McCARTER
&ENGLISH
ATTORNEYS AT LAW

200371

September 26, 2012

**VIA EMAIL AND OVERNIGHT DELIVERY**

Michael J. van Itallie, Esq.
Office of Regional Counsel
United States Environmental Protection Agency, Region 2
290 Broadway – 17th Floor
New York, New York 10007-1866

Ms. Alison Hess
Emergency and Remedial Response Division
United States Environmental Protection Agency, Region 2
290 Broadway – 19th Floor
New York. New York 10007

J. Forrest Jones
Partner
T. 973.639.7995
F. 973.297.3701
fjones@mccarter.com

Re: Standard Chlorine Chemical Co. Inc. Superfund Site

McCarter & English, LLP
Four Gateway Center
100 Mulberry Street
Newark, NJ 07102
T. 973.622.4444
F. 973.624.7070
www.mccarter.com

Dear Mr. van Itallie and Ms. Hess:

On behalf of Thermo Fisher Scientific Inc. (Thermo Fisher) and Apogent Transition Corp., I enclose a response to the USEPA's supplemental CERCLA §104(e) information request dated August 10, 2012 relating to the Standard Chlorine Chemical Co. Inc. Site in Kearny, New Jersey (Site). You had previously graciously agreed to extend the deadline for this submission to today's date.

These supplemental information requests to Thermo Fisher fall into two basic categories: (1) requests concerning the corporate transactions, reorganizations and asset transfers involving the various corporations named "Sybron"; and (2) requests concerning the operations of The Tanatex Chemical Corporation (Tanatex) at the Site during the period 1954-63.



Thermo Fisher understands that the USEPA has issued the first category of requests because Thermo Fisher has pointed out that Apogent Transition Corp. – the direct corporate successor by merger of Sybron Corporation, the New York corporation into which Tanatex merged in 1970 (Sybron-NY) – has no assets except for certain rights under certain insurance policies. Indeed, Thermo Fisher has included as part of its response financial statements of Apogent Transition for the past five years showing that it is and has been a dormant entity (except for legal fees incurred with respect to this matter) that has recorded on its books cumulative losses of over $61 million.

We infer the USEPA posed these requests, in accordance with its general policies with respect to "ability to pay" determinations, to explore two basic issues: (1) whether the assets of Sybron-NY or its successor Apogent Transition Corp. were ever transferred in a manner that might have resulted in another entity becoming

obligated – as a matter of law – to satisfy any alleged CERCLA liability of Apogent Transition Corp. with respect to the Site; and (2) whether any other entity expressly assumed by contract any alleged CERCLA liability with respect to the Site.

Thermo Fisher has provided in the enclosed response a comprehensive description of sixteen corporate transactions and reorganizations involving Sybron-NY, Apogent Transition Corp. or their direct and indirect parents. This detail has been provided in an effort to be as responsive as reasonably possible to the USEPA's broad information requests and to provide the USEPA with a full context for the corporate history of Apogent Transition Corp. and of its direct parent, Apogent Technologies Inc. The USEPA should certainly not assume that this level of detail is directly relevant to issues here.

In fact, only three of these transactions involved a transfer of assets by Sybron-NY or its successor by merger, Apogent Transition Corp. These transactions were:

- The November 1983 formation of Sybron Chemicals Inc. to own and operate the chemical businesses previously operated as unincorporated divisions of Sybron-NY, including Sybron-NY's Tanatex division. This transaction involved the transfer of assets of Sybron-NY's chemical business to the newly-formed subsidiary.

- The July 1986 liquidation of Sybron-NY and the distribution of its assets as dividends to its shareholders. This followed the acquisition of Sybron-NY in a leveraged buy-out. Among other assets, Sybron-NY distributed its stock in Sybron Chemicals Inc. to the newly-formed Sybron Chemicals Holdings, Inc., a direct subsidiary of the acquiring corporation. This acquiring corporation was then named SC Acquisition Corporation and later renamed Sybron Corporation (Sybron-DE-1986) after the liquidation of Sybron-NY. (Sybron-DE-1986 then sold Sybron Chemicals Holdings to a third party.)

- The December 1994 transfer of assets "related to current and continuing operations" of Apogent Transition Corp. (then known as Sybron Transition Corp.), the successor-by-merger of Sybron-NY. This transfer was an asset dividend to Apogent Transition's sole shareholder, Apogent Technologies Inc. (then known as Sybron International Corporation). Sybron Transition Corp. expressly retained assets and liabilities associated with discontinued and divested operations, such as the chemical business Sybron-NY operated before the formation of Sybron Chemicals Inc. in 1983.

Moreover, the key point is that – regardless of the details of these transactions – these asset transfers cannot have the legal effect of making another corporation liable for any alleged CERCLA liabilities of Apogent Transition Corp. with respect to the Site. A corporation is entitled to contribute assets to or receive dividends from a subsidiary without the one becoming liable for the debts of the other. Indeed, the

limited liability that protects a shareholder from the debts of a corporation and vice versa is the essential feature of corporate existence. If dividends could be clawed back from shareholders decades after they were distributed solely because the corporation later becomes unable to satisfy debts unknown at the time of the distribution, the security and benefit of equity ownership would be significantly eroded to the substantial detriment of our capital markets.

Any exceptions to this doctrine of corporate limited liability involve a distribution of assets in circumstances where the transferor knew or should have known of a debt or potential debt but made no (or inadequate) provision for its satisfaction. These exceptions are completely irrelevant here. All of these transfers involving Sybron-NY or Apogent Transition Corp. were legitimate, good-faith business transactions undertaken many years before any claim with regard to the Site was made against Tanatex, Sybron-NY or their alleged successors.

Thermo Fisher has not located an express assumption of liabilities with respect to these three asset transfers, except with respect to the last: the December 1994 asset dividend from Apogent Transition Corp. to Apogent Technologies Inc. However, that agreement expressly provides that Apogent Transition Corp. retains all liabilities associated with discontinued and divested operations, such as Sybron - NY's former chemical business. In addition, Sybron Chemicals Holdings, Inc. apparently executed an assumption of liabilities associated with Sybron-NY's transfer of the stock of Sybron Chemicals Inc. As described in the enclosed response, a copy of this assumption has not been found and the specific scope of the assumption is unknown. However, because this assumption was for a specific liquidated sum ($58,392,000), the liabilities that Sybron Chemicals Holdings, Inc. assumed from Sybron-NY appear to have been related to debt created as part of the leveraged buy-out transaction or other known indebtedness, not unliquidated, unknown liabilities that might be relevant here.

In short, the corporate transactions involving Sybron-NY, Apogent Transition and their various parents cannot shift any alleged CERCLA liability of Apogent Transition arising from the operations of Tanatex at the Site onto different corporate shoulders. There is certainly nothing inequitable in this result. Neither Thermo Fisher nor Apogent Technologies Inc. (nor even Apogent Transition itself) ever operated or benefited in any way from the business of Tanatex or any other chemical business once operated by Sybron-NY. It is only because of legal principles relating to corporate mergers that Apogent Transition can be considered to be a successor to Tanatex – a corporation that ceased its separate existence 15 years before Apogent Transition was even formed. Having to accept the burdens of these principles of corporate law, Apogent Transition and its parents are entitled to the benefit of those corresponding corporate legal principles that insulate parents from the liabilities of their subsidiaries in the circumstances here.

As for the requests for supplemental information concerning the operations of Tanatex, we confirmed that, in the production operations of Tanatex at Kearny,

everything that entered a mixing vessel became part of the products that were sold to Tanatex's customers. None of these production operations created wastes requiring disposal. Moreover, both the materials used by Tanatex and the products sold by Tanatex at the Site entered and exited Building 3 in sealed drums – including all trichlorobenzene and products containing trichlorobenzene. (The only exceptions to this were biphenyl (which may have been received in bags) and orthophenylphenol (which may have been delivered via rail tank car and was probably conveyed by a pipeline directly from the tank car into Building 3). Thermo Fisher is aware of no release associated with these operations.) Thus, the nature of the operations of Tanatex at Kearny presented virtually no opportunity for releases to the environment. Even if Tanatex released any hazardous substances at the Site (of which there is no proof), the quantity of these releases must have been "minimal in comparison to other hazardous substances at the facility". Under the terms of CERCLA, the determination of whether Apogent Transition is (at most) a *de minimis* party is not affected by the fact that other responsible parties, such as Standard Chlorine, may be financially unable to contribute to response costs.

**CONCLUSION**

Any resolution of the claim against Thermo Fisher and Apogent Transition relating to the Site should take into account that Apogent Transition is the sole corporate successor to Tanatex, Apogent Transition has no assets except for certain rights under insurance policies and the hazardous substances released by Tanatex at the Site (if any) must have been minimal in comparison to the releases of others. We look forward to your consideration of the matters set forth in this letter and further discussions to resolve any alleged liability of Apogent Transition relating to this matter in line with these circumstances.

Very truly yours,

J. Forrest Jones

Enclosures:

Response to Supplemental Information Request
List of Exhibits to Response to Supplemental Information Request
Exhibits to Response to Supplemental Information Request, Volumes I to IV
CD with copies of extant Sybron-NY insurance policies

cc: Lanny S. Kurzweil, Esq.
Charles E. McChesney II, Esq. (w/encl)
Lori A. Mills, Esq. (w/encl)
Gary P. Gengel, Esq. (w/encl)

**RESPONSE OF THERMO FISHER SCIENTIFIC INC. TO USEPA SUPPLEMENTAL REQUEST FOR INFORMATION REGARDING THE STANDARD CHLORINE CHEMICAL CO. INC. SUPERFUND SITE**

Thermo Fisher Scientific Inc. ("Thermo Fisher") submits this response to the Supplemental Request for Information ("Request") of the United States Environmental Protection Agency ("USEPA" or the "Agency") pursuant to USEPA's purported authority under Section 104(e) of the Comprehensive Environmental Response, Compensation & Liability Act, 42 U.S.C. §§ 9601 et seq. ("CERCLA") regarding the Standard Chlorine Chemical Co., Inc. Superfund Site in Kearny, New Jersey (the "Site"). Thermo Fisher makes this response (i) without admitting any liability or any issue of law or fact; (ii) without admitting that any hazardous substance was released or deposited by Thermo Fisher (or a predecessor of Thermo Fisher) at the Site; and (iii) without prejudice to any position Thermo Fisher may take in connection with the Site or any action or proceeding related to the Site in the future.

Thermo Fisher has searched the records it considers most likely to contain information responsive to the Agency's Request, and similarly has contacted those current employees it considers most likely to provide such responsive information. In addition, Thermo Fisher has sought the voluntary assistance of certain former employees of The Tanatex Chemical Corporation, a New Jersey corporation (Tanatex). However, Thermo Fisher cannot categorically state that it has not inadvertently overlooked some piece of information or a document that the Agency may consider responsive in whole or in part to its Request or which may cause Thermo Fisher upon discovery of such information to supplement, modify or revise any of its responses herein. Accordingly, Thermo Fisher reserves the right to supplement, modify and revise any of its responses to the Request set forth below.

Thermo Fisher objects to the Agency's Request on the following grounds:

1. Thermo Fisher objects to this supplemental Request to the extent it seeks the same information already provided by Thermo Fisher in its fully-responsive answers to the USEPA's initial requests. To the extent of such duplication, these supplemental requests are overly burdensome, arbitrary and capricious.

2. Thermo Fisher objects to the Agency's Requests to the extent that such Requests solicit information as to every entity related to Thermo Fisher, whether or not those entities have any potential nexus to the Site under investigation or to an entity that may have had a nexus to the Site. Accordingly, the Requests are unauthorized by CERCLA and exceed the scope of the Agency's authority because they seek information irrelevant to the Site that is the subject matter of these Requests and impose a substantial and unnecessary burden upon Thermo Fisher to assemble records, and thus are, as applied, arbitrary, capricious and unreasonable.

3. Thermo Fisher objects to the Agency's Requests to the extent they purport to require Thermo Fisher to state or disclose information protected by the attorney-client privilege, attorney work product doctrine, the self-critical analysis privilege, and other applicable privileges, immunities or rules protecting against disclosure.

4. Thermo Fisher objects to the Requests on the grounds that the various Requests are overly broad, oppressive and unduly burdensome, and are not reasonably calculated to lead to the discovery of otherwise admissible evidence.

5. Thermo Fisher objects to the "Instructions" and "Definitions" contained within the Agency's Requests, to the extent that:

(a) they are vague, ambiguous, overly broad (in time and scope) and not identified with reasonable particularity;

(b) they seek information that is not within Thermo Fisher's possession, custody or control;

(c) they seek information and documents that are unreasonably cumulative or duplicative, or may be obtained more conveniently or with less burden from other sources, or are already in the Agency's possession.

6. The Agency request is overbroad and exceeds its Authority under CERCLA to the extent the Agency seeks a certification along with Thermo Fisher's responses. (Without waiving this objection, Thermo Fisher has provided a Statement in Lieu of Certification.)

7. The fact that Thermo Fisher has not lodged, stated or raised a specific objection at this time to any particular numbered Request shall not be construed as a waiver or limitation of Thermo Fisher's right to raise objections to such Requests, or to object to the use of any information gathered in response to the Agency's Request. Thermo Fisher specifically reserves the right to state additional objections.

Subject to and without waiving the foregoing, Thermo Fisher responds as follows:

**CERTAIN DEFINED TERMS**

A number of the corporations involving in the transactions discussed in the response below have had multiple names over time. Three separate corporations have borne the name "Sybron Corporation" at different times. For each of these corporations, a different defined term is used: Sybron-NY; Sybron-DE-1986; and Sybron-DE-1987. In addition, there is a separate corporation formerly named "Sybron International Corporation". The terms used to refer to these corporations are clarified below:

- "Tanatex" means "The Tanatex Chemical Corporation" a New Jersey corporation organized in 1951 that was acquired by Sybron-NY (then known as Ritter Pfaudler Corporation) in 1968 and merged into Sybron-NY in 1970. Following this merger,

"Tanatex" was also a tradename used by Sybron-NY to market some of its textile chemicals.

- "Sybron-NY" means Sybron Corporation, a New York corporation into which Tanatex merged in 1970. Sybron-NY's separate existence ended in 1986 when it merged into Apogent Transition Corp. (then known as Sybron Transition Corp.), as part of the liquidation of Sybron that followed its acquisition by entities formed by Forstmann Little & Co.
- "Sybron-DE-1986" means a Delaware corporation originally formed in 1986 by Forstmann, Little & Co. as S.C. Acquisition Corp. In February 1986, an indirect subsidiary of Sybron-DE-1986 acquired all of the issued and outstanding shares of Sybron-NY. After Sybron-NY merged into Sybron Transition Corp., Sybron-DE-1986 changed its name to Sybron Corporation. Several years after its stock was acquired by Sybron-DE-1987, its name was changed to Sybron Holdings, Inc. Thereafter, Sybron-DE-1987 liquidated and merged. Its eventual successor by merger was SAC/Residual, Inc., which ultimately merged with Sybron International Corporation (now known as Apogent Technologies Inc.).
- "Sybron-DE-1987" means a Delaware corporation originally formed by Hicks & Haas Incorporated in 1987 as HH Acquisition, Inc. It thereafter changed its name to Sybron Acquisition Corporation. Several years after its acquisition of the stock of Sybron-DE-1986, it changed its name to Sybron Corporation. It eventually merged with Sybron International Corporation (now known as Apogent Technologies Inc.)
- "Sybron International Corporation", later known as "Apogent Technologies Inc.", is a Wisconsin corporation into which Sybron-DE-1987 merged in 1994. After the spin-off of the Sybron dental equipment business, it changed its name to Apogent Technologies Inc. This corporation is referred to herein as either "Sybron International Corporation" or "Apogent Technologies Inc." depending on its name during the period of the events being described.

## I. PRELIMINARY GENERAL RESPONSE

### A. Overview of transactions involving Sybron-NY, Apogent Transition and their parents.

As noted above, Tanatex was acquired by Sybron-NY in 1968 and merged into Sybron-NY in 1970. As described in its 1983 Annual Report, Sybron-NY engaged in four lines of business. These lines of business and the percentage that they contributed to the corporation's net sales were as follows: Medical (21%); Dental (39%); Laboratory Products (24%); and Chemicals (16%). Sybron-NY, 1983 Annual Report, p. 21 (Exhibit 1). Medical products were marketed under tradenames such as Ritter, Castle, Bovie, Liebel-Flarsheim,Tycos and Baisch.

Dental products were marketed under tradenames such as Ritter, Kerr, Midwest, Ormco, Beavers, Denticon, Baisch and Denco. Laboratory products were marketed under the tradenames Nalge, Barnstead, Brinkmann, Thermolyne, Erie Scientific and Servomex. Chemical products were marketed under the tradenames Ionac, Relite, Gamlen, Jersey State, Biochemical and Tanatex. Id., p. i. (A copy of the 1983 Sybron-NY Annual Report is attached as Exhibit 1.)

1. The formation of Sybron Chemicals Inc. in 1983.

In late 1983, Sybron organized its chemical business as a separate corporation known as Sybron Chemicals Inc., a Delaware corporation (Sybron Chemicals I). Sybron described this event in its Annual Report as follows:

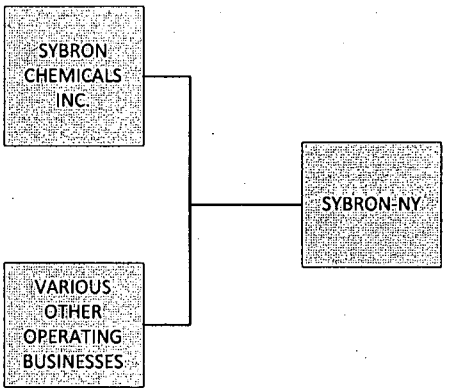
> A major development in [the chemical] segment of our business has been the creation of a separate wholly owned subsidiary to manage our chemical business. Sybron Chemicals Inc. has headquarters in Birmingham, NJ and oversees worldwide operations organized by three divisions-America, Far East and the Europe Division created in 1983 through the consolidation of four operations.
>
> Our operations have built strong positions in specialty niches of the chemical business. Products include ion-exchange resins sold under the Ionac and Relite brand names for water treatment and a variety of industrial applications. Specially-cultured strains of bacteria are marketed by the Biochemical operation for use in toxic and industrial waste treatment applications. In the textile area, Sybron sells Tanatex and Jersey State chemicals for use in dyeing and finishing. The Gamlen name is known in the marine industry worldwide for combustion additives, cleaners and tank-cleaning equipment. Sybron Chemicals also manufactures and markets specialty polymers and organic chemicals.

1983 Annual Report, pp. 13-14. Textile chemicals, marketed under the tradenames Tanatex and Jersey State accounted for 5% of Sybron-NY's net sales. Sybron-NY, 1983 Annual Report, p. 21.

The formation of Sybron Chemicals Inc. in 1983 would have involved an asset transfer from Sybron-NY to the new corporation. However, despite a diligent investigation, Thermo Fisher has been unable to locate any documentation pertaining to this transfer. Thermo Fisher

has located and produces a copy of the Certificate of Incorporation of Sybron Chemicals Inc. dated November 29, 1983. (Exhibit 2.)

In simplified schematic form and in relevant part, the structure of Sybron-NY following the formation of Sybron Chemicals Inc. was as follows:




2. The acquisition of Sybron-NY by Forstmann Little in February 1986.

In February 1986, a corporation formed by Forstmann Little & Co. acquired substantially all of the issued and outstanding shares of the stock of Sybron-NY in a tender offer. Sybron-NY, Notice of Special Meeting of Shareholders, pp. 5-6 (Apr. 28, 1986) (Exhibit 3.) This document contains a detailed description of how the tender offer was conducted, including an opinion from Salomon Brothers Inc. as to the fairness of the compensation to be received in the tender offer. Following the acquisition of stock, Sybron-NY merged with a wholly-owned indirect subsidiary of Sybron-DE-1986 (then known as S.C. Acquisition Corp.), a Forstmann Little & Co. entity, with Sybron-NY as the surviving entity. As a result of the transaction, Sybron-NY became an indirect, wholly-owned subsidiary of Sybron-DE-1986. *Id.*, p. 2. A copy of the Certificate of Incorporation of S.C. Acquisition Corp. dated January 21, 1986 is attached as Exhibit 4.

This transaction effected a change in the control of Sybron-NY, but did not result in a transfer of any of its assets or the assets of Sybron Chemicals Inc.

3. The liquidation of Sybron-NY in July 1986.

In July 1986, the new management of Sybron-NY approved a plan to liquidate the corporation in accordance with Section 332 of the United States Internal Revenue Code. This was accomplished through a series of transactions by which the assets of Sybron-NY (including its stock in Sybron Chemicals Inc.) were transferred to a series of "mirror corporations" that were the shareholders of Sybron-NY and subsidiaries of Sybron-DE-1986. Each of these subsidiaries acquired the assets of a separate line of Sybron's business. Sybron-NY, Board of Directors Minutes (July 17, 1986), Exhibit A, Resolutions Adopting Plan of Liquidation (Exhibit 5). For example, as set forth in Schedule A to the Plan of Liquidation, S.C. Acquisition Corp. No. 1 received the assets of Sybron-NY's Castle and Mediatech businesses; S.C. Acquisition Corp. No.3 received the assets of its Erie Scientific business. The net effect of all of these transactions was to transfer the operating assets of Sybron-NY (including those assets for business still operated, unlike Sybron Chemicals Inc., as unincorporated divisions of Sybron-NY) into subsidiaries of Sybron-DE-1986. This facilitated the subsequent sale of many of these businesses as part of Forstmann, Little's restructuring of the businesses of the corporation.

4. The 1986 transfer of the stock of Sybron Chemicals Inc. as part of Sybron-NY's liquidation.

As set forth on Schedule B to the Plan of Liquidation, Sybron-NY's stock in Sybron Chemicals Inc. was transferred to S.C. Acquisition Corp. No. 13. Following this transfer, S.C. Acquisition Corp. No. 13 changed its name to Sybron Chemicals Holdings, Inc.

The Plan of Liquidation provided for the corporations receiving the assets of Sybron-NY to "assume the related liabilities" by executing a "Bill of Sale and Assignment and Assumption Agreement". *Id.*, Plan of Liquidation, p. 2. Despite diligent investigation, Thermo Fisher has not located a "Bill of Sale and Assignment and Assumption Agreement" executed by S.C.

Acquisition Corp. No. 13 regarding its receipt of the stock of Sybron Chemicals Inc. It should be noted that Sybron Chemicals Inc. had been in existence for only two and half years at the time of this transaction and it is not clear what liabilities Sybron Chemicals Inc. may have possessed regarding the pre-1983 operations of the chemicals businesses acquired by Sybron-NY. In any event, it appears that the liabilities assumed by Sybron Chemicals Holdings, Inc. were a specific, liquidated amount. The accounting firm of Deloitte, Haskins & Sells subsequently prepared a financial statement in which it stated:

> On July 11, 1986, the former Sybron Corporation was liquidated under Section 332 of the United States Internal Revenue Code. Pursuant to the plan of liquidation, the assets of the U.S. Chemical Division of the former Sybron Corporation were transferred to Sybron Chemicals Holdings, Inc. for the assumption of certain liabilities amounting to $58,392,000 and in cancellation of its investment in the stock of the former Sybron Corporation.

Deloitte, Haskins & Sells, Sybron Chemicals Inc. Combined Financial Statements for 1984 and 1985, p. 9 (Mar. 18, 1987) (Exhibit 6). This liquidated sum suggests that the assumption of liabilities may not have included unknown, unliquidated contingent liabilities.

5. The transfer of residual assets to Sybron Transition Corp. and its merger with Sybron-NY.

The Plan of Liquidation provided for the "Corporate Headquarters" assets of Sybron-NY to be transferred to S.C. Acquisition Corp. No. 15. Plan of Liquidation, Schedule A. In addition, S.C. Acquisition Corp. No. 15 received the stock of a number of corporations. *Id.*, Plan of Liquidation, Schedule B. It is believed that the assets transferred to S.C. Acquisition Corp. No. 15 related to discontinued operations and other assets that did not relate to any of Sybron-NY's principal active, ongoing businesses. For example, one of the corporations transferred to S.C. Acquisition Corp. No. 15 was "Taylor Instrument Iberica S.A. (Spain) (in liquidation)". Taylor Instruments was a business that Sybron-NY had sold in 1983.

Following the distribution of the assets of Sybron-NY contemplated by its Plan of Liquidation, S.C. Acquisition Corp. No. 15 changed its name to Sybron Transition Corp. (In 2002, Sybron Transition Corp. again changed its name to Apogent Transition Corp.) Sybron-NY then merged into Sybron Transition Corp., with Sybron Transition Corp. as the surviving corporation. Certificate of Ownership and Merger Merging Sybron Corporation into Sybron Transition Corp. (Jul. 31, 1986) (Exhibit 7.)

