such Bank, as the case may be, shall have the option of maintaining and carrying the relevant Advance on the books of such Eurocurrency Lending Office.

11.3 Circumstances Affecting Eurocurrency-based Rate Availability. If with respect to any Interest Period Agent or the Banks (after consultation with Agent) shall determine that, by reason of circumstances affecting the foreign exchange and interbank markets generally, deposits in Eurodollars in the applicable amounts are not being offered to the Agent for such Interest Period, then Agent shall forthwith give notice thereof to the Company. Thereafter, until Agent notifies Company that such circumstances no longer exist, (i) the obligation of Banks to make Eurocurrency-based Advances, and the right of Company to convert an Advance to or refund an Advance as a Eurocurrency-based Advance, as the case may be, shall be suspended, and (ii) the Company shall

repay in full (or cause to be repaid in full) the then outstanding principal amount of each such Eurocurrency-based Advance covered hereby, together with accrued interest thereon, any amounts payable under Section 11.6, hereof, and all other amounts payable hereunder on the last day of the then current Interest Period applicable to such Advance. Upon the date for repayment as aforesaid and unless Company notifies Agent to the contrary within two (2) Business Days after receiving a notice from Agent pursuant to this Section, such outstanding principal amount shall be converted to a Prime-based Advance as of the last day of such Interest Period.

11.4 Laws Affecting Eurocurrency-based Advance Availability. If, after the date hereof, the introduction of, or any change in, any applicable law, rule or regulation or in the interpretation or administration thereof by any governmental authority charged with the interpretation or administration thereof, or compliance by any of the Banks (or any of their respective Eurocurrency Lending Offices) with any request or directive (whether or not having the force of law) of any such authority, shall make it unlawful or impossible for any of the Banks (or any of their respective Eurocurrency Lending Offices) to honor its obligations hereunder to make or maintain any Advance with interest at the Eurocurrency-based Rate, such Bank shall forthwith give notice thereof to Company and to Agent. Thereafter, (a) the obligations of Banks to make Eurocurrency-based Advances and the right of Company to convert an Advance or refund an Advance as a Eurocurrency-based Advance shall be suspended and thereafter Company may select as Applicable Interest Rates only those which remain available and which are permitted to be selected hereunder, and (b) if any of the Banks may not lawfully continue to maintain an Advance to the end of the then current Interest Period applicable thereto as a Eurocurrency-based Advance, the applicable Advance shall immediately be converted to a Prime-based Advance (in the Dollar Amount thereof) and the Prime-based Rate shall be applicable thereto for the remainder of such Interest Period. For purposes of this Section, a change in law, rule, regulation, interpretation or administration shall include, without limitation, any change made or which becomes effective on the basis of a law, rule, regulation, interpretation or administration presently in force, the effective date of which change is delayed by the terms of such law, rule, regulation, interpretation or administration.

11.5 Increased Cost of Eurocurrency-based Advances. If the adoption after the date hereof, or any change after the date hereof in, any applicable law, rule or regulation of any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by Agent or any of the Banks (or any of their respective Eurocurrency Lending Offices) with any request or directive (whether or not having the force of law) made by any such authority, central bank or comparable agency after the date hereof:

(a) shall subject any of the Banks (or any of their respective Eurocurrency Lending Offices) to any tax, duty or other charge with respect to any Advance or any Note or shall change the basis of taxation of payments to any of the Banks (or any of their respective Eurocurrency Lending Offices) of the principal of or interest on any Advance or any Note or any other amounts due under this Agreement in respect thereof (except for changes in the rate of tax on the overall net income of any of the Banks or any of their respective Eurocurrency Lending Offices imposed by the jurisdiction in which such Bank's principal executive office or Eurocurrency Lending Office is located); or

(b) shall impose, modify or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System), special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by any of the Banks (or any of their respective Eurocurrency Lending Offices) or shall impose on any of the Banks (or any of their respective Eurocurrency Lending Offices) or the foreign exchange and interbank markets any other condition affecting any Advance or any of the Notes;

and the result of any of the foregoing is to increase the costs to any of the Banks of maintaining any part of the Indebtedness hereunder as a Eurocurrency-based Advance or to reduce the amount of any sum received or receivable by any of the Banks under this Agreement or under the Notes in respect of a Eurocurrency-based Advance, then such Bank shall promptly notify Agent, and Agent shall promptly notify Company of such fact and demand compensation therefor and, within fifteen (15) days after such notice, Company agrees to pay to such Bank such additional amount or amounts as will compensate such Bank or Banks for such increased cost or reduction. Agent will promptly notify Company of any event of which it has knowledge which will entitle Banks to compensation pursuant to this Section, or which will cause Company to incur additional liability under Section 10.1(d) hereof, provided that Agent shall incur no liability whatsoever to the Banks or Company in the event it fails to do so. A certificate of Agent (or such Bank, if applicable) setting forth the basis for determining such additional amount or amounts necessary to compensate such Bank or Banks shall be conclusively presumed to be correct save for manifest error. For purposes of this Section, a change in law, rule, regulation, interpretation, administration, request or directive shall include, without limitation, any change made or which becomes effective on the basis of a law, rule, regulation, interpretation, administration, request or directive presently in force, the effective date of which change is delayed by the terms of such law, rule, regulation, interpretation, administration, request or directive.

11.6 Indemnity. The Company will indemnify Agent and each of the Banks against any loss or expense which may arise or be attributable to the Agent's and each Bank's obtaining, liquidating or employing deposits or other funds acquired to effect, fund or maintain the Advances (a) as a consequence of any failure by the Company to make any payment when due of any amount due hereunder in connection with a Eurocurrency-based Advance, (b) due to any failure of the Company to borrow on a date specified therefor in a request for advance or rate request (c) due to any payment or prepayment of any Eurocurrency-based Advance on a date other than the last day of the Interest Period for such Advance. Such loss or expense shall be calculated based upon the present value, as applicable, of payments due from the Company with respect to a deposit obtained by the Agent or any of the Banks in order to fund such Advance to the Company. The Agent's and each Bank's, as applicable, calculations of any such loss or expense shall be furnished to the Company and shall be conclusive, absent manifest error.

11.7 Judgment Currency. The obligation of the Company to make payments of the principal of and interest on the Notes and any other amounts payable hereunder in the currency specified for such payment herein or in the Notes shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment, which is expressed in or converted into any other currency, except to the extent that such tender or recovery shall result in the actual receipt by each of the Banks of the full amount of the particular Permitted Currency expressed to be payable herein or in the Notes. The Agent shall, using all amounts obtained or received from the Company pursuant to any such tender or recovery in payment of principal of and interest on the Notes, promptly purchase the applicable Permitted Currency at the most favorable spot exchange rate determined by the Agent to be available to it. The obligation of the Company to make payments in the applicable Permitted Currency shall be enforceable as an alternative or additional cause of action solely for the purpose of recovering in the applicable Permitted Currency the amount, if any, by which such actual receipt shall fall short of the full amount of the Permitted Currency expressed to be payable herein or in the Notes.

11.8 Other Increased Costs. In the event that at any time after the date of this Agreement any change in law such as described in Section 11.5 hereof, shall, in the opinion of the Agent or any of the Banks (as certified to Agent in writing by such Bank) require that any Indebtedness or commitment under this Agreement or the other Loan Agreements be treated as an asset or otherwise be included for purposes of calculating the appropriate amount of capital to be maintained by each of the Banks or any corporation controlling such Banks, as the case may be, the Agent shall notify the Company. The Company and the Agent shall thereafter negotiate in good faith an agreement to increase the Fees or other fees payable to the Agent, for the benefit of the

Banks under this Agreement, which in the opinion of the Agent, will adequately compensate the Banks for the costs associated with such change in law. If such increase is approved in writing by the Company within thirty (30) days from the date of the notice to the Company from the Agent, the Fees or other fees (if applicable) payable by the Company under this Agreement shall, effective from the date of such agreement, include the amount of such agreed increase. If the Company and the Agent are unable to agree on such an increase within thirty (30) days from the date of the notice to the Company, the Company shall have the option, exercised by written notice to the Agent within forty-five (45) days from the date of the aforesaid notice to the Company from the Agent, to terminate the Revolving Credit, the DM Revolving Credit, the Banks' commitments to fund the Acquisition Loans hereunder or other commitments, if applicable, in which event, all sums then outstanding to Banks and to Agent hereunder shall be due and payable in full. If (a) the Company and the Agent fail to agree on an increase in the Fees or other fees (if applicable), or (b) the Company fails to give timely notice that it has elected to exercise its option to terminate the Revolving Credit, the DM Revolving Credit, the Banks' commitments to fund the Acquisition Loans hereunder or such other commitments, if applicable, as set forth above, then the Revolving Credit and other commitments hereunder shall automatically terminate as of the last day of the aforesaid forty-five (45) day period, in which event all sums then outstanding to Banks and to Agent hereunder shall be due and payable in full.

12. AGENT

12.1 Appointment of Agent. Each Bank and the holder of each Note appoints and authorizes Agent to act on behalf of such Bank or holder under the Loan Documents and to exercise such powers hereunder and thereunder as are specifically delegated to or required of Agent by the terms hereof and thereof, together with such powers as may be reasonably incidental thereto. Each Bank agrees (which agreement shall survive any termination of this Agreement) to reimburse Agent for all reasonable out-of-pocket expenses (including in-house and outside attorneys' fees) incurred by Agent hereunder or in connection herewith or with any Default or Event of Default or in enforcing the obligations of Company under this Agreement or the other Loan Documents or any other instrument executed pursuant hereto, and for which Agent is not reimbursed by Company, pro rata according to such Bank's Percentage. Agent shall not be required to take any action under the Loan Documents, or to prosecute or defend any suit in respect of the Loan Documents, unless indemnified to its satisfaction by the Banks against loss, costs, liability and expense. If any indemnity furnished to Agent shall become impaired, it may call for additional indemnity and cease to do the acts indemnified against until such additional indemnity is given.

12.2 Deposit Account with Agent. Company hereby authorizes Agent to charge its general deposit account, if any, maintained with Agent for the amount of any principal, interest, or other amounts or costs due under this Agreement when the same becomes due and payable under the terms of this Agreement or the Term Notes.

12.3 Exculpatory Provisions. Agent agrees to exercise its rights and powers, and to perform its duties, as Agent hereunder and under the Loan Documents in accordance with its usual customs and practices in bank-agency transactions, but only upon and subject to the express terms and conditions of Section 12, hereof (and no implied covenants or other obligations shall be read into this Agreement against the Agent); neither Agent nor any of its directors, officers, employees or agents shall be liable to any Bank for any action taken or omitted to be taken by it or them under this Agreement or any document executed pursuant hereto, or in connection herewith or therewith, except for its or their own willful misconduct or gross negligence, nor be responsible for any recitals or warranties herein or therein made by any Person, nor for the effectiveness, enforceability, validity or due execution (other than its own due execution and delivery) of this Agreement or any document executed pursuant hereto, or any security thereunder, nor to make any inquiry respecting the performance by Company or any of its Subsidiaries of its obligations hereunder or thereunder. Nor shall Agent have, or be deemed to have, a fiduciary relationship with any Bank by reason of this Agreement. Agent shall be entitled to rely upon advice of counsel concerning legal matters and upon any notice, consent, certificate, statement or writing which it believes to be genuine and to have been presented by a proper person.

12.4 Successor Agents. Agent may resign as such at any time upon at least 30 days prior notice to Company and all Banks. If Agent at any time shall resign or if the office of Agent shall become vacant for any other reason, Majority Banks shall, by written instrument, appoint a successor Agent (satisfactory to such Majority Banks) which shall thereupon become Agent hereunder and shall be entitled to receive from the prior Agent such documents of transfer and assignment as such successor Agent may reasonably request. Such successor Agent shall succeed to all of the rights and obligations of the retiring Agent as if originally named. The retiring or removed Agent shall duly assign, transfer and deliver to such successor Agent all moneys at the time held by the retiring or removed Agent hereunder after deducting therefrom its expenses for which it is entitled to be reimbursed. Upon such succession of any such successor Agent, the retiring agent shall be discharged from its duties and obligations hereunder, except for its gross negligence or willful misconduct arising prior to its retirement hereunder, and the provisions of this Section 12 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Agent.

12.5 Loans by Agent. Agent shall have the same rights and powers with respect to the credit extended by it and the Notes held by it as any Bank and may exercise the same as if it were not Agent, and the term "Bank" and, when appropriate, "holder" shall include Agent in its individual capacity.

12.6 Credit Decisions. Each Bank acknowledges that it has, independently of Agent and each other Bank and based on the financial statements of Company and its Subsidiaries and such other documents, information and investigations as it has deemed appropriate, made its own credit decision to extend credit hereunder from time to time. Each Bank also acknowledges that it will, independently of Agent and each other Bank and based on such other documents, information and investigations as it shall deem appropriate at any time, continue to make its own credit decisions as to exercising or not exercising from time to time any rights and privileges available to it under this Agreement or any document executed pursuant hereto.

12.7 Notices by Agent. Agent shall give prompt notice to each Bank of its receipt of each notice or request required or permitted to be given to Agent by Company pursuant to the terms of this Agreement and shall promptly distribute to the Banks any reports received from the Company or any of its Subsidiaries under the terms hereof, or other material information or documents received by Agent, in its capacity as Agent, from the Company, or its Subsidiaries.

12.8 Agent's Fees. Commencing on September 30, 1994, and on each succeeding anniversary date thereof until the Indebtedness has been repaid and no commitment to fund any loan hereunder is outstanding, the Company shall pay to Agent an annual agency fee set forth (or to be set forth from time to time) in a letter agreement between Company and Agent. The Agent's Fees described in this Section 12.8 shall not be refundable under any circumstances.

12.9 Nature of Agency. The appointment of Agent as agent is for the convenience of Banks and the Company in making Advances of the Term Loan, the Bridge Loan or any other Indebtedness of Company hereunder, and collecting fees and principal and interest on the Indebtedness. No Bank is purchasing any Indebtedness from Agent and this Agreement is not intended to be a purchase or participation agreement.

12.10 Actions; Confirmation of Agent's Authority to Act in Event of Default. Subject to the terms and conditions of this Agreement and to the direction of the Majority Banks, Agent is hereby expressly authorized to act in all litigation and in all other respects as the representative of the Banks where Agent considers it to be necessary or desirable in order to carry out the purposes of this Agreement or the Loan Documents. Without necessarily accepting service of process or designating Agent to do

so in its stead, each Bank hereby agrees with each other Bank and with Agent, without intending to confer or conferring any rights on any other party, (a) that it shall be bound by any litigation brought by or against Agent by the Company, any Subsidiary or any other party in connection with the Indebtedness or any other rights, duties or obligations arising hereunder or under this Agreement or the Loan Documents and (b) that it now irrevocably waives the defense of procedural impediment or failure to name or join such Bank as an indispensable party; provided however that each Bank reserves the right, subject to applicable law, to intervene or otherwise appear in such litigation, and to retain its own counsel in connection therewith. In conducting such litigation hereunder on behalf of the Banks, Agent shall, subject to the terms hereof, accept the direction of the Majority Banks or all of the Banks, as the case may be, and shall at all times be indemnified by the Banks as provided in Sections 12.1 and 12.12 hereof. Agent shall undertake to give each Bank prompt notice of any litigation commenced against Agent and/or the Banks with respect to this Agreement, the Loan Agreement or the Loan Documents or any matter referred to herein or therein.