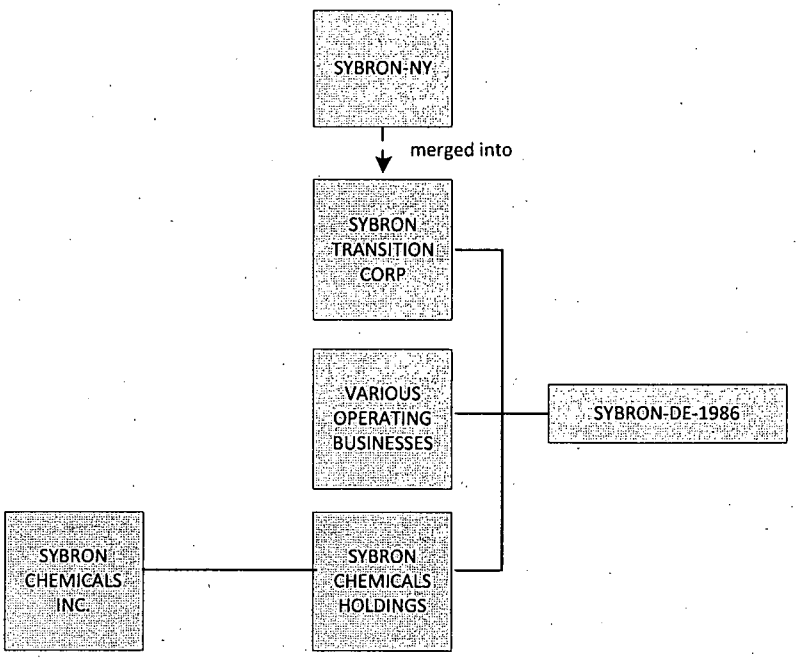
Following the execution of the Plan of Liquidation, Sybron-DE-1986 (then known as S.C. Acquisition Corp.) changed its name to Sybron Corporation. Certificate of Amendment of Certificate of Incorporation of S.C. Acquisition Corp. (Aug. 8, 1986) (Exhibit 8.)

In their Pro Forma Condensed Consolidated Balance Sheet for Sybron-DE-1986 as of May 31, 1987, Deloitte Haskins & Sells provided the following succinct summary of the acquisition of Sybron-NY by Forstmann Little & Co. and subsequent liquidation of Sybron-NY:

> Effective February 27, 1986, SC Transco Corp. ("Transco"), an indirect wholly-owned subsidiary of SC Acquisition Corp. ("SC Acquisition"), acquired substantially all of the outstanding publicly held common and preferred shares of Sybron Corporation ("Old Sybron") in a leveraged buyout transaction undertaken by Forstmann Little & Co. (the "Acquisition"). The Acquisition was made in exchange for cash consideration of $26.25 per share of common stock and $42.00 per share of $2.40 convertible preferred stock. The total cost of the Acquisition, including related fees and expenses of $25,939,000 and repayments/assumptions of certain existing indebtedness of Old Sybron aggregating $97,531,000, amounted to $367,802,000.
> On May 6, 1986, Transco was merged into Old Sybron and, during July 1986, such merged company was liquidated into wholly-owned subsidiaries of SC Acquisition. The name of SC Acquisition was then changed to Sybron Corporation ("Sybron" or the "Company").

Deloitte Haskins & Sells, Pro Forma Condensed Consolidated Balance Sheet [for Sybron-DE-1986] as of May 31, 1987, p. 5 (Jul. 10, 1987) (Exhibit 9).

In simplified schematic form and in relevant part, following the acquisition of Sybron-NY by Forstmann, Little and the subsequent liquidation and merger of Sybron-NY, the corporate structure was as follows:




6. The 1987 sale of Sybron Chemical Holdings Inc. by Sybron-DE-1986.

Following the acquisition and liquidation of Sybron-NY, the new managers of Sybron-DE-1986 decided to sell many of its lines of business. One of these was its chemical business. As noted above, as part of the 1986 Plan of Liquidation, the stock of Sybron Chemicals Inc. was transferred from Sybron-NY to a subsidiary of Sybron-DE-1986 incorporated as S.C. Acquisition Corp. No. 13 and later renamed Sybron Chemicals Holdings, Inc. Copies of the Feb. 5, 1986 Certificate of Incorporation of S.C. Acquisition Corp. No. 13 and the July 25, 1986 Certificate of Amendment changing its name to Sybron Chemicals Holdings, Inc. are attached as Exhibits 10 and 11, respectively.

On May 26, 1987, Sybron-DE-1986 entered into an Agreement of Purchase and Sale with Sybrac Corp. by which Sybron-DE-1986 agreed to sell the stock of Sybron Chemicals Holdings, Inc. as well as certain other assets relating to Sybron's foreign chemical operations that were owned by other subsidiaries of Sybron-DE-1986. A copy of the Agreement of Purchase and Sale is attached as Exhibit 12. Upon information and belief, Sybron Chemicals Holdings, Inc. subsequently changed its name to Sybron Chemical Industries Inc., merged into Sybron Chemicals Inc. (which had changed its name to SyChem Inc. just prior to the closing of the acquisition) and eventually resumed the name Sybron Chemicals, Inc. Upon the consummation of the 1987 sale, Sybron Chemicals, Inc. passed outside the ownership of any corporation within the corporate lineage of any affiliate of Thermo Fisher.

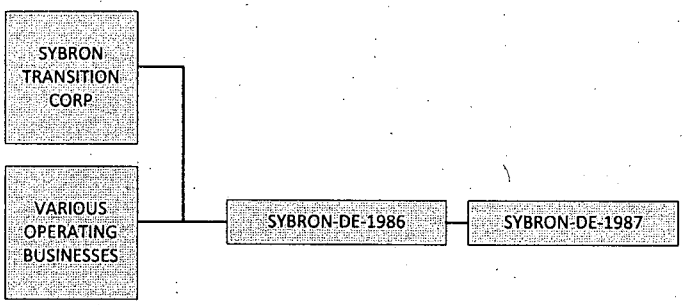
7. The 1987 sale of the stock of Sybron-DE-1986 to Sybron Acquisition Company.

After divesting many of the former businesses of Sybron-NY (including Sybron Chemicals Inc.), Forstmann Little & Co. decided to sell Sybron-DE-1986, the acquisition vehicle and holding company for the remaining businesses. These remaining businesses operated in two market segments: laboratory equipment and dental equipment. The laboratory equipment segment operated through four subsidiaries: Nalge Company; Erie Scientific Company; Thermolyne Corporation; and Barnstead Company. The dental equipment segment operated through two subsidiaries: Ormco Corporation; and Kerr Manufacturing Company.

On September 16, 1987, Hicks & Haas Incorporated offered to purchase the stock of Sybron-DE-1986. The corporate vehicle that Hicks & Haas created for the purpose of this acquisition was Sybron-DE-1987, a Delaware corporation originally named HH Acquisition, Inc. A copy of the Certificate of Incorporation of HH Acquisition, Inc. is attached as Exhibit 13. On September 21, 1987, pursuant to a Certificate of Amendment, the corporation's name was

changed to Sybron Acquisition Company. A copy of this Certificate of Amendment is attached as Exhibit 14. On September 29, 1987, Forstmann Little (and related individuals and entities), entered into a Purchase Agreement with Sybron-DE-1987 for the acquisition of all of the issued and outstanding stock of Sybron-DE-1986. A copy of the purchase agreement is attached as Exhibit 15. The acquisition of Sybron-DE-1986 was completed by October 26, 1987. Wall Street Journal, p. 1 (Oct. 26, 1987).

In simplified schematic form and in relevant part, following the acquisition of Sybron-DE-1986 by Sybron-DE-1987, the corporate structure was as follows:




The 1987 acquisition of the stock of Sybron-DE-1986 by Sybron-DE-1987 affected stock ownership at the ultimate parent level, but did not affect Sybron Transition Corp. (successor to Sybron-NY), its assets or liabilities.

8. The 1992 public offering of the stock of Sybron-DE-1987.

On January 24, 1992, Sybron-DE-1987 changed its name from Sybron Acquisition Company to Sybron Corporation. A copy of the Certificate of Amendment accomplishing this change of name is attached as Exhibit 16. At the same time, the name of Sybron-DE-1986 was changed from Sybron Corporation to Sybron Holdings, Inc. A copy of the Certificate of Amendment accomplishing this change of name is attached as Exhibit 17. These name changes appears to have been made in anticipation of a public offering of the stock of Sybron-DE-1987

later that spring. By Prospectus dated May 7, 1992, Sybron-DE-1987 and certain of its shareholders made a public offering of its stock. The public offering of Sybron-DE-1987 affected stock ownership at the ultimate parent level and did not affect Sybron Transition Corp. (successor to Sybron-NY), its assets or liabilities.

9. The 1992 liquidation of Sybron-DE-1986.

In September 1992, Sybron-DE-1986 (then named Sybron Holdings, Inc.) was liquidated in a transaction similar to that of the earlier liquidation of Sybron-NY. Sybron-DE-1986's stock in the various subsidiary corporations that operated its laboratory equipment and dental equipment segments was transferred to "mirror" corporations that apparently were subsidiaries of Sybron-DE-1987. As an initial step in this transaction, Sybron-DE-1986 was merged into a Delaware Corporation known as Acquiring/SAC, Inc., with Acquiring/SAC, Inc. as the surviving corporation. A copy of the Certificate of Ownership and Merger Merging Sybron Holdings, Inc. into Acquiring/SAC, Inc. and of the Agreement and Plan of Merger and Liquidation, both dated September 28, 1992 are attached as Exhibit 18. After this stage in the transaction, Acquiring/SAC merged into SAC/Residual, Inc., a Delaware corporation, with SAC/Residual, Inc. as the surviving corporation. The stock of the operating subsidiaries of the former Sybron-DE-1986 was then transferred to the mirror subsidiaries of Sybron-DE-1987. The stock of three remaining subsidiaries, including Sybron Transition Corp., was acquired by SAC/Residual, Inc. A copy of the Certificate of Merger Merging Acquiring/SAC, Inc. into SAC/Residual, Inc. and of the Plan of Complete Liquidation of Acquiring/SAC, Inc. (Sept. 28, 1992) are attached as Exhibit 19.

The merger of Sybron-DE-1986 into Acquiring/SAC and of Acquiring/SAC into SAC/Residual changed the identity of the direct parent of Sybron Transition Corp. (successor to Sybron-NY), but did not otherwise affect its assets or liabilities.

10. The 1994 merger of Sybron-DE-1987 into Sybron International.

In 1994, a transaction was undertaken by which the state of domicile of the corporation was changed from Delaware to Wisconsin. The first step in this process was the formation of a new Wisconsin corporation named Sybron International Corporation. A copy of the Articles of Incorporation of Sybron International Corporation dated December 9, 1993 is attached as Exhibit 20.

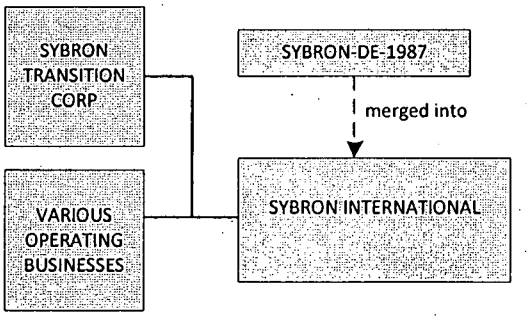
In January of 1994, Sybron-DE-1987 merged into Sybron International Corporation, with Sybron International Corporation as the surviving entity. A copy of the Certificate of Merger and related documents are attached as Exhibit 21.

The 1994 merger of Sybron-DE-1987 into Sybron International Corporation affected stock ownership at the ultimate parent level, but did not affect Sybron Transition Corp. (successor to Sybron-NY), its assets or liabilities.

11. The 1994 merger of SAC/Residual into Sybron International.

On September 29, 1994, SAC/Residual merged into Sybron International, with Sybron International as the surviving corporation. Copies of the Certificate of Merger and related documents are attached as Exhibit 22.

In simplified schematic form and in relevant part, following the liquidation of Sybron-DE-1986 and the merger of Sybron-DE-1987 and SAC/Residual into Sybron International, the corporate structure was as follows:




As a result of this merger, Sybron International became the direct parent of Sybron Transition Corp. (successor to Sybron-NY), but the merger did not affect its assets or liabilities.

12. The 1994 transfer of certain assets from Sybron Transition to Sybron International

By a "Transfer Agreement" dated December 22, 1994, Sybron Transition Corp. transferred to Sybron International Corporation certain assets "to the extent they are related to current and continuing operations" of Sybron Transition Corp. Transfer Agreement, ¶1 (Dec. 22, 1994) (Exhibit 23.) In exchange, Sybron International agreed to "assume those obligations and liabilities relating directly to the Transferred Assets." *Id.*, ¶2. However, the Transfer Agreement expressly provided that Sybron Transition Corp. "shall retain all assets, liabilities and obligations relating to its discontinued or divested operations." *Id.*, ¶3.

Because any liabilities (then inchoate and unknown) relating to Tanatex and its operations at the Site would have related to "divested operations", these liabilities would have been retained by Sybron Transition Corp.

As set forth in the Unanimous Written Consent of the Board of Directors of Sybron Transition Corp. to Effect a Dividend of Certain Assets dated December 22, 1994 (attached as Exhibit 24), the transfer of assets was treated as a dividend to Sybron Transition's sole shareholder. The parties executed a Bill of Sale and Assignment and Assumption Agreement

dated December 31, 1994 with respect to the transfer. A copy of the Bill of Sale and Assignment and Assumption Agreement is attached as Exhibit 25.

13. The 2000 spin-off of the dental equipment business and change of name.

In December 2000, Sybron International Corporation spun-off its dental equipment business segment to its shareholders as a separate company, Sybron Dental Specialties, Inc. Following this spin-off, Sybron International changed its name to Apogent Technologies Inc. See, Sybron International, Form 8-K Report (Dec. 19, 2000) http://www.sec.gov/Archives/edgar/data/824803/000095012400007555/0000950124-00-007555.txt This name change was effected by Articles of Amendment dated January 30, 2001. A copy of these Articles of Amendment is attached as Exhibit 26.

The 2000 spin-off of Sybron Dental Specialties and the name change of Sybron International Corporation into Apogent Technologies Inc. did not affect Sybron Transition Corp. (successor to Sybron-NY), its assets or liabilities.

14. The 2002 change of name of Sybron Transition Corp. to Apogent Transition Corp.

By a Certificate of Amendment dated February 11, 2002, Apogent Technologies Inc. changed the name of its subsidiary Sybron Transition Corp. to Apogent Transition Corp. A copy of the Certificate is attached as Exhibit 27. Although the Certificate does not provide a reason for this name change, presumably it was done to conform the name of the subsidiary to the name of the parent.

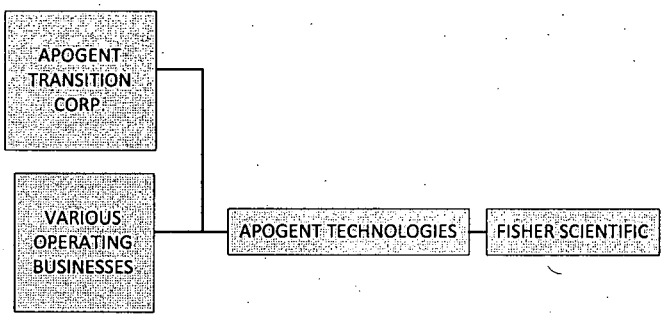
15. The 2004 acquisition of Apogent Technologies by Fisher Scientific.

On August 2, 2004, Apogent Technologies Inc. merged with a wholly-owned subsidiary of Fisher Scientific International Inc., with Apogent Technologies as the surviving corporation.

As a result, Apogent Technologies became a direct, wholly-owned subsidiary of Fisher Scientific. Apogent Technologies, Form 8-K Report (Aug. 2, 2004).

http://www.sec.gov/Archives/edgar/data/824803/000095012304009103/y99684e8vk.txt

In simplified schematic form and in relevant part, following the acquisition of Apogent Technologies by Fisher Scientific, the corporate structure was as follows:




Fisher Scientific's acquisition of Apogent Technologies did not affect Apogent Transition Corp. (successor to Sybron-NY), its assets or liabilities.

16. The 2006 acquisition of Fisher Scientific by Thermo Electron.

In May 2006, Fisher Scientific International Inc. entered into an Agreement and Plan of Merger with Thermo Electron Corporation by which Fisher Scientific agreed to merge into Thermo Electron, with Fisher Scientific as the surviving entity. Fisher Scientific, Form 8-K Report (May 10, 2006).

http://www.sec.gov/Archives/edgar/data/880430/000134100406001362/nyc1117010.txt

A copy of the Agreement and Plan of Merger is available on the SEC's website at:

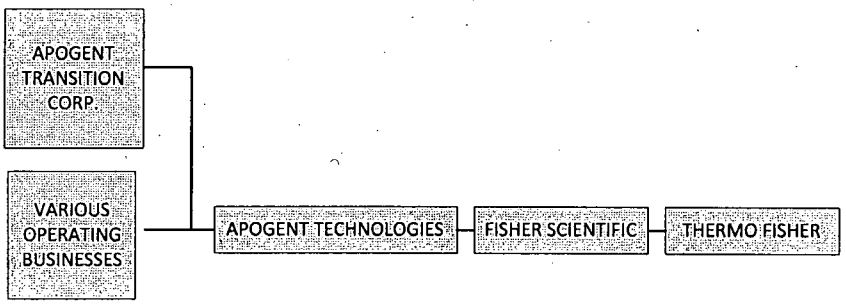
http://www.sec.gov/Archives/edgar/data/97745/000089882206000504/wlrkmergeragmt.txt

Upon the closing of the merger transaction on November 9, 2006, Thermo Electron changed its name by Certificate of Amendment to Thermo Fisher Scientific Inc. A copy of the

Certificate of Amendment is available on the SEC's website at:

http://www.sec.gov/Archives/edgar/data/97745/000095012306014144/y27121exv3w1.htm

In simplified schematic form and in relevant part, following the acquisition of Fisher Scientific by Thermo Electron, the corporate structure was as follows:

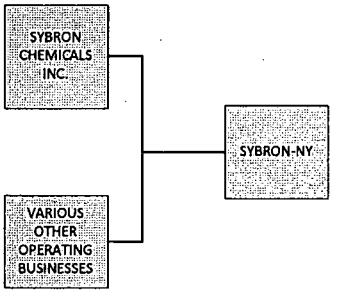



The effect of the 2006 merger transaction was that Fisher Scientific became a wholly-owned subsidiary of Thermo Fisher Scientific Inc. The merger of Thermo Electron and Fisher Scientific did not affect Apogent Transition Corp. (successor to Sybron-NY), its assets or liabilities.

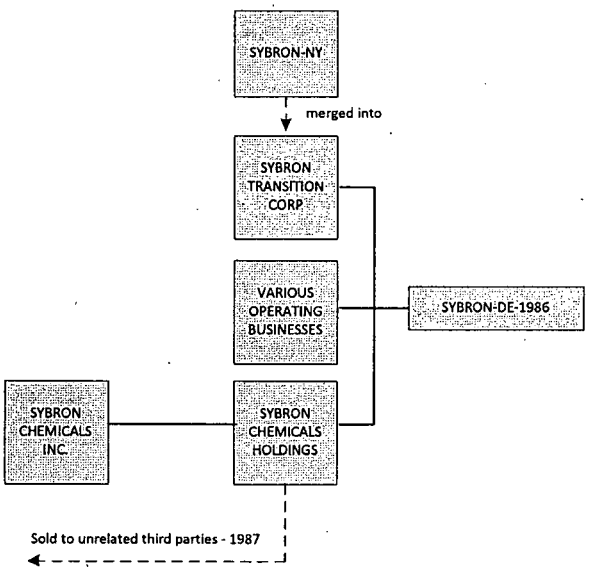
**B. Simplified schematics of corporate structures**

To depict a complete picture of the changes over time in the corporate structure of Sybron-NY, its successor Apogent Transition Corp. (formerly, Sybron Transition Corp.) and their parents, the various corporate schematics set forth above are collected here together:

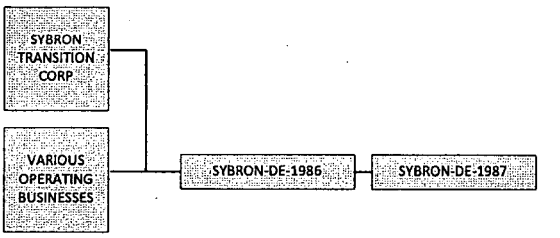
1983 – AFTER FORMATION OF SYBRON CHEMICALS INC.

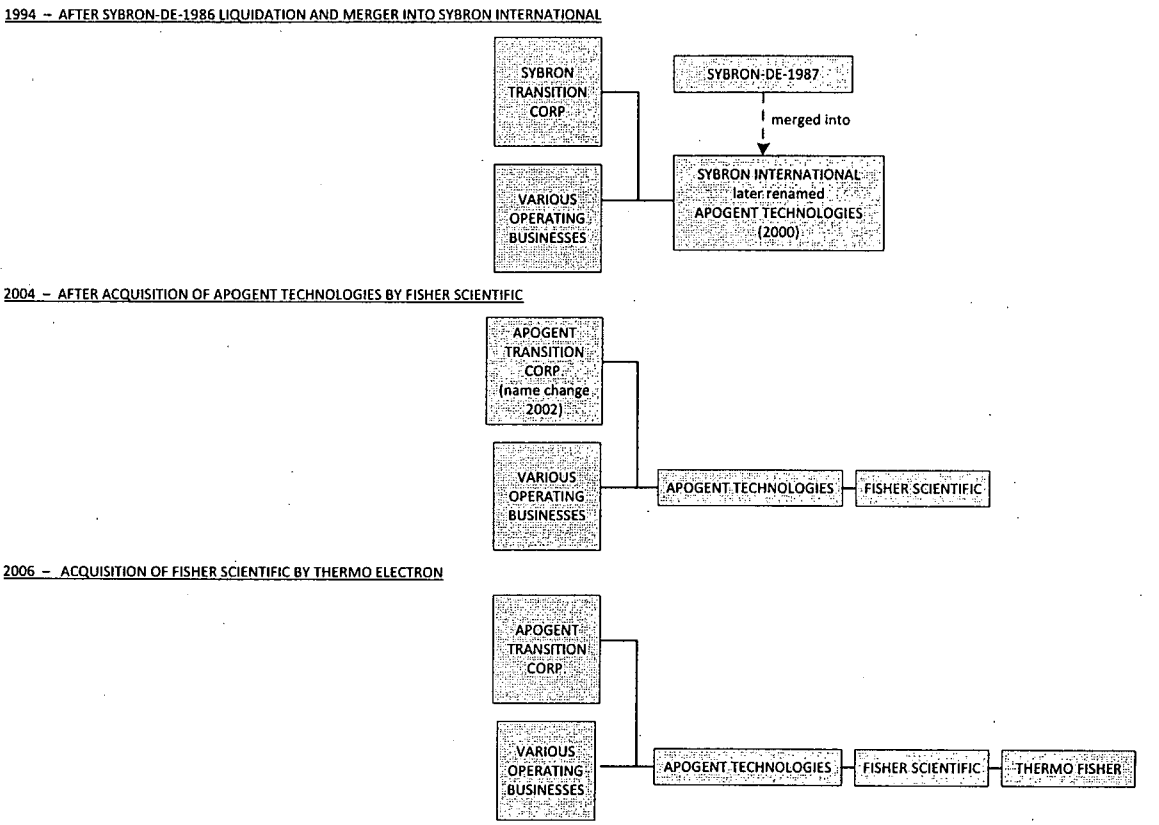



1986 – AFTER ACQUISITION BY FORSTMANN, LITTLE and SYBRON-NY LIQUIDATION




1987 – AFTER ACQUISITION BY SYBRON-DE-1987






## II. RESPONSES TO SPECIFIC SUPPLEMENTAL INFORMATION REQUESTS

Thermo Fisher responds to the specific numbered supplemental information requests as follows:

### REQUEST

1. Please describe in detail the corporate predecessors and successors of Sybron Chemical Group, including, but not limited to, answering the following questions:

   a. Which branch of Sybron Corporation was Sybron Chemical Group affiliated with prior to its sale?

   b. What was the relationship between Sybron Chemical Group, its predecessors and successors, and Tanatex?

   c. What was the name of the "1920s corporation" predecessor to Sybron Chemical Industries, Inc., to which you referred in your 104(e) Request for Information response dated February 1, 2011?

d. What was the relationship between Sybron Chemical Group and Sybron Chemical Industries, Inc.?

e. What was the relationship between Sybron Chemical Group and Sybron Chemicals, Inc.?

**RESPONSE**

As an initial matter, it should be noted there was no legal entity known as "Sybron Chemical Group", at least during any time prior to Sybron-DE-1986's sale of Sybron Chemicals Holdings, Inc. in 1987. The term "Sybron Chemical Group" was used as follows in the 1995 10-K prepared by the company then known as Sybron Chemicals Inc. (referred to in the 10-K as the "Company"), which was quoted in Thermo Fisher's response to the USEPA's initial information requests:

> The Company, a Delaware corporation formerly known as Sybron Chemical Industries Inc., is the successor to a business established in the 1920's. That business became a specialty chemical company (the "Sybron Chemical Group") in the 1960's under the ownership of Sybron Corporation. The Company acquired the Sybron Chemical Group from Sybron Corporation in 1987.

The Sybron Chemicals Inc. that existed in 1995 presumably used this term because, in the 1987 acquisition transaction, Sybron-DE-1986 sold to Sybrac Corp. the stock or assets of a number of corporations. However, it is our understanding that all of the domestic operating assets of the chemical business of Sybron-NY had already been placed in Sybron Chemicals Inc., the subsidiary that Sybron-NY had formed in November 1983. The stock and assets of other corporations included in the 1987 sale related to foreign chemical operations. For example, Sybon-DE-1986's subsidiary Kerr Manufacturing Company owned certain Brazilian and Italian chemical operations that were included in the sale. Accordingly, for purposes of Sybron-NY's domestic chemical businesses, the term "Sybron Chemical Group" can be considered as equivalent to Sybron Chemicals Inc., the subsidiary Sybron-NY formed in 1983. Sybron Chemicals Inc. had no predecessors.

It should be noted that the corporation named "Sybron Chemicals Inc." in 1995 may or may not be the same corporate entity named "Sybron Chemicals Inc." that was formed by Sybron-NY in 1983. After 1987, any corporate reorganization of Sybron Chemicals would have been effected by corporations not affiliated in any way with Thermo Fisher.

With these preliminary observations, we will address the specific sub-questions as follows:

(a) It is our understanding that the businesses that were placed into Sybron Chemicals Inc. had been operated prior to 1983 as unincorporated divisions of Sybron-NY. As noted in Sybron-NY's 1983 Annual Report, its chemical products were marketed under the tradenames Ionac, Relite, Gamlen, Jersey State, Biochemical and Tanatex. It is assumed that these tradenames relate to the names of corporations that were acquired over time by Sybron-NY. This is the case with respect to Tanatex, which Sybron-NY acquired in 1968 and merged with in 1970.

Following the formation of Sybron Chemicals Inc. in November 1983, Sybron Chemicals Inc. was a wholly-owned subsidiary of Sybron-NY. Following the February 1986 acquisition of Sybron-NY, the ultimate parent corporation of Sybron Chemicals Inc. was Sybron-DE-1986 (then known as S.C. Acquisition Corp.). Following the July 1986 liquidation of Sybron-NY, the direct parent of Sybron Chemicals Inc. was Sybron Chemicals Holdings, Inc. (later known as Sybron Chemical Industries Inc.) and its ultimate parent was still Sybron-DE-1986. This ownership structure continued until Sybrac Corp. acquired Sybron Chemicals Holdings, Inc. in 1987.

(b) Sybron Chemicals Inc. (the corporation formed in 1983 by Sybron-NY) and Tanatex had no formal relationship. The products sold by Sybron Chemicals Inc. included (among many

other things) textile chemicals that had formerly been produced by Tanatex before it was merged into Sybron-NY in 1970. These appear to have been sold under the tradename "Tanatex".

(c) The words "1920s corporation" appeared within language from the 1995 10-K report prepared by Sybron Chemicals Inc. that Thermo Fisher quoted in its response to the USEPA's initial requests for information. Thermo Fisher does not know what corporation Sybron Chemicals Inc. intended to refer to by that term. However, it may refer to the operations at Sybron Chemicals Inc.'s Birmingham, New Jersey plant, which reportedly started operations in the mid-1920s.

(d) The name "Sybron Chemical Industries" may have been used by a number of different corporations. Upon information and belief, Sybron Chemicals Holdings, Inc. (the direct parent of Sybron Chemicals Inc. after the July 1986 liquidation of Sybron-NY) changed its name to Sybron Chemical Industries Inc.

**REQUEST**

2. For asset transfers since 1963 valued at $50,000 or greater, please provide copies of any agreements, contracts, bills of sale, or other documents related to the sale, transfer, acquisition, or other transfer of corporate assets between any of Apogent Transition Corp., Tanatex, Ritter Pfaudler Corporation, Sybron Corp., or Sybron Transition Corp., and any other person or entity, whether related or unrelated, including, but not limited to the following:

    a. Any and all documents pertaining to any transactions referred to in Question 3.

    b. Any and all documents related to the sale of Sybron Chemical Group.

**RESPONSE**

(a) As noted above, there were three occasions where there were transfers of assets involving Sybron-NY or Apogent Transition Corporation (outside of ordinary course of business transfers

and sales of lines of business to third parties such as Sybron-NY's 1983 sale of Taylor Instruments):

> 1) the transfer of assets of Sybron-NY's unincorporated chemical businesses to Sybron Chemicals Inc. in 1983;
>
> 2) the transfer of assets involved in the 1986 liquidation of Sybron-NY, which included the transfer of the stock of Sybron Chemicals Inc. to the corporation later renamed Sybron Chemicals Holdings, Inc. and the transfer of "headquarters" assets to Apogent Transition Corp. (then known as Sybron Transition Corp.); and
>
> 3) the transfer of assets from Apogent Transition Corp. (then known as Sybron Transition Corp.) to Apogent Technologies Inc. (then known as Sybron International Corporation) pursuant to the "Transfer Agreement" dated December 22, 1994. By this transaction, Sybron Transition Corp. transferred to Sybron International Corporation certain assets "to the extent they are related to current and continuing operations" of Sybron Transition Corp. Transfer Agreement, ¶1 (Dec. 22, 1994) (Exhibit 23.) As noted above, the Transfer Agreement expressly provided that Sybron Transition Corp. "shall retain all assets, liabilities and obligations relating to its discontinued or divested operations." *Id.*, ¶3. Because any liabilities (then inchoate and unknown) relating to Tanatex and its operations at the Site would have related to "divested operations", these liabilities would have been retained by Sybron Transition Corp.
>
> As set forth above, Thermo Fisher has not located bills of sale or other documents

formally effecting the asset transfers relating to items (1) or (2). With respect to item (3), the "Transfer Agreement" dated December 22, 1994 is attached as Exhibit 23, the "Unanimous Written Consent of the Board of Directors of Sybron Transition Corp. to Effect a Dividend of Certain Assets" dated December 22, 1994 is attached as Exhibit 24 and the "Bill of Sale and Assignment and Assumption Agreement" dated December 31, 1994 is attached as Exhibit 25.

(b) As set forth above, the 1987 sale of the stock of Sybron Chemical Holdings, Inc. (at that time the direct parent of Sybron Chemicals Inc.) by Sybron-DE-1986 to Sybrac Corp. did not involve a transfer of assets by Sybron-NY or its direct corporate successors by merger. The stock of Sybron Chemicals Inc. had already been transferred by Sybron-NY as an asset dividend to Sybron Chemical Holdings as part of its 1986 liquidation. A copy of the May 26, 1987 Agreement of Purchase and Sale by which Sybron-DE-1986 agreed to sell to Sybrac Corp. the

stock of Sybron Chemicals Holdings, Inc. (as well as certain other assets relating to Sybron's foreign chemical operations) is attached as Exhibit 12.

**REQUEST**

3. Provide any and all documents discussing or related to the organizational restructuring of Sybron Corp. (NY), Sybron Corp. (DE 1986), Sybron Corp. (DE 1987), Sybron Transition Corp., Sybron International Corp., Sybron Chemical Group (its predecessors and successors), Apogent Transition Corp and Apogent Technologies, Inc. that:

   a. Occurred in 1986

   b. Occurred in 1987

   c. Occurred in 1994

   d. Occurred in 2002

**RESPONSE**

Thermo Fisher has set forth above in its Preliminary General Response a comprehensive overview of the relevant corporate transactions and restructurings involving Sybron-NY, its successor by merger Sybron Transition Corp. (later named Apogent Transition Corp.) and its ultimate parent corporations over the period 1983 to the present. These corporate transactions and restructurings are as follows:

1. The formation of Sybron Chemicals Inc. in 1983.

2. The acquisition of Sybron-NY by Forstmann Little in February 1986.

3. The liquidation of Sybron-NY in July 1986.

4. The 1986 transfer of the stock of Sybron Chemicals Inc. as part of Sybron-NY's liquidation.

5. The 1986 transfer of residual assets to Sybron Transition and its merger with Sybron-NY.

6. The 1987 sale of Sybron Chemical Holdings Inc. by Sybron-DE-1986.

7. The 1987 sale of the stock of Sybron-DE-1986 to Sybron-DE-1987.

8. The 1992 public offering of the stock of Sybron-DE-1987.

9. The 1992 liquidation of Sybron-DE-1986.

10. The 1994 merger of Sybron-DE-1987 into Sybron International.

11. The 1994 merger of SAC/Residual into Sybron International.

12. The 1994 transfer of certain assets from Sybron Transition to Sybron International

13. The 2000 spin-off of the dental equipment business and change of name.

14. The 2002 change of name of Sybron Transition Corp. to Apogent Transition Corp.

15. The 2004 acquisition of Apogent Technologies by Fisher Scientific.

16. The 2006 acquisition of Fisher Scientific by Thermo Electron.

Documents relating to each of these events were identified in the paragraphs describing them in Thermo Fisher's Preliminary General Response. Although Thermo Fisher has identified all of these corporate events to provide completeness and context, in only three of these events were assets of Sybron-NY or its corporate successors by merger transferred:

1. The formation of Sybron Chemicals Inc. in 1983.

3. The liquidation of Sybron-NY in July 1986.

12. The 1994 transfer of certain assets from Sybron Transition to Sybron International

**REQUEST**

4. Please describe in detail the relationship between Sybron Corp. (Sybron DE 1987) and Sybron Acquisitions.

**RESPONSE**

As described above in Thermo Fisher's Preliminary General Response, the corporation referred to as Sybron DE 1987 in Thermo Fisher's response to the USEPA initial information requests and Sybron Acquisition Company are the same corporation. Sybron Acquisition

Company was incorporated in 1987 (as HH Acquisition, Inc.). In 1987, Sybron Acquisition Company acquired the issued and outstanding stock of Sybron-DE-1986. As noted above, the 1987 acquisition of the stock of Sybron-DE-1986 by Sybron Acquisition Company affected stock ownership at the ultimate parent level, but did not affect Sybron Transition Corp. (successor to Sybron-NY), its assets or liabilities.

**REQUEST**

5. Please provide a copy of the documents pertaining to the incorporation of:

   a. Sybron DE 1987

   b. Sybron DE 1986

   c. Sybron Acquisition Co.

**RESPONSE**

Sybron-DE-1986 was originally incorporated as S.C. Acquisition Corp. A copy of the Certificate of Incorporation of SC Acquisition Corp. dated January 21, 1986 is attached as Exhibit 4. After the liquidation of Sybron-NY and its merger into Sybron Transition Corp., the name of Sybron-DE-1986 was changed to Sybron Corporation.

As noted in the prior response, Sybron-DE-1987 and Sybron Acquisition Company are the same corporation. Sybron-DE-1987 was incorporated in 1987 (as HH Acquisition, Inc.). A copy of the Certificate of Incorporation of HH Acquisition, Inc. is attached as Exhibit 13. In 1987, Sybron-DE-1987 acquired the issued and outstanding stock of Sybron-DE-1986. On January 24, 1992, the name of Sybron-DE-1987 changed from Sybron Acquisition Company to Sybron Corporation. At the same time, the name of Sybron-DE-1986 was changed to Sybron Holdings, Inc. These name changes appears to have been made in anticipation of a public offering of the stock of Sybron-DE-1987 later that spring.

**REQUEST**

6. Please provide copies of all state and federal tax returns since 1963 in your possession for Tanatex, Ritter Pfaudler, Sybron Corp., Sybron Transition Corp., and Apogent Transition Corp.

**RESPONSE**

Thermo Fisher objects to this request. Tax returns were prepared on a consolidated basis and would not provide relevant information. Compliance with this request would be extremely burdensome to Thermo Fisher and would not provide information relevant to any pertinent issue.

**REQUEST**

7. State with particularity the reasons for:

   a. The merger between Sybron Corp. and Sybron Transitions, Inc. in 1986

   b. The change of name from Sybron Transitions to Apogent Technology Corporation in 2002

**RESPONSE**

(a) Thermo Fisher does not have specific knowledge of the reason for the merger of Sybron-NY and Apogent Transition Corp. (then known as Sybron Transition Corp.) in 1986. However, this merger was implemented pursuant to a Plan of Liquidation that was intended to effect a liquidation of Sybron-NY pursuant to IRS Code Section 332. Thermo Fisher infers that the merger was conducted to facilitate winding up the affairs and paying the debts of Sybron-NY while distributing its remaining assets to its shareholders.

(b) As described above, in December 2000, Sybron International Corporation spun-off its dental equipment business segment to its shareholders as a separate company, Sybron Dental Specialties, Inc. Following this spin-off, Sybron International changed its name to Apogent Technologies Inc. On February 11, 2002, Apogent Technologies Inc. changed the name of its

subsidiary Sybron Transition Corp. to Apogent Transition Corp. Although the Certificate does not provide a reason for this name change, it presumably was done to conform the name of the subsidiary to the name of the parent.

**REQUEST**

8. Provide any and all information regarding solvency information for Apogent Technology Corporation, including, but not limited to any and all appraisals and/or valuations of Sybron Transition Corp., Apogent Transition Corp., and Apogent Technologies, Inc. prepared internally or by third parties, including, but not limited to, confidential information, memoranda, presentations, proposals, purchase offers, term sheets, correspondence, etc. from January 1, 2002 to the present.

**RESPONSE**

Thermo Fisher acknowledges that its wholly owned, indirect subsidiary Apogent Technologies Inc. is solvent and has substantial assets.

Balance sheets for Apogent Transition Corp. as of the end of the calendar years 2006 through 2011 are attached as Exhibits 28 through 33. These balance sheets show that, as of both Dec. 31, 2006 and Dec. 31, 2011, Apogent Transition Corp. had accumulated losses of approximately $61 million. There were only two minor changes in the balance sheets over this period. In 2007, the company recorded a reserve on Apogent Transition Corp's balance sheet for the potential liability of Apogent Transition with respect to an environmental site in South Carolina that had allegedly received waste from a manufacturing plant formerly operated by Sybron-NY in Arden, South Carolina. Later, the company concluded it had no substantive obligations of any significance for this South Carolina matter and the reserve was used to cover part of the legal costs of this matter. The 2010 balance sheet indicates a negative equity transfer and the 2011 balance sheet indicated a loss also associated with legal costs of this matter. (This is not a waiver of the attorney-client, work product or any other applicable privilege regarding these services or any attorneys-clients communications or advice.)

A profit and loss statement prepared with respect to Apogent Transition Corp. for the year ending Dec. 31, 2011 is attached as Exhibit 34. The only change in the financial condition of Apogent Transition since Dec. 31, 2010 reflected on this profit and loss statement has been the accumulation of additional losses attributable to legal fees associated with this matter.

The financial statements relating to Apogent Transition referenced above indicate that there were no transfers of assets from the corporation and no change in its financial condition for the 4+ years prior to Dec. 31, 2010. Moreover, the only change in the financial condition of Apogent Transition since Dec. 31, 2010 has been the accumulation of additional losses attributable to legal fees associated with this matter. Throughout this period, the books of Apogent Transition reflect accumulated losses of approximately $61 million.

**REQUEST**

9. Identify the investment bank(s) hired by Sybron Corp. (Sybron DE 1987) and/or any other Company, to consider and evaluate the sale of its chemical business(es). Identify all consultants and advisors involved in this decision, including but not limited to in-house counsel, investment banks, accountants, engineers, economists, or other consultants.

**RESPONSE**

Sybron-DE-1986 sold the stock of Sybron Chemicals Holdings, Inc. to Sybrac Corp. prior to the 1987 sale of the stock of Sybron-DE-1986 to Sybron-DE-1987 (then known as Sybron Acquisition Company).

Sybron-DE-1986 engaged Goldman, Sachs & Co. to assist with its sale of the stock of Sybron Chemicals Holdings, Inc. In addition, Deloitte Haskins and Sells provided financial statements for Sybron Chemicals Inc. and Sybron Chemicals Holdings, Inc. with respect to the transaction. Uldis Kordons and R. Jeffrey Harris served as an in-house counsel to Sybron-DE-

1986 with respect to the transaction. It is unknown which advisors were involved in the decision to sell Sybron Chemicals Inc. or the other operating units sold during the period.

It is believed that the purchasers of the stock of Sybron Chemicals Holdings, Inc. may have been assisted by Drexel Burnham Lambert in the transaction.

**REQUEST**

10. Provide any and all information financial and/or environmental analyses performed either internally or by third parties in connection with Sybron, Sybron Transitions, Apogent Transitions Corp, and/or any other companies.

**RESPONSE**

Thermo Fisher has voluminous environmental reports dating from 1986 or earlier pertaining to the plants operated by Sybron Chemicals Inc. at that time including its plants located in Birmingham, Clifton and Haledon, New Jersey. Thermo Fisher objects to the production of these reports on the grounds that they are irrelevant to any issue pertaining to this matter and their production would be unduly burdensome.

The offering memorandum prepared by Goldman, Sachs with respect to the sale of Sybron Chemicals Inc. contains a general statement regarding "Environmental Considerations" concerning the plants then operated by Sybron Chemicals Inc. Goldman Sachs, Confidential Memorandum, Sybron Chemicals Inc., pp. 22-23 (Aug. 1986) (Exhibit 35). The Confidential Memorandum also includes financial information pertaining to Sybron Chemicals Inc.

Additional financial reports pertaining to Sybron-NY and Sybron Chemicals Inc. are provided by the following financial statements prepared by Deloitte Haskins & Sells:

- Deloitte Haskins & Sells, Consolidated Financial Statements for the Ten-Month Period Ended December 31, 1986 and Auditors' Opinion [for Sybron-DE-1986] (Mar. 6, 1987)

- Deloitte Haskins & Sells, Pro Forma Condensed Consolidated Balance Sheet [for Sybron-DE-1986] as of May 31, 1987 (Jul. 10, 1987) (Exhibit 9).

- Deloitte, Haskins & Sells, Sybron Chemicals Inc. Combined Financial Statements for 1984 and 1985 (Mar. 18, 1987) (Exhibit 6).

- Deloitte, Haskins & Sells, Sybron Chemicals Inc. Combined Financial Statements for the Two-Month Period Ended Feb. 27, 1986 and Auditors' Opinion and of Sybron Chemicals Holdings, Inc. for Ten-Month Period Ended Dec. 31, 1986 (Mar. 6, 1987) (Exhibit 36).

**REQUEST**

11. Provide any and all information and/or documentation regarding chemical usage, especially, but not limited to. Trichlorobenzene ("TCB") during the years January 1, 1954 and January 1, 1957.

**RESPONSE**

**Prior Responsive Information**

In answers to the initial Information Request, the following responsive information was provided:

> According to trade mark records, Tanatex applied to register the trade name "Tanalon" on January 4, 1954 when its offices were still listed as being in Jersey City. The trademark registration stated that the trade name Tanalon was first used in commerce on June 23, 1953. Accordingly, it appears that Tanatex first began producing Tanalon before it moved to Kearny. (p. 9)
>
> [Tanalon] consist[ed] of about 80% trichlorobenzene (TCB) and 20% anionic emulsifiers. (Id.)
>
> "Tanavol" was an easily emulsifiable clear liquid consisting of a solution of 12 parts OPP and 12 parts of biphenyl (BP) in 36 parts of TCB, plus 24 parts of emulsifiers and 16 of water. According to trademark records, Tanatex first used the trade name Tanavol in March 1956. (pp. 9-10)

The response also included the following table that identified additional non-dye carrier products made during the period from 1954 to 1963:

**Principal Tanatex Products Other Than Dye Carriers (1954-1963)**

| Product Name | Principal Constituent(s) | Product Use (per trademark registration) |
|---|---|---|
| Cellolube | tertiary amines | Textile softeners |
| Chemocarrier KD5W | esters | Compounds used in the fixation of coloring matters upon fibers* |
| Merse | fatty amino acids | Compounds instrumental in cleaning textile fabrics and processing machines* |
| Plexene | ethylenediamine tetraacetic acid (EDTA)<br><br>synthesized from:<br>ethylenediamine<br>formaldehyde<br>sodium cyanide | Sequestering agents |
| Tanalube | amides | Textile softeners and textile lubricants |
| Tanapal | phosphate derivative | Dispersing agents, leveling agents, dyeing assistants, emulsifying agents and assistants, textile lubricants and wetting agents* |
| Tanapon | anionic amides<br><br>synthesized from:<br>refined vegetable oil<br>diethanolamine<br>catalyst | Non-foaming surfactants; agents for leveling, softening, wetting, bleaching, carbonizing, dispersing, emulsifying and kier-boiling; dyeing assistants and crabbing assistants* |
| Tanaterge | fatty amino acids | Detergents and washing compounds |
| X-Tan | sodium nitrate and powdered surfactant | Bleaching assistants and stripping agents for textile fibers* |

* Application of trademark registration filed after Tanatex ceased operations in Kearny.

(p. 12).

**Additional available information (if any)**

Thermo Fisher does not have additional information concerning the products used by Tanatex during the period from 1954 to 1957.

**REQUEST**

12. Please list any and all solid raw materials that were used at the Site during Tanatex's operations.

    a. What were the estimated quantities of solid materials being handled on a routine basis?

    b. How was each material used at the Site and how were these handled?

    When answering this question and each of its subparts please be specific with regards to each individual raw material.

**RESPONSE**

**Prior Responsive Information**

In answers to the initial Information Request, the following responsive information was provided:

> [T]he following chemicals [are] among those that Tanatex used, stored, generated or handled at the Site:

| Partial listing of chemicals Tanatex used at the Site |
|---|
| amides |
| anionic amides |
| Biphenyl |
| diethanolamine |
| emulsifiers |
| esters |
| ethylenediamine |
| ethylenediamine tetraacetic acid (EDTA) |
| fatty amino acids |
| formaldehyde |
| ortho-phenylphenol |
| para-phenylphenol |
| phosphate derivative |
| powdered surfactant |
| refined vegetable oil |
| sodium cyanide |
| sodium nitrate |
| TCB |
| tertiary amines |

(pp. 16-17)

[Upon review of this response, Mr. Scott clarified that amides, anionic amides, ethylenediamine tetraacetic acid (EDTA), fatty amino acids, phosphate derivatives and tertiary amines were end products, rather than raw materials that Tanatex used in its production operations at the Site.]

With respect to the handling of these products, the answers to the initial Information Request stated as follows:

> Liquid raw materials came in 55-gallon steel drums, solid materials in somewhat smaller fiber drums or in 50-lb paper bags. They were palletized, four drums or 40 bags to a pallet and stored inside, three or four pallets high. When the Keaton Rubber Co. railroad siding became available in 1957, melted OPP was received in 8,000 gallon tank cars that were unloaded into 55 gallon lined steel drums that then were palletized and stored separately as they had to be remelted before use.

(p. 15)

With respect to the quantities of TCB, OPP and biphenyl used at Tanatex, Thermo Fisher provided the following estimates in its responses to the initial Information Requests:

**Estimated Tanatex Dye Carrier-Related Chemical Usage in Kearny (1957-1963)**

| Year | Net Sales* | o-phenylphenol** (342 lbs/$1,000) | Trichlorobenzene** (220 lbs/$1,000) | Biphenyl** (59 lbs/$1,000) |
|---|---|---|---|---|
| 1957◊ | $903 | 309 | 199 | 53 |
| 1958◊ | 1,009 | 345 | 222 | 60 |
| 1959 | 1,128 | 386 | 248 | 67 |
| 1960 | 1,205 | 412 | 265 | 71 |
| 1961 | 1,179 | 403 | 259 | 70 |
| 1962 | 1,577 | 539 | 347 | 93 |
| 1963 | 1,746 | 597 | 384 | 103 |

*in $ 000s.
**in 000s lbs.
◊Nets sales in 1957 and 1958 were estimated by extrapolating backwards from the 1959 net sales amount based on the 11.82% annual growth rate in Tanatex product sales between 1959-1963.

(p. 20)

**Additional available information (if any)**

With respect to the raw materials used by Tanatex at the Site identified in the table from Thermo Fisher's initial response, Mr. Scott identified the following as solids or liquids and the type of container in which it was stored:

| Partial listing of chemicals Tanatex used at the Site | State | Container |
|---|---|---|
| Biphenyl | Solid | Bags |
| diethanolamine | Liquid | Drums |
| emulsifiers | Liquid | Drums |
| esters | Liquid | Drums |
| ethylenediamine | Liquid | Drums |
| formaldehyde | Liquid | Drums |
| ortho-phenylphenol | Solid | Fiber drums |
| para-phenylphenol | Solid | Fiber drums |
| powdered surfactant | Solid | Fiber drums |
| refined vegetable oil | Liquid | Drums |
| sodium cyanide | Solid | Fiber drums |
| sodium nitrate | Solid | Fiber drums |
| TCB | Solid/Liquid | Drums |

It should be noted that biphyenyl and ortho-phenylphenol (OPP), identified as solids above, had melting points such that they could be readily melted into liquids in order to add them as liquids to a mixing vessel in order to produce Tanatex's products for sale. The melting point of OPP is 59°C; the melting point of biphenyl is 69-72°C. TCB could either be a solid or a liquid depending on ambient temperatures. 1,2-4-TCB is a "Colorless liquid or crystalline solid (below 63°F [17°C.])" http://www.cdc.gov/niosh/npg/npgd0627.html.