12.11 Authority of Agent to Enforce Notes and This Agreement. Each Bank, subject to the terms and conditions of this Agreement (including without limitation Sections 12.10, 12.14 and 12.15 hereof), authorizes the Agent with full power and authority as attorney-in-fact to institute and maintain actions, suits or proceedings for the collection and enforcement of the Notes and to file such proofs of debt or other documents as may be necessary to have the claims of the Banks allowed in any proceeding relative to the Company, any of its Subsidiaries, or its creditors or affecting its properties, and to take such other actions which Agent considers to be necessary or desirable for the protection, collection and enforcement of the Notes, this Agreement or the other Loan Documents.

12.12 Indemnification. The Banks agree to indemnify the Agent in its capacity as such, to the extent not reimbursed by the Company, pro rata according to their respective Percentages, from and against any and all claims, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of this Agreement or any of the other Loan Documents or any action taken or omitted to be taken or suffered in good faith by the Agent hereunder, provided that no Bank shall be liable for any portion of any of the foregoing items resulting from the gross negligence or willful misconduct of the Agent or any of its officers, employees, directors or agents.

12.13 Knowledge of Default. It is expressly understood and agreed that the Agent shall be entitled to assume that no Default or Event of Default has occurred and is continuing, unless the

officers of the Agent immediately responsible for matters concerning this Agreement shall have actual (rather than constructive) knowledge of such occurrence or shall have been notified in writing by a Bank that such Bank considers that a Default or an Event of Default has occurred and is continuing, and specifying the nature thereof. Upon obtaining actual knowledge of any Default or Event of Default as described above, the Agent shall promptly, but in any event within three (3) Business Days after obtaining knowledge thereof, notify each Bank of such Default or Event of Default and the action, if any, the Agent proposes be taken with respect thereto.

12.14 Agent's Authorization; Action by Banks. Except as otherwise expressly provided herein, whenever the Agent is authorized and empowered hereunder on behalf of the Banks to give any approval or consent, or to make any request, or to take any other action on behalf of the Banks (including without limitation the exercise of any right or remedy hereunder or under the other Loan Documents), the Agent shall be required to give such approval or consent, or to make such request or to take such other action only when so requested in writing by the Majority Banks or the Banks, as applicable hereunder. Action that may be taken by Majority Banks or all of the Banks, as the case may be (as provided for hereunder) may be taken (i) pursuant to a vote at a meeting (which may be held by telephone conference call) as to which all of the Banks have been given reasonable advance notice, or (ii) pursuant to the written consent of the requisite Percentages of the Banks as required hereunder, provided that all of the Banks are given reasonable advance notice of the requests for such consent.

12.15 Enforcement Actions by the Agent. Except as otherwise expressly provided under this Agreement or in any of the other Loan Documents and subject to the terms hereof, Agent will take such action, assert such rights and pursue such remedies under this Agreement and the other Loan Documents as the Majority Banks or all of the Banks, as the case may be (as provided for hereunder), shall direct. Except as otherwise expressly provided in any of the Loan Documents, Agent will not (and will not be obligated to) take any action, assert any rights or pursue any remedies under this Agreement or any of the other Loan Documents in violation or contravention of any express direction or instruction of the Majority Banks or all of the Banks, as the case may be (as provided for hereunder). Agent may refuse (and will not be obligated) to take any action, assert any rights or pursue any remedies under this Agreement or any of the other Loan Documents in the absence of the express written direction and instruction of the Majority Banks or all of the Banks, as the case may be (as provided for hereunder). In the event Agent fails, within a commercially reasonable time, to take such action, assert such rights, or pursue such remedies as the Majority Banks or all of the Banks, as the case may be (as provided for hereunder), shall direct in conformity with this Agreement, the Majority Banks or all of the Banks, as the

case may be (as provided for hereunder), shall have the right to take such action, to assert such rights, or pursue such remedies on behalf of all of the Banks unless the terms hereof otherwise require the consent of all the Banks to the taking of such actions (in which event all of the Banks must join in such action). Except as expressly provided above or elsewhere in this Agreement or the other Loan Documents, no Bank (other than the Agent, acting in its capacity as Agent) shall be entitled to take any enforcement action of any kind under any of the Loan Documents.

12.16 Co-Agent and Lead Managers. NationsBank has been designated by the Company as "Co-Agent" and BHF and Signet have been designated by the Company as "Lead Managers" under this Agreement. Other than its rights and remedies as a Bank hereunder, each such Co-Agent and Lead Manager shall have no administrative, collateral or other rights or responsibilities, provided, however, that each such Co-Agent and Lead Manager shall be entitled to the benefits afforded to Agent under Sections 12.5 and 12.6 hereof.

13. MISCELLANEOUS

13.1 Accounting Principles. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, it shall be done in accordance with GAAP.

13.2 Consent to Jurisdiction. The Company hereby irrevocably submits to the non-exclusive jurisdiction of any United States Federal or Michigan state court sitting in Detroit in any action or proceeding arising out of or relating to this Agreement or any of the Loan Documents and the Company hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in any such United States Federal or Michigan state court. The Company irrevocably consents to the service of any and all process in any such action or proceeding brought in any court in or of the State of Michigan by the delivery of copies of such process to the Company at its address specified on the signature page hereto or by certified mail directed to such address. Nothing in this Section shall affect the right of the Banks and the Agent to serve process in any other manner permitted by law or limit the right of the Banks or the Agent (or any of them) to bring any such action or proceeding against the Company or any of its Subsidiaries in the courts of any other jurisdiction. The Company hereby irrevocably waives any objection to the laying of venue of any such suit or proceeding in the above described courts.

13.3 Law of Michigan. This Agreement, the Notes and the other Loan Documents executed have been delivered at Detroit, Michigan, and shall be governed by and construed and enforced in accordance with the laws of the State of Michigan, except as and to the extent expressed to the contrary in any of the Loan Documents.

Whenever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

13.4 Interest. In the event the obligation of the Company to pay interest on the principal balance of the Notes is or becomes in excess of the maximum interest rate which the Company is permitted by law to contract or agree to pay, giving due consideration to the execution date of this Agreement, then, in that event, the rate of interest applicable with respect to such Bank's Percentage shall be deemed to be immediately reduced to such maximum rate and all previous payments in excess of the maximum rate shall be deemed to have been payments in reduction of principal and not of interest.

13.5 Closing Costs. Company shall pay or reimburse Agent for payment of, on demand (a) all closing costs and expenses, including, by way of description and not limitation, house and outside attorney fees and advances, appraisal and accounting fees, title and lien search fees, and required travel costs, incurred by Agent in connection with the commitment, consummation and closing of the loans contemplated hereby, or in connection with any refinancing or restructuring of the loans or advances provided under this Agreement or the other Loan Documents, or any amendment thereof requested by Company; and (b) all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing or recording of this Agreement and the Loan Documents and the consummation of the transactions contemplated hereby, and any and all liabilities with respect to or resulting from any delay in paying or omitting to pay such taxes or fees. Furthermore, all reasonable costs and expenses, including without limitation attorney fees, and costs and expenses to Environmental Auditors retained by Agent hereunder, incurred by Agent in revising, preserving, protecting, exercising or enforcing any of its or any of the Banks' rights against Company or any of its Subsidiaries, or otherwise incurred by Agent and the Banks (using a single law firm retained by Agent, with the approval of the Majority Banks) in connection with any Event of Default or the enforcement of the loans (whether incurred through negotiations, legal proceedings or otherwise), including by way of description and not limitation, such charges in any court or bankruptcy proceedings or arising out of any claim or action by any person against Agent or any Bank which would not have been asserted were it not for Agent's or such Bank's relationship with Company hereunder or otherwise, shall also be paid by Company. All of said amounts required to be paid by Company hereunder and not paid forthwith upon demand, as aforesaid, shall bear interest, from the date incurred to the date payment is received by Agent, at the Prime-based Rate, plus three percent (3%).

13.6 Notices. Except as otherwise provided herein, all notices or demand hereunder to the parties hereto shall be sufficient if made in writing and delivered by messenger or deposited in the mail, postage prepaid, certified mail, and addressed to the parties as set forth on the signature pages of this Agreement.

13.7 Further Action. Company, from time to time, upon written request of Agent will make, execute, acknowledge and deliver or cause to be made, executed, acknowledged and delivered, all such further and additional instruments, and take all such further action as may be required to carry out the intent and purpose of this Agreement, and to provide for Advances under and payment of the Notes, according to the intent and purpose herein and therein expressed.

13.8 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of Company and the Banks and their respective successors and assigns. The foregoing shall not authorize any assignment by Company of its rights or duties hereunder, and no such assignment shall be made (or effective) without the prior written approval of the Banks. Nor may any Bank sell, assign, transfer, grant participation in, or otherwise dispose of all or any portion of their respective Notes, or of its right, title and interest therein or thereto or in or to this Agreement, except in accordance with and subject to the requirements set forth in Section 13.8 of the Vishay Loan Agreement, which shall be deemed incorporated by reference herein.

13.9 Indulgence. No delay or failure of Agent and the Banks in exercising any right, power or privilege hereunder shall affect such right, power or privilege nor shall any single or partial exercise thereof preclude any further exercise thereof, nor the exercise of any other right, power or privilege. The rights of Agent and the Banks hereunder are cumulative and are not exclusive of any rights or remedies which Agent and the Banks would otherwise have.

13.10 Counterparts. This Agreement may be executed in several counterparts, and each executed copy shall constitute an original instrument, but such counterparts shall together constitute but one and the same instrument.

13.11 Amendment and Waiver. No amendment or waiver of any provision of this Agreement or any Loan Document, nor consent to any departure by the Company therefrom, shall in any event be effective unless the same shall be in writing and signed by the Majority Banks, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by all the Banks, do any of the following: (a) increase any commitment of the Banks

hereunder or subject the Banks to any additional obligations, (b) reduce or forgive the principal of, or interest on, the Notes or any fees or other amounts payable hereunder, (c) postpone any date fixed for any payment of principal of, or interest on, the Notes or any fees or other amounts payable hereunder, (d) waive any Event of Default specified in Sections 9.1(a) or (b) hereof (provided that if, at the relevant time, only Bid Advances are outstanding under the Vishay Loan Agreement or the DM Loan Agreement, the prior written approval of all Banks shall be required to waive, whether by consent, waiver or amendment, any Event of Default under this Agreement), (e) release or defer the granting or perfecting of a lien or security interest in any collateral, or release any guaranty or similar undertaking of any Person except, in each case, as shall be otherwise expressly provided in this Agreement or any Loan Document, (f) take any action which requires the signing of all Banks pursuant to the terms of this Agreement or any Loan Document, (g) change the definitions of "Majority Banks" or "Interest Periods", (h) change the aggregate unpaid principal amount of the Notes which shall be required for the Banks or any of them to take any action under this Agreement or any Loan Document, or (i) change this Section 13.11, and provided further, however, that no amendment, waiver, or consent shall, unless in writing and signed by the Agent in addition to all the Banks, affect the rights or duties of the Agent under this Agreement or any Loan Document. All references in this Agreement to "Banks" or "the Banks" shall refer to all Banks, unless expressly stated to refer to Majority Banks.

13.12 Taxes and Fees. Should any tax (other than a tax based upon the net income of any Bank or Agent), recording or filing fee become payable in respect of this Agreement or any of the Loan Documents or any amendment, modification or supplement hereof or thereof, the Company agrees to pay the same together with any interest or penalties thereon and agrees to hold the Agent and the Banks harmless with respect thereto.

13.13 Confidentiality. Each Bank agrees that it will not disclose without the prior consent of the Company, (other than to its employees, to another Bank or to its auditors or counsel) any confidential information with respect to the Company or any of its Subsidiaries which is furnished pursuant to this Agreement or any of the Loan Documents; provided that any Bank may disclose any such information (a) as has become generally available to the public or has been lawfully obtained by such Bank from any third party under no duty of confidentiality to the Company, (b) as may be required or appropriate in any report, statement or testimony submitted to, or in respect to any inquiry, by, any municipal, state or federal regulatory body having or claiming to have jurisdiction over such Bank, including the Board of Governors of the Federal Reserve System of the United States or the Federal Deposit Insurance Corporation or similar organizations (whether in the United States or elsewhere) or their successors, (c) as may be required or

appropriate in respect to any summons or subpoena or in connection with any litigation, (d) in order to comply with any law, order, regulation or ruling applicable to such Bank, and (e) to any permitted transferee or assignee or to any approved participant of, or with respect to, the Notes, as aforesaid.

13.14 Withholding Taxes. If any Bank is not incorporated under the laws of the United States or a state thereof, such Bank shall promptly deliver to the Agent two executed copies of (i) Internal Revenue Service Form 1001 specifying the applicable tax treaty between the United States and the jurisdiction of such Bank's domicile which provides for the exemption from withholding on interest payments to such Bank, (ii) Internal Revenue Service Form 4224 evidencing that the income to be received by such Bank hereunder is effectively connected with the conduct of a trade or business in the United States or (iii) other evidence satisfactory to the Agent that such Bank is exempt from United States income tax withholding with respect to such income. Such Bank shall amend or supplement any such form or evidence as required to insure that it is accurate, complete and non-misleading at all times. Promptly upon notice from the Agent of any determination by the Internal Revenue Service that any payments previously made to such Bank hereunder were subject to United States income tax withholding when made, such Bank shall pay to the Agent the excess of the aggregate amount required to be withheld from such payments over the aggregate amount actually withheld by the Agent. In addition, from time to time upon the reasonable request and at the sole expense of the Company or any Permitted Borrower, each Bank and the Agent shall (to the extent it is able to do so based upon applicable facts and circumstances), complete and provide the Company or any Permitted Borrower with such forms, certificates or other documents as may be reasonably necessary to allow the Company or any Permitted Borrower, as applicable, to make any payment under this Agreement or the other Loan Documents without any withholding for or on the account of any tax under Section 10.1(d) hereof (or with such withholding at a reduced rate), provided that the execution and delivery of such forms, certificates or other documents does not adversely affect or otherwise restrict the right and benefits (including without limitation economic benefits) available to such Bank or the Agent, as the case may be, under this Agreement or any of the other Loan Documents, or under or in connection with any transactions not related to the transactions contemplated hereby.

13.15 Effective Upon Execution. This Agreement shall become effective upon the execution hereof by Banks, Agent and the Company and the issuance by the Company of the Notes hereunder, and shall remain effective until the Indebtedness has been repaid and discharged in full and no commitment to extend any credit hereunder or under any of the other Loan Agreements remains outstanding.

13.16 Severability. In case any one or more of the obligations of the Company under this Agreement, the Notes or any

of the other Loan Documents shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining obligations of the Company shall not in any way be affected or impaired thereby, and such invalidity, illegality or unenforceability in one jurisdiction shall not affect the validity, legality or enforceability of the obligations of the Company under this Agreement, the Notes or any of the other Loan Documents in any other jurisdiction.

13.17 Table of Contents and Headings. The table of contents and the headings of the various subdivisions hereof are for convenience of reference only and shall in no way modify or affect any of the terms or provisions hereof.

13.18 Construction of Certain Provisions. If any provision of this Agreement or any of the Loan Documents refers to any action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person, whether or not expressly specified in such provision.

13.19 Independence of Covenants. Each covenant hereunder shall be given independent effect (subject to any exceptions stated in such covenant) so that if a particular action or condition is not permitted by any such covenant (taking into account any such stated exception), the fact that it would be permitted by an exception to, or would be otherwise within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or such condition exists.