**REQUEST**

13. Were there specific additives for colors, surfactants, or solvents added to the dyes on-site, if so, what type of chemicals were they and how were they delivered?

**RESPONSE**

**Additional available information (if any)**

Tanatex did not make dyes at the Site. (As described in response to Request 20 below, Tanatex used limited quantities of purchased dyes in its laboratory at the Site.) As to dye carriers, Tanatex did not add colors to its products. Some of its products were surfactants. For example, Tanapal, Tanapon and Tanaterge were surfactants. Although TCB is a chlorinated compound and can be used as a solvent, Sax and Lewis, *Hawley's Condensed Chemical Dictionary*, p. 1175 (11th ed. 1987), it was not used as such by Tanatex.

According to Mr. Scott, the term "additive" is not one that he would employ to describe any of the constituents of the products made by Tanatex. Mr. Scott notes that if Tanatex developed a new formula for a new product containing different constituents than previous products, the new formula was not considered an existing product with additives, but was considered a new product.

**REQUEST**

14. To clarify and supplement the information previously provided in your 104(e) Request for Information responses, please provide further information and/or clarification regarding how raw materials (specifically chlorinated solvents, biphenyls, and naphthalene derivatives) were brought on site, including, but not limited to the following transportation methods:

    a. Rail car: how often were rail car deliveries made; what was the typical size of a rail car delivery in gallons of material; how were the rail cars unloaded [permanent or temporary piping]; and what precautions were in place to prevent and contain spills?

    b. Tank trucks: how often were deliveries made; what was the typical size of a tank truck delivery in gallons of material; how were the tank trucks unloaded; what precautions were in place to prevent and contain spills; and where was the unloading facility physically located for tank trucks?

    c. Drums: which materials were delivered in drums and how often were those materials delivered?

When answering this question please be specific with regards to which methods of transportation were used for each type of raw material identified.

**RESPONSE**

**Correction of incorrect premise in request**

This request is based in part on several incorrect premises. Thermo Fisher's answers to the initial Information Request did not state that chlorinated solvents or naphthalene derivatives were constituents of products made by Tanatex in Kearney. In fact, the answers specifically stated: "Both Dr. Weinstein and Mr. Scott stated that Tanatex never produced or sold any dye carrier or any other product containing naphthalene or methyl naphthalene during the period it operated in Kearny." (p. 11). The word "solvent" does not appear in the answers to the initial Information Request. Although TCB is a chlorinated compound and can be used as a solvent, Sax and Lewis, *Hawley's Condensed Chemical Dictionary*, p. 1175 (11th ed. 1987), it was not used as such by Tanatex.

In addition, there was no reference to the use of "tank trucks" in the initial answers to the Information Request. Tank trucks did not deliver chemicals to Tanatex in Kearny.

**Prior Responsive Information**

With respect to the handling of raw materials by Tanatex at Kearny, the answers to the initial Information Request stated as follows:

> Liquid raw materials came in 55-gallon steel drums, solid materials in somewhat smaller fiber drums or in 50-lb paper bags. They were palletized, four drums or 40 bags to a pallet and stored inside, three or four pallets high. When the Keaton Rubber Co. railroad siding became available in 1957, melted OPP was received in 8,000 gallon tank cars that were unloaded into 55 gallon lined steel drums that then were palletized and stored separately as they had to be remelted before use.

(p. 15)

**Additional available information (if any)**

OPP was the only material that may have been delivered to Tanatex by railroad tank car during the time that it was located in Kearny. Mr. Scott has no specific recollection about the mechanics of how OPP that was received by tank car was drummed for storage. Mr. Scott reasons that there must have been a pipeline installed that carried the OPP from the rail siding into Building 3 because Tanatex's drum filling operation was located inside that building. However, he notes that this is his inference based on logic and that he has no specific recollection of how OPP was unloaded from rail cars at Kearny.

On further reflection, Mr. Scott believes that any rail cars delivering OPP to Tanatex in Kearny had a capacity of 4,000 gallons (rather than 8,000, as stated in the initial response). He estimates that there were approximately five or six deliveries each year, with fewer in the earlier years after 1957 and more in the later years of operation in Kearny. Each delivery yielded approximately 75 drums of OPP, which were filled and stored inside.

TCB is a crystalline solid at temperatures below 63°F. TCB was delivered in steel drums brought by truck.

Biphenyl is a solid that came in bags or fiber drums and was delivered by truck.

Mr. Scott confirmed that tank trucks did not deliver materials to Tanatex in Kearny.

As to the other raw materials used by Tanatex and identified in prior responses, they were delivered as follows:

| Partial listing of chemicals Tanatex used at the Site | Method of Delivery |
|---|---|
| diethanolamine | Drums by Truck |
| emulsifiers | Drums by Truck |
| esters | Drums by Truck |
| ethylenediamine | Drums by Truck |
| formaldehyde | Drums by Truck |
| powdered surfactant | Fiber Drums by Truck |

| Partial listing of chemicals Tanatex used at the Site | Method of Delivery |
|---|---|
| refined vegetable oil | Drums by Truck |
| sodium cyanide | Fiber Drums by Truck |
| sodium nitrate | Fiber Drums by Truck |

**REQUEST**

15. Where and how were the raw materials stored and transferred?

    a. Did Tanatex use existing tanks inside and outside Building 3 or install new or additional tanks? If new tanks were installed, where were they located and how were they connected to existing facilities?

    b. How were the stored raw materials transferred from the storage tanks to the mixing tanks? (Via pipes, pumps, open containers, etc. ?)

**RESPONSE**

**Correction of incorrect premise in request**

This request is based on an incorrect premise. There was no reference to the use of "storage tanks" in the initial answers to Information Requests. Materials were stored inside Building 3 in steel drums, fiber drums or paper bags.

**Prior Responsive Information**

With respect to the handling of these products, the answers to the initial Information Request stated as follows:

> Liquid raw materials came in 55-gallon steel drums, solid materials in somewhat smaller fiber drums or in 50-lb paper bags. They were palletized, four drums or 40 bags to a pallet and stored inside, three or four pallets high. When the Keaton Rubber Co. railroad siding became available in 1957, melted OPP was received in 8,000 gallon tank cars that were unloaded into 55 gallon lined steel drums that then were palletized and stored separately as they had to be remelted before use.

(p. 15)

**Additional available information (if any)**

Mr. Scott confirmed that storage tanks were not used in Tanatex's Kearny operations.

**REQUEST**

16. Provide information on the chemical composition of "pure" TCB used in Tanatex's industrial processes including, but not limited to:

    a. The difference in chemical composition between the Technical Grade TCB used in production from January 1, 1954 until Jan. 1, 1963 and "pure TCB."

    b. any and all documentation related to the composition and/or use of "pure 1,2,4-trichlorobenzene."

**RESPONSE**

**Prior Responsive Information**

Mr. Scott recalls that the TCB that Tanatex purchased was "very pure." (p. 11)

**Additional available information (if any)**

Thermo Fisher does not have further information on the specifications of the TCB used in Tanatex's operations at the Site.

**REQUEST**

17. Please describe with particularity the manufacturing of Tanatex's dye carrying products containing TCB and/or ortho-phenylphenol (OPP), including, but not limited to Carolid, Tanalon and Tanavol.

**RESPONSE**

**Prior Responsive Information**

Thermo Fisher's answers to the initial Information Request stated as follows:

Tanatex's manufacturing process followed a tightly controlled, set pattern. A lift truck would move 4-drum or 40-bag pallets of the required raw materials from the storage area to the "second floor/platform." There, drums provided with spigots were placed on a scale and the proper amount emptied directly into the designated processing vessel. Weights of drums were recorded both before or after removing material, and if the formula called for 929 lbs of X, 929 lbs of X was loaded into the processing vessel. Only water was metered in. All products required mixing; some required heating and cooling, some others vacuum or high pressure. No purification process was needed, no filtration, centrifuges, distillation, etc.; nothing was done that would create liquid or solid wastes that had to be disposed of.

With the exception of X-Tan, a mix of powders, all the Tanatex products made in Kearny were liquids when they were filled into their shipping containers. These were 55-gallon steel drums for products that stayed liquid, 55-gallon lined open-head steel or somewhat smaller fiber drums for liquids that solidified into pastes or gels when they cooled down.

A weighed shipping container on a scale directly under the processing vessel was filled with the standard amount of the finished product. Again, if that amount was 450 lbs, 450 lbs was run into the drum. Discrepancies were noted. The container was sealed and set aside. The operation was repeated until the vessel was empty. The last drum, of course, had less than 450 lbs because "exactly 100%" yields do not happen. Also, about 40 lbs of even a relatively "thin" liquid cling to the wall of the 10 drum stainless steel vessel. Whenever possible this "coating" was squeegeed into the last, incomplete drum which, in turn, would be added to the next finished batch of the product.
(p. 15)

**Additional available information (if any)**

Mr. Scott reviewed the foregoing description of the Tanatex's production of textile chemicals and confirmed its accuracy.

Mr. Scott noted that every batch produced by Tanatex was documented on a separate batch sheet. The operator was required to complete a form that included the weight of each container of material added to the mixing vessel. Mr. Scott provided an example of the type of batch sheet that was used. (A copy of this exemplar Tanatex batch sheet is attached as Exhibit 37.) The batch sheet included columns labeled "G", "T" and "N" for the gross, tare and net weight of each container of material loaded into the mixing vessel. The gross weight is the weight of the container with the constituent material; the tare weight is the weight of the container itself. Mr. Scott noted that every container was not just emptied, it was weighed before and after emptying and any residual product remaining in the constituent material container was recorded on the batch sheet.

Mr. Scott said that the management of Tanatex employed "exacting procedures" in formulating the products made in Kearny, required operators to document that these procedures

were followed and did not tolerate mistakes. Mr. Scott noted that Tanatex never had a return of finished goods due to a formulation error.

**REQUEST**

18. Provide any information regarding manufacturing processes implemented by Tanatex that avoided waste production.

**RESPONSE**

**Prior Responsive Information**

The answers to the initial Information Request stated as follows with respect to avoidance of waste in Tanatex's manufacturing operations:

> No purification process was needed, no filtration, centrifuges, distillation, etc.; nothing was done that would create liquid or solid wastes that had to be disposed of.
>
> ...
>
> [A]bout 40 lbs of even a relatively "thin" liquid cling to the wall of the 10 drum stainless steel vessel. Whenever possible this "coating" was squeegeed into the last, incomplete drum which, in turn, would be added to the next finished batch of the product.

(p. 15)

**Additional available information (if any)**

Thermo Fisher's prior response was reviewed with Mr. Scott and confirmed. Mr. Scott reiterated that the operations at Kearney did not create any by-products, except for the Plexene manufacturing process that created ammonia that went into the atmosphere. According to Mr. Scott, most of Tanatex's products during its time in Kearny were made with "bathtub chemistry". Mr. Scott said that this term is used to describe a process in which the constituents of the product are mixed together without any chemical reaction and with all material going into the final product. He said that (with the exception of Plexene) even with respect to those few Tanatex

products made in Kearny that involved some chemical reaction in the mixing vessel, all of the material that entered the mixing vessel was shipped to the customer.

**REQUEST**

19. Did Tanatex modify existing facilities aside from the addition of second floor platforms previously described in your 104(e) Request for Information response dated March 7, 2011?

**RESPONSE**

**Prior Responsive Information**

The answers to the initial Information Request stated as follows:

> [Tanatex] arrange[d] for the construction of a second floor platform within the building [Building 3] to provide access to the tops of the reactors that Tanatex used for the formulation of its products. In addition, Tanatex had offices and a laboratory constructed that occupied about 12 ft of the northernmost width of the building....

**Additional available information (if any)**

Mr. Scott recalls that, when Tanatex eventually leased space in Building 1 on Lot 50, Tanatex had a laboratory constructed in the building. This involved the installation of benches and piping to provide water and gas at each bench. Tanatex also installed lights. He does not recall if the downstairs of Building 1 had already been set up as offices, but believes that Tanatex renovated this space in the building to some extent.

Mr. Scott confirmed that he does not have copies of the leases for the buildings at Kearny. As noted in its prior responses, Thermo Fisher does not have copies of these leases.

**REQUEST**

20. Please provide any and all information and/or documentation related to:

    a. The uses to which each building on Lot 50 was put to throughout the lease period(s).

    b. Any chemicals used and/or stored at each building.

c. Any and all industrial, manufacturing, production and/or research operations conducted at each building.

**RESPONSE**

**Prior Responsive Information**

Thermo Fisher's answers to the initial Information Request stated as follows:

> a. The building on Lot 50 that Tanatex first leased from the rubber company was Edison's former Service and Maintenance Building (referred to as "Building 3" in environmental reports in the USEPA's files), a building approximately 80 feet by 80 feet in area (6,400 $ft^2$). .... Several years after leasing Building 3, Tanatex leased additional space in Edison's former Engineering Building (referred to as "Building 1" in environmental reports). Tanatex used Building 1 for offices and for laboratory space. No production operations were carried out in Building 1."

(p. 8)

**Additional available information (if any)**

To the extent it was not clear from the prior response of Tanatex, all production and shipping operations were conducted within Building 3. All the materials used for production operations were stored inside of Building 3.

Tanatex did not lease and did not use Building 2 on Lot 50.

The production operations of Tanatex were described in Thermo Fisher's prior responses. With respect to Tanatex's research operations, Mr. Scott said that the laboratory work in Kearny would have generally begun with a field report regarding a technical problem being experienced by a customer. This report would be reviewed and assigned to either the applications laboratory or the chemical laboratory. By the time Tanatex moved to Kearny, Dr. Weinstein was in charge of the laboratory. Some of the laboratory work involved the dyeing of test fabric pieces. According to Mr. Scott, these test fabric sheets were 10-grams in weight and about the size of letter paper. The laboratory would dye a maximum of 12 sheets per day. These dyeing

operations were done in a beaker and would have involved "gram quantities of dye" and smaller quantities of dye carrier.

**REQUEST**

21. Describe in detail any safety precautions taken by Tanatex in its handling of TCB. Identify any industrial cleaning materials used in the Tanatex facilities that may have entered floor drains.

**RESPONSE**

**Additional available information (if any)**

Mr. Scott stated that Tanatex required its employees to avoid direct contact with all chemicals. All materials, including TCB, were handled with the utmost care.

Mr. Scott recalls that a DuPont representative visited Tanatex's Kearney operation and remarked that such a small business in such a small site was operated so that "you could eat off the floor." Mr. Scott recalls that, on the rare occasion when a minor spill of a liquid material occurred, Tanatex used a dry material such as diatomaceous earth (Mr. Scott does not recall the product name) to collect any liquid. This prevented chemicals from entering floor drains. Mr. Scott does not recall the use of any other industrial cleaning material by Tanatex.

**REQUEST**

22. Provide information regarding the chemical waste generated by any and all laboratory operations.

**RESPONSE**

**Additional available information (if any)**

As noted above, some of the laboratory work performed by Tanatex involved the dyeing of test fabric pieces. According to Mr. Scott, these test fabric sheets were 10-grams in weight and about the size of letter paper. The laboratory would dye a maximum of 12 sheets per day. These dyeing operations were done in a beaker and would have involved "gram quantities of

dye". Some of the dye would have been absorbed by the fabric of the test sheet; the remainder would have been disposed of in the laboratory sinks. Mr. Scott emphasized that the quantity of dye that would have been disposed of in this manner was very small.

**REQUEST**

23. Please identify any precautions and/or processes implemented in laboratory operations to avoid the production of waste materials usually generated.

**RESPONSE**

**Additional available information (if any)**

Mr. Scott stated that the nature of the laboratory work was that only small quantities of chemicals were used and therefore even smaller quantities became wastes.

**REQUEST**

24. Provide any information regarding the reuse and/or recycling of waste materials generated in the manufacturing and production processes of Tanatex.

**RESPONSE**

**Prior Responsive Information**

Tanatex's production operations in Kearny did not create wastes requiring disposal. (p. 21)

**Additional available information (if any)**

Mr. Scott confirmed that Tanatex's production operations in Kearny did not produce wastes requiring disposal.

**REQUEST**

25. Did Tanatex utilize the on-Site boilers for heat generation?

**RESPONSE**

**Additional available information (if any)**

Mr. Scott stated that Tanatex did not operate any on-site boilers. Mr. Scott believes Tanatex purchased steam from the rubber companies that were Tanatex's landlords at Lot 50.

**REQUEST**

26. How were final products packaged and moved off-site (assuming final products were liquid based - did they ship via rail cars, trucks, or drums)? If final materials were shipped in drums, please describe the drum filling and handling system - was it all done inside Building 3 or was there a processing site outside Building 3? If any of the products were solids, how were these packaged and shipped?

**RESPONSE**

**Prior Responsive Information**

Thermo Fisher's answers to the initial Information Request stated as follows:

With the exception of X-Tan, a mix of powders, all the Tanatex products made in Kearny were liquids when they were filled into their shipping containers. These were 55-gallon steel drums for products that stayed liquid, 55-gallon lined open-head steel or somewhat smaller fiber drums for liquids that solidified into pastes or gels when they cooled down.

A weighed shipping container on a scale directly under the processing vessel was filled with the standard amount of the finished product. Again, if that amount was 450 lbs, 450 lbs was run into the drum. Discrepancies were noted. The container was sealed and set aside. The operation was repeated until the vessel was empty. The last drum, of course, had less than 450 lbs because "exactly 100%" yields do not happen. Also, about 40 lbs of even a relatively "thin" liquid cling to the wall of the 10 drum stainless steel vessel. Whenever possible this "coating" was squeegeed into the last, incomplete drum which, in turn, would be added to the next finished batch of the product.

(p. 15)

**Additional available information (if any)**

Mr. Scott confirmed that Tanatex products were shipped by truck in drums, steel drums and fiber drums (for solid products). Tanatex "did not ship in bulk." Tanker trucks and rail cars were not used for the shipment of Tanatex products made in Kearny.

Mr. Scott confirmed that all drum filling was done in Building 3. There was no processing done outside of Building 3.

**REQUEST**

27. Any and all information and documentation regarding the procedure used to estimate and relationship between the quantities (lbs.) of TCB and other chemicals used in the industrial process and the average price of Tanatex products.

**RESPONSE**

**Prior Responsive Information**

The method used to estimate the quantity of TCB used by Tanatex during the period 1957 to 1963 was described in detail as follows in the answers to the initial Information Request:

> According to Mr. Scott, the average price of Tanatex products during the late-1950's and early 1960's was approximately $0.38/pound. This means that each $1,000 in Tanatex product sales would represent 2,632 lbs. of Tanatex products. Mr. Scott estimates that approximately 40% of Tanatex's production (by weight) was of dye carrier products. He further estimates that production of Carolid and Tanavol was roughly equal and that production of Tanalon was approximately 10% of the production of Tanavol. Based on this, he believes production of dye carriers was approximately divided between Carolid (48%), Tanavol (47%) and Tanalon (5%).
>
> Based on these estimates by Mr. Scott, each $1,000 in Tanatex product sales would represent the sale of approximately 1,053 lbs of dye carriers (2,632 lbs x 40%), divided among 505 lbs. of Carolid, 495 lbs. of Tanavol and 53 lbs. of Tanalon.
>
> During the relevant period, Carolid was composed of 56% OPP and 44% emulsifier and water. Tanavol was composed of 36% TCB, 12% OPP, 12% BP and 40% emulsifier and water. Tanalon was composed of 80% TCB and 20% anionic emulsifiers. Accordingly, each $1,000 of Tanatex sales represented usage of the following amounts of OPP, TCB and BP:

| | O-PHENYLPHENOL | | TRICHLOROBENZENE | | BIPHENYL | |
|---|---|---|---|---|---|---|
| | Percent | Weight | Percent | Weight | Percent | Weight |
| **Carolid (505 lbs):** | 56% | 283 lbs | -- | -- | -- | -- |
| **Tanavol (495 lbs):** | 12% | 59 lbs | 36% | 178 lbs. | 12% | 59 lbs. |
| **Tanalon (53 lbs):** | -- | -- | 80% | 42 | -- | -- |
| **Total/$1,000 sales:** | | 342 lbs | | 220 lbs. | | 59 lbs. |

With these values of chemical usage (lbs.) per $1,000 of net sales, it is possible to estimate Tanatex's usage of OPP, TCB and BP during most of the relevant period based on Tanatex's net sales.

When Ritter Pfaudler Corporation was evaluating the possible purchase of Tanatex in 1968, it obtained information from Tanatex regarding the amounts of its net sales dating back to 1959.[1] As set forth on a table appended to this analysis, the net sales of Tanatex from 1959 to 1963 (the probable last partial year of Tanatex operations in Kearny) were as follows:

**Tanatex Net sales (1959-63)**

| Year | Net Sales (000s) |
|---|---|
| 1959 | $1,128 |
| 1960 | 1,205 |
| 1961 | 1,179 |
| 1962 | 1,577 |
| 1963 | 1,746* |

*The amount of Tanatex's net sales for 1963 has been reduced by $20,000 to net out 75,000 guilden received by Tanatex in that year for the sale of rights to Tanatex Holland pursuant to the parties' April 23, 1963 agreement. In 1963, the guilder was valued at 3.62 guilden to the U.S. dollar. www.websters-online-dictionary.org (definition of Dutch guilden). The receipt of this payment does not reflect sales of products that were made in Kearny.

The increase in net sales from $1,128,000 in 1959 to $1,577,000 in 1962 (the probable last full year of Tanatex operations in Kearny) constitutes an annual growth rate of 11.82%. This growth rate can be used to conservatively estimate the upper-bound of Tanatex's probable net sales in prior years of operation.

Based on the information set forth above, it is possible to reasonably estimate Tanatex's OPP, TCB and BP usage for the period from 1957 to 1963, as follows:

**Estimated Tanatex Dye Carrier-Related Chemical Usage in Kearny (1957-1963)**

| Year | Net Sales* | o-phenylphenol** (342 lbs/$1,000) | Trichlorobenzene** (220 lbs/$1,000) | Biphenyl** (59 lbs/$1,000) |
|---|---|---|---|---|
| 1957◊ | $903 | 309 | 199 | 53 |
| 1958◊ | 1,009 | 345 | 222 | 60 |
| 1959 | 1,128 | 386 | 248 | 67 |
| 1960 | 1,205 | 412 | 265 | 71 |
| 1961 | 1,179 | 403 | 259 | 70 |
| 1962 | 1,577 | 539 | 347 | 93 |
| 1963 | 1,746 | 597 | 384 | 103 |

*in $ 000s.
**in 000s lbs.

[1] A copy of the April 23, 1968 written report setting forth this analysis is attached as Exhibit Q.

◊Nets sales in 1957 and 1958 were estimated by extrapolating backwards from the 1959 net sales amount based on the 11.82% annual growth rate in Tanatex product sales between 1959-1963.

> The estimation of Tanatex's OPP, TCB and BP usage for periods prior to 1957 would be more complex because Tanatex announced the introduction of Carolid in 1957.

(pp. 18-20)

**Additional available information (if any)**

Thermo Fisher does not have additional information beyond the extensive description of the estimation methodology provided in its responses to the initial Information Request.

**REQUEST**

33. Please provide information regarding the lease, and duration of such leases, held by Tanatex, its parents, subsidiaries, and successors, with respect to Lot 50 or the other lots comprising the Site.

**RESPONSE**

**Prior Responsive Information**

Thermo Fisher's answers to the initial Information Request stated as follows:

> [D]espite diligent investigation, [Thermo Fisher and ATC] have not been able to locate documents responsive to this request [leases or other such agreements entered into by Tanatex with respect to the Site].

(p. 3)

> In 1954, Tanatex outgrew its rented facilities in Jersey City and moved into a 6,400 sq. ft. building in Kearny, New Jersey that was leased from Crown Rubber Products, Inc. and/or Keaton Rubber Company for a 10-year period.

(p. 5)

> [T]he inception date for the Tanatex lease was probably no earlier than February 1954.

(p. 8)

> Several years after leasing Building 3, Tanatex leased additional space in Edison's former Engineering Building (referred to as "Building 1" in environmental reports). Tanatex

used Building 1 for offices and for laboratory space. No production operations were carried out in Building 1.

(p. 8)

In addition, Thermo Fisher's March 17, 2011 supplemental response to the initial Information Requested stated:

> Attached as Exhibit T (continuing the exhibit identification sequence used in the March 7, 2001 response) is a copy of a "Technical Bulletin from Tanatex" regarding the use of Tanatex's washing compound Tanaterge. The first page of the Technical Bulletin includes the notation:
>
> New Address
> Effective July 1, 1963
> Page and Schuyler Aves.
> Lyndhurst, N.J.
>
> Accordingly, it appears that Tanatex's production operations ceased at the Site some time prior to July 1, 1963.

**Additional available information (if any)**

Thermo Fisher does not have additional information concerning the leases with respect to the two buildings used by Tanatex at the site.

**REQUEST**

34. Identify and provide copies of all insurance policies held by Apogent Technologies Corp. under which the Company may seek indemnification for any CERCLA liability specifically related to this Site. In response to this question, please provide not only those insurance policies presently in effect but also those that were in effect at the time Tanatex operated at the Site.

**RESPONSE**

Prior Responsive Information

With respect to insurance, Thermo Fisher and ATC have identified the following primary policies that might provide defense and indemnity coverage with respect to liability, if any, for releases and threatened releases of hazardous substances, pollutants or contaminants at and from the Site, which liability Thermo Fisher and ATC currently dispute.

| Insurer | Policy Number | Policy Start Date | Policy End Date |
|---|---|---|---|
| United States Casualty Company | CC333473 | 6/1/52 | 6/1/53 |
| United States Casualty Company | CGL365496 | 6/1/53 | 6/1/54 |
| United States Casualty Company | CGL369421 | 6/1/54 | 6/1/55 |
| United States Casualty Company | CGL683739 | 6/1/55 | 6/1/56 |
| United States Casualty Company | CGL807700 | 6/1/56 | 6/1/57 |
| United States Casualty Company | CGL813669 | 6/1/57 | 6/1/58 |
| United States Casualty Company | CGL814892 | 6/1/58 | 6/1/59 |
| United States Casualty Company | CGL818222 | 6/1/59 | 1/1/60 |
| United States Casualty Company | CGL818751 | 1/1/60 | 1/1/61 |
| United States Casualty Company | CGL 821580 | 1/1/61 | 1/1/62 |
| United States Casualty Company | CGL 823197 | 1/1/62 | 1/1/63 |
| United States Casualty Company | CC795905 | 1/1/63 | 1/1/64 |
| United States Casualty Company | CC 795955 | 1/1/64 | 1/1/65 |
| United States Casualty Company | CC 798822 | 1/1/65 | 1/1/66 |
| United States Casualty Company | CAG 04-85-07 | 1/1/66 | 1/1/67 |
| Security Insurance Co. of Hartford | GLA 46 20 82 | 1/1/67 | 1/1/68 |
| Security Insurance Co. of Hartford | GLA 49 96 51 | 1/1/68 | 1/1/69 |
| Security Insurance Co. of Hartford | GLA 52 52 95 | 1/1/69 | 1/1/70 |
| Security Insurance Co. of Hartford | GLA 57 17 74 | 1/1/70 | 1/1/71 |
| Security Insurance Co. of Hartford | GLA 59 98 47 | 1/1/71 | 2/1/71 |
| American Mutual Liability Ins. Co. | BLPA869550-03-1B | 2/1/71 | 1/1/72 |
| Hartford Accident & Indemnity Co. | 03C 802058 | 1/1/72 | 1/1/75 |
| Hartford Accident & Indemnity Co. | 03C C14600E | 1/1/72 | 1/1/73 |
| Hartford Accident & Indemnity Co. | 03C C14601E | 1/1/73 | 1/1/74 |
| Hartford Accident & Indemnity Co. | 03C C14621E | 1/1/74 | 1/1/75 |
| Hartford Accident & Indemnity Co. | 03C C14635E | 1/1/75 | 1/1/76 |
| Hartford Accident & Indemnity Co. | 03C C14645E | 1/1/76 | 1/1/77 |
| Hartford Accident & Indemnity Co. | 03C C14656E | 1/1/77 | 1/1/78 |
| Hartford Accident & Indemnity Co. | 03C C14676E | 1/1/78 | 1/1/79 |
| Hartford Accident & Indemnity Co. | 03 CSE C14680E | 1/1/79 | 1/1/80 |
| Hartford Accident & Indemnity Co. | 03 CSE 14690E | 1/1/80 | 1/1/81 |
| Hartford Accident & Indemnity Co. | 03 CSE J13900E | 1/1/81 | 1/1/82 |
| Hartford Accident & Indemnity Co. | 03 CSE J13906 | 1/1/82 | 1/1/83 |
| Hartford Accident & Indemnity Co. | 03 CSE J13912E | 1/1/83 | 1/1/84 |
| Hartford Accident & Indemnity Co. | 03 CSE J13919E | 1/1/84 | 1/1/85 |
| Hartford Accident & Indemnity Co. | 03 CLR P16723E | 1/1/85 | 1/1/86 |
| Hartford Accident & Indemnity Co. | 01 CLR P16734 | 1/1/86 | 1/1/87 |

Thermo Fisher and ATC further respond that Mr. Scott recalls that Tanatex secured insurance coverage during the period that it operated in Kearny. In this regard, the Tanatex Profit and Loss Statement for the fiscal year ending April 30, 1963 (Exhibit O)

identifies an insurance expense of $13,300. At present, Thermo Fisher and ATC do not have copies of these policies or any information concerning the names of Tanatex's insurance carriers. If such coverage can be confirmed, it may provide additional defense and indemnity coverage with respect to liability, if any, for releases and threatened releases of hazardous substances, pollutants or contaminants at and from the Site, which liability Thermo Fisher and ATC currently dispute.

(pp. 29-31)

**Additional available information (if any)**

A CD containing copies of the extant insurance policies identified in Thermo Fisher's response to the initial Information Request is included with this response. Thermo Fisher does not have copies of all of the policies identified in that prior response. Thermo Fisher notes that many of these policies provide for deductibles or retention amounts that may impact the extent to which Apogent Transition Corp. would be entitled to indemnity coverage in the event it becomes legally obligated to pay any amount with respect to the environmental conditions of the Site. Thermo Fisher further notes that the successor to the insurer that issued the policies in effect prior to June 1968 (when Tanatex was acquired by Sybron-NY) has denied coverage under these pre-acquisition policies.

**STATEMENT IN LIEU OF CERTIFICATION**
**OF ANSWERS TO REQUEST FOR INFORMATION**

As set out in the General Objections above, it is the position of Thermo Fisher and Apogent Transition Corp. that the provisions of CERCLA do not authorize and/or require that persons or entities responding to a §104(e) request provide a certification or affidavit with respect to such response. However, Thermo Fisher and Apogent Transition state that, in connection with preparation of the §104(e) responses set forth above, they have undertaken a diligent inquiry to locate, review and assemble information in their possession, custody and control responsive to the Request. Thermo Fisher and Apogent Transition are also prepared to supplement this Response in the event that they uncover additional responsive information.

**For Thermo Fisher Scientific Inc.:**

John A. Piccione
NAME (print or type)

Assistant Secretary
TITLE (print or type)

Dated:

SIGNATURE

**For Apogent Transition Corp.:**

Jonathan C. Wilk
NAME (print or type)

Assistant Secretary
TITLE (print or type)

Dated:

SIGNATURE

**STANDARD CHLORINE SUPERFUND SITE**

**THERMO FISHER SCIENTIFIC INC.**

**EXHIBITS TO RESPONSE TO SUPPLEMENTAL §104(e) INFORMATION REQUEST**

**VOLUME 1 OF 4**

| Exhibit No. | Description |
|---|---|
| 1 | Sybron-NY, 1983 Annual Report |
| 2 | Certificate of Incorporation of Sybron Chemicals Inc. (Nov. 29, 1983) |
| 3 | Sybron-NY, Notice of Special Meeting of Shareholders (Apr. 28, 1986) |

Exhibit 1

1983

Sybron Corporation Annual Report

Table of Contents

Financial Highlights 1
Shareholder Letter 2
President's Report 4
Report on Businesses 6
Financial Review 15
Financial Statements 22
Notes to Financial Statements 26
Auditor's Report 37
Supplementary Information 38
Five Year Review 41
Management Organization 42
Officers and Directors 43
Information 44

A copy of our 1983 Annual Report to the Securities and Exchange Commission on Form 10-K is available without charge and will be mailed upon request. Write to:

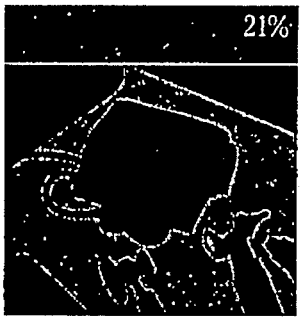
Corporate Communications
Sybron Corporation
Rochester, New York 14604

*On The Cover*

*One of Sybron's specialties is in the life sciences—improving people's lives with products and services used by physicians, dentists and other health care professionals, in clinical and research laboratories and for other scientific applications. These accounted for almost 85% of our business in 1983. The balance came from another specialty area—chemicals from our subsidiary, Sybron Chemicals Inc., which find their way into a variety of products for home and industry.*

Ritter, Castle, Bovie, Kerr, Ormco, Tycos, Denticon, Nalge, Barnstead, Thermolyne, Ionac and Gamlen are all registered in the U S Patent and Trademark Office.

## Life Sciences



21% Medical

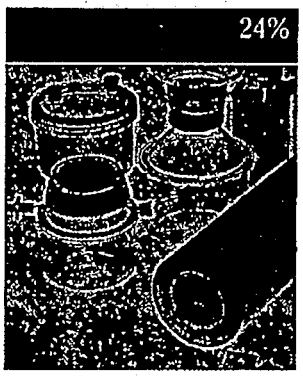
Hospital and medical equipment and supplies including sterilizers, lights, tables, x-ray equipment and components, diagnostic instruments, marketed under such tradenames as Ritter, Castle, Bovie, Liebel-Flarsheim, Tycos, Baisch.

Principal manufacturing operations in the United States, Mexico, West Germany

39% Dental

Equipment, supplies, services including chairs, lights, units, x-ray equipment, orthodontic supplies, filling materials, impression compounds, instruments, dental laboratory services; marketed under such tradenames as Ritter, Kerr, Midwest, Ormco, Beavers, Denticon, Baisch, Denco.

Principal manufacturing operations in the United States, Canada, Mexico, Ireland, West Germany, Switzerland, Italy, Brazil.

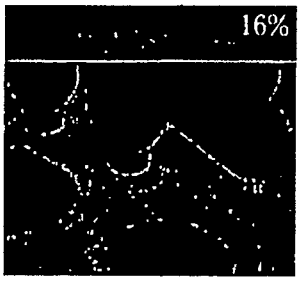


24% Laboratory

General laboratory equipment and supplies for use in industrial and clinical research, testing and analysis, including labware, heating equipment, analytical apparatus, microscope slides, water treatment equipment; marketed under such tradenames as Nalge, Barnstead, Brinkmann, Thermolyne, Erie Scientific and Servomex.

Principal manufacturing operations in the United States, United Kingdom and Switzerland

## Chemical



16%

Specialty chemicals, ion exchange resins and generic organic chemicals used in commercial, industrial, marine and municipal applications; marketed under such tradenames as Ionac, Relite, Gamlen, Jersey State, Biochemical and Tanatex.

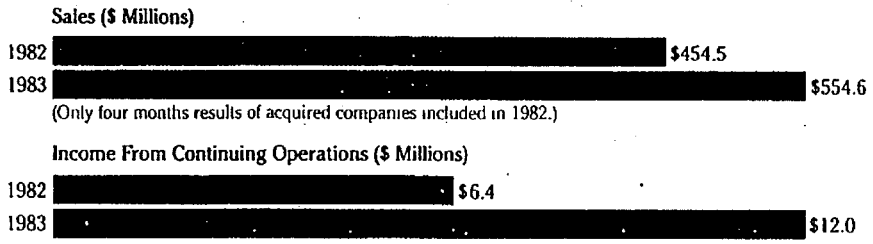
Principal manufacturing operations in the United States, Mexico, France, Netherlands, Italy and Japan.

| ($ Thousands, except per share) | 1983 | 1982[1] |
|---|---|---|
| Continuing Operations: | | |
| Net sales | $554,553 | $454,503 |
| Income before taxes | 18,791 | 11,154 |
| Income from continuing operations | 11,991 | 6,418 |
| Discontinued Operations: | | |
| (Loss) income from discontinued operations | (38,692) | 197 |
| Net (loss) income | (26,701) | 6,615 |
| Balance Sheets at December 31: | | |
| Working capital | 186,703 | 181,529 |
| Properties—net | 101,884 | 101,889 |
| Total assets | 467,567 | 509,518 |
| Long-term debt | 99,661 | 113,528 |
| Shareholders' equity | 207,464 | 243,492 |
| Per Share Information: | | |
| Income from continuing operations | $ 1.04 | $ .47 |
| (Loss) income from discontinued operations | (3.97) | .02 |
| Net (loss) income | (2.93) | .49 |
| Book value per common share | 19.38 | 23.44 |
| Financial Ratios—Continuing Operations: | | |
| Current ratio | 2.6 | 2.4 |
| Return on capital—%[2] | 5.3 | 3.6 |
| Return on average shareholders' equity—% | 5.3 | 2.6 |
| Gross profit—% | 37.6 | 36.9 |
| Income before taxes to net sales—% | 3.4 | 2.5 |
| Net income to net sales—% | 2.2 | 1.4 |
| Number of Shareholders | 11,452 | 13,259 |
| Number of Employees | 8,831 | 12,109 |

Notes: (1) Reclassified to reflect Instrument Group as discontinued operations to conform with 1983 presentation.

(2) Return on capital is computed by dividing the sum of income from continuing operations and long-term interest expense (net of taxes) by the sum of average shareholders' equity and average long-term debt.

To Our Shareholders: We are pleased to report results in 1983. This was a particularly significant period in our efforts to restructure the company and narrow the business focus for Sybron. It was also a year in which many of the steps taken over the past two years to cut costs, reduce breakeven levels and improve operations began to show positive results.




We ended 1983 with business strong, our planned restructuring complete and with the corporation in a solid financial condition. Most of our operations showed year-to-year earnings improvement in 1983. The outlook is for further growth in 1984.

### Taylor Divestiture Completed

The sale of our Taylor Instrument business to Combustion Engineering on September 30, 1983 completed the major divestiture phase of our restructuring program undertaken to eliminate the industrial capital goods portion of our business. Taylor, a broadline manufacturer of industrial process instrumentation and software, accounted for $187 million in sales in 1982.

Taylor was sold for $80 million with $10 million contingent upon Taylor's 1984 orders reaching certain levels. Operating losses of Taylor and the loss on the sale totaled $38,692,000 after taxes, or $3.97 a share, and are included in Sybron's 1983 results as a loss from discontinued operations. By year end we had received $57 million in cash from the Taylor sale.

### Restructuring Changes Market Mix

Since the decision in 1981 to restructure the company, two major businesses have been sold—the process equipment operations in 1982 and the Taylor business in 1983. Together they accounted for more than $330 million in sales. During this restructuring period the major acquisition was the dental business of American Hospital Supply Corporation acquired in August 1982.

### Earnings From Continuing Operations Improve

We now feel we have the proper mix of businesses in Sybron and will concentrate our efforts in building earnings in these businesses. We saw positive results from these efforts in 1983. Earnings from continuing operations were ahead of a year ago with strong year-to-year improvement in operating profits and margins. Demand was particularly good for laboratory products, medical equipment, orthodontic and

Herbert W. Jarvis
President and Chief Executive Officer

William G. vonBerg
Chairman of the Board

dental supplies and most of our specialty chemicals. The market for dental equipment in Europe and for dental laboratory services in the United States continued to be weak throughout 1983.

## Results for the Year

| ($ Thousands, except per share) Year Ended December 31, | 1983 | 1982 |
|---|---|---|
| Sales from continuing operations | $554,553 | $454,503 |
| Income from continuing operations | $ 11,991 | $ 6,418 |
| (Loss) Income from discontinued operations | (38,692) | 197 |
| Net (Loss) Income | $ (26,701) | $ 6,615 |
| Net (Loss) Income Per Share: | | |
| Income from continuing operations | $ 1.04 | $ .47 |
| (Loss) Income from discontinued operations | (3.97) | .02 |
| Net (Loss) Income | $ (2.93) | $ .49 |

With the completion of the Taylor divestiture we have taken steps to bring a sharper operating focus to Sybron. We now identify four major lines of business—medical, dental, laboratory and chemicals. Three of these businesses—what we call life sciences—accounted for $467.4 million of sales in 1983. The fourth—chemicals—accounted for the remaining $87.1 million.

## Chemical Subsidiary Created

Both the life sciences and chemical businesses will play a role in the new Sybron. They do, however, require different marketing and management skills and because of that, they will be operating as separate organizations. To accomplish this we have established a wholly-owned subsidiary to direct the chemical business. The creation of Sybron Chemicals Inc. places our chemical group in a position to build its own identity and respond to the special needs of the markets it serves. We expect the chemical operation to continue to be a major contributor to our earnings and will use selected acquisitions and internal product development to broaden our market coverage in this area.

## Corporation to Concentrate on Life Sciences

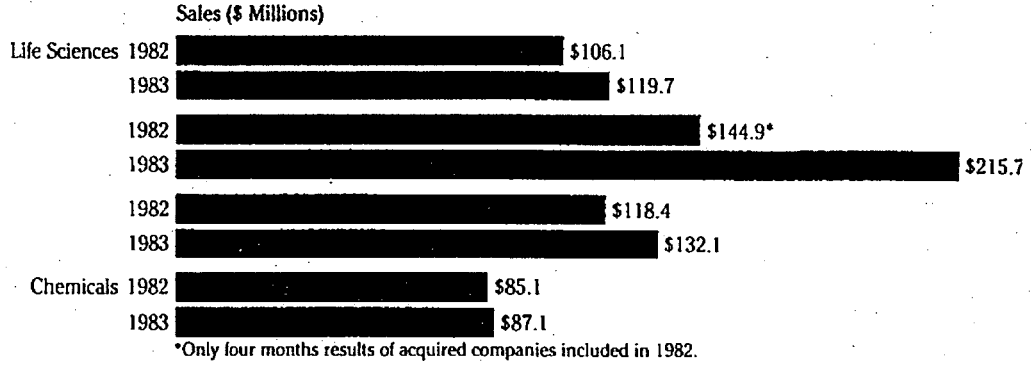
The corporation itself will be identified with life sciences. We have already built strong strategic positions in important segments of this business. We are a major worldwide supplier of dental products; we sell to specialized areas of the hospital and medical markets; and we are market leaders in several areas of the laboratory business.

We expect all of the life sciences areas to contribute to our growth and will actively seek product acquisitions that will enhance our market positions. We also recognize that strong competitive pressures in all our markets dictate aggressive product development programs.

## Challenge Is To Maintain Earnings Momentum

We are pleased with the progress we have made to restructure Sybron but we recognize that the challenge in 1984 is different than it was three years ago. In 1981 the need was to begin the process of fundamentally changing the makeup of the corporation. That process is complete. The challenge now is to manage what we have effectively and establish credibility as a company that can make money at what it does—to balance the need for generating earnings with the funding requirements to maintain strong businesses. We feel we are in an excellent position to meet that challenge.

Overall results for 1983 were just about as projected when we established our operating targets for the year late in 1982. This performance is very gratifying considering the difficult business conditions under which we operated in 1982 and the drastic steps that had to be taken that year to counter a worldwide recession.




*Only four months results of acquired companies included in 1982.

## Improved Business Reported in Most Areas

The timing of the improvement in our businesses differed, depending on the market. Some operations reported stronger demand early; other segments, particularly those selling to industrial customers, did not see signs of a turn in the business until late in the year. Two particular areas—dental equipment in Germany and dental laboratory services in the United States—remained weak throughout 1983.

Difficult competitive conditions prevailed in many markets and as a result it was not always possible to recover cost increases fully. This was particularly true in our laboratory and chemical businesses.

Despite these conditions, productivity and profit margins improved as we saw positive results from steps taken over the past two years to lower breakeven levels and upgrade manufacturing facilities.

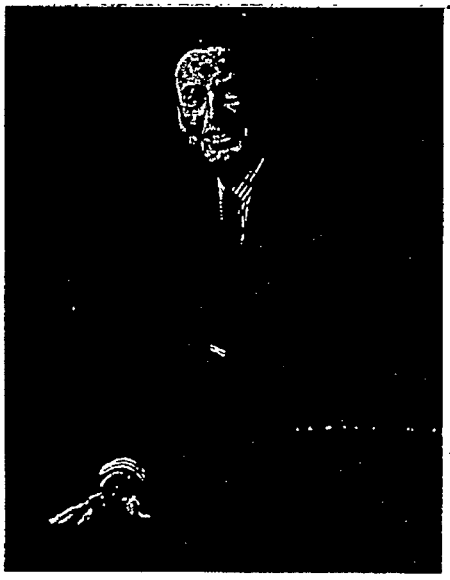
The accelerated research and development expenditures of the past few years also began to show positive results with several operations reporting increased market shares for a number of important products.

## Restructuring Is Complete

The year was as gratifying for the success in our restructuring program as it was for the business turnaround. With the sale of the Taylor Instrument business in 1983, we have accomplished what we set out to do three years ago—move out of the industrial capital goods businesses and concentrate our efforts in areas which we believe offer the greatest opportunity for profitable growth.

We are comfortable with Sybron's current mix of businesses and are confident these businesses will enable us to meet our earnings objectives.

Almost 85 percent of our sales last year were in products and services in what we have termed life sciences—health care, clinical and research laboratories and related scientific applications. The balance is in the specialty chemical area—far different from life sciences but one in which we have a strong, worldwide, profitable market position.



Herbert W. Jarvis

### Acquisition Search Will Continue

We will be investing our resources in both the life sciences and chemical markets and looking for acquisitions that fill a gap within our product line or market and distribution coverage.

We also see new opportunities in traditional markets.

- As a major supplier in the dental business we are positioned to benefit from the new industry-wide efforts to build patient practice. Aesthetic or cosmetic dentistry, which greatly improves personal appearance and can be done quickly and painlessly, is increasing in popularity. In addition, through extended hours and group practices, dentists are making themselves more available to the public. And the increasing tendency of adults to seek orthodontic treatment is adding a new dimension to this fast-growing area of dentistry.
- In the medical field we see our long-established reputation in surgical and sterilization equipment helping us to build a specialty consumable business in the hospital area. In addition, the home health care market offers us an opportunity to use a technology and product knowledge gained in serving the medical professional and apply them to one of the fastest growing areas in the business.
- The laboratory market has real annual growth rates of seven percent projected over the next 3–5 years, reflecting an expanding clinical market and the continuing emphasis on industrial research. The biotechnology market is a new area that provides future growth potential. Our divisions serving the laboratory and industrial markets are well positioned and have earned reputations for quality products and services.
- In the chemical business, we also have built positions in specialty areas as both a manufacturer and service operation that solves specific customer problems. We expect our ion exchange, textile, marine and organic specialty business to grow. We see excellent opportunities in the biochemical and fuel additive areas.

### Outlook for Company Is Favorable

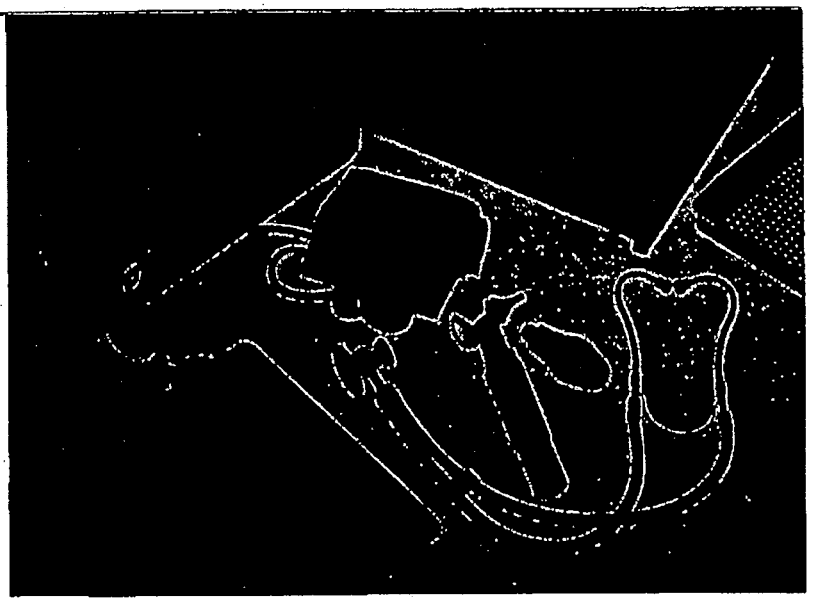
As we move ahead in 1984 we see several reasons to be optimistic about the future for Sybron.

- The major restructuring steps have been completed. We still have areas within our existing businesses which require special attention but none of the current problems are of the magnitude of those faced over the past two years.
- We are in the midst of a worldwide business turnaround. Of course, should the current recovery be aborted in any way, it would affect our business short term. We do feel, however, that the long-term fundamentals of the markets we serve are sound.

### R&D, Capital Expenditures to Increase

While we recognize the short-term need to maintain the positive trend in earnings we intend also to continue to emphasize long-term programs that we feel are necessary to assure strong market positions. Research and development budgets for 1984 have been increased. Capital expenditures will also be increased in 1984 with the major emphasis on plant and equipment to improve productivity and profitability.

Our experience in the various businesses and a review of new product development activities are discussed on pages 6–14.



Medical sales in 1983 were $119.7 million, approximately 26 percent of our life sciences business. Sales were strong in most areas and were up 13 percent from 1982 sales of $106.1 million. Earnings also showed year-to-year gains with the most notable improvement by our x-ray equipment manufacturer, Liebel-Flarsheim.

Products in this area fall into three general classifications—the largest segment being hospital equipment and services sold by our Castle division. Major equipment includes sterilizers, washing equipment for central supply use, surgical lights, electrosurgical devices.