13.20 Reliance on and Survival of Various Provisions. All terms, covenants, agreements, representations and warranties of the Company or any party to any of the Loan Documents made herein or in any of the Loan Documents or in any certificate, report, financial statement or other document furnished by or on behalf of the Company, any such party in connection with this Agreement or any of the Loan Documents shall be deemed to have been relied upon by the Banks, notwithstanding any investigation heretofore or hereafter made by any Bank or on such Bank's behalf, and those covenants and agreements of the Company set forth in Section 11.6 hereof (together with any other indemnities of the Company contained elsewhere in this Agreement or in any of the Loan Documents) and of Banks set forth in Section 13.13 hereof shall survive the repayment in full of the Indebtedness and the termination of any commitments to make Advances hereunder.

13.21 Complete Agreement. This Agreement, the Notes, any Requests for Advance hereunder, the other Loan Documents and any agreements, certificates, or other documents given to secure the Indebtedness and the Commitment Letter, contain the entire agreement of the parties hereto (provided that in the event of any inconsistency between this Agreement and the other Loan Documents,

BANKS:

COMERICA BANK

By: -----

Its: -----

Comerica Bank Building
One Detroit Center
500 Woodward Avenue
Detroit, Michigan 48275
Attention: National Division
Telex: 235808
Fax No.: (313) 222-3330

NATIONSBANK OF NORTH
CAROLINA, N.A.

By: -----

Its: -----

NationsBank Corporate Center
100 North Tryon Street
NC 1007-08-04
Charlotte, NC 28255-0086
Attn: Mr. M. Gregory Seaton
Telex: 669959
Fax No.: (704) 386-3271

BERLINER HANDELS-UND FRANKFURTER
BANK KGaA

By: -----

Its: -----

Bockenheimer Landstr. 10
60323 Frankfurt/Main 1
Germany
Attn: Mr. Hans-Jurgen Scholz
Telex: 411 026
Fax No.: 4969/718-3011

BANK HAPOALIM, B.M.

By: -----
Its: -----
3 Penn Center Plaza
Philadelphia, Pennsylvania 19102
Attn: Mr. Andrew Niesen
Telex: 902022
Fax No.: (215) 665-2217

SIGNET BANK/MARYLAND

By: -----
Its: -----
7 St. Paul Street
Baltimore, Maryland 21202
Attn: Ms. Janice E. Godwin
Telex: 87638
Fax No.: (301) 625-6365

CORESTATES BANK, N.A.,
formerly known as and continuing
to do business under the name of
THE PHILADELPHIA NATIONAL BANK

By: -----
Its: -----
1345 Chestnut Street
F.C. 1-8-3-14
Philadelphia, Pennsylvania 19107
Attn: Mr. James A. Bennett
Telex: 845400
Fax No.: (215) 973-7820

BANK LEUMI le-ISRAEL, B.M.

By: -----
Its: -----
1511 Walnut Street
Philadelphia, Pennsylvania 19102
Attn: Mr. Joseph A. McBride
Telex: 173090
Fax No.: (215) 563-8688

MERIDIAN BANK

By: -----
Its: -----
1650 Market Street
Suite 3600
Philadelphia, Pennsylvania 19103
Attn: Mr. John M. Fessick
Telex: 173003
Fax No.: (215) 854-3774

ABN AMRO BANK N.V. NEW YORK BRANCH

By: -----
Its: -----
and
By: -----
Its: -----
500 Park Avenue
Second Floor
New York, New York 10022
Attn: Mr. James B. Sieger
Telex: 423721
Fax No.: (212) 759-4792

CREDIT LYONNAIS NEW YORK BRANCH

By: -----
Its: -----
1301 Avenue of the Americas
New York, New York 10019
Attn: Mr. Steve Levi
Telex:
Fax No.: (212) 459-3179

CREDIT SUISSE

By: -----
Its: -----
And By: -----
Its: -----
12 East 49th Street
New York, New York 10017
Attn: Ms. Eileen O'Connell Fox
Telex: 420149
Fax No.: (212) 238-5389

SCHEDULE 1.8 (ACQUISITION LOAN AGREEMENT)

Pricing Matrix (Determination of Pricing Levels)

	Applicable Margin for Advances for the Term Loan		Applicable Margin for Advances of the Bridge Loan		Applicable Fee Percentage For Bridge Loan Commitment Fee
	Prime-based Rate	Eurocurrency- based Rate	Prime-based Rate	Eurocurrency- based Rate	
If Leverage Ratio is less than or equal to 3.9:1.0 OR If Rating Level 3 (or higher) is in effect	0.00%	1.0%	0.00%	1.125%	.25%
If Leverage Ratio is greater than 3.9:1.0 OR If Rating Level 4 is in effect	.125%	1.0%	.125%	1.375%	.375%

EXHIBIT "A"

TERM NOTE

\$ _____

JULY __, 1994

On or before July , 2001 (the "Term Loan Maturity Date"), FOR VALUE RECEIVED, Vishay Intertechnology, Inc., a Delaware corporation ("Company") promises to pay to the order of (insert name of Bank) ("Bank") at Detroit, Michigan, care of Agent, in lawful money of the United States of America the indebtedness or so such of the sum of (insert Amount Derived from Percentages) with interest thereon as hereinafter set forth, all in accordance with that certain Vishay Intertechnology, Inc. \$200,000,000 Acquisition Loan Agreement ("Agreement") dated as of July __, 1994, made by and among the Company, certain banks, including the Bank, and Comerica Bank as Agent for such banks.

The unpaid principal indebtedness from time to time outstanding under this Note shall bear interest at the Eurocurrency-based Rate, the Prime-based Rate or the Fixed Rate as elected by Company or as otherwise determined under the Agreement.

There shall be no readvance or reborrowing of any principal reductions of this Note.

Interest on the unpaid balance of all Prime-based Advances or after the Fixed Rate Election shall be payable in United States Dollars quarterly commencing on September 30, 1994 and on the last day of each calendar quarter thereafter until the Term Loan Maturity Date. Interest accruing at the Prime-based Rate or the Fixed Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed, and in such computation effect shall be given to changes in the Prime-based Rate on the change in the Prime-based Rate.

Interest on each 1 month, 2 month and 3 month Eurocurrency-based Advance shall be payable in United States Dollars on the last day of the Interest Period applicable thereto. Interest on each 6 month Eurocurrency-based Advance shall be payable in United States Dollars at intervals of 3 months after the first day of the applicable Interest Period and on the last day of the Interest Period applicable thereto. Interest accruing at the Eurocurrency-based Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed from the first day of the Interest Period applicable thereto, but not including, the last day thereof.

In the event and so long as a default or Event of Default shall exist under this Note or under the Agreement, interest shall

be payable daily on all Advances from time to time outstanding hereunder at a per annum rate equal to the Applicable Interest Rate plus three percent (3%) for the remainder of the then existing Interest Period, if any, and at all other times, with respect to Domestic Advances from time to time outstanding, at a per annum rate equal to the Prime-based Rate or the Fixed Rate, as applicable, plus three percent (3%), and with respect to Eurocurrency-based Advances from time to time outstanding under this Note, (i) at a per annum rate calculated by the Agent, whose determination shall be conclusive absent manifest error, on a daily basis, equal to three percent (3%) above the interest rate per annum at which one (1) day deposits (or, if such amount due remains unpaid for more than three (3) Business Days, then for such other period of time as the Agent may elect which shall in no event be longer than six (6) months) in the relevant Eurocurrency in the amount of such overdue payment due to the Agent are offered by the Eurocurrency Lending Office for the applicable period determined as provided above, or (ii) if at any such time such deposits are not offered by the Eurocurrency Lending Office, then at a rate per annum equal to three percent (3%) above the rate determined by the Agent to be its aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance) of carrying the amount of such Eurocurrency Advance.

The amount and date of each Advance of the Term Loan, its Applicable Interest Rate and Interest Period, and the amount and date of any repayments shall be noted on Agent's records, which records will be conclusive evidence thereof, absent manifest error.

This Note is a note under which prepayments may be made from time to time, but only in accordance with the terms and conditions of the Agreement, including without limitation, after the Fixed Rate Election, the payment of Yield Maintenance Payments.

This Note evidences borrowings under, is subject to, is secured in accordance with, and may be accelerated or matured under, the terms of the Agreement, to which reference is hereby made. Definitions and terms of the Agreement are hereby incorporated herein.

As additional security for this Note, Company grants Bank a lien on all property and assets including deposits and other credits of the Company, at any time in possession or control of or owing by Bank for any purpose.

This Note shall be interpreted and the rights of the parties hereunder shall be determined under the laws of, and enforceable in, the State of Michigan.

Company hereby waives presentment for payment, demand, protest and notice of dishonor and nonpayment of this Note and agrees that no obligation hereunder shall be discharged by reason of any

extension, indulgence, release, or forbearance granted by any holder of this Note to any party now or hereafter liable hereon or any preant or subsequent owner of any property, real or personal, which, is now or hereafter security for this Note.

Nothing herein shall limit any right granted Bank by any other instrument or by law.

VISHAY INTERTECNOLOGY, INC.,
a Delaware corporation

By: -----

Its: -----

EXHIBIT "B"

REQUEST FOR TERM LOAN ADVANCE AND RATE REQUEST

To: Comerica Bank ("Agent")

A. Request

The undersigned authorized officer of Vishay Intertechnology, Inc. ("Company") in accordance with Section 2.9 of the Vishay Intertechnology, Inc. \$200,000,000 Acquisition Loan Agreement dated as of July __, 1994, among Company, certain Banks and Comerica Bank, as Agent for the Banks (the "Agreement"), hereby requests the Agent under the Agreement to make, refund or convert, as applicable, a (an) _____/1 Advance of the Term Loan to the undersigned on _____, 19____/2 in the amount of \$_____/3 under the Term Notes ("Notes") dated July __, 1994 made by Company to said Banks.

The Interest Period for the requested Advance shall be _____

_____./4

1/ Insert, as applicable, "Eurocurrency-based" or "Prime-based."

2/ Insert date at least four (4) Business Days after the date of Request, if Request is for Eurocurrency-based Advance and, if Request involves the conversion or renewal of any outstanding Eurocurrency-based Advance, date must be the Business Day subsequent to the last day of the applicable Eurocurrency-based Interest Period.

3/ Insert amount of requested Advance. This amount, together with the amount of any other outstanding indebtedness evidenced by the Term Notes to be then combined therewith having the same Applicable Interest Rate and Interest Period, if any, shall not be less than (x) \$500,000 in the case of a Prime-based Advance, or (y) \$1,000,000 (or the applicable foreign currency equivalent thereof) in the case of a Eurocurrency-based Advance, and upon completion of the Advance there shall be no more than 1 Interest Period and 1 Applicable Interest Rate (including the Prime-based Rate).

4/ For Eurocurrency-based Advance insert, as applicable, "1 month", "2 months", "3 months" or "6 months." Such Interest Period (i) may not end after the Term Loan Maturity Date; and (ii) must leave a sufficient portion of the Term Loan subject to an Interest Period ending on the last day of the quarter to enable Company to make required principal repayments.

B. Application of Proceeds

The proceeds of this Advance shall be applied to refund/convert⁵ the following outstanding Advances:

Type of Advance	Last Day of Interest Period	Principal Outstanding
-----------------	-----------------------------	-----------------------

C. Request Irrevocable

Upon Agent's receipt of this Request For Term Loan Advance, this Request For Term Loan Advance shall be irrevocable.

D. Certification

The undersigned hereby certifies that:

- (1) both before and after the Advance, the obligations of the Company and its Subsidiaries set forth in the Agreement and any of the Loan Documents to which such Persons are parties are and shall be valid, binding and enforceable obligations of the Company and its Subsidiaries;
- (2) all conditions to Advances of the Term Loan have been satisfied, and shall remain satisfied to the date of Advance;
- (3) there is no Event of Default in existence, and no event which, with the giving of notice or the lapse of time, or both, would constitute such an Event of Default, and none will exist upon the making of the Advance;
- (4) the representations and warranties contained in the Agreement and the Loan Documents are true and correct in all material respects and shall be true and correct in all material respects as of the making of the Advance; and
- (5) the execution of this Request for Term Loan Advance will not violate the material terms and conditions of any material contract, agreement or other borrowing of Company or its Subsidiaries

⁵ Strike inapplicable term to indicate whether a conversion or refunding.

E. Defined Terms

Capitalized terms used herein, unless specifically defined to the contrary herein, have the meanings given them in the Agreement.

Dated this ____ day of _____, 1994.

VISHAY INTERTECHNOLOGY, INC.

By: _____

Its: _____

(This form of Request for Term Loan Advance (including footnotes) is subject in all respects to the terms and conditions of the Agreement which shall govern in the event of any inconsistencies or omissions.)

EXHIBIT "C"

FIXED RATE ELECTION

To: Comerica Bank ("Agent")

Re: Vishay Intertechnology, Inc. \$200,000,000 Acquisition Loan Agreement dated as of July -, 1994 (the "Agreement"), among Vishay Intertechnology, Inc. ("Company"), Agent and certain Banks

Pursuant to Section 2.11 of the Agreement, the Company elects the Fixed Rate as the Applicable Interest Rate for the remaining balance of the Term Loan.

The Company certifies to the matters specified in Section 2.11(c) of the Agreement.

Capitalized terms used herein, unless specifically defined to the contrary herein, have the meanings given them in the Agreement.

Dated: _____ VISHAY INTERTECHNOLOGY, INC.

By: _____

Its: _____

EXHIBIT "D"

BRIDGE NOTE

\$ _____

JULY _____, 1994

On or before July____, 1996 (the "Bridge Loan Maturity Date,") , FOR VALUE RECEIVED, Vishay Intertechnology, Inc., a Delaware corporation ("Company") promises to pay to the order of (Insert Bank) ("Bank") at Detroit, Michigan, care of Agent, in lawful money of the United States of America the Indebtedness or so much of the sum of (Amount Derived from Percentages) which may, from time to time, have been advanced and then be outstanding hereunder, together with interest thereon, as hereinafter set forth, in accordance with that certain Vishay Intertechnoloby, Inc. \$200,000,000 Acquisition Loan Agreement ("Agreement") dated as of July____, 1994, made by and among Company, certain banks, including the Bank, and Comerica Bank as Agent for such banks.

The unpaid principal indebtedness from time to time outstanding under this Note shall bear interest at the Eurocurrency-based Rate or the Prime-based Rate as elected by Company or as otherwise determined under the Agreement.

There shall be no readvance or reborrowing of any principal reductions of this Note.

Interest on the unpaid balance of all Prime-based Advances shall be payable in United States Dollars quarterly commencing on September 30, 1994 and on the last day of each calendar quarter thereafter until the Term Loan Maturity Date. Interest accruing at the Prime-based Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed, and in such computation effect shall be given to changes in the Prime-based Rate on the date of such change in the Prime-based Rate.

Interest on each 1 month, 2 month and 3 month Eurocurrency-based Advance shall be payable in United States Dollars on the last day of the Interest Period applicable thereto. Interest on each 6 month Eurocurrency-based Advance shall be payable in United States Dollars at intervals of 3 months after the first day of the applicable Interest Period and on the last day of the Interest Period applicable thereto. Interest accruing at the Eurocurrency-based Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed from the first day of the Interest Period applicable thereto, but not including, the last day thereof.