### Division Is X-Ray Equipment Specialist

Liebel-Flarsheim's expertise is in the diagnostic imaging field. LF manufactures a line of specialty equipment used in the radiology, urology and cardiology segments of the medical/hospital field. Products include urological tables, chest radiology systems, angiographic injectors and disposable products, head stands, film changers and other accessories. LF also produces components—including buckys and grids—for original equipment manufacturers.

The Ritter-Tycos division sells primarily to the physician's market with a product line that includes sphygmomanometers, stethoscopes, table-top sterilizers, examination tables and lights.

Also included in this category is a line of consumer products currently sold under the Taylor trade name. This includes such items as thermometers and barometers and accounted for $19.4 million in sales in 1983.

## Divisions Have Built Brand Identity

Early in 1983 Castle, Liebel-Flarsheim and Ritter-Tycos were established as separate operations each dedicated to a specific segment of the hospital/medical field. They previously had been part of Sybron's Medical Products Division. This change has enabled each operation to concentrate efforts on its specialty and has helped to increase brand name awareness, one of the major strengths in this market.

Steps are being taken to further strengthen positions within traditional market areas and to move aggressively to broaden penetration of related fields where appropriate.

*Disposable products used in diagnostic procedures are assembled under sterile conditions in "clean room" at Liebel-Flarsheim.*

## Expanding Hospital Market Penetration

One example of this is in the hospital field served by Castle. Castle has built a reputation over many years for high quality sterilizer equipment. In fact, Castle celebrated its centennial in 1983. Last year was also the first year for shipment of a new microprocessor controlled sterilizer line. The product has been well received and sterilizer orders in 1983 were up substantially from a year ago.

*Castle sterilizers, equipped with state-of-the-art computer systems, are tested in final assembly at Rochester plant.*

Castle also has a strong position in the medical and surgical lighting area, enhanced by the introduction of a new line in mid-1982. Reception was excellent and 1983 orders and shipments were up significantly.

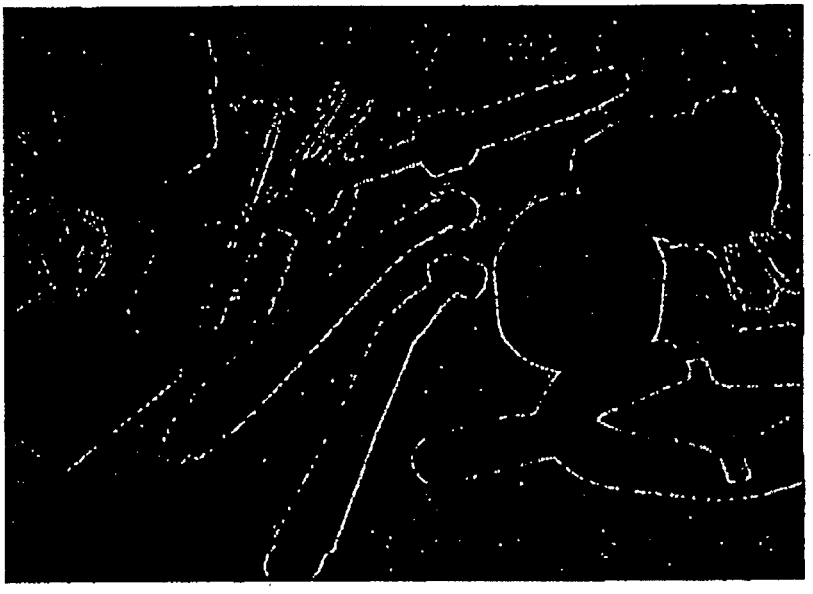
A market area related to Castle's sterilizer business and with excellent growth potential involves high-tech surgical equipment, specialized disposables used in surgical procedures and products involved in the preparation, packaging and monitoring of sterile processing. A new operation, the Clinical Technology Division, has been created to specialize in this area. Products to be handled initially by the division include electrosurgical instruments, accessories and consumables sold under the Bovie trademark and sterilization monitoring products sold under the Tec-Test trademark.

## New Diagnostic Instruments Introduced

As a brand with the major share of the professional sphygmomanometer market, the Tycos name enjoys excellent recognition and a reputation for quality and reliability. We have taken steps to capitalize on this Tycos strength. In 1983 a joint venture with Keeler, a British manufacturer of diagnostic instru-

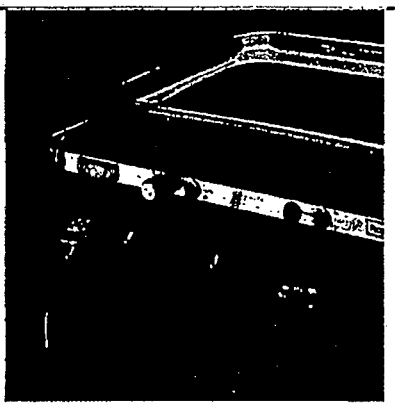
ments, was undertaken. Diagnostic kits for eye, ear, nose and throat examinations carrying both the Keeler and Tycos brand names have been introduced to the U.S. market by our Ritter-Tycos division. This is an entirely new market for the Tycos name and offers an excellent opportunity to broaden the business.

Another area where we see excellent prospects for the Tycos name is in the home health care field, one of the fastest growing areas in the entire health care market. Marketing of the Tycos Self-Check, a home blood pressure measurement kit, began in selected U.S. metropolitan areas in 1983 and will be broadened into a number of new markets in 1984. We expect to make additional product introductions in the home health care field.



Dental market conditions were mixed in 1983. Overall sales were $215.7 million, up from $144.9 million in 1982. Comparisons are affected by the fact that sales from five dental operations acquired in 1982 are included for all of 1983 and only four months in 1982. Sales in this market in 1983 were 46 percent of our total life sciences business.

Demand for dental sundries and orthodontic supplies was excellent in 1983. The dental equipment business in the German market continued to be weak as were sales in our U.S. dental laboratory chain. Our Canadian dental supply distributor reported modest improvement in business.



*Simple and reliable Escort dental units are part of Ritter equipment line sold in the U.S. market.*

## Major Commitment In Dental Field

Sybron is one of the largest manufacturers and suppliers of dental products and services in the world with a balanced mix of business. The largest segment is in supplies or consumables which account for approximately 40 percent of the total dental business. The largest of our operations in this area of the market is Kerr, with operations in the United States, Europe and Brazil. Kerr is a supplier of dental sundries including impression materials, filling compounds, endodontic instruments and treatment materials for preventive dentistry. Ormco is a leading manufacturer of orthodontic dental supplies, the fastest growing segment of the dental market. Other consumables include a line of cutting burs used in dental handpieces.

The second largest part of our dental business, approximately 34 percent of our total, is in equipment. This includes handpieces made by Midwest, a market leader, and a line of chairs, lights, units and x-ray equipment manufactured and sold in the United States and Europe under the well-known Ritter brand name.

Sybron also serves the market through the Denticon dental laboratory chain which provides an important link to the practitioner on a regular basis. In addition, our Denco supply distributor serves the dental market throughout Canada.

## Growth Opportunities Are Emerging

There are some emerging trends in dental treatment that should help broaden the market by building the practice of the dentist.

*Video programs prepared by Kerr are used by dentists to discuss advantages of aesthetic dentistry with patients.*

One is in aesthetic or cosmetic dentistry where specially-developed, light-cured materials are used to create a natural and attractive look to teeth that may be chipped, discolored or poorly spaced. Kerr is mounting an aggressive campaign called "Shape Up Your Smile, America" to educate the public to the bene-

fits of cosmetic dentistry, teach the practitioners new treatment techniques and help build the professional's practice.

Tied in with this program is a new composite filling material called Command Ultrafine, developed through the application of Kerr's composite resin technology with a glass filler technology from our Dental Materials Research Center in California. Ultrafine is a new generation material that brings together the best features and benefits of currently available conventional and microfilled materials.

### Kerr Adds Several New Products

Kerr's success over the years has depended to a great extent on the development of new and improved products. In the past year and a half, Kerr has announced 18 new products. Recent introductions, in addition to Ultrafine, include: Command Color, shade modifiers to create special shades for aesthetic effects; an expanded line of dental cements; new endodontic instruments; and Softic 49, a super soft denture liner based on technology developed in connection with the NASA space program.

### Orthodontic Business Is Strong

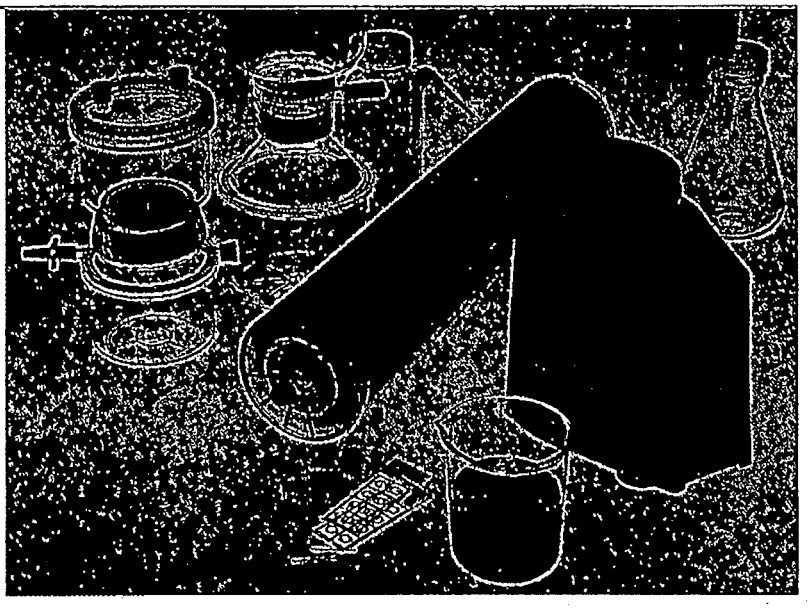
Another area of growth in the dental market is orthodontics where our Ormco division has built a leadership position by developing innovative products for both the adolescent and adult patient. Ormco's sales gains in 1983 exceeded overall market growth rates in both the domestic and international markets.

Ormco introduced lingual or "invisible" braces in 1982 and this treatment technique continues to expand the adult orthodontic market. At the same time Ormco continues to introduce important new product enhancements for the labial braces which make up the largest portion of the business.

### Ritter-Midwest Adds New Products

In the equipment side of the business, Ritter-Midwest is recognized as a leader in the development of light-weight, high-speed handpieces. This division expects to introduce eight new products over the next 15 months including a new high-speed unit with fiber optics.

In the market for chairs, units and other dental operatory equipment, the emphasis continues to be on price and quality, both in the United States and Europe. A major new work place concept was introduced by our Ritter operation in Germany late in 1983 to serve the mid-priced end of the market. This new product line should enable us to broaden participation in both the German domestic and export market. In the United States, our Ritter equipment line has been designed and priced to cover the major market segment and has re-established a reputation for quality and reliability.



Laboratory products business was excellent in 1983 with sales of $132.1 million, approximately 28 percent of our total life sciences business. This was a new high for sales in this line of business, up 12 percent from 1982 sales of $118.4 million.

Our laboratory operations have been consistently high producers over the years with a return on investment the highest of any Sybron operating group. Six divisions make up the group, each having carved out leadership positions in a specialty area of the laboratory and industrial markets.

### Divisions Serve Specialty Needs

The largest operation is Brinkmann Instruments, a distributor of scientific instruments and other products manufactured by well-known companies worldwide. Products include analytical balances, liquid-handling equipment, titrators, circulators and evaporators.

Nalge, the second largest of our laboratory divisions, is a leading manufacturer of reusable plastic labware. A product line of more than 1700 individual items, including beakers, flasks, bottles, tubing and filters, is sold under the Nalgene® trademark.

Next in size is Erie Scientific, a leader in flat glass technology, which manufactures microscope slides and cover glasses.

Barnstead is a leading manufacturer of water purification products for laboratory and industrial applications, including deionizers, filters, sterilizers, reverse osmosis and distillation equipment and systems.

Our Thermolyne operation specializes in heating and temperature control technology—hot plates, stirrers and furnaces for general laboratory use as well as dry baths, water baths, incubators

and culture preparation equipment for biomedical applications.

Another of our six laboratory operations is the Analytical Products Division which manufactures analytical instruments such as oxygen analyzers used to monitor chemical oxidation reactions, and gas chromatographs used for accurate end-point analysis in production of gases.

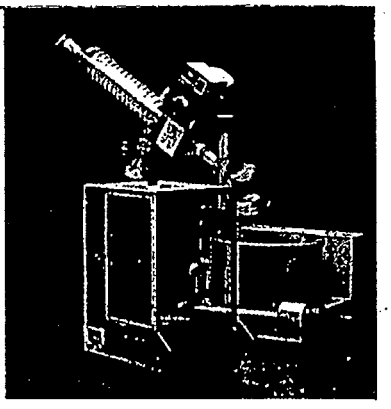
## Operations Emphasize Product Development

One reason for success in this market has been the capability of the divisions to provide products that incorporate the latest design and technology. In 1983, for example, a number of new products were introduced.

New additions to Nalge's popular filterware line enhanced the

*Nalge is recognized as leader in plastics processing, using injection molding equipment such as this to produce labware.*

division's leadership position in this market. The line was expanded to include three more filter units for the tissue culture market. Through the use of membrane and radiation sterilization, these products filled a



*Electronic balances, rotary evaporators are two of many products sold by Brinkmann to U.S. laboratory customers.*

niche not covered by other filterware products.

The Analytical Products Division completed worldwide introduction of a microprocessor-based oxygen analyzer line for use in hazardous applications in the chemical process industries.

The market for printed microscope slides used for diagnostic testing in the clinical laboratory is growing rapidly and our Erie Scientific division has moved to meet the demand with the introduction of a line of slides sold under the Superfrost tradename.

## New Water Treatment Equipment Introduced

Barnstead introduced four new products in 1983—a line of deionization cartridges and filters, a new glass still, an upright sterilizer and a new deionization system to produce high purity water free of bacteria and pyrogens.

Brinkmann also introduced four major new products—a microprocessor balance, a digital microprocessor-controlled constant temperature circulator and bath and a titrator.

Thermolyne's product introductions in 1983 included laboratory ovens, magnetic stirrers and a new culture incubator.

## Sybron Chemicals Inc.

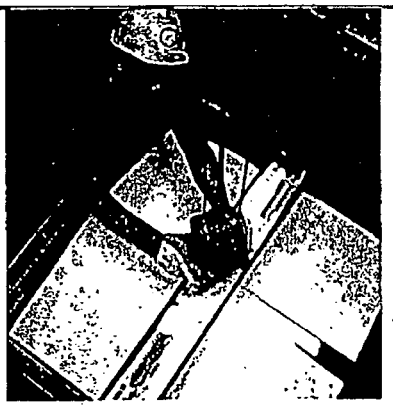
Chemical sales were $87.1 million in 1983, up 2.4 percent from $85.1 million in 1982. This improvement came after a decline in demand for the past two years. Earnings improved despite the fact that pricing was under pressure. Most of the industries served by our chemical business improved but the timing of the turnaround differed.

The U.S. textile and toner polymer businesses showed strong volume increases early in the year with a pickup in other areas later in the year, including specialty organics, biochemicals and fuel additives. The ion exchange resin business, which reflects industrial activity to some extent, began to show renewed growth late in the year. The marine business continues to lag the economic recovery evident in other areas.

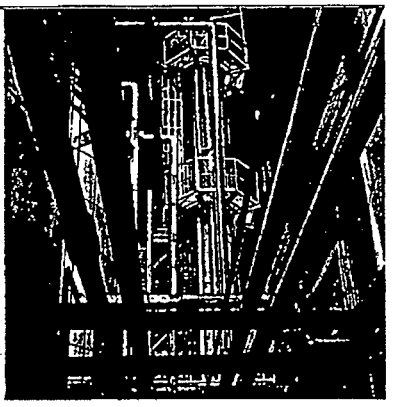
### Chemical Subsidiary Created

A major development in this segment of our business has been the creation of a separate wholly-owned subsidiary to manage our chemical business. Sybron Chemicals Inc. has headquarters in Birmingham, NJ and oversees worldwide operations organized by three divisions—America, Far East and the Europe Division created in 1983 through the consolidation of four operations.

Our operations have built strong positions in specialty niches of the chemical business. Products include ion-exchange resins sold under the Ionac and Relite brand names for water treatment and a variety of industrial applications. Specially-cultured strains of bacteria are marketed by the Biochemical operation for use in toxic and industrial waste treatment applications. In the textile area, Sybron sells Tanatex and



*Ion exchange resins produced at Birmingham, NJ plant are used in variety of water treatment and industrial applications.*



*Production facility in Wellford, SC supplies organic and specialty chemicals to U.S. customers.*

Jersey State chemicals for use in dyeing and finishing. The Gamlen name is known in the marine industry worldwide for combustion additives, cleaners and tank-cleaning equipment. Sybron Chemicals also manufactures and markets specialty polymers and organic chemicals.

### Many New Products Introduced

Sybron Chemicals is a service organization as much as a manufacturing operation, with a major emphasis on the development of new products to fill the needs of customers in specialty areas.

In 1983 a great variety of new products were introduced covering all the major market areas served.

- A new resin was developed to purify water used in manufacturing semiconductor chips and microcomputers.
- A cation resin improves the efficiency of home water softeners.
- New fuel additives were introduced for fuel oils and coal.
- Specially-cultured bacteria were developed to treat tannery wastes and steel mill wastes containing cyanide and sulfide.
- A new family of textile products allows continuous processing of cotton.
- A buffering system improves nylon carpet dyeing.
- A new organic chemical expands penetration of the electrical capacitor market.
- Biochemical bacteria were introduced to the marine waste market.

### British Court Awards Damages to Sybron

Another development in 1983 related to our chemical business was the awarding by a British court of $124.7 million in damages to Sybron in an unlawful conspiracy case involving a group of former employees who took trade names and trade secrets from one of our Gamlen subsidiaries and set up competing companies.

The judgment was related to a decision by the High Court of Justice in Great Britain in 1980 in which three companies and several individuals were found guilty of unlawful conspiracy following a nine-month trial. Although recovery of any of the damages is uncertain, the judgment is important. Because of it, and the litigation preceding it, we have been able to protect a major part of our chemical business.

Management's Discussion and Analysis of Financial Condition and Results of Operations

*Major Trends*

Sybron's 1983 financial statements reflect a much different company than those of previous years. During 1983 the sale of the Taylor Instrument Group was completed. During 1982 the Process Equipment Group was sold and five dental businesses were acquired in August. Although our financial statements have been restated to isolate the discontinued operations, trends and comparisons are affected by the results of operations of the five acquired businesses which are included for twelve months in 1983 and only four months in 1982.

The major change in the Corporation is a significant reduction in dependence on industrial markets. The petroleum, petrochemical and chemical process industries were major markets for both the Taylor Instrument and Process Equipment Groups. Our business mix has shifted to products which are used for health and dental care, industrial and clinical research, and specialty chemical applications all of which are less cyclical than capital goods.

The trend of sales and earnings from continuing operations reflects both the acquisition of the dental businesses and the improvement in the U.S. economy during the latter part of 1983. Sales increased 22% in 1983 and declined less than 1% in 1982. If twelve months operations of the acquired dental businesses were included for 1982 and 1981 on a pro forma basis, sales would have been up 7.7% in 1983 and down 6.4% in 1982.

Sales of total dental products were up 48.8% in 1983 and 11.2% in 1982. On a pro forma basis, sales were up 4.9% in 1983 and down 8.1% in 1982. The 1983 sales of dental sundries and orthodontic products were up significantly while dental equipment and laboratory services were down slightly. The market in the U.S. for dental equipment appears to be strengthening while the market in Germany continues to lag.

Sales of total medical products increased 12.8% in 1983 with new products accounting for most of the increase. Sales in 1982 had declined 4.8% reflecting a recessionary order decline.

Laboratory products were up 11.5% after a slight decline in 1982. New products and some dealer restocking contributed to the 1983 improvement.

Sales of chemical products increased 2.4% in 1983 after an 11.8% drop in 1982. Sales of textile chemicals in 1983 were down 6.2% while sales of other chemical products were up 7.0%. Demand for chemical products has accelerated as indicated by a 13.4% increase in the fourth quarter of 1983 over 1982.

Competitive price disadvantages caused by the strong U.S. dollar have been experienced in our export markets. In addition, economic constraints imposed by international lenders have reduced foreign currency available for imports by Latin American countries. We are encouraged by the progress being made by the Latin American countries in restructuring their economies and look for improvement in these markets over the long term.

During the past three years, Sybron's efforts have been directed toward restructuring the Corporation, reducing costs, and improving products and productivity. While the main restructuring has been substantially completed, programs for controlling costs, strengthening product development efforts and improving productivity will continue.

Finally, the trend of the Corporation's restructuring program and its impact on liquidity is entering a new phase. The restructuring and working capital utilization programs provided substantial cash resources and allowed for the repayment of borrowings incurred for the acquisition. We expect that capital spending and working capital requirements in 1984 will be financed through operations consistent with business expansion and the Corporation's intention to further improve productivity.

*Financial Condition*

Sybron's liquidity and general financial condition improved significantly in 1983. Although a $34.5 million loss was recognized in accounting for the disposal of discontinued operations, sale of the Taylor Instrument Group provided significant cash resources which helped to reduce total long- and short-term debt by $25.8 million. The balance was retained for future needs.

Cash and short-term investments increased $30.6 million in 1983 after decreasing $41.2 million in 1982. Major sources of cash during these years were earnings from continuing operations, proceeds from divestitures, depreciation, amortization of intangibles and asset disposals.

Major uses included the acquisition of five dental operations in 1982, dividends to shareholders, working capital requirements and capital expenditures.

*Working Capital*

Working capital, including cash and short-term investments was as follows:

| ($ Thousands) | 1983 | 1982 | 1981 |
|---|---|---|---|
| Working capital | $186,703 | $181,529 | $193,776 |
| Increase (decrease) during year | 5,174 | (12,247) | 14,275 |
| Cash and short-term investments | 65,979 | 35,378 | 76,593 |
| Increase (decrease) during year | 30,601 | (41,215) | 50,354 |
| Current ratio | 2.6 | 2.4 | 2.8 |

Total working capital changes were impacted by the sales in 1983 and 1982 of net assets of discontinued operations and the acquisition in 1982 of the dental businesses.

Working capital used in our continuing operations increased $14.8 million in 1983 and $12.2 million in 1982 after decreasing by $17.6 million in 1981.

Accounts and notes receivable increased $21.3 million in 1983 and $26.4 million in 1982. After excluding receivables arising from the acquisition, divestitures and the sale of a building in 1982, receivables were up $14.7 million in 1983 reflecting accelerated demand in the fourth quarter, and $2.8 million in 1982.

Inventories increased $.6 million in 1983 and $20.4 million in 1982. In 1982 inventories decreased $8.2 million before including the dental acquisition and reflected declining order levels that year and asset management programs which contributed to the control of inventory levels.

Turnover of average inventory, a measure of asset utilization based on cost of sales, was as follows:

| | 1983 | 1982 | 1981 |
|---|---|---|---|
| Inventory turnover | 3.7 | 3.4 | 3.7 |

The improvement in this ratio reflects the increased attention given to inventory levels during the recent recessionary period. The turnover computation for 1982 includes inventories of acquired companies at the year end only and only four months cost of sales. This does not significantly distort the turnover ratio.

*Capital Expenditures*

| ($ Thousands) | 1983 | 1982 | 1981 |
|---|---|---|---|
| Capital expenditures | $21,797 | $20,038 | $14,266 |

Major capital expenditures in 1983 and 1982 in the laboratory segment included: expanded manufacturing facilities; machinery and equipment for replacement, expansion and new products; and computer systems for warehouse and factory control. In the medical segment: a machining center for product cost reduction; factory control computer systems and tooling for new products. In the dental segment: expansion of manufacturing and office facilities; tooling for new products in Germany; and refurbishment of facilities in North Carolina to manufacture dental equipment moved from Rochester, N.Y. New office and manufacturing facilities were built in Brazil to expand dental sundries manufacturing.

In general, capital spending programs reflect management's decision to continue modernizing the Corporation's facilities and machinery and equipment, to expand certain businesses, reduce product cost and improve productivity, and to provide modern computer based factory control systems. These are continuing programs from year to year.

Spending for future capital expenditures is expected to be consistent with recent years; however, manufacturing facilities are considered to be adequate for most of our businesses. The expansion of facilities in recent years has increased productive capacity. The company expects to substantially meet its need for capital through internally generated funds.

*Acquisition*

Five dental operations were acquired on August 31, 1982. Their net assets at date of acquisition are as follows:

| ($ Thousands) | |
|---|---|
| Working capital | $37,695 |
| Property, plant and equipment | 26,626 |
| Patents, trademarks, other intangibles and other non-current assets | 18,420 |
| Cost in excess of underlying net asset value | 6,424 |
| Total | $89,165 |

*Financing & Investment Activities*

Dividends paid to common shareholders of $1.08 per share totaled $10.5 million in 1983. This dividend has continued at $1.08 per share since 1980. Dividends paid to preferred shareholders were $2.40 per share and totaled $1.8 million. During 1983, 90,228 preferred shares were converted into 144,360 common shares. In addition, $2.5 million was received from the exercise of options granted under the Corporation's stock option plans, increasing outstanding common shares by 115,671.

Management does not consider it necessary to raise capital by issuing common stock at the present time since adequate funds are available for the planned capital needs of the business.

*Leverage*

Leverage ratios measure the extent to which the Corporation is financed by debt and indicate the degree of conservatism in management's financing policy. The trend of selected leverage ratios is as follows:

| | 1983 | 1982 | 1981 |
|---|---|---|---|
| Total debt to total capital plus short-term debt | 33.5% | 35.0% | 30.6% |
| Total debt to equity | 54.1 | 56.7 | 45.7 |
| Times interest earned | 2.3 | 2.1 | 4.7 |

It is the Corporation's objective to maintain total debt as a percentage of total capital plus short-term debt at approximately 30%. From time to time management will adopt a somewhat less conservative posture for a short duration when a business opportunity is available. This occurred during 1982 when the company borrowed funds to acquire

five dental operations from American Hospital Supply for $89.2 million. These businesses improved our position in the dental industry, added new products and significantly strengthened management. The debt incurred for these acquisitions was repaid in 1983. In addition, if short-term investments are viewed as amounts available to reduce debt, the company is well within its financing limits while maintaining financial flexibility.

The Corporation reduced short-term borrowings by $11.1 million in 1983 after an increase of $8.5 million in 1982, principally related to the acquisition. Historically, most short-term borrowings have been used to finance overseas operations. Although the majority of this debt is at floating rates, the flexibility offered by this method of financing reduces the currency exposure risk.

The company repurchased $4.9 million in 1983 and $1.2 million in 1982 of its notes and sinking fund obligations at attractive market prices. Total repayments of $16.7 million in 1983 and $7.0 million in 1982 included these repurchases as well as current installments and capital lease obligations.

*Liquidity*

Turnover ratios helpful in the evaluation of the effect of operations on liquidity are as follows:

| | 1983 | 1982 | 1981 |
|---|---|---|---|
| Sales to average working capital | 3.01 | 2.42 | 2.45 |
| Sales to average total assets | 1.14 | .92 | .94 |

Liquidity ratios improved in 1983 after declining slightly in 1982; however, the restructuring of the Corporation and its cyclical impact on liquid assets during recent years affects the trend of these statistics. When calculated after removing marketable securities, short-term debt, accounts receivable due on the divestitures, net current assets of discontinued businesses in prior years and adjusting 1982 to a pro forma basis for the acquisition, the turnover ratio of sales to average working capital is 4.84 in 1983, 4.75 in 1982 and 5.83 in 1981. These turnover ratios are more useful in evaluating the liquidity of working capital employed in the continuing businesses and reflect an improvement in 1983 after a decline in 1982 which was partly due to the lower turnover ratio for the acquired dental businesses.

Ordinarily, cash provided from operations is the main source of liquidity for the Corporation and short-term borrowings are used as necessary. This was true in 1981, but was supplemented by proceeds from sales of assets and discontinued businesses in 1983 and 1982 and, in 1982, issuance of long-term debt. Proceeds from the sale of the Taylor Instrument Group were used in 1983 to repay long- and short-term debt and to invest in short-term securities.

The Corporation has $76.0 million of unused funds available under its credit agreement with six commercial banks as described in Note 8 of Notes to the Financial Statements. This credit facility supplements short-term investments of $64.2 million at the end of 1983. Also available are a substantial number of authorized but unissued shares of common and preference stock. In addition, the company expects to collect $15.2 million of accounts receivable related to the disposal of discontinued operations in 1984.

*Results of Operations*

Product sales were higher in 1983, especially during the second half of the year, after a slight decline in 1982. As explained previously, 1983 sales include the acquired dental businesses for the full year, whereas 1982 includes only four months. On a pro forma basis, as explained above, sales increases for 1983 were nevertheless broad based and reflected improved demand in most of our markets, except for dental laboratory services, dental equipment and textile chemicals which were flat or declined in 1983. Demand was particularly strong for laboratory products, medical equipment, orthodontic and dental supplies and most of our specialty chemicals. Important new products in the sterilizer, plastic labware, dental sundries and laboratory instrumentation businesses contributed to our 1983 increase.

Sales to customers from domestic units were $416.0 million in 1983 and $339.8 million in 1982 representing 75% of total sales in both years. Sales in 1983 increased 22.4% in the U.S., 11.9% in Europe and 40.2% in all other areas of the world. On a pro forma basis, using twelve months of 1982 sales for the acquired dental businesses, 1983 sales increased 7.5% in the U.S., 11.1% in Europe and 3.8% in all other areas of the world. Comparable figures for 1982 are decreases of 3.7%, 3.8% and 26.1%, respectively.

Profitability ratios used by the Corporation to assess performance trends are as follows:

| | 1983 | 1982 | 1981 |
|---|---|---|---|
| Percent of Net Sales | | | |
| Cost of goods sold | 62.4% | 63.1% | 61.5% |
| Selling and administrative | 30.4 | 31.0 | 27.9 |
| Research and development | 2.6 | 3.0 | 2.8 |
| Pre-tax income | 3.4 | 2.5 | 8.4 |
| Income from continuing operations | 2.2 | 1.4 | 4.3 |
| Percent return on average shareholders' equity | 5.3 | 2.6 | 7.8 |

Cost of goods sold as a percent of net sales declined .7% in 1983 after an increase of 1.6% in 1982. Since the Corporation uses the LIFO method of valuing a substantial part of domestic inventories, cost of goods sold closely reflects current costs. This ratio, therefore, demonstrates the ability to compare manufacturing cost changes with price changes and to retain and improve margins through productivity improvements and cost reductions. In 1983 and 1982, competitive conditions were such that price increases were difficult to sustain. The overall improvement in the cost of sales ratio in 1983 was due primarily to increased volume which absorbed factory overhead and productivity improvements from cost reduction programs. During 1982, the decline in new orders caused cutbacks in factory production and total overhead expenses could not be reduced proportionately.

Selling and administrative expenses as a percent of sales decreased .6% in 1983 after increasing 3.1% in 1982. As the business outlook improved in the latter part of 1983, spending was increased for marketing and advertising programs to promote sales of new products, which curtailed the improvement in the ratio.

Research and development expenditures as a percent of sales declined in 1983 after a slight increase in 1982 although actual expenditures were higher by $1.0 million. It is management's intention to maintain a strong research and development program. During 1983, several new products were introduced and others are planned for 1984.

Changes in interest expense and income, relocation and restructuring expenses and other income and expense items had significant impacts on the trend of earnings.

Interest expense decreased slightly in 1983 reflecting the reductions in long and short-term debt in the last quarter after increasing in 1982 because of the dental acquisition. Interest earned was lower in 1983 after increasing in 1982. This reflects the lower average balance of short-term investments during 1983 before the increase in the fourth quarter generated from the proceeds on the sale of the Taylor Instrument Group. The increase in 1982 resulted from cash generated from working capital in the prior year invested at higher rates before the dental acquisition.

Relocation and restructuring expenses were provided in 1982 and 1981 for relocation of facilities and cost reduction programs. Those programs are now virtually complete.

Other income (net) was down significantly in 1983 from 1982 after a smaller decline in 1982. Other income in 1983 includes $2.2 million of income from adjustment of insurance reserves of our insurance subsidiary, while 1982 includes gains of $4.9 million from the sale of assets and a claim settlement and 1981 includes $9.1 million from the sale of assets, primarily the sale of our interest in a Japanese affiliate. Foreign currency gains were down in 1983 by $.4 million and up by $1.5 million in 1982. Charges for the amortization of intangible assets arising from the 1982 acquisition included in other income were $4.0 million in 1983 and $1.2 million in 1982.

*Segments*

The trend of operating profits in all segments improved in 1983 after a general decline in 1982.

The medical segment improvement was due principally to increased volume after a fall-off in 1982.

The dental segment experienced losses in 1983 and 1982 from the amortization of non-cash acquisition costs. Before these costs, operating profits were $3.1 million in 1983 and operating losses were $.4 million in 1982. Kerr and Ormco experienced improved sales and earnings from new products and aggressive marketing programs. Other dental services and equipment businesses experienced operating losses in 1983 and 1982 because of economic factors in the U.S. and Germany and high costs in relocating and consolidating the operations of the U.S. dental equipment business. Management believes its dental businesses are positioned to improve earnings in 1984.

The laboratory segment, which historically has been relatively immune to recessionary declines because of its relationship to spending for research and development, experienced a significant decline in earnings in 1982 but rebounded in 1983. Operating profits increased 25.7% on a sales increase of 11.7% before elimination of intersegment sales. Increased customer demand, dealer restocking and new products contributed to the sales improvement while margins also improved as factory production increased.

The chemical segment increased operating profits in 1983 after a significant decline in 1982. Increased sales in the latter part of 1983 and tight cost controls contributed to the improvement in 1983 while the decline in 1982 was due to lower volume.

## Selected Financial Data

| ($ Thousands, except per share) | 1983 | 1982(1) | 1981(1) | 1980(1) | 1979(1) |
|---|---|---|---|---|---|
| Net sales | $554,553 | $454,503 | $457,016 | $456,787 | $422,781 |
| Income from continuing operations | 11,991 | 6,418 | 19,779 | 14,097 | 5,143 |
| Net (loss) income | (26,701) | 6,615 | 27,606 | 20,787 | 19,537 |
| Total assets | 467,567 | 509,518 | 482,927 | 486,267 | 461,807 |
| Long-term obligations(2) | 128,128 | 126,461 | 114,135 | 121,077 | 122,118 |
| Income per share from continuing operations | $ 1.04 | $ .47 | $ 1.81 | $ 1.29 | $ 1.47 |
| Net (loss) income per share | (2.93) | .49 | 2.53 | 1.91 | 1.79 |
| Cash dividend per common share | 1.08 | 1.08 | 1.08 | 1.08 | 1.02 |

Notes:

(1) Reclassified to reflect Instrument Group as discontinued operations to conform with 1983 presentation.

(2) Includes long-term debt, pension and severance obligations, and other non-current liabilities.

## Stock Data by Quarter

| | | 1983 | | 1982 | | 1981 | | 1980 | | 1979 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | High | Low | High | Low | High | Low | High | Low | High | Low |
| Common Stock Price | First | $21.13 | $16.50 | $19.25 | $15.75 | $17.00 | $14.88 | $18.12 | $12.00 | $23.87 | $17.00 |
| | Second | 29.00 | 19.63 | 20.50 | 17.00 | 19.50 | 17.00 | 15.00 | 12.38 | 24.75 | 17.75 |
| | Third | 27.75 | 24.50 | 19.00 | 14.25 | 18.75 | 14.75 | 17.12 | 14.88 | 20.87 | 17.00 |
| | Fourth | 26.88 | 21.00 | 19.25 | 16.00 | 19.50 | 15.50 | 16.50 | 14.12 | 18.37 | 15.12 |
| Preferred Stock Price | First | $34.75 | $28.00 | $31.50 | $27.00 | $28.50 | $26.75 | $31.75 | $24.00 | $40.00 | $32.25 |
| | Second | 46.50 | 33.25 | 32.75 | 28.50 | 30.88 | 27.38 | 28.62 | 24.25 | 39.50 | 33.25 |
| | Third | 44.00 | 39.00 | 31.50 | 26.00 | 30.00 | 26.13 | 30.38 | 27.75 | 36.25 | 32.37 |
| | Fourth | 42.50 | 34.00 | 32.75 | 28.12 | 30.88 | 26.00 | 29.00 | 26.25 | 33.00 | 29.25 |

| | | 1983 | 1982 | 1981 | 1980 | 1979 |
|---|---|---|---|---|---|---|
| Dividends (Per Share of Common Stock) | First | $ .27 | $ .27 | $ .27 | $ .27 | $ .24 |
| | Second | .27 | .27 | .27 | .27 | .24 |
| | Third | .27 | .27 | .27 | .27 | .27 |
| | Fourth | .27 | .27 | .27 | .27 | .27 |
| | Total | $1.08 | $1.08 | $1.08 | $1.08 | $1.02 |

## Net Sales To Customers By Product Line

| ($ Thousands) | 1983 | | 1982 | | 1981 | |
|---|---|---|---|---|---|---|
| Life Sciences | | | | | | |
| Medical and hospital products | $100,270 | 18% | $ 87,693 | 19% | $ 91,836 | 20% |
| Consumer products | 19,421 | 3 | 18,409 | 4 | 19,598 | 4 |
| Total Medical | 119,691 | 21 | 106,102 | 23 | 111,434 | 24 |
| Dental equipment, supplies and services | 215,674 | 39 | 144,897 | 32 | 130,303 | 29 |
| Laboratory products | 132,066 | 24 | 118,415 | 26 | 118,853 | 26 |
| Total Life Sciences | 467,431 | 84 | 369,414 | 81 | 360,590 | 79 |
| Chemicals | | | | | | |
| Textile chemicals | 28,026 | 5 | 29,867 | 7 | 34,490 | 7 |
| Ion exchange resins, marine, specialty chemicals | 59,096 | 11 | 55,222 | 12 | 61,936 | 14 |
| Total Chemicals | 87,122 | 16 | 85,089 | 19 | 96,426 | 21 |
| Total | $554,553 | 100% | $454,503(1) | 100% | $457,016(1) | 100% |

Note:
(1) See Note 3 of Notes to Financial Statements on acquisition of dental businesses in August 1982.

## Consolidated Balance Sheets

Sybron Corporation and Subsidiaries

| ($ Thousands, except per share) December 31 | 1983 | 1982 |
|---|---|---|
| *Assets* | | |
| Current assets: | | |
| Cash | $ 1,753 | $ 2,349 |
| Short-term investments at cost, which approximates market | 64,226 | 33,029 |
| Accounts and notes receivable, net of allowance for doubtful accounts: 1983 – $2,809 and 1982 – $3,393 | 126,002 | 104,673 |
| Inventories | 94,439 | 93,824 |
| Prepaid expenses and other current assets | 17,237 | 16,493 |
| Net assets of discontinued operations | | 57,725 |
| Total Current Assets | 303,657 | 308,093 |
| Net assets of discontinued operations | | 52,245 |
| Cost in excess of underlying net asset value of acquired companies | 13,814 | 15,263 |
| Other non-current assets | 48,212 | 32,028 |
| Property, plant and equipment at cost, less allowance for depreciation: 1983 – $82,514 and 1982 – $77,511 | 101,884 | 101,889 |
| Total Assets | $467,567 | $509,518 |
| *Liabilities and Shareholders' Equity* | | |
| Current liabilities: | | |
| Short-term debt due banks | $ 8,441 | $ 19,579 |
| Long-term debt due within one year | 4,066 | 4,894 |
| Accounts payable | 43,120 | 35,403 |
| Estimated taxes on income | 10,900 | 15,989 |
| Accrued expenses | 50,427 | 50,699 |
| Total Current Liabilities | 116,954 | 126,564 |
| Long-term debt | 99,661 | 113,528 |
| Pension and severance obligations | 13,452 | 7,447 |
| Deferred income taxes | 15,021 | 13,001 |
| Other non-current liabilities | 15,015 | 5,486 |
| Total Liabilities | 260,103 | 266,026 |
| Shareholders' equity: | | |
| Preferred stock, $2.40 cumulative convertible, authorized 1,435,754 shares, par value $4.00, outstanding 1983 – 708,946 and 1982 – 799,174 (involuntary liquidation value $15,597) | 2,836 | 3,197 |
| Class A preference stock, authorized 6,000,000 shares, par value $1.00, none issued | | |
| Common stock, authorized 20,000,000 shares, par value $2.50, outstanding 1983 – 9,909,129 and 1982 – 9,639,211 | 24,773 | 24,098 |
| Additional paid-in capital | 6,574 | 4,213 |
| Cumulative currency translation adjustment | (8,160) | (8,724) |
| Retained earnings | 181,654 | 220,708 |
| | 207,677 | 243,492 |
| Common stock in treasury, 9,887 shares, at cost | (213) | |
| Total Shareholders' Equity | 207,464 | 243,492 |
| Total Liabilities and Shareholders' Equity | $467,567 | $509,518 |

Note

(1) Reclassified to reflect Instrument Group as discontinued operations to conform with 1983 presentation.

The information on pages 26 through 36 is an integral part of these financial statements.

## Statements of Consolidated (Loss) Income

Sybron Corporation and Subsidiaries

| ($ Thousands, except per share) Year Ended December 31, | 1983 | 1982(1) | 1981(1) |
|---|---|---|---|
| Sales and other revenue: | | | |
| Net sales | $554,553 | $454,503 | $457,016 |
| Interest earned | 5,027 | 7,782 | 5,969 |
| Revenues | 559,580 | 462,285 | 462,985 |
| Costs and expenses: | | | |
| Cost of goods sold | 345,902 | 286,744 | 281,035 |
| Selling and administrative expenses | 168,622 | 141,121 | 127,653 |
| Research and development expenses | 14,386 | 13,436 | 12,976 |
| Interest expense | 14,384 | 14,477 | 11,141 |
| Relocation and restructuring expenses | | 4,286 | 2,792 |
| Other (income) expense—net | (2,505) | (8,933) | (10,904) |
| Total Costs and Expenses | 540,789 | 451,131 | 424,693 |
| Income before taxes | 18,791 | 11,154 | 38,292 |
| Taxes on income | 6,800 | 4,736 | 18,513 |
| Income from Continuing Operations | 11,991 | 6,418 | 19,779 |
| (Loss) Income from Discontinued Operations | (38,692) | 197 | 7,827 |
| Net (Loss) Income | $ (26,701) | $ 6,615 | $ 27,606 |
| Net (Loss) Income per share: | | | |
| Continuing operations | $ 1.04 | $ .47 | $ 1.81 |
| Discontinued operations | (3.97) | .02 | .72 |
| Net (Loss) Income | $ (2.93) | $ .49 | $ 2.53 |

Note:
(1) Reclassified to reflect Instrument Group as discontinued operations to conform with 1983 presentation.

The information on pages 26 through 36 is an integral part of these financial statements.

## Statements of Changes in Consolidated Financial Position

Sybron Corporation and Subsidiaries

| ($ Thousands) Year Ended December 31 | 1983 | 1982(1) | 1981(1) |
|---|---|---|---|
| Cash provided (used) by continuing operations: | | | |
| Income from continuing operations | $ 11,991 | $ 6,418 | $ 19,779 |
| Items not requiring cash outlay: | | | |
| Depreciation expense | 16,224 | 12,059 | 9,762 |
| Deferred income taxes | 1,118 | (1,156) | 2,223 |
| Book value of asset disposals | 3,700 | 4,312 | 1,215 |
| Book value of investment in Japanese affiliate sold less currency translation adjustments of $3,143 | | | 7,193 |
| Amortization of intangible assets | 4,044 | 1,209 | 21 |
| Amortization of cost in excess of net asset values of acquired companies | 354 | 211 | 142 |
| (Used) provided by working capital, exclusive in 1982 of dental operations acquired: | | | |
| Accounts receivable | (12,076) | (5,355) | 6,797 |
| Inventories | (615) | 8,244 | 3,982 |
| Prepaid expenses and other current assets | (4,471) | (3,372) | (20) |
| Payables and accrued expenses | 2,404 | (11,724) | 6,825 |
| Capital expenditures | (21,797) | (20,038) | (14,266) |
| Currency translation adjustments | (2,781) | (4,743) | (5,768) |
| Reduction in property, plant and equipment due to currency rate changes | 1,878 | 1,068 | 2,815 |
| Other transactions | 7,621 | (1,891) | (5,793) |
| Cash provided (used) by continuing operations | 7,594 | (14,758) | 34,907 |
| Cash provided (used) by discontinued operations: | | | |
| (Loss) income from discontinued operations | (38,692) | 197 | 7,827 |
| Items not requiring cash outlay: | | | |
| Currency translation adjustments | 3,345 | (123) | (5,370) |
| Decrease in net assets | 94,078 | 49,511 | 34,594 |
| Cash provided by discontinued operations | 58,731 | 49,585 | 37,051 |
| Total cash provided by continuing and discontinued operations | 66,325 | 34,827 | 71,958 |
| Cash (used) for acquisition of dental operations less $3,262 cash received | | (85,903) | |
| Cash (used) provided by financing activities: | | | |
| Issuance of long-term debt | 2,849 | 17,529 | 3,422 |
| (Decrease) increase in debt due within one year | (11,966) | 11,320 | (2,911) |
| Reduction of long-term debt | (16,716) | (6,951) | (9,841) |
| Proceeds from stock options and debenture conversions | 2,462 | 280 | 44 |
| Cash dividends paid | (12,353) | (12,317) | (12,318) |
| Total cash (used) provided by financing activities | (35,724) | 9,861 | (21,604) |
| Increase (decrease) in cash and short-term investments | $ 30,601 | $(41,215) | $ 50,354 |

Note:

(1) Reclassified to reflect Instrument Group as discontinued operations to conform with 1983 presentation.

The information on pages 26 through 36 is an integral part of these financial statements.

## Statements of Changes in Consolidated Shareholders' Equity

Sybron Corporation and Subsidiaries

| ($ Thousands, except per share) | Preferred Stock Shares | Preferred Stock Amount | Common Stock Shares | Common Stock Amount | Additional Paid-In Capital | Cumulative Currency Translation Adjustment | Retained Earnings | Common Stock in Treasury, at Cost Shares | Common Stock in Treasury, at Cost Amount |
|---|---|---|---|---|---|---|---|---|---|
| Balance at December 31, 1980 | 846,591 | $3,386 | 9,543,894 | $23,860 | $3,938 | $10,423 | $211,122 | | |
| Conversion of debentures | 26 | | | | 2 | | | | |
| Conversion of preferred to common | (40,800) | (163) | 65,280 | 163 | | | | | |
| Exercise of stock options | | | 3,300 | 8 | 34 | | | | |
| Translation adjustment | | | | | | (11,138) | | | |
| Transfer to net income on sale of businesses | | | | | | (3,143) | | | |
| Net income | | | | | | | 27,606 | | |
| Cash dividends paid: | | | | | | | | | |
| Preferred—$2.40 per share | | | | | | | (1,975) | | |
| Common—$1.08 per share | | | | | | | (10,343) | | |
| Balance at December 31, 1981 | 805,817 | 3,223 | 9,612,474 | 24,031 | 3,974 | (3,858) | 226,410 | | |
| Conversion of debentures | 6 | | | | | | | | |
| Conversion of preferred to common | (6,649) | (26) | 10,637 | 26 | | | | | |
| Exercise of stock options | | | 16,100 | 41 | 239 | | | | |
| Translation adjustment | | | | | | (6,464) | | | |
| Transfer to net income on sale of businesses | | | | | | 1,598 | | | |
| Net income | | | | | | | 6,615 | | |
| Cash dividends paid: | | | | | | | | | |
| Preferred—$2.40 per share | | | | | | | (1,921) | | |
| Common—$1.08 per share | | | | | | | (10,396) | | |
| Balance at December 31, 1982 | 799,174 | 3,197 | 9,639,211 | 24,098 | 4,213 | (8,724) | 220,708 | | |
| Conversion of preferred to common | (90,228) | (361) | 144,360 | 361 | | | | | |
| Exercise of stock options | | | 125,558 | 314 | 2,361 | | | (9,887) | $(213) |
| Translation adjustment | | | | | | (4,056) | | | |
| Transfer to net loss on sale of businesses | | | | | | 4,620 | | | |
| Net loss | | | | | | | (26,701) | | |
| Cash dividends paid: | | | | | | | | | |
| Preferred—$2.40 per share | | | | | | | (1,828) | | |
| Common—$1.08 per share | | | | | | | (10,525) | | |
| Balance at December 31, 1983 | 708,946 | $2,836 | 9,909,129 | $24,773 | $6,574 | $(8,160) | $181,654 | (9,887) | $(213) |

The information on pages 26 through 36 is an integral part of these financial statements.

## Note 1. Summary of Accounting Policies

The accounting policies of the Corporation are as follows:

### Consolidation

The financial statements include the accounts of the Corporation and its subsidiaries, except those of a wholly-owned insurance company which is accounted for by the equity method. Intercompany balances, sales and profits are eliminated in the consolidated financial statements.

### Associated Corporations

The Corporation records its investment in affiliates (in excess of 20 percent ownership) on the equity method and includes in net income its proportionate share of the net income or loss of the affiliates.

### Translation of Foreign Currencies

The Corporation translates the accounts of its foreign subsidiaries in accordance with the Statement of Financial Accounting Standards No. 52.

For subsidiaries where the functional currency is other than the U.S. dollar, assets and liabilities are translated into U.S. dollars at currency exchange rates prevailing at the year end. All income and expenses of these subsidiaries are translated into U.S. dollars at average monthly currency exchange rates. Currency gains and losses on business transactions of these subsidiaries are included in net income. Gains and losses arising from the translation of the subsidiaries' balance sheets into U.S. dollars are recorded directly to the cumulative currency translation adjustment component of shareholders' equity. Upon sale or liquidation of a subsidiary, the amount of accumulated translation adjustments applicable to such subsidiary included in the separate component of shareholders' equity is removed and reported as part of the gain or loss on the sale or liquidation of the subsidiary.