In the event and so long as a default or Event of Default shall exist under this Note or under the Agreement, interest shall be payable daily on all Advances from time to time outstanding hereunder at a per annum rate equal to the Applicable Interest Rate plus three percent (3%) for the remainder of the then existing Interest Period, if any, and at all other times, with respect to Domestic Advances from time to time outstanding, at a per annum rate equal to the Prime-based Rate plus three percent (3%), and with respect to Eurocurrency-based Advances from time to time outstanding under this Note, (i) at a per annum rate calculated by the Agent, whose determination shall be conclusive absent manifest error, on a daily basis, equal to three percent (3%) above the interest rate per annum at which one (1) day deposits (or, if such amount due remains unpaid for more than three (3) Business Days, then for such other period of time as the Agent may elect which shall in no event be longer than six (6) months) in the relevant Eurocurrency in the amount of such overdue payment due to the Agent are offered by the Eurocurrency Lending Office for the applicable period determined as provided above, or (ii) if at any such time such deposits are not offered by the Eurocurrency Lending Office, then at a rate per annum equal to three percent (3%) above the rate determined by the Agent to be its aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance) of carrying the amount of such Eurocurrency Advance.

The amount and date of each Advance of the Term Loan, its Applicable Interest Rate and Interest Period, and the amount and date of any repayments shall be noted on Agent's records, which records will be conclusive evidence thereof, absent manifest error.

This Note is a note under which prepayments may be made from time to time, but only in accordance with the terms and conditions of the Agreement.

This Note evidences borrowings under, is subject to, is secured in accordance with, and may be accelerated or matured under, the terms of the Agreement, to which reference is hereby made. Definitions and terms of the Agreement are hereby incorporated herein.

As additional security for this Note, Company grants Bank a lien on all property and assets including deposits and other credits of the Company, at any time in possession or control of or owing by Bank for any purpose.

This Note shall be interpreted and the rights of the parties hereunder shall be determined under the laws of, and enforceable in, the State of Michigan.

Company hereby waives presentment for payment, demand, protest and notice of dishonor and nonpayment of this Note and agrees that no obligation hereunder shall be discharged by reason of any

extension, indulgence, release, or forbearance granted by any holder of this Note to any party now or hereafter liable hereon or any present or subsequent owner of any property, real or personal, which is now or hereafter security for this Note.

Nothing herein shall limit any right granted Bank by any other instrument or by law.

VISHAY INTERTECHNOLOGY, INC.,
a Delaware corporation

By: -----

Its: -----

EXHIBIT "E"

REQUEST FOR BRIDGE LOAN ADVANCE AND RATE REQUEST

To: Comerica Bank ("Agent")

A. Request

The undersigned authorized officer of Vishay Intertechnology, Inc. ("Company") in accordance with Section 3.9 of the Vishay Intertechnology, Inc. \$200,000,000 Acquisition Loan Agreement dated as of July __, 1994, among Company, certain Banks and Comerica Bank, as Agent for the Banks (the "Agreement") hereby requests the Agent under the Agreement to Make, refund or convert, as applicable, a (an) _____ /1 Advance of the Term Loan to the undersigned on _____ 19__, /2 in the amount of \$ _____ /3 under the Term Notes ("Notes") dated July __, 1994 made by Company to said Banks.

The Interest Period for the requested Advance shall be _____./4

-
- 1/Insert, as applicable, "Eurocurrency-based" or "Prime-based".
 - 2/Insert date at least four (4) Business Days after the date of Request, if Request is for Eurocurrency-based Advance and, if Request involves the conversion or renewal of any outstanding Eurocurrency-based Advance, date must be the Business Day subsequent to the last day of the applicable Eurocurrency-based Interest Period.
 - 3/Insert amount of requested Advance. This amount, together with the amount of any other outstanding indebtedness evidenced by the Term Notes to be then combined therewith having the same Applicable Interest Rate and Interest Period, if any, shall not be less than (x) \$500,000 in the case of a Prime-based Advance or (y) \$1,000,000 (or applicable foreign currency equivalent thereof) in the case of a Eurocurrency-based Advance, and upon completion of the Advance there shall be no more than 1 Interest Period and 1 Applicable Interest Rate (including the Prime-based Rate).
 - 4/For Eurocurrency-based Advance insert, as applicable, "1 month", "2 months", "3 months" or "6 months." Such Interest Period (i) may not end after the Term Loan Maturity Date; and (ii) must leave a sufficient portion of the Term Loan subject to an Interest Period ending on the last day of the quarter to enable Company to make required principal repayments.

B. Application of Proceeds

The proceeds of this Advance shall be applied to refund/convert/5 the following outstanding Advances:

Type of Advance	Last Day of Interest Period	Principal Outstanding
-----------------	-----------------------------	-----------------------

C. Request Irrevocable

Upon Agent's receipt of this Request For Term Loan Advance, this Request For Term Loan Advance shall be irrevocable.

D. Certification

The undersigned hereby certifies that:

- (1) both before and after the Advance, the obligations of the Company and its Subsidiaries set forth in the Agreement and any of the Loan Documents to which such Persons are parties are and shall be valid, binding and enforceable obligations of the Company and its Subsidiaries;
- (2) all conditions to Advances of the Term Loan have been satisfied, and shall remain satisfied to the date of Advance;
- (3) there is no Event of Default in existence, and no event which, with the giving of notice or the lapse of time, or both, would constitute such an Event of Default, and none will exist upon the making of the Advance;
- (4) the representations and warranties contained in the Agreement and the Loan Documents are true and correct in all material respects and shall be true and correct in all material respects as of the making of the Advance; and
- (5) the execution of this Request for Term Loan Advance will not violate the material terms and conditions of any material contract, agreement or other borrowing of Company or its Subsidiaries.

5/Strike inapplicable term to indicate whether a conversion or refunding.

EXHIBIT "F"

Percentages

Comerica Bank	15.42%
NationsBank of North Carolina, N.A.	15.42%
Berliner Handels-Und Frankfurter Bank	11.67%
Signet Bank Maryland	11.66%
Bank Hapoalim, B.M.	8.33%
CoreStates Bank, N.A.	8.33%
ABN AMRO Bank N.V.	8.33%
Credit Lyonnais New York Branch	8.33%
Bank Leumi le-Israel, B.M.	4.17%
Credit Suisse	4.17%
Meridian Bank	4.17%

AMENDED AND RESTATED
VISHAY GUARANTY

Vishay Intertechnology, Inc., a Delaware corporation ("Guarantor") desires to see the success of its Subsidiaries (as defined below), as follows:

(a) the Permitted Borrowers, as defined in that certain Amended and Restated Vishay Intertechnology, Inc. \$302,500,000 Revolving Credit and Term Loan Agreement dated as of July 18, 1994 among Guarantor, Comerica Bank, a Michigan banking corporation, successor by merger to Manufacturers Bank, N.A., formerly known as Manufacturers National Bank of Detroit, as Agent ("Agent") and the Banks (as hereinafter defined), (as amended from time to time, the "Vishay Loan Agreement") and furthermore, Guarantor shall receive direct and/or indirect benefits from extensions of credit made or to be made pursuant to the Vishay Loan Agreement to the Permitted Borrowers; and

(b) Vishay Beteiligungs GmbH, formerly known as Draloric Electronic GmbH ("Debtor"), a German corporation (and one of the Permitted Borrowers), and furthermore, Guarantor shall receive direct and/or indirect benefits from extensions of credit made or to be made to Debtor pursuant to that certain Amended and Restated Draloric/VBG DM 40,000,000 Revolving Credit and DM 9,506,000 Term Loan Agreement dated as of July 18, 1994, (as amended from time to time, the "DM Loan Agreement") among Debtor, Agent and the Banks and that certain Amended and Restated Roederstein DM 104,315,990.20 Term Loan Agreement of even date herewith among Debtor, Agent and the Banks (as amended from time to time, the "Roederstein Loan Agreement").

NOW, THEREFORE, to induce each of the Banks (as defined in the Vishay Loan Agreement) to enter into and perform its obligations under the Vishay Loan Agreement, the DM Loan Agreement, the Roederstein Loan Agreement and that certain Vishay Intertechnology, Inc. \$200,000,000 Acquisition Loan Agreement of even date herewith among Debtor, Agent and the Banks, the Guarantor has executed and delivered this Amended and Restated Guaranty ("Guaranty") as an amendment and restatement of prior guaranties executed by the Guarantor.

1. Definitions. Unless otherwise provided herein, all capitalized terms in this Guaranty shall have the meanings specified in the Vishay Loan Agreement, and if not defined therein, then in the DM Loan Agreement or the Roederstein Loan Agreement, as the context requires.
2. Guaranty. The Guarantor hereby guarantees to the Banks the due and punctual payment to the Banks when due, whether by

acceleration or otherwise, of all amounts, including interest, due and owing under:

(a) (i) any and all Revolving Credit Notes, ("Revolving Credit Notes") made or to be made to the order of the Banks by the Permitted Borrowers and any of them, from time to time pursuant to the terms and conditions of the Vishay Loan Agreement; (ii) all other Indebtedness of the Permitted Borrowers, and any of them, under or in connection with the Vishay Loan Agreement; and (iii) all extensions, renewals and amendments of or to such notes or such other Indebtedness (as defined in the Vishay Loan Agreement), or any replacements or substitutions therefor; all of the foregoing being payable in accordance with such Revolving Credit Notes and the Vishay Loan Agreement; and

(b) those certain Revolving Credit Notes made by Debtor to the order of the Banks pursuant to the DM Loan Agreement ("DM Revolving Notes"), those certain Bid Notes made by Debtor to the order of the Banks pursuant to the DM Loan Agreement ("Bid Notes"), and those certain Term Notes ("DM Term Notes") made by Debtor to the order of the Banks pursuant to the DM Loan Agreement (the DM Revolving Notes, the Bid Notes and the DM Term Notes being referred to collectively herein as the "DM Notes"), and all extensions, renewals and amendments of or to such notes or such other Indebtedness (as defined in the DM Loan Agreement) or any replacements or substitutions therefor, all payable in accordance with the terms and conditions of such DM Notes and the DM Loan Agreement; and

(c) those certain Term Notes made or to be made by Debtor to the order of the Banks pursuant to the Roederstein Loan Agreement ("Roederstein Term Notes") and all extensions, renewals and amendments of or to such notes or such other Indebtedness (as defined in the Roederstein Loan Agreement) or any replacements or substitutions therefor, all payable in accordance with the terms and conditions of such Roederstein Term Notes and the Roederstein Loan Agreement;

and hereby agrees that if any Permitted Borrower (including Debtor) shall fail to pay any of such amounts when and as the same shall be due and payable, or shall fail to perform and discharge any covenant, representation or warranty in accordance with the terms of the DM Notes, the DM Loan Agreement, the Revolving Credit Notes, Vishay Loan Agreement, the Roederstein Term Notes, or the Roederstein Loan Agreement, or any other loan or collateral documents executed in connection therewith (the "Loan Documents") the Guarantor will forthwith pay to the Agent, on behalf of the Banks, an amount equal to any such amount or cause each of the Permitted Borrowers, and/or Debtor, as the case

may be, to perform and discharge any such covenant, representation or warranty, as the case may be, and will pay any and all damages that may be incurred or suffered in consequence thereof by Agent or any of the Banks and all reasonable expenses, including reasonable attorneys' fees, that may be incurred by Agent in enforcing such covenant, representation or warranty of any Permitted Borrower (including Debtor), as the case may be, and in enforcing the covenants and agreements of this Guaranty.

3. Unconditional Character of Guaranty. The obligations of Guarantor under this Guaranty shall be absolute and unconditional, and shall be a guaranty of payment and not of collection, irrespective of the validity, regularity or enforceability of the Revolving Credit Notes, the Vishay Loan Agreement, the DM Notes, the DM Loan Agreement, the Roederstein Term Notes, the Roederstein Loan Agreement, or any of the other Loan Documents (including, without limitation, the Domestic Guaranty, the Permitted Borrowers Guaranty, and the Roederstein Loan Documents), or any provision thereof, the absence of any action to enforce the same, any waiver or consent with respect to any provision thereof, the recovery of any judgment against any Person or action to enforce the same, any failure or delay in the enforcement of the obligations of the Permitted Borrowers under the Revolving Credit Notes and the Vishay Loan Agreement, of the Debtor under the DM Notes and the DM Loan Agreement, or of Debtor under the Roederstein Term Notes and the Roederstein Loan Agreement, or any of the other Loan Documents, any failure by Guarantor to have countersigned any request for advance by any of the Permitted Borrowers under the Vishay Loan Agreement, or any setoff, counterclaim, recoupment, limitation, defense or termination. Guarantor hereby waives diligence, demand for payment, filing of claims with any court, any proceeding to enforce any provision of the Revolving Credit Notes executed by the Permitted Borrowers, the Vishay Loan Agreement, the DM Notes and the DM Loan Agreement, or the Roederstein Term Notes, the Roederstein Loan Agreement or any of the other Loan Documents, any right to require a proceeding first against any of the Permitted Borrowers (including Debtor), or against any other guarantor or other party providing collateral, or to exhaust any security for the performance of the obligations of any of the Permitted Borrowers (including Debtor), any protest, presentment, notice or demand whatsoever, and Guarantor hereby covenants that this Guaranty shall not be terminated, discharged or released except, subject to Section 6.8 hereof, upon payment in full of all amounts due and to become due from the Permitted Borrowers (including Debtor) as and to the extent described above, and only to the extent of any such payment, performance and discharge. Guarantor further covenants that no security now or subsequently held by the Agent or the Banks for the payment of the Indebtedness evidenced by the Revolving Credit Notes made by the Permitted Borrowers under the Vishay Loan Agreement, for the payment of the Indebtedness evidenced by the DM Notes made by

Debtor under the DM Loan Agreement or for the payment of the Indebtedness evidenced by the Roederstein Term Notes made by Debtor under the Roederstein Loan Agreement, or otherwise evidenced or incurred (including, without limitation, the Domestic Guaranty and the Permitted Borrowers Guaranty and any security for any of the foregoing), whether in the nature of a security interest, pledge, lien, assignment, setoff, suretyship, guaranty, indemnity, insurance or otherwise, and no act, omission or other conduct of Agent or the Banks in respect of such security, shall affect in any manner whatsoever the unconditional obligation of this Guaranty, and that the Agent and each of the Banks, in their respective sole discretion and without notice to Guarantor, may release, exchange, enforce, apply the proceeds of and otherwise deal with any such security without affecting in any manner the unconditional obligation of this Guaranty.

Without limiting the generality of the foregoing, such obligations, and the rights of the Agent to enforce the same, on behalf of the Banks, by proceedings, whether by action at law, suit in equity or otherwise, shall not be in any way affected by (i) any insolvency, bankruptcy, liquidation, reorganization, readjustment, composition, dissolution, winding up or other proceeding involving or affecting any or all of the Permitted Borrowers, Debtor or others or (ii) any change in the ownership of any of the capital stock of any or all of the Permitted Borrowers, or the Debtor, or any other party providing collateral for any indebtedness covered by Guaranty, or any of their respective Affiliates.

Guarantor hereby waives to the full extent possible under applicable law:

(a) any defense based upon the doctrine of marshalling of assets or upon an election of remedies by Agent or the Banks, including, without limitation, an election to proceed by non-judicial rather than judicial foreclosure, which destroys or otherwise impairs the subrogation rights of the Guarantor or the right of the Guarantor to proceed against the Permitted Borrowers, or any of them, or the Debtor, for reimbursement, or both;

(b) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal;

(c) any duty on the part of Agent or the Banks to disclose to the Guarantor any facts Agent or the Banks may now or hereafter know about any of the Permitted Borrowers or the Debtor, regardless of whether Agent or any Bank has reason to believe that any such facts materially increase the risk beyond that which the Guarantor intends to assume or has reason to

believe that such facts are unknown to the Guarantor or has a reasonable opportunity to communicate such facts to the Guarantor, since the Guarantor acknowledges that it is fully responsible for being and keeping informed of the financial condition of each of the Permitted Borrowers and the Debtor and of all circumstances bearing on the risk of non-payment of any Indebtedness (defined as applicable) hereby guaranteed;

(d) any defense arising because of Agent's or the Banks' election, in any proceeding instituted under the Federal Bankruptcy Code, of the application of Section 1111(b)(2) of the Federal Bankruptcy Code;

(e) any claim for reimbursement, contribution, indemnity or subrogation which such Guarantor may have or obtain against the Permitted Borrowers, Debtor, or any of them by reason of the payment by Guarantor of any Indebtedness; and

(f) any other event or action (excluding Guarantor's compliance with the provisions hereof) that would result in the discharge by operation of law or otherwise of the Guarantor from the performance or observance of any obligation, covenant or agreement contained in this Guaranty.

The Agent and each of the Banks may deal with the Permitted Borrowers, or any of them, and the Debtor and any security held by them for the obligations of the Permitted Borrowers, or any of them, and the Debtor (as aforesaid) in the same manner and as freely as if this Guaranty did not exist and the Agent shall be entitled, on behalf of Banks, without notice to Guarantor, among other things, to grant to the Permitted Borrowers, or any of them, and/or the Debtor, such extension or extensions of time to perform any act or acts as may seem advisable to the Agent (on behalf of the Banks) at any time and from time to time, and to permit the Permitted Borrowers, or any of them, and/or the Debtor, to incur additional indebtedness to Agent, the Banks, or any of them, without terminating, affecting or impairing the validity or enforceability of this Guaranty or the obligations of Guarantor hereunder.

The Agent may proceed, either in its own name (on behalf of the Banks) or in the name of the Guarantor, or otherwise, to protect and enforce any or all of its rights under this Guaranty by suit in equity, action at law or by other appropriate proceedings, or to take any action authorized or permitted under applicable law, and shall be entitled to require and enforce the performance of all acts and things required to be performed hereunder by the Guarantor. Each and every remedy of the Agent and of the Banks shall, to the extent permitted by law, be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity.

No waiver or release shall be deemed to have been made by the Agent or any of the Banks of any of its rights hereunder unless the same shall be in writing and signed by or on behalf of the Banks, and any such waiver shall be a waiver or release only with respect to the specific matter involved and shall in no way impair the rights of the Agent or any of the Banks or the obligations of Guarantor under this Guaranty in any other respect at any other time.

At the option of the Agent, Guarantor may be joined in any action or proceeding commenced by the Agent against the Permitted Borrowers, or any of them, and/or the Debtor or any of the other parties providing collateral for any indebtedness covered by this Guaranty in connection with or based upon the Revolving Credit Notes made by the Permitted Borrowers, the Vishay Loan Agreement, the DM Notes, the DM Loan Agreement, the Roederstein Term Notes, the Roederstein Loan Agreement or any of the other Loan Documents or other Indebtedness (defined as applicable, as aforesaid), or any provision thereof, and recovery may be had against Guarantor in such action or proceeding or in any independent action or proceeding against Guarantor, without any requirement that the Agent or the Banks first assert, prosecute or exhaust any remedy or claim against the Permitted Borrowers, or any of them, the Debtor and/or any of the other parties providing collateral for any Indebtedness covered by this Guaranty.

4. Continuing Obligation for DM Term Notes. Guarantor acknowledges that, by virtue of this Guaranty (and prior guaranties amended and restated hereby), Guarantor has continued as an obligor on the Indebtedness evidenced by the DM Term Notes without any interruption whatsoever in such status as obligor, Guarantor having previously been obligated on such Indebtedness as primary obligor.

5. Release of Collateral for Guaranty. Concurrently herewith, Comerica Bank, as agent under the Prior Loan Agreements, and the Prior Banks, have undertaken to release the Collateral delivered to secure the Prior Guaranty (as hereafter defined).

6. Miscellaneous.

6.1 Governing Law. This Guaranty has been delivered in Michigan and shall be interpreted and the rights of the parties hereunder shall be determined under the laws of, and be enforceable in, the State of Michigan, Guarantor hereby consenting to the jurisdiction of state and all federal courts sitting in such state.

6.2 Severability. If any term or provision of this Guaranty or the application thereof to any circumstance shall, to any extent, be invalid or unenforceable, the remainder of this

Guaranty, or the application of such term or provision to circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Guaranty shall be valid and enforceable to the fullest extent permitted by law.

6.3 Notice. All notices and other communications to be made or given pursuant to this Guaranty shall be sufficient if made or given in writing and delivered by messenger or deposited in the U.S. mails, registered or certified first class mail, and addressed as provided under the Vishay Loan Agreement, or at such other addresses as directed by any of such parties to the others, as applicable, in compliance with this paragraph.

6.4 Right of Offset. Guarantor acknowledges the rights of the Agent and of each of the Banks to offset against the Indebtedness of Guarantor to the Banks under this Guaranty, any amount owing by the Agent or the Banks, or either or any of them to the Guarantor, whether represented by any deposit of Guarantor with the Agent or any of the Banks or otherwise.

6.5 Right to Cure. Guarantor shall have the right to cure any Event of Default under the Vishay Loan Agreement (with respect to obligations of the Permitted Borrowers), the DM Loan Agreements (with respect to Debtor), the Roederstein Loan Agreement (with respect to Debtor) or the Loan Documents; provided that such cure is effected within the applicable grace period or period for cure, if any; and provided further that such cure can be effected in compliance with the Vishay Loan Agreement (with respect to the obligations of any of the Permitted Borrowers), DM Loan Agreement (with respect to the obligations of Debtor), or Roederstein Loan Agreement (with respect to the obligations of Debtor) and other Loan Documents (including without limitation the Vishay Loan Agreement). Except to the extent of payments of principal and/or interest on the Revolving Credit Notes made by the Permitted Borrowers, the DM Notes or the Roederstein Term Notes actually received by the Agent (or the Banks) pursuant to such cure, the exercise of such right to cure by Guarantor shall not reduce or otherwise affect the liability of Guarantor under this Guaranty.

6.6 Financial Statements. The Guarantor shall provide Agent (with a copy for each of the Banks), commencing as of the date of this Guaranty, with quarterly and annual financial statements substantially in accordance with the requirements set forth in the Vishay Loan Agreement.

6.7 Amendments. The terms of this Guaranty may not be waived, altered, modified, amended, supplemented or terminated in any manner whatsoever except as provided herein and in accordance with the Vishay Loan Agreement, the DM Loan Agreement and the Roederstein Loan Agreement.

6.8 Release. Upon the satisfaction by Guarantor of its obligations hereunder and its direct obligations under the Vishay Loan Agreement and Roederstein Loan Agreement and its Notes executed pursuant thereto, and when Guarantor is no longer subject to any obligation hereunder or thereunder, the Agent shall deliver to Guarantor, upon written request therefor, (i) a written release of this Guaranty and (ii) appropriate discharges of any Collateral provided by Guarantor for this Guaranty; provided however that, the effectiveness of this Guaranty shall continue or be reinstated, as the case may be, in the event: (x) that any payment received or credit given by the Agent or the Banks, or any of them, is returned, disgorged, rescinded or required to be recontributed to any party as an avoidable preference, impermissible setoff, fraudulent conveyance, restoration of capital or otherwise under any applicable state, federal or national law of any jurisdiction, including laws pertaining to bankruptcy or insolvency, and this Guaranty shall thereafter be enforceable against Guarantor as if such returned, disgorged, recontributed or rescinded payment or credit has not been received or given by the Agent or the Banks, and whether or not the Agent or any Bank relied upon such payment or credit or changed its position as a consequence thereof or (y) that any liability is imposed, or sought to be imposed against the Agent or the Banks, or any of them, relating to the environmental condition of any property mortgaged or pledged to Agent on behalf of the Banks by Guarantor, any Permitted Borrower or Debtor or any other party as collateral (in whole or part) for any indebtedness or obligation evidenced or secured by this Guaranty, whether such condition is known or unknown, now exists or subsequently arises (excluding only conditions which arise after acquisition by Agent or any Bank of any such property, in lieu of foreclosure or otherwise, due to the wrongful act or omission of Agent or such Bank) in which event this Guaranty shall thereafter be enforceable against Guarantor to the extent of all liabilities, costs and expenses (including reasonable attorneys fees) incurred by Agent or Banks as the direct or indirect result of any such environmental condition. For purposes of this Guaranty "environmental condition" includes, without limitation, conditions existing with respect to the surface or ground water, drinking water supply, land surface or subsurface strata and the ambient air.

6.9 Consent to Jurisdiction; Waiver of Jury Trial. Guarantor hereby irrevocably submits to the non-exclusive jurisdiction of any United States Federal or Michigan state court sitting in Detroit in any action or proceeding arising out of or relating to this Guaranty or any of the Loan Documents and Guarantor hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in any such United States Federal or Michigan state court. Guarantor irrevocably consents to the service of any and all process in any such action or proceeding brought in any court in or of the State

of Michigan by the delivery of copies of such process to Guarantor at its address specified in Section 6.3 hereof or by certified mail direct to such address. This Guaranty is subject to the waiver of jury trial contained in Section 9.4 of the Vishay Loan Agreement.

6.10 Amendment and Restatement. This Guaranty is given in substitution for and amends and restates and replaces in its entirety the Amended and Restated Vishay Guaranty dated as of January 29, 1993 (the "Prior Guaranty") executed and delivered by Guarantor in connection with the Vishay Loan Agreement, the DM Loan Agreement and the Roederstein Loan Agreement. Nothing herein contained shall impair or otherwise affect the security interests or liens established or continued thereunder or in connection therewith, which security interests and liens shall continue in full force and effect.

IN WITNESS WHEREOF, the undersigned Guarantor has executed this Guaranty as of July 18, 1994.

VISHAY INTERTECHNOLOGY, INC.

By: _____

Its: _____

ACCEPTED BY:

COMERICA BANK, as Agent, on behalf of the Banks

By: _____

Its: _____

DOMESTIC GUARANTY

The undersigned, Dale Holdings, Inc., Dale Electronics, Inc., Measurements Group, Inc., and Vishay Sprague Holdings Corp., each a corporation organized under the laws of Delaware and Sprague Sanford, Inc., a Maine corporation (collectively, the "Guarantors") desire to see the success of one another and Vishay Intertechnology, Inc., a Delaware corporation ("Company"), Vishay Beteiligungs GmbH (formerly known as Draloric Electronic GmbH), a German corporation ("Debtor"), and the Permitted Borrowers, and shall receive direct and/or indirect benefits from extensions of credit granted to Company, Debtor, and the Permitted Borrowers under and in connection with that certain Amended and Restated Vishay Intertechnology, Inc. \$302,500,000 Revolving Credit and Term Loan Agreement dated as of the date hereof among Company, Comerica Bank, a Michigan banking corporation, successor by merger to Manufacturers Bank, N.A., formerly known as Manufacturers National Bank of Detroit, as Agent ("Agent") and the Banks (as hereinafter defined) (as amended from time to time, the "Vishay Loan Agreement"), the Amended and Restated Draloric/VBG DM 40,000,000 Revolving Credit and DM 9,506,000 Term Loan Agreement dated as of the date hereof (as amended from time to time, the "DM Loan Agreement") among Debtor, Agent and the Banks, that certain Amended and Restated Roederstein DM 104,315,990.20 Term Loan Agreement of even date herewith among Debtor, Agent and the Banks (as amended from time to time the "Roederstein Loan Agreement") and that certain Vishay Intertechnology, Inc. \$200,000,000 Acquisition Loan Agreement of even date herewith among Company, Agent and the Banks (as amended from time to time, the "Acquisition Loan Agreement").

NOW, THEREFORE, to induce each of the Banks (as defined in the Vishay Loan Agreement) to enter into and perform its obligations under the Vishay Loan Agreement, the DM Loan Agreement, the Roederstein Loan Agreement and the Acquisition Loan Agreement, each of the Guarantors has executed and delivered this guaranty ("Guaranty") as an amendment and restatement of prior guaranties executed by the Guarantors.

1. Definitions. Unless otherwise provided herein, all capitalized terms in this Guaranty shall have the meanings specified in the Vishay Loan Agreement, and if not defined therein, then in the DM Loan Agreement, the Roederstein Loan Agreement or the Acquisition Loan Agreement, as the context requires.

2. Guaranty. Each of the Guarantors hereby, jointly and severally, guarantees to the Banks the due and punctual payment to the Banks when due, whether by acceleration or otherwise, of all amounts, including interest, which may from time to time be due and owing under:

(a)(i) any and all Revolving Credit Notes made or to be made to the order of the Banks by Company or the Permitted Borrowers, or any of them, from time to time pursuant to the terms and conditions of the Vishay Loan Agreement; (ii) any and all Bid Notes ("Bid Notes") made or to be made to the order of the Banks (as Bid Lenders) by Company from time to time pursuant to the terms and conditions of the Vishay Loan Agreement; (iii) any and all Term Notes made or to be made by Company to the order of the Banks pursuant to the terms and conditions of the Vishay Loan Agreement; (iv) all other Indebtedness of the Company, Permitted Borrowers, or any of them, under or in connection with the Vishay Loan Agreement; and (v) all extensions, renewals and amendments of or to such notes or such other Indebtedness (as defined in the Vishay Loan Agreement), or any replacements or substitutions therefor; all payable in accordance with the terms of such Revolving Credit Notes, Bid Notes, Term Notes, and the Vishay Loan Agreement;

(b)(i) any and all Term Notes made or to be made to the order of the Banks by Company from time to time pursuant to the terms and conditions of the Acquisition Loan Agreement; (ii) any and all Bridge Notes made or to be made by Company to the order of the Banks pursuant to the terms and conditions of the Acquisition Loan Agreement; (iii) all other Indebtedness of the Company under or in connection with the Acquisition Loan Agreement; and (iv) all extensions, renewals and amendments of or to such notes or such other Indebtedness (as defined in the Acquisition Loan Agreement), or any replacements or substitutions therefor; all payable in accordance with the terms of such Term Notes, Bridge Notes, and the Acquisition Loan Agreement;

(c) the Revolving Credit Notes made by Debtor to the order of the Banks, the Bid Notes made by Debtor to the order of the Banks (as Bid Lenders) and the Term Notes made by Debtor to the order of the Banks, all pursuant to the terms and conditions of the DM Loan Agreement (collectively, the "DM Notes"), and all extensions, renewals and amendments of or to such notes or such other Indebtedness (as defined in the DM Loan Agreement) or any replacements or substitutions therefor; all payable in accordance with the terms of such DM Notes and DM Loan Agreement; and

(d) all amounts due and owing under those certain Term Notes made or to be made by Debtor to the order of the Banks pursuant to the Roederstein Loan Agreement ("Roederstein Term Notes") and all extensions, renewals and amendments of or to such notes or such other Indebtedness (as defined in the Roederstein Loan Agreement) or any replacements or substitutions therefor, all payable in accordance with the

terms and conditions of such Roederstein Term Notes and the Roederstein Loan Agreement;

and each of the Guarantors hereby jointly and severally agrees that if Company, any Permitted Borrower or Debtor shall fail to pay any of such amounts when and as the same shall be due and payable, or shall fail to perform and discharge any covenant, representation or warranty in accordance with the terms of the DM Notes, the DM Loan Agreement, the Revolving Credit Notes, the Bid Notes, Term Notes, the Vishay Loan Agreement, the Roederstein Term Notes, the Roederstein Loan Agreement, or the Acquisition Loan Agreement (or the Bridge Notes or Term Notes issued thereunder) or any other loan or collateral documents executed in connection therewith (the "Loan Documents") the Guarantors will forthwith pay to the Agent, on behalf of the Banks, an amount equal to any such amount or cause the Company, each of the Permitted Borrowers, and/or Debtor, as the case may be, to perform and discharge any such covenant, representation or warranty, as the case may be, and will pay any and all damages that may be incurred or suffered in consequence thereof by Agent or any of the Banks and all reasonable expenses, including reasonable attorneys fees, that may be incurred by Agent in enforcing such covenant, representation or warranty of the Company, any Permitted Borrower, or Debtor, as the case may be, and in enforcing the covenants and agreements of this Guaranty.

3. Unconditional Character of Guaranty. The obligations of each of the Guarantors under this Guaranty shall be absolute and unconditional, and shall be a guaranty of payment and not of collection, irrespective of the validity, regularity or enforceability of the Revolving Credit Notes, the Bid Notes, the Term Notes, the Vishay Loan Agreement, the DM Notes, the DM Loan Agreement, the Roederstein Term Notes, the Roederstein Loan Agreement, or the Acquisition Loan Agreement (and any Term Notes and Bridge Notes issued under the Acquisition Loan Agreement) or any of the other Loan Documents (including, without limitation, the Vishay Guaranty, the Permitted Borrowers Guaranty, the Roederstein Loan Documents and Acquisition Loan Documents), or any provision thereof, the absence of any action to enforce the same, any waiver or consent with respect to any provision thereof, the recovery of any judgment against any person or action to enforce the same, any failure or delay in the enforcement of the obligations of Company or the Permitted Borrowers under the Revolving Credit Notes, the Bid Notes, the Term Notes, or under the Vishay Loan Agreement or the Acquisition Loan Agreement, the Term Notes and Bridge Notes issued under the Acquisition Loan Agreement, of the Debtor under the DM Notes and the DM Loan Agreement, or of the Company or Debtor under the Roederstein Term Notes and the Roederstein Loan Agreement, or any of the other Loan Documents, any failure by Company to have countersigned any request for advance by any of the Permitted Borrowers under the Vishay Loan Agreement, or any setoff,

counterclaim, recoupment, limitation, defense or termination. Each of the Guarantors hereby waives diligence, demand for payment, filing of claims with any court, any proceeding to enforce any provision of the Revolving Credit Notes, the Bid Notes, the Term Notes, the Vishay Loan Agreement, the DM Notes and the DM Loan Agreement, the Roederstein Term Notes, the Roederstein Loan Agreement, or the Acquisition Loan Agreement, the Term Notes and Bridge Notes issued under the Acquisition Loan Agreement or any of the other Loan Documents, any right to require a proceeding first against Company, any of the Permitted Borrowers or Debtor, or against any other guarantor or other party providing collateral, or to exhaust any security for the performance of the obligations of Company, any of the Permitted Borrowers or Debtor, any protest, presentment, notice or demand whatsoever, and each Guarantor hereby covenants that this Guaranty shall not be terminated, discharged or released except, subject to Section 6.8 hereof, upon payment in full of all amounts due and to become due from Company, the Permitted Borrowers, and the Debtor as and to the extent described above, and only to the extent of any such payment, performance and discharge. Each Guarantor hereby further covenants that no security now or subsequently held by the Agent or the Banks for the payment of the Indebtedness evidenced by the Revolving Credit Notes made by Company and the Permitted Borrowers under the Vishay Loan Agreement or the Bid Notes or Term Notes made or to be made by Company under the Vishay Loan Agreement, or the Term Notes and Bridge Notes made or to be made by Company under the Acquisition Loan Agreement, or for the payment of the Indebtedness evidenced by the DM Notes made by Debtor under the DM Loan Agreement, or for the payment of the Indebtedness evidenced by the Roederstein Term Notes made or to be made by Debtor under the Roederstein Loan Agreement, or otherwise evidenced or incurred (including, without limitation, the Vishay Guaranty, the Permitted Borrowers Guaranty, and any security for any of the foregoing), whether in the nature of a security interest, pledge, lien, assignment, setoff, suretyship, guaranty, indemnity, insurance or otherwise, and no act, omission or other conduct of Agent or the Banks in respect of such security, shall affect in any manner whatsoever the unconditional obligations of this Guaranty, and that the Agent and each of the Banks, in their respective sole discretion and without notice to any of the Guarantors, may release, exchange, enforce, apply the proceeds of and otherwise deal with any such security without affecting in any manner the unconditional obligations of this Guaranty.

Without limiting the generality of the foregoing, such obligations, and the rights of the Agent to enforce the same, on behalf of the Banks, by proceedings, whether by action at law, suit in equity or otherwise, shall not be in any way affected by (i) any insolvency, bankruptcy, liquidation, reorganization, readjustment, composition, dissolution, winding up or other proceeding involving or affecting the Company, any or all of the

Permitted Borrowers, Debtor, any or all of Guarantors or others or (ii) any change in the ownership of any of the capital stock of any or all of the Permitted Borrowers, Company, the Debtor, or any or all of the Guarantors, or any other party providing collateral for any indebtedness covered by Guaranty, or any of their respective Affiliates.

Each of the Guarantors hereby waives to the full extent possible under applicable law:

(a) any defense based upon the doctrine of marshalling of assets or upon an election of remedies by Agent or the Banks, including, without limitation, an election to proceed by non-judicial rather than judicial foreclosure, which destroys or otherwise impairs the subrogation rights of any of the Guarantors or the rights of any of the Guarantors to proceed against the Company, the Permitted Borrowers or any of them, or the Debtor, or any or all of the other Guarantors, for reimbursement, or both;

(b) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal;

(c) any duty on the part of Agent or the Banks to disclose to any of the Guarantors any facts Agent or the Banks may now or hereafter know about the Company, any of the Permitted Borrowers or the Debtor, regardless of whether Agent or any Bank has reason to believe that any such facts materially increase the risk beyond that which any of the Guarantors intend to assume or has reason to believe that such facts are unknown to any of the Guarantors or has a reasonable opportunity to communicate such facts to the Guarantors, since each of the Guarantors acknowledges that it is fully responsible for being and keeping informed of the financial condition of the Company, each of the Permitted Borrowers and the Debtor and of all circumstances bearing on the risk of non-payment of any Indebtedness hereby guaranteed;

(d) any defense arising because of Agent's or the Banks' election, in any proceeding instituted under the Federal Bankruptcy Code, of the application of Section 1111(b) (2) of the Federal Bankruptcy Code;

(e) any claim for reimbursement, contribution, indemnity or subrogation which such Guarantor may have or obtain against Company, the Permitted Borrowers, Debtor, or any of them by reason of the payment by such Guarantor of any Indebtedness; and

(f) any other event or action (excluding compliance by the Guarantors with the provisions hereof) that would result in the discharge by operation of law or otherwise of the Guarantors, or any of them, from the performance or observance of any obligation, covenant or agreement contained in this Guaranty.

The Agent and each of the Banks may deal with the Company, the Permitted Borrowers, or any of them, and the Debtor and any security held by them for the obligations of the Company, the Permitted Borrowers, or any of them, and the Debtor (as aforesaid) in the same manner and as freely as if this Guaranty did not exist and the Agent shall be entitled, on behalf of Banks, without notice to any of the Guarantors, among other things, to grant to the Company, the Permitted Borrowers, or any of them, and/or the Debtor such extension or extensions of time to perform any act or acts as may seem advisable to the Agent (on behalf of the Banks) at any time and from time to time, and to permit the Company, the Permitted Borrowers, or any of them, and/or the Debtor to incur additional indebtedness to Agent, the Banks, or any of them, without terminating, affecting or impairing the validity or enforceability of this Guaranty or the obligations of the Guarantors hereunder.

The Agent may proceed, either in its own name (on behalf of the Banks) or in the name of each or any of the Guarantors, or otherwise, to protect and enforce any or all of its rights under this Guaranty by suit in equity, action at law or by other appropriate proceedings, or to take any action authorized or permitted under applicable law, and shall be entitled to require and enforce the performance of all acts and things required to be performed hereunder by the Guarantors. Each and every remedy of the Agent and of the Banks shall, to the extent permitted by law, be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity.

No waiver or release shall be deemed to have been made by the Agent or any of the Banks of any of its rights hereunder unless the same shall be in writing and signed by or on behalf of the Banks, and any such waiver shall be a waiver or release only with respect to the specific matter and Guarantor or Guarantors involved, and shall in no way impair the rights of the Agent or any of the Banks or the obligations of the Guarantors under this Guaranty in any other respect at any other time.

At the option of the Agent, any number of, or all of the Guarantors may be joined in any action or proceeding commenced by the Agent against the Company, the Permitted Borrowers, or any of them, and/or the Debtor or any of the other parties providing collateral for any indebtedness covered by this Guaranty in connection with or based upon the Revolving Credit Notes made by the Company and the Permitted Borrowers, the Bid Notes or Term Notes made or to be made by the Company under the Vishay Loan

Agreement, the Vishay Loan Agreement, the Acquisition Loan Agreement (and the Term Notes and Bridge Notes issued thereunder), the DM Notes made or to be made by Debtor, the DM Loan Agreement, the Roederstein Term Notes made or to be made by Company and Debtor, the Roederstein Loan Agreement, or any of the other Loan Documents or other Indebtedness (defined as applicable, as aforesaid), or any provision thereof, and recovery may be had against any or all of the Guarantors in such action or proceeding or in any independent action or proceeding against any of them, without any requirement that the Agent or the Banks first assert, prosecute or exhaust any remedy or claim against the Company, the Permitted Borrowers, or any of them, the Debtor and/or any of the other parties providing collateral for any Indebtedness covered by this Guaranty.

4. Representations and Warranties. Each of the Guarantors (i) ratifies, confirms and, by reference thereto (as fully as though such matters were expressly set forth herein), represents and warrants with respect to itself those matters set forth in Sections 6.1, 6.3, through 6.8, inclusive, 6.10, 6.12 and 6.14 through 6.21, inclusive, of the Vishay Loan Agreement, and such representations and warranties shall be deemed to be continuing representations and warranties true and correct in all material respects so long as this Guaranty shall be in effect; and (ii) agrees not to engage in any action or inaction, the result of which would cause a violation of any term or condition of the Vishay Loan Agreement.

5. Release of Collateral for Guaranty. Concurrently herewith, Comerica Bank, as agent under the Prior Loan agreements, and the Prior Banks, have undertaken to release the collateral delivered to secure the Prior Guaranty (as hereafter defined).

6. Miscellaneous.

6.1 Governing Law. This Guaranty has been delivered in Michigan and shall be interpreted and the rights of the parties hereunder shall be determined under the laws of, and be enforceable in, the State of Michigan, the Guarantors hereby consenting to the jurisdiction of state and all federal courts sitting in such state.

6.2 Severability. If any term or provision of this Guaranty or the application thereof to any circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Guaranty, or the application of such term or provision to circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Guaranty shall be valid and enforceable to the fullest extent permitted by law.

6.3 Notice. All notices and other communications to be made or given pursuant to this Guaranty shall be sufficient if made or given in writing and delivered by messenger or deposited in the U.S. mails, registered or certified first class mail, and addressed as provided under the Vishay Loan Agreement, with notice to any Guarantor to be sent care of Company (and addressed as aforesaid), or at such other addresses as directed by any of such parties to the others, as applicable, in compliance with this paragraph.

6.4 Right of Offset. The Guarantors each acknowledge the rights of the Agent and of each of the Banks to offset against their respective Banks under this Guaranty, any amount owing by the Agent or the Banks, or either or any of them to such Guarantors, whether represented by any deposit of such Guarantors with the Agent or any of the Banks or otherwise.

6.5 Financial Statements. The Guarantors shall provide Agent (with a copy for each of the Banks), commencing as of the date of this Guaranty, with quarterly and annual financial statements substantially in accordance with the requirements set forth in the Vishay Loan Agreement.

6.6 Amendments; Joinder of Additional Guarantors. The terms of this Guaranty may not be waived, altered, modified, amended, supplemented or terminated in any manner whatsoever except as provided herein and in accordance with the Vishay Loan Agreement, the DM Loan Agreement and the Roederstein Loan Agreement and the Acquisition Loan Agreement. In accordance with Section 7.17 of the Vishay Loan Agreement, Vitramon, Incorporated and Vitramon Acquisition, Inc., Subsidiaries of the Company, shall become obligated as Guarantors hereunder (each as fully as though an original signatory hereto) by executing and delivering to Agent and the Banks that certain joinder agreement in the form attached to this Guaranty as Exhibit "A."

6.7 Joint and Several Obligation, etc. The obligation of each of the Guarantors under this Guaranty shall be several and also joint, each with all and also each with any one or more of the others, and may be enforced against each severally, any two or more jointly, or some severally and some jointly. Any one or more of the Guarantors may be released from its obligations hereunder with or without consideration for such release and the obligations of the other Guarantors hereunder shall be in no way affected thereby. Agent, on behalf of Banks, may fail or elect not to prove a claim against any bankrupt or insolvent Guarantor and thereafter, Agent and the Bank may, without notice to any Guarantors, extend or renew any part or all of any indebtedness of any of the Guarantors, and may permit any of the Guarantors to incur additional indebtedness, without affecting in any manner the unconditional obligation of the remaining Guarantors. Such

action shall not affect any right of contribution among the Guarantors.

6.8 Release. (a) Upon the satisfaction of the obligations of the Guarantors hereunder, and when none of the Guarantors is subject to any obligation hereunder or under the Vishay Loan Agreement, the Agent shall deliver to the Guarantors, upon written request therefor, (i) a written release of this Guaranty and (ii) appropriate discharges of any Collateral provided by the Guarantors for this Guaranty; provided however that, the effectiveness of this Guaranty shall continue or be reinstated, as the case may be, in the event: (x) that any payment received or credit given by the Agent or the Banks, or any of them, is returned, disgorged, rescinded or required to be recontributed to any party as an avoidable preference, impermissible setoff, fraudulent conveyance, restoration of capital or otherwise under any applicable state, federal or national law of any jurisdiction, including laws pertaining to bankruptcy or insolvency, and this Guaranty shall thereafter be enforceable against the Guarantors as if such returned, disgorged, recontributed or rescinded payment or credit has not been received or given by the Agent or the Banks, and whether or not the Agent or any Bank relied upon such payment or credit or changed its position as a consequence thereof or (y) that any liability is imposed, or sought to be imposed against the Agent or the Banks, or any of them, relating to the environmental condition of any of property mortgaged or pledged to Agent on behalf of the Banks by any Guarantor, Company, any Permitted Borrower, the VS Parties or Debtor or any other party as collateral (in whole or part) for any indebtedness or obligation evidenced or secured by this Guaranty, whether such condition is known or unknown, now exists or subsequently arises (excluding only conditions which arise after acquisition by Agent or any Bank of any such property, in lieu of foreclosure or otherwise, due to the wrongful act or omission of Agent or such Bank) in which event this Guaranty shall thereafter be enforceable against the Guarantors to the extent of all liabilities, costs and expenses (including reasonable attorneys fees) incurred by Agent or Banks as the direct or indirect result of any such environmental condition. For purposes of this Guaranty "environmental condition" includes, without limitation, conditions existing with respect to the surface or ground water, drinking water supply, land surface or subsurface strata and the ambient air.

(b) This Guaranty shall also be subject to release under Section 13.21 of the Vishay Loan Agreement.

6.9 Consent to Jurisdiction. Guarantors hereby irrevocably submit to the non-exclusive jurisdiction of any United States Federal or Michigan state court sitting in Detroit in any action or proceeding arising out of or relating to this Guaranty or any

of the Loan Documents and Guarantors hereby irrevocably agree that all claims in respect of such action or proceeding may be heard and determined in any such United States Federal or Michigan state court. Guarantors irrevocably consent to the service of any and all process in any such action or proceeding brought in any court in or of the State of Michigan (and to the receipt of any and all notices hereunder) by the delivery of copies of such process to Guarantors at their respective addresses specified in Section 6.3 hereof or by certified mail direct to such address.

6.10 Jury Trial Waiver. Guarantors hereby irrevocably agree to waive the right to trial by jury with respect to any and all actions or proceedings in which Agent or the Banks (or any of them), on one hand, and the Company or any of the Guarantors, on the other hand, are parties, whether or not such actions or proceedings arise out of this Agreement or the Loan Documents or otherwise.

6.11 Limitation under Applicable Insolvency Laws. Notwithstanding anything to the contrary contained herein, it is the intention of the Guarantors, Agent and the Banks that the amount of the respective Guarantors' obligations hereunder shall be in, but not in excess of, the maximum amount thereof not subject to avoidance or recovery by operation of applicable law governing bankruptcy, reorganization, arrangement, adjustment of debts, relief of debtors, dissolution, insolvency, fraudulent transfers or conveyances or other similar laws (collectively, "Applicable Insolvency Laws"). To that end, but only in the event and to the extent that the Guarantors' respective obligations hereunder or any payment made pursuant thereto would, but for the operation of the foregoing proviso, be subject to avoidance or recovery under Applicable Insolvency Laws, the amount of the Guarantors' respective obligations hereunder shall be limited to the largest amount which, after giving effect thereto, would not, under Applicable Insolvency Laws, render the Guarantor's respective obligations hereunder unenforceable or avoidable or subject to recovery under Applicable Insolvency Laws. To the extent any payment actually made hereunder exceeds the limitation contained in this Section 6.11, then the amount of such excess shall, from and after the time of payment by the Guarantors (or any of them), be reimbursed by the Banks upon demand by such Guarantors. The foregoing proviso is intended solely to preserve the rights of the Agent and the Banks hereunder against the Guarantors to the maximum extent permitted by Applicable Insolvency Laws and neither Vishay nor any Guarantor nor any other Person shall have any right or claim under this Section 6.11 that would not otherwise be available under Applicable Insolvency Laws.

6.12 Amendment and Restatement. This Guaranty is given in substitution for and amends and restates and replaces in its

entirety the Amended and Restated Dale Parties and Measurements Group Guaranty and that certain VS Guaranty, each dated as of January 29, 1993 executed and delivered by each of the respective Guarantors in connection with the Prior Loan Agreements. Nothing herein contained shall impair or otherwise affect the security interests or liens established thereunder or in connection therewith, which security interests and liens shall continue in full force and effect.

IN WITNESS WHEREOF, each of the undersigned Guarantors has executed this Guaranty as of July 18, 1994.

DALE ELECTRONICS, INC.

By: _____

Its: _____

DALE HOLDINGS, INC.

By: _____

Its: _____

VISHAY SPRAGUE HOLDINGS CORP.

By: _____

Its: _____

MEASUREMENTS GROUP, INC.,

By: _____

Its: _____

SPRAGUE SANFORD, INC.,

By: _____

Its: _____

ACCEPTED BY:

COMERICA BANK, as Agent,
on behalf of the Banks

By: _____

Its: _____

Execution Copy

AMENDED AND RESTATED
PERMITTED BORROWERS GUARANTY

The undersigned, Vilna Equities Holding B.V., a Netherlands corporation, Vishay Beteiligungs GmbH, a German corporation, formerly known as Draloric Electronic GmbH ("VBG"), Draloric Electronic GmbH, a German corporation, formerly known as Vishay Electronic GmbH ("Draloric"), E-Sil Components Ltd., an English corporation, Sfernice, S.A. ("Sfernice"), a French corporation, Roederstein Spezialfabriken für Bauelemente der Elektronik und Kondensatoren der Starkstromtechnik GmbH, a German corporation ("Roederstein"), (together, the "Guarantors") each desires to see the success of one another and of the foreign Subsidiaries of Vishay Intertechnology, Inc., a Delaware corporation ("Vishay"), and each shall receive direct and/or indirect benefits from extensions of credit granted to VBG and Draloric (the "Permitted Borrowers") under and in connection with the Amended and Restated Vishay Intertechnology, Inc. \$302,500,000 Revolving Credit and Term Loan Agreement dated as of July 18, 1994, among Vishay, Comerica Bank, a Michigan banking corporation, successor by merger to Manufacturers Bank, N.A., formerly known as Manufacturers National Bank of Detroit, as Agent ("Agent") and the Banks (as hereinafter defined) (as amended from time to time, the "Vishay Loan Agreement"), from extensions of credit to VBG under and in connection with the Amended and Restated Draloric/VBG DM 40,000,000 Revolving Credit and DM 9,506,000 Term Loan Agreement dated as of July 18, 1994 among VBG, Agent and the Banks (as amended from time to time, the "DM Loan Agreement"), and from extensions of credit to VBG under and in connection with that certain Amended and Restated Roederstein DM 104,315,990.20 Term Loan Agreement of even date herewith among VBG, Agent and the Banks (as amended from time to time, the "Roederstein Loan Agreement").

NOW THEREFORE, to induce each of the Banks (as defined in the Vishay Loan Agreement) to extend credit from time to time under the Vishay Loan Agreement, the DM Loan Agreement, the Roederstein Loan Agreement and the Acquisition Loan Agreement (as defined in the Vishay Loan Agreement), each of the Guarantors has executed and delivered this Amended and Restated Guaranty ("Guaranty").

1. Definitions. Unless otherwise provided herein, all capitalized terms in this Guaranty shall have the meanings specified in the Vishay Loan Agreement, and if not defined therein, then in the DM Loan Agreement or the Roederstein Loan Agreement, as the context requires.

2. Guaranty.

(a) Each of the Guarantors hereby guarantees to the Banks the due and punctual payment to the Banks when due, whether by acceleration or otherwise, of: (i) all amounts which may from time to time be due and owing by each and any of the Permitted Borrowers (collectively, the "Permitted Borrowers") under those certain Revolving Credit Notes made or to be made by the Permitted Borrowers to the order of the Banks pursuant to the terms and conditions of the Vishay Loan Agreement; (ii) all other Indebtedness of the Permitted Borrowers, or any of them, under or in connection with the Vishay Loan Agreement; and (iii) all extensions, renewals and amendments of or to such Revolving Credit Notes or other Indebtedness incurred for the accounts or the benefit of the Permitted Borrowers, or any of them, or any replacements or substitutions therefor, all payable with interest thereon and otherwise in accordance with the terms of such Revolving Credit Notes and Vishay Loan Agreement;

(b) Each of the Guarantors, excepting only Sfernice and VBG (which is directly obligated under the DM Notes referred to below), hereby guarantees to the Banks the due and punctual payment to the Banks when due, whether by acceleration or otherwise, of all amounts due and owing by VBG under those certain Revolving Credit Notes ("DM Revolving Notes"), those certain Bid Notes ("Bid Notes") and those certain Term Notes ("DM Term Notes") made by VBG to the order of the Banks pursuant to the terms and conditions of the DM Loan Agreement (the DM Revolving Notes, the Bid Notes and the DM Term Notes being referred to collectively herein as the "DM Notes"), and all extensions, renewals, and amendments of or to such notes or such other Indebtedness (as defined in the DM Loan Agreement) or any replacements or substitutions therefor, all payable with interest thereon and otherwise in accordance with the terms of the DM Notes and the DM Loan Agreement;

(c) Sfernice hereby guarantees to the Banks the due and punctual payment to the Banks when due, whether by acceleration or otherwise, of (i) all amounts due and owing by VBG under the DM Revolving Notes and the Bid Notes (but not the DM Term Notes) and (ii) all extensions, renewals and amendments of or to such DM Revolving Notes, the Bid Notes or other Indebtedness (excluding only the DM Term Notes) incurred for the account of or the benefit of VBG, or any replacements or substitutions therefor, all payable with interest thereon and otherwise in accordance with the terms of such DM Revolving Notes, the Bid Notes and the DM Loan Agreement;

(d) Each of the Guarantors, excepting only VBG (which is directly obligated under the Roederstein Term Notes referred to below), hereby guarantees to the Banks the due and punctual

payment to the Banks when due, whether by acceleration or otherwise, of all amounts due and owing by VBG under those certain Roederstein Term Notes ("Roederstein Term Notes") made or to be made by VBG to the order of the Banks pursuant to the terms and conditions of the Roederstein Loan Agreement, and all extensions, renewals, and amendments of or to such notes or such other Indebtedness (as defined in the Roederstein Loan Agreement) or any replacements or substitutions therefor, all payable with interest thereon and otherwise in accordance with the terms of the Roederstein Term Notes and the Roederstein Loan Agreement;

and each of the Guarantors hereby jointly and severally agrees that if any Permitted Borrower or any other Person who is or becomes primarily liable therefor shall fail to pay any of such amounts when and as the same shall be due and payable, or shall fail to perform and discharge any covenant, representation or warranty in accordance with the terms of the Revolving Credit Notes, Vishay Loan Agreement, DM Notes, DM Loan Agreement, Roederstein Term Notes, Roederstein Loan Agreement or any of the other Loan Documents, the Guarantors, to the extent of their respective obligations as set forth herein, shall each be obligated forthwith to pay to Agent on behalf of the Banks an amount equal to any such amount or cause any other Person then primarily liable therefor to perform and discharge any such covenant, representation or warranty, as the case may be, and will pay any and all damages that may be incurred or suffered in consequence thereof by Agent and all reasonable expenses, including reasonable attorneys' fees, that may be incurred by Agent in enforcing such covenant, representation or warranty of any of the Guarantors, as applicable, and in enforcing the covenants and agreements of this Guaranty.

3. Unconditional Character of Guaranty. The obligations of each of the Guarantors under this Guaranty, to the full extent of their respective guarantees of Indebtedness hereunder, shall be absolute and unconditional, and shall be a guaranty of payment and not of collection, irrespective of the validity, regularity or enforceability of the Revolving Credit Notes, the Vishay Loan Agreement, the DM Notes, the DM Loan Agreement, the Roederstein Term Notes, the Roederstein Loan Agreement, or any of the other Loan Documents (including, without limitation, the Vishay Guaranty, the Domestic Guaranty, or the Roederstein Loan Documents), or any provision thereof, the absence of any action to enforce the same, any waiver or consent with respect to any provision thereof, the recovery of any judgment against any Person or action to enforce the same, any failure or delay in the enforcement of the direct obligations of any of the Permitted Borrowers under the Revolving Credit Notes, of any of the Permitted Borrowers under the Vishay Loan Agreement, of VBG under the DM Notes or the DM Loan Agreement, or of VBG under the Roederstein Term Notes or the Roederstein Loan Agreement, or of any of them under any of the other Loan Documents, or failure by Vishay to have countersigned any request for an

advance by any Permitted Borrower under the Vishay Loan Agreement, or any setoff, counterclaim, recoupment, limitation, defense or termination. Each of the Guarantors hereby waives diligence, demand for payment, filing of claims with any court, any proceeding to enforce any provision of the Revolving Credit Notes, the Vishay Loan Agreement, the DM Notes, the DM Loan Agreement, the Roederstein Term Notes, the Roederstein Loan Agreement, or any of the other Loan Documents, any right to require a proceeding first against any other Person who is or becomes principally obligated under such Revolving Credit Notes, such DM Notes or Vishay under the Revolving Credit Notes or Draloric under the DM Notes or the Roederstein Term Notes, or any other guarantor or surety, or to exhaust any security for the performance of the obligations of the Person who is principally obligated under such Revolving Credit Notes, DM Notes or Roederstein Term Notes, any protest, presentment, notice or demand whatsoever, and the Guarantors each hereby covenant that this Guaranty shall not be terminated, discharged or released except, subject to Section 6.8 hereof, upon payment in full of all amounts due and to become due from each of them, as and to the extent described above, and only to the extent of any such payment, performance and discharge. Each Guarantor further covenants that no security now or subsequently held by the Agent or the Banks for the payment of the Indebtedness evidenced by the Revolving Credit Notes, the DM Notes or the Roederstein Term Notes or incurred under the Vishay Loan Agreement, the DM Loan Agreement or the Roederstein Loan Agreement, or otherwise evidenced or incurred, whether in the nature of a security interest, pledge, lien, assignment, setoff, suretyship, guaranty, indemnity, insurance or otherwise, and no act, omission or other conduct of Agent or the Banks in respect of such security, shall affect in any manner whatsoever the unconditional obligation of this Guaranty, and that the Agent and each of the Banks, in their respective sole discretion and without notice to any of the Guarantors, may release, exchange, enforce, apply the proceeds of and otherwise deal with any such security without affecting in any manner the unconditional obligation of this Guaranty.

Without limiting the generality of the foregoing, such obligations, and the rights of the Agent on behalf of the Banks to enforce the same by proceedings, whether by action at law, suit in equity or otherwise, shall not be in any way affected, to the extent permitted by applicable law, by (i) any insolvency, bankruptcy, liquidation, reorganization, readjustment, composition, dissolution, winding up or other proceeding involving or affecting Vishay, VBG, Draloric, any other Subsidiary, or any or all of the Guarantors or any other Person or (ii) any change in the ownership of any of the capital stock of Vishay, VBG, Draloric, any other Subsidiary, any or all of the Guarantors or any other party providing collateral for indebtedness covered by this Guaranty, or any of their respective Affiliates.

Each of the Guarantors hereby waives, to the full extent possible under applicable law:

(a) any defense based upon the doctrine of marshalling of assets or upon an election of remedies by the Agent or the Banks, including, without limitation, an election to proceed by non-judicial rather than judicial foreclosure, which destroys or otherwise impairs the subrogation rights of any of the Guarantors or the right of the Guarantors, or any of them, to proceed against Vishay, VBG, Draloric or any or all of the other Guarantors for reimbursement, or both;

(b) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal;

(c) any duty on the part of Agent or the Banks to disclose to any of the Guarantors any facts Agent or the Banks may now or hereafter know about Vishay, VBG, Draloric or any of the other Guarantors, regardless of whether the Agent or any Bank has reason to believe that any such facts materially increase the risk beyond that which such undersigned intends to assume, or has reason to believe that such facts are unknown to any or all of the undersigned, or has a reasonable opportunity to communicate such facts to the undersigned since each of the undersigned acknowledges that it is fully responsible for being and keeping informed of the financial condition of Vishay, VBG, Draloric and each of the other Guarantors and of all circumstances bearing on the risk of non-payment of any Indebtedness hereby guaranteed;

(d) any defense arising because of the Agent's or the Banks' election, in any proceeding instituted under the Federal Bankruptcy Code, of the application of Section 1111(b)(2) of the Federal Bankruptcy Code or any similar laws, rules or decisions of any jurisdiction which affect creditor's rights generally and which may be or become applicable to the obligations of any of the Guarantors under this Guaranty;

(e) any claim for reimbursement, contribution, indemnity or subrogation which such Guarantor may have or obtain against VBG, Draloric, or any Guarantor or any of them by reason of the payment by such Guarantor of any Indebtedness; and

(f) any other event or action (excluding compliance by the Guarantors with the provisions hereof) that would result in the discharge by operation of law or otherwise of the Guarantors, or any of them, from the performance or observance of any obligation, covenant or agreement contained in this Guaranty.

The Agent and each of the Banks may deal with each of the Guarantors and any security held by Agent or the Banks, or any of

them, for the obligations of the Guarantors (as aforesaid) in the same manner and as freely as if this Guaranty did not exist and the Agent on behalf of the Banks shall be entitled without notice to any of the Guarantors, among other things, to grant to Vishay, VBG, Draloric and any or all of the Subsidiaries or Guarantors such extension or extensions of time to perform any act or acts as may seem advisable to the Agent on behalf of the Banks at any time and from time to time, and to permit Vishay, VBG, Draloric and any or all of the Subsidiaries or Guarantors to incur additional indebtedness to Agent, the Banks, or either or any of them, without terminating, affecting or impairing the validity or enforceability of this Guaranty or the obligations of the Guarantors hereunder.

The Agent may proceed, either in its own name (on behalf of the Banks) or in the name of each or any of the Guarantors, or otherwise, to protect and enforce any or all of its rights under this Guaranty by suit in equity, action at law or by other appropriate proceedings, or to take any action authorized or permitted under applicable law, and shall be entitled to require and enforce the performance of all acts and things required to be performed hereunder by the Guarantors. Each and every remedy of the Agent on behalf of the Banks shall, to the extent permitted by law, be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity.

No waiver or release shall be deemed to have been made by the Agent or the Banks of any of its rights hereunder unless the same shall be in writing and signed by or on behalf of the Banks, and any such waiver shall be a waiver or release only with respect to the specific matter involved and shall in no way impair the rights of the Agent or the Banks or the obligations of the Guarantors under this Guaranty in any other respect at any other time.

At the option of the Agent, any number of, or all of the undersigned may be joined in any action or proceeding commenced by the Agent against Vishay, VBG, Draloric, any Subsidiary or any of the other Guarantors, or any of the other parties providing collateral for any indebtedness covered by this Guaranty in connection with or based upon the Revolving Credit Notes, the Vishay Loan Agreement, the DM Notes, the DM Loan Agreement, the Roederstein Term Notes, the Roederstein Loan Agreement, or any of the other Loan Documents or other Indebtedness, or any provision thereof, and recovery may be had against each Guarantor in such action or proceeding or in any independent action or proceeding against any or all Guarantors, without any requirement that the Agent or the Banks first assert, prosecute or exhaust any remedy or claim against the Person principally obligated for such Indebtedness, or any of the other party providing collateral for any Indebtedness covered by this Guaranty.

4. Representations and Warranties. Each of the Guarantors (i) ratifies, confirms and, by reference thereto (as fully as

though such matters were expressly set forth herein), represents and warrants with respect to itself those matters set forth in Sections 6.1, 6.3 through 6.8, inclusive, 6.10, 6.12 and 6.14 through 6.21, inclusive, of the Vishay Loan Agreement, and such representations and warranties shall be deemed to be continuing representations and warranties true and correct in all material respects so long as this Guaranty shall be in effect; and (ii) agrees not to engage in any action or inaction, the result of which would cause a violation of any term or condition of the Vishay Loan Agreement.

5. Release of Collateral for Guaranty. Concurrently herewith, Comerica Bank, as agent under the Prior Loan agreements, and the Prior Banks, have undertaken to release the Collateral delivered to secure the Prior Guaranty (as hereafter defined).

6. Miscellaneous.

6.1 Governing Law. This Guaranty shall be deemed delivered in Michigan and shall be interpreted and the rights of the parties hereunder shall be determined under the laws of, and be enforceable in, the State of Michigan.

6.2 Severability. If any term or provision of this Guaranty or the application thereof to any circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Guaranty, or the application of such term or provision to circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Guaranty shall be valid and enforceable to the fullest extent permitted by law.

6.3 Notice. All notices and other communications to be made or given pursuant to this Guaranty shall be sufficient if made or given in writing and delivered by messenger or deposited in the U.S. mails, registered or certified first class mail, and addressed as provided under the Vishay Loan Agreement, with notice to any Guarantor to be sent care of Vishay (and addressed as aforesaid), or at such other addresses as directed by any of such parties to the others, as applicable, in compliance with this paragraph.

6.4 Right of Offset. The Guarantors each acknowledge the rights of the Agent and of each of the Banks to offset against their respective obligations to the Banks under this Guaranty, any amount owing by the Agent or the Banks, or any of them to such Guarantors, whether represented by any deposit of such Guarantors with the Agent or any of the Banks or otherwise.

6.5 Financial Statements. The Guarantors shall provide Agent, or cause to be provided to Agent (with a copy for each of the Banks) commencing as of the date of this Guaranty, with quarterly and annual financial statements substantially in

accordance with the requirements set forth in the Vishay Loan Agreement and the DM Loan Agreement.

6.6 Amendments. The terms of this Guaranty may not be waived, altered, modified, amended, supplemented or terminated in any manner whatsoever except as provided herein and in accordance with the Vishay Loan Agreement, the DM Loan Agreement and the Roederstein Loan Agreement.

6.7 Joint and Several Obligation, etc. The obligation of each of the Guarantors under this Guaranty shall be several and also joint, each with all and also each with any one or more of the others, and may be enforced against each severally, any two or more jointly, or some severally and some jointly. Any one or more of the Guarantors may be released from its obligations hereunder with or without consideration for such release and the obligations of the other Guarantors hereunder shall be in no way affected thereby. Agent, on behalf of Banks, may fail or elect not to prove a claim against any bankrupt or insolvent Guarantor and thereafter, Agent and the Bank may, without notice to any Guarantors, extend or renew any part or the all of any indebtedness of any of the Permitted Borrowers, Vishay, VBG, Draloric or any of the Guarantors, and may permit any such Person to incur additional indebtedness, without affecting in any manner the unconditional obligation of the Guarantors. Such action shall not affect any right of contribution among the Guarantors.

6.8 Release. (a) Upon the satisfaction of the obligations of the Guarantors hereunder, and when none of the Guarantors is subject to any obligation hereunder or under the Vishay Loan Agreement, the DM Loan Agreement or the Roederstein Loan Agreements, the Agent shall deliver to the Guarantors, upon written request therefor, (i) a written release of this Guaranty and (ii) appropriate discharges of any Collateral provided by the Guarantors for this Guaranty; provided that, the effectiveness of this Guaranty shall be continued or be reinstated, as the case may be, in the event: (x) that any payment received or credit given by the Agent on the Banks is returned, disgorged, rescinded or required to be recontributed to any party as an avoidable preference, impermissible setoff, fraudulent conveyance, restoration of capital or otherwise under any applicable state, federal or national law of any jurisdiction, including, without limitation, laws pertaining to bankruptcy or insolvency, in which event this Guaranty shall thereafter be enforceable against the Guarantors as if such returned, disgorged, recontributed or rescinded payment or credit had not been received or given by the Agent or the Banks, and whether or not the Agent or the Banks relied upon such payment or credit or changed its position as a consequence thereof; or (y) that any liability is imposed, or sought to be imposed, against the Agent or any of the Banks relating to the environmental condition of any property mortgaged or pledged to the Agent or the Banks by any Guarantor, or any other

party providing collateral for the indebtedness covered by this Guaranty, whether such condition is known or unknown, now exists or subsequently arises (excluding only conditions which arise after any acquisition by Agent or any Bank of any such property, in lieu of foreclosure or otherwise, due to the wrongful act or omission of Agent or any Bank), in which event this Guaranty shall thereafter be enforceable against the Guarantors to the extent of all liability, costs and expenses (including reasonable attorneys fees) incurred by Agent or any Bank as the direct or indirect result of any such environmental condition. For purposes of this Guaranty, "environmental condition" includes, without limitation, conditions existing with respect to the surface or ground water, drinking water supply, land surface or subsurface strata and the ambient air.

(b) This Guaranty shall also be subject to release under Section 13.21 of the Vishay Loan Agreement.

6.9 Limitation With Respect to Sfernice S.A. Obligations. (a) Notwithstanding any provision to the contrary contained in this Guaranty, Sfernice shall not be required to pay, pursuant to this Guaranty, more than the sum of (i) Six Million Dollars (\$6,000,000), plus (ii) the amount of all loans, advances on open account or other funds furnished or to be furnished for the benefit of or on behalf of Sfernice or any of its Subsidiaries by Vishay, VBG or Draloric or any of their respective Subsidiaries from and after July 21, 1989, the date of the initial guaranty issued by Sfernice in connection with the Indebtedness, and (iii) the amount of all sums guaranteed or subject to any other credit accommodation extended by Vishay, VBG, Draloric or any of their respective Subsidiaries, or any of the Permitted Borrowers to any Person, for the benefit of Sfernice or any of its Subsidiaries, from and after July 21, 1989; provided, however, that the amounts covered by subparagraphs (ii) and (iii), above shall not include funds used for the purchase of, or invested in, shares of the capital stock of Sfernice. Sfernice hereby represents, warrants and acknowledges to Agent and the Banks that the limitation set forth in this Section 6.9 has been determined by it (and its board of directors) on the basis of, and does not exceed, the current borrowing capacity of Sfernice under French law. The limitation contained in this Section 6.9 shall not apply to, or otherwise restrict or reduce in any manner whatsoever the liability of any of the other Guarantors hereunder, or of any other Person directly or indirectly liable for Indebtedness under the Vishay Loan Agreement, the DM Loan Agreement, the Roederstein Loan Agreement, or any of the other Loan Documents.

(b) This Guaranty shall not become effective as to Sfernice (only) until approved by the Board of Directors of Sfernice in accordance with Section 7.21 of the Vishay Loan Agreement, but shall be immediately effective as to all of the other Guarantors. Until such approval is obtained by Sfernice, the

Prior Guaranty (as defined below) shall remain in full force and effect according to its terms as to Sfernice and Sfernice hereby acknowledges that the Prior Guaranty shall guarantee all of the Indebtedness described in Sections 2(a) and 2(c) hereof (the promissory notes referred to therein constituting renewals and extensions of the Indebtedness secured by the Prior Guaranty). The commencement of the effectiveness of this Guaranty as to Sfernice shall be evidenced by the delivery to Agent of appropriate Board resolutions or other documents and instruments satisfactory in form and substance to the Agent in its sole discretion.

6.10 Limitation with Respect to VBG, Draloric and Roederstein. Notwithstanding anything to the contrary herein, in accordance with Sections 30 and 31 of the German GmbH-Gesetz (German GmbH-Act), the liabilities of VBG hereunder for indebtedness incurred by Draloric, the liabilities of Draloric hereunder for indebtedness incurred by VBG and the liabilities of Roederstein hereunder for indebtedness incurred by the Permitted Borrowers shall be limited so that in no case shall enforcement of such liabilities result in diminishing the assets of VBG, Draloric or Roederstein below the level required to be maintained by it for the preservation of its nominal share capital. Nothing contained in this Section 6.10 shall be construed to restrict enforcement of direct obligations of VBG, Draloric or Roederstein or the liquidation of assets of VBG, Draloric or Roederstein for the purpose of paying such direct obligations, whether or not such enforcement or liquidation would result in impairment of the nominal share capital of VBG, Draloric or Roederstein, as the case may be.

6.11 Consent to Jurisdiction. Guarantors hereby irrevocably submit to the non-exclusive jurisdiction of any United States Federal or Michigan state court sitting in Detroit in any action or proceeding arising out of or relating to this Guaranty or any of the Loan Documents and Guarantors hereby irrevocably agree that all claims in respect of such action or proceeding may be heard and determined in any such United States Federal or Michigan state court. Guarantors irrevocably consent to the service of any and all process in any such action or proceeding brought in any court in or of the State of Michigan (and to the receipt of any and all notices hereunder) by the delivery of copies of such process to Guarantors at Vishay's addresses referred to in Section 6.3 hereof or by certified mail directed to such address.

6.12 Jury Trial Waiver. Guarantors hereby irrevocably agree to waive the right to trial by jury with respect to any and all actions or proceedings in which Agent or the Banks (or any of them), on one hand, and the Company or any of the Guarantors, on the other hand, are parties, whether or not such actions or proceedings arise out of this Agreement or the Loan Documents or otherwise.

6.13 Limitation under Applicable Insolvency Laws.

Notwithstanding anything to the contrary contained herein, it is the intention of the Guarantors, Agent and the Banks that the amount of the respective Guarantors' obligations hereunder shall be in, but not in excess of, the maximum amount thereof not subject to avoidance or recovery by operation of applicable law governing bankruptcy, reorganization, arrangement, adjustment of debts, relief of debtors, dissolution, insolvency, fraudulent transfers or conveyances or other similar laws (collectively, "Applicable Insolvency Laws"). To that end, but only in the event and to the extent that the Guarantors' respective obligations hereunder or any payment made pursuant thereto would, but for the operation of the foregoing proviso, be subject to avoidance or recovery under Applicable Insolvency Laws, the amount of the Guarantors' respective obligations hereunder shall be limited to the largest amount which, after giving effect thereto, would not, under Applicable Insolvency Laws, render the Guarantor's respective obligations hereunder unenforceable or avoidable or subject to recovery under Applicable Insolvency Laws. To the extent any payment actually made hereunder exceeds the limitation contained in this Section 6.13, then the amount of such excess shall, from and after the time of payment by the Guarantors (or any of them), be reimbursed by the Banks upon demand by such Guarantors. The foregoing proviso is intended solely to preserve the rights of the Agent and the Banks hereunder against the Guarantors to the maximum extent permitted by Applicable Insolvency Laws and neither Vishay nor any Guarantor nor any other Person shall have any right or claim under this Section 6.13 that would not otherwise be available under Applicable Insolvency Laws.

6.14 Amendment. This Guaranty shall be deemed to amend and restate in its entirety that certain Amended and Restated Permitted Borrowers Guaranty dated as of January 29, 1993 (the "Prior Guaranty"), and others in connection with the Vishay Loan Agreement, DM Loan Agreement, and the Roederstein Loan Agreement, and nothing herein contained shall impair or otherwise affect the security interests or liens established thereunder or in connection therewith, which security interests and liens shall continue in full force and effect.

IN WITNESS WHEREOF, each of the undersigned Guarantors have executed this Guaranty as of July 18, 1994.

VILNA EQUITIES HOLDING B.V.

By: _____

Its: _____

VISHAY BETEILIGUNGS GmbH

By: _____

Its: _____

DRALORIC ELECTRONIC GmbH

By: _____

Its: _____

E-SIL COMPONENTS LTD.

By: _____

Its: _____

SFERNICE, S.A.

By: _____

Its: _____

ROEDERSTEIN SPEZIALFABRIKEN FUR
BAUELEMENTE DER ELEKTRONIK UND
KONDENSATOREN DER STARKSTROMTECHNIK
GmbH

By: _____

Its: _____

ACCEPTED BY:

COMERICA BANK
as Agent, on behalf of
the Banks

By: _____

Its: _____

Exhibit 23

ACCOUNTANTS' CONSENT

The Boards of Directors
Vitramon, Incorporated and Vitramon Limited (UK):

We consent to the incorporation by reference in the registration statements (No. 33-7850 and No. 33-7851) on Form S-8 of Vishay Intertechnology, Inc. of our report dated June 17, 1994, except as to note 10, which is as of July 13, 1994, with respect to the combined balance sheets of Vitramon, Incorporated and Vitramon Limited (UK) as of January 1, 1994 and January 2, 1993, and the related combined statements of earnings, shareholder's equity, and cash flows for the years then ended, which report appears in the Form 8-K of Vishay Intertechnology, Inc. dated July 19, 1994.

KPMG Peat Marwick

Short Hills, New Jersey
July 19, 1994