For subsidiaries operating in highly inflationary economies and certain other subsidiaries, the U.S. dollar is used as the functional currency. Monetary assets and liabilities for these subsidiaries are translated into U.S. dollars at current rates and certain assets, notably inventories and property, plant and equipment and related depreciation reserves, are translated at the historical currency rates in effect when the assets were acquired. Income and expenses for these subsidiaries are translated into U.S. dollars at average monthly rates except for certain amounts, principally cost of goods sold and depreciation expense, which are translated at currency rates applicable to the historical cost of the related assets. All gains and losses from currency translations and transactions for these subsidiaries are included directly in income.

### Inventories

Inventories are stated at the lower of cost or market. Most domestic inventories are valued on the last-in, first-out method. Other inventories are valued at approximate current costs.

### Cost in Excess of Underlying Net Asset Value of Acquired Companies

Cost in excess of underlying net asset value of companies acquired prior to 1971 and included in the Consolidated Balance Sheets is not being amortized because, in the opinion of management, it has continuing value. In accordance with generally accepted accounting principles, the Corporation amortizes cost in excess of underlying net asset value of companies acquired subsequent to 1970 over periods not exceeding forty years.

### Capitalized Leases

Leases, which under generally accepted accounting principles are considered capital leases, have been included in the accounts as capital assets with appropriate recording of depreciation, interest expense and remaining obligations owing under such leases.

### Depreciation

The cost of property, plant and equipment is generally depreciated on the straight-line method based on the estimated lives of the assets.

### Taxes on Income

Income taxes for financial statement reporting purposes are provided on pre-tax income at rates prevailing during the period, including estimated taxes with respect to foreign subsidiaries' earnings which are expected to be repatriated. Deferred income taxes resulting from timing differences between financial statement and tax reporting are appropriately classified in the Consolidated Balance Sheets.

Investment tax credits are recognized in the year the credits are taken for income tax purposes.

### Pensions

The Corporation and its subsidiaries have various pension plans covering substantially all employees. The past service liabilities of these plans are being charged to income over varying periods not exceeding forty years. Pension liabilities are funded by payments to pension fund trustees except for certain foreign subsidiary pension plans. Charges to income are determined from annual actuarial valuations of the pension plans.

## Note 2. Discontinued Operations

Effective September 30, 1983, the Corporation sold its Taylor Instrument business. The purchase price was $80,000,000 with up to $10,000,000 of the total becoming payable if Taylor's 1984 worldwide orders reach certain levels. A total provision for loss on the disposal of $34,500,000 was recorded in 1983 including provision for the $10,000,000 contingency. If worldwide Taylor Instrument orders reach certain levels and it is probable that any of the contingency will be collected, a receivable will be recorded at that time. The amount of any contingency eventually due will be received in the first quarter of 1985. In addition to the aforementioned provision of $34,500,000, a net loss from operations from the Taylor Instrument business of $4,192,000 has been included in the accounts as discontinued operations for the first five months of 1983.

The Taylor Instrument business has been accounted for in the financial statements as discontinued operations. Financial statements for prior periods have been reclassified to conform with the 1983 presentation.

In 1982, the Corporation substantially completed disposal of the Process Equipment business. The Leopold operations were sold as of June 30, 1982 for $9,463,000 in cash. The Fraudler worldwide business with the exception of certain operations in the United Kingdom were sold as of November 30, 1982 for $49,346,000. The Process Equipment business has been accounted for as discontinued operations and $754,000 of income was recorded in the fourth quarter of 1982 representing the resulting net gain on the disposal of the segment including operating results for 1982.

At December 31, 1983 and 1982, $15,245,000 and $5,992,000, respectively, are included in accounts receivable for amounts due from the sale of the discontinued operations.

The results of operations and the resulting loss in 1983 and gain in 1982 on disposal of the Taylor Instrument business and the Process Equipment business, respectively, are shown in the Statements of Consolidated (Loss) Income under the caption, (Loss) Income from Discontinued Operations and include the following:

| ($ Thousands) | 1983 | 1982 | 1981 |
|---|---|---|---|
| Net sales | $58,345 | $187,186 | $330,437 |
| (Loss) income from operations | $(7,192) | $ (993) | $ 14,964 |
| Taxes (benefit) | (3,000) | (436) | 7,137 |
| Net (loss) income from operations | (4,192) | (557) | 7,827 |
| (Loss) gain on disposal | (33,000) | 7,995 | |
| Taxes | 1,500 | 7,241 | |
| Net (loss) gain on disposal | (34,500) | 754 | |
| (Loss) income from discontinued operations | $(38,692) | $ 197 | $ 7,827 |

Includes operations through the measurement date of May 31, 1983.

Substantially all of the assets of the discontinued businesses have been disposed of and a summary of the reclassified discontinued net assets as of December 31, 1982 is as follows:

| ($ Thousands) | 1982 |
|---|---|
| Current assets | $ 86,937 |
| Non-current assets | 58,567 |
| Current liabilities | (29,212) |
| Non-current liabilities | (6,322) |
| Net assets | $109,970 |
| Net assets of discontinued operations (current) | $ 57,725 |
| Net assets of discontinued operations (non-current) | $ 52,245 |

## Notes to Financial Statements

### Note 3. Acquisition

On August 31, 1982, the Corporation acquired the dental operations of American Hospital Supply Corporation for cash and American common stock. The acquisition was accounted for under the purchase method and, accordingly, the aggregate cost has been allocated to assets and liabilities acquired based upon fair value at date of acquisition, as follows:

| ($ Thousands) | |
|---|---|
| Working capital | $37,695 |
| Property, plant and equipment | 26,626 |
| Other non-current assets | 18,420 |
| Cost in excess of underlying net asset value | 6,424 |
| Total | $89,165 |

The cost in excess of underlying net asset value is being amortized over 40 years. Other non-current assets acquired include $18,253,000 of intangible assets which will be amortized over periods ranging from three to nine years.

Results of operations of the acquired dental businesses for four months subsequent to the date of acquisition are included in the Corporation's financial statements for the year ended December 31, 1982. This acquisition increased net sales by $31,666,000 and decreased net income by $1,802,000 or $.19 per share after reflecting purchase accounting adjustments and the incremental costs of financing in 1982.

The following pro forma results of operations reflect the acquisition of the dental operations as if it occurred at the beginning of 1982 and 1981, respectively, at the actual purchase price. In addition to combining the results of operations of the Corporation and the acquired dental businesses, this pro forma information includes a full year of purchase accounting adjustments and incremental costs of financing caused by additional debt and reduction of short-term investments. These results are not necessarily indicative of results that would have occurred had the acquisition taken place at the beginning of 1982 or 1981 or of future results of the combined operations.

Pro forma Results of Operations

| ($ Thousands, except per share) | 1982 | 1981 |
|---|---|---|
| Net sales | $515,114 | $550,422 |
| Income from continuing operations | $ 1,264 | $ 13,271 |
| Income from discontinued operations | 197 | 7,827 |
| Net income | $ 1,461 | $ 21,098 |
| Per share: | | |
| (Loss) income from continuing operations | $ (.07) | $ 1.21 |
| Income from discontinued operations | .02 | .72 |
| Net (loss) income | $ (.05) | $ 1.93 |

Note:
Reclassified to reflect Instrument Group as discontinued operations.
The impact on fully diluted income per share is not significant.
Pro forma net income includes a one-time charge of $2,466,000 or $.26 and $.23 per share for 1982 and 1981, respectively, relating to inventory purchase accounting adjustments. See Note 10 of Notes to Financial Statements regarding the computation of earnings per share.

### Note 4. Inventories

Major classifications of inventories are as follows:

| ($ Thousands) | 1983 | 1982 |
|---|---|---|
| Raw materials and supplies | $23,545 | $20,953 |
| Work in process including finished and semi-finished parts | 29,085 | 30,199 |
| Finished products | 41,809 | 42,672 |
| Total | $94,439 | $93,824 |

Domestic inventories valued on a LIFO basis were less than they would have been if valued on a current cost basis by $38,048,000 and $35,538,000 at the end of 1983 and 1982, respectively. During the last three years, quantities of inventory valued on a LIFO basis were consumed. This resulted in the liquidation of LIFO inventories valued at the lower prevailing costs when such LIFO quantities were originally acquired in prior years. If these LIFO quantities had not been consumed, but replenished with quantities valued at current costs in each respective year, net income would have been lower by $182,000 in 1983, $919,000 in 1982 and $1,130,000 in 1981, or $.02, $.10 and $.10 per share, respectively.

## Note 5. Wholly-Owned Insurance Subsidiary

Included in other non-current assets in the Consolidated Balance Sheets is the Corporation's investment in its wholly-owned Bermuda insurance subsidiary, Genesee Assurance Ltd., carried at underlying equity of $7,554,000 and $3,889,000 at December 31, 1983 and 1982, respectively. The net income of Genesee as shown below is included in other (income) expense—net on the Statements of Consolidated (Loss) Income and includes, for 1983, adjustments for the revaluation of insurance reserves. The net assets and net income of this subsidiary are summarized as follows:

| ($ Thousands) | 1983 | 1982 |
|---|---|---|
| Net Assets: | | |
| Cash, time deposits and marketable securities | $10,181 | $8,771 |
| Other assets | 638 | 692 |
| | 10,819 | 9,463 |
| Insurance reserves | 3,265 | 5,574 |
| Net assets | $7,554 | $3,889 |

| | 1983 | 1982 | 1981 |
|---|---|---|---|
| Net Income: | | | |
| Net underwriting income | $ 2,262 | $ 70 | $ 97 |
| Investment income | 1,403 | 1,157 | 782 |
| Net income | $ 3,665 | $1,227 | $879 |

U.S. income taxes on income of Genesee are provided for in the consolidated accounts.

## Note 6. Property, Plant and Equipment

Major classifications of property, plant and equipment are as follows:

| ($ Thousands) | 1983 | 1982 |
|---|---|---|
| Land and land improvements | $ 8,485 | $ 8,477 |
| Building and building improvements | 53,347 | 49,702 |
| Machinery and equipment | 118,218 | 113,825 |
| Construction in progress | 4,348 | 7,396 |
| | 184,398 | 179,400 |
| Less—allowance for depreciation | 82,514 | 77,511 |
| Total | $101,884 | $101,889 |

Machinery and equipment includes capitalized leases totaling $7,260,000 and $6,445,000 for years 1983 and 1982, respectively. The allowance for depreciation for these capitalized leases was $3,033,000 and $2,635,000 at the end of 1983 and 1982, respectively.

## Note 7. Accrued Expenses

Accrued expenses included in the Consolidated Balance Sheets are as follows:

| ($ Thousands) | 1983 | 1982 |
|---|---|---|
| Payrolls | $15,557 | $13,456 |
| Pensions | 2,697 | 8,290 |
| Relocation and restructuring | | 3,885 |
| Other | 32,173 | 25,068 |
| Total | $50,427 | $50,699 |

## Note 8. Debt

The long-term debt of the Corporation and its subsidiaries consist of:

| ($ Thousands, except per share) | 1983 | 1982 |
|---|---|---|
| 9⅛% notes due 1985 | $ 35,000 | $ 35,000 |
| 8⅝% note due 1997, payments of $1,785 are due annually from 1984 to 1996 | 28,215 | 30,000 |
| Notes payable to banks due 1986 to 1990 | 3,950 | 11,066 |
| 7½% sinking fund debentures due 1994; sinking fund requirements are $144 in 1988 and $1,250 annually from 1989 to 1993 | 10,144 | 12,813 |
| 8% sinking fund debentures due 1987; sinking fund requirement is $1,931 in 1986 | 4,331 | 6,336 |
| 4½% convertible subordinated debentures due 1987, convertible into preferred stock at $63.00 a share; sinking fund requirements are $300 in 1985 and $800 in 1986 | 5,287 | 5,487 |
| Industrial Development obligations | 11,178 | 11,178 |
| 21¼% lire note due to bank in Italy | — | 1,074 |
| Obligations under capital leases | 4,277 | 3,814 |
| Other long-term debt | 1,345 | 1,654 |
| | 103,727 | 118,422 |
| Less—payments due within one year classified as long-term debt due within one year, including amounts for capital leases of $1,765 in 1983 and $1,705 in 1982 | 4,066 | 4,894 |
| Total | $ 99,661 | $ 113,528 |

In 1982, the Corporation entered into a revolving credit and term loan facility with six commercial banks which provides for borrowing through June 30, 1990 of up to $80 million, or an equivalent amount in other currencies. The amount borrowed at June 30, 1986 will be converted to a term loan with required principal payments commencing September 30, 1986 and quarterly thereafter through June 30, 1990. The minimum principal payment is one-sixteenth of the June 30, 1986 loan balance; however, additional payments can be made anytime at the Corporation's option. Interest on U.S. dollar borrowings is payable at the U.S. prime rate through June 29, 1986 and at prime plus ¼% thereafter, or at a fixed CD rate plus ⅝% through June 29, 1986 and a fixed CD rate plus ⅞% thereafter. For Eurodollar borrowings and borrowings in other currencies, interest is payable at the London Interbank Offered Rate (LIBOR) plus ½% through June 29, 1986 and at the LIBOR rate plus ⅝% thereafter. A fee of ⅜% per annum is payable on the unused portion of the commitment through June 29, 1986. The amount borrowed at December 31, 1983 was $3,950,000 all of which is included in long-term debt. The amount borrowed at December 31, 1982 was $21,066,000 of which $11,066,000 was included in long-term debt; the balance was included in short-term debt due banks.

In 1982, a domestic subsidiary borrowed $3,000,000 through Industrial Development Revenue Bonds due in 1992. Interest was at 8.53% until August 1983 and at 63% of prime rate thereafter. The Corporation has the option to fix the interest rate. This amount together with other debt issues relative to industrial development and similar obligations aggregated $11,178,000 at December 31, 1983 and 1982. Interest on these obligations ranges from 6.1% to 8.0% and the obligations are due from 1985 to 1998.

In prior years, the Corporation entered into a back-to-back loan with an Italian bank and a parallel loan with a United Kingdom company under which it has deposited $3,559,000 and $6,040,000, respectively, and has borrowed, through subsidiaries in these countries, an equivalent amount in local currencies. These agreements continue until 1988 and 1985, respectively, with the cost to the Corporation being an interest spread of 4½% for the Italian loan and 1½% for the United Kingdom loan. As the irrevocable right of off-set exists, these assets and liabilities have been netted in the Consolidated Balance Sheets.

Obligations relative to capital leases have been included in long-term debt and represent the present value of future minimum lease payments.

Long-term debt payment requirements excluding capital leases over the next five years are 1984—$2,301,000; 1985—$41,288,000; 1986—$5,264,000; 1987—$9,476,000; and 1988—$3,018,000.

There are restrictions under certain of the Corporation's long-term debt agreements including restrictions on the payment of cash dividends. Under the terms of the most restrictive agreement, $10,586,000 of retained earnings would be available for cash dividends at December 31, 1983.

Maximum month-end short-term borrowings occurred in September 1983 and 1982 and were $27,402,000 and $51,060,000, respectively. The average aggregate amount of short-term debt during 1983 and 1982 was $15,207,000 and $20,210,000, respectively. Average interest rates for short-term borrowings at December 31, 1983 and 1982, were 25.4% and 14.6%, respectively. The increase in rates was caused primarily by borrowings in hyper-inflationary foreign countries which, as a percentage of total year-end short-term borrowings, increased in 1983. Average interest rate is computed by extending year-end short-term borrowings times the respective interest rates and dividing by the total year-end short-term debt balance.

During the first nine months of 1983 and the last four months of 1982 short-term debt due banks was payable to foreign banks, in local currencies, with interest principally at the prime rates in those countries, as well as domestic funds borrowed under the revolving credit and term loan facility described above which averaged $6,667,000 and $24,000,000 for the 1983 and 1982 periods, respectively.

## Note 9: Leases

Rental expense applicable to operating leases was $5,364,000, $5,090,000 and $5,339,000 for years 1983, 1982, and 1981, respectively.

As of December 31, 1983, future minimum payments required under non-cancelable leases are:

| ($ Thousands) | Operating Leases | Capital Leases |
|---|---|---|
| 1984 | $2,942 | $2,029 |
| 1985 | 2,029 | 1,607 |
| 1986 | 1,380 | 963 |
| 1987 | 960 | 279 |
| 1988 | 684 | |
| Later Years | 1,151 | |
| Net minimum lease payments | $9,146 | 4,878 |
| Less amount representing interest | | 601 |
| Present value of net minimum capital lease payments | | $4,277 |

## Note 10: Capital Stock

The Corporation's preferred stock provides for cumulative dividends of $2.40 per share annually which are payable quarterly on the first of January, April, July and October. Each share of preferred stock is convertible into 1.6 common shares and is redeemable at the option of the Corporation at $70.00 per share plus accrued dividends. In addition, if the Corporation were voluntarily liquidated each holder of preferred stock is entitled to $70.00 per share, or to $22.00 per share in the case of an involuntary liquidation.

There are 6 million shares of Class A preference stock authorized. The preference stock can be issued by the Board of Directors, in series, under varying rights relative to dividends, conversions, voting and liquidation. The Board can also set redemption terms. No series of preference stock could be issued with rights or preferences which could change adversely in any respect the rights and preferences of the holders of the Corporation's preferred stock. No shares of preference stock have been issued.

At the 1981 annual meeting the shareholders approved a Stock Option Plan which provides for granting options for up to 450,000 shares of the Corporation's common stock to key employees. No option may be granted more than ten years after the effective date of the Plan or such earlier date as the Board of Directors may determine. Each option will extend for a period not to exceed ten years, at a purchase price not less than the fair market value per share on the date it was granted. Under normal circumstances options are not exercisable until after one year and then will be exercisable subject to the terms of the stock option agreement by which they were granted, in whole or from time to time, in part. As of December 31, 1983, options for 261,913 shares at an average purchase price of $18.12 are outstanding and 158,047 shares are reserved for future grants under this plan. The outstanding options expire from May 26, 1991 to June 20, 1993.

At December 31, 1983, options for 217,132 shares at an average purchase price of $18.67 are outstanding from an earlier Stock Option Plan. These options expire from May 27, 1985 to April 22, 1990.

A summary of the changes in outstanding options for common stock for the two-year period ended December 31, 1983 is as follows:

| | Number of Shares |
|---|---|
| Granted and unissued at the beginning of 1982 at $12.87 to $20.56 per share | 591,100 |
| Granted at $17.19 to $17.88 per share | 32,300 |
| Exercised at $12.87 to $15.63 per share | (16,100) |
| Cancelled or expired | (64,638) |
| Granted and unissued at the end of 1982 at $12.87 to $20.56 per share | 542,662 |
| Granted at $18.06 to $27.44 per share | 171,010 |
| Exercised at $12.87 to $20.56 per share | (125,558) |
| Cancelled or expired | (109,069) |
| Granted and unissued at the end of 1983 at $12.87 to $27.44 per share | 479,045 |

In 1983, the Corporation acquired 9,887 shares of its common stock through the exercise of stock options. This stock is held as treasury stock and will be used for the exercise of future stock options.

In addition to common shares reserved for the above stock options, 83,917 shares of preferred stock are reserved for the conversion of the 4½% subordinated debentures

(continued on next page)

outstanding at December 31, 1983. Total preferred shares outstanding and reserved at December 31, 1983 require 1,268,581 shares of common stock to be reserved for conversion of preferred shares.

Net loss per share and income per share from continuing operations for 1983 are computed by dividing net loss and income from continuing operations, respectively, less preferred dividends of $1,828,000 by 9,750,894, the average common shares outstanding for the year. Net income per share and income per share from continuing operations for 1982 are computed by dividing net income and income from continuing operations, respectively, less preferred dividends of $1,921,000 by 9,639,363, the average common and common equivalent shares excluding consideration of conversion of the preferred stock. Net income per share and income per share from continuing operations for 1981 are computed on the basis of average common and common equivalent shares outstanding of 10,913,669, including the average number of common shares that would be outstanding if the convertible preferred stock issued and outstanding were converted into common shares. The dilutive effect on earnings per share, assuming full conversion of the convertible subordinated debentures, is not significant.

## Note 11. Taxes on Income

The domestic and foreign components of income before taxes were as follows:

| ($ Thousands) | 1983 | 1982 | 1981 |
|---|---|---|---|
| Domestic | $ 7,222 | $ 9,800 | $32,014 |
| Foreign | 11,569 | 1,354 | 6,278 |
| Total | $18,791 | $11,154 | $38,292 |

The above amounts differ from the operating profits shown under "Information on Geographic Areas" because of the definitional differences in the categories and the allocations made in the determination of operating profits. There are many complex variables in the taxation of multinational corporations; consequently, the relationships of the domestic and foreign components of income before taxes and taxes on income can vary significantly from period to period.

Taxes on income consist of:

| ($ Thousands) | 1983 | 1982 | 1981 |
|---|---|---|---|
| Currently payable: | | | |
| Federal | $ 1,268 | $ 1,806 | $ 9,433 |
| State | 219 | 336 | 2,254 |
| Foreign | 4,195 | 3,750 | 4,603 |
| | 5,682 | 5,892 | 16,290 |
| Deferred taxes for timing differences: | | | |
| United States | 1,113 | (435) | 2,133 |
| Foreign | 5 | (721) | 90 |
| | 1,118 | (1,156) | 2,223 |
| Total tax provisions | $ 6,800 | $ 4,736 | $18,513 |

The reconciliations of the United States federal statutory income tax rate of 46% with the effective income tax rates reflected in the financial statements are as follows:

| ($ Thousands) | Amount | Percent of Income Before Taxes |
|---|---|---|
| 1983 | | |
| Tax at federal rate | $ 8,644 | 46.0 |
| State income taxes | 162 | .9 |
| Investment and research and development tax credits | (1,325) | (7.1) |
| Foreign operations | (240) | (1.3) |
| Export related items | (188) | (1.0) |
| Other—net | (253) | (1.3) |
| Total taxes on income | $ 6,800 | 36.2 |
| 1982 | | |
| Tax at federal rate | $ 5,131 | 46.0 |
| State income taxes | 371 | 3.3 |
| Investment and research and development tax credits | (1,101) | (9.9) |
| Foreign operations | 1,463 | 13.1 |
| Sale of assets | (372) | (3.3) |
| Export related items | (464) | (4.1) |
| Other—net | (292) | (2.6) |
| Total taxes on income | $ 4,736 | 42.5 |
| 1981 | | |
| Tax at federal rate | $17,614 | 46.0 |
| State income taxes | 1,152 | 3.0 |
| Investment tax credits | (958) | (2.5) |
| Foreign operations | 944 | 2.5 |
| Other—net | (239) | (.7) |
| Total taxes on income | $18,513 | 48.3 |

The deferred income tax effects of current and long-term timing differences between financial statement and tax reporting of income and deductions are as follows:

| 1983 | ($ Thousands) |
|---|---|
| Excess of U.S. tax depreciation deductions over book depreciation charges | $ 2,626 |
| Realization of tax benefits for relocation and restructuring expenses previously recorded | 1,853 |
| Excess of income of insurance subsidiary over taxable income in current year | 1,245 |
| Deferred taxes for currency gains previously recorded | (1,488) |
| Deferred tax benefits for inventory related costs | (960) |
| Deferred tax benefits for pension costs | (798) |
| Deferred taxes for gain on sale of assets previously recorded | (536) |
| Other timing differences—net | (824) |
| Total | $ 1,118 |

| 1982 | |
|---|---|
| Excess of U.S. tax depreciation deductions over book depreciation charges | $ 1,277 |
| Realization of tax benefits for relocation, product warranty and other expenses previously recorded | 2,799 |
| Deferred taxes for gain on sale of assets | 536 |
| Deferred tax benefits for relocation and restructuring expenses | (1,323) |
| Deferred tax benefits for pension costs | (3,082) |
| Deferred tax benefits for inventory related costs | (260) |
| Other timing differences—net | (1,103) |
| Total | $ (1,156) |

| 1981 | |
|---|---|
| Excess of U.S. tax depreciation deductions over book depreciation charges | $ 695 |
| Realization of tax benefits for relocation, product warranty and other expenses previously recorded | 1,518 |
| Deferred tax benefits for relocation and restructuring expenses | (1,518) |
| Other timing differences—net | 1,528 |
| Total | $2,223 |

Accumulated earnings of foreign subsidiaries at December 31, 1983 of $15,500,000 have been reinvested in the business and no provision for income taxes has been made for the repatriation of these earnings.

## Note 12. Segments of Corporate Activities

The continuing operations of the Corporation manufacture and sell in four basic businesses in the United States and other countries. These are the medical, dental, laboratory and chemical segments.

In 1983, the Corporation changed the way it reports industry segment data to show the dental and medical segments separately rather than combined in a health segment. This realignment recognizes the importance and size of the dental and medical segments as separate businesses and their significance as individual parts of the restructured Corporation.

(continued on next page)

## Notes to Financial Statements

### Information on Business Segments

| ($ Thousands) | 1983 | 1982(1) | 1981(1) |
|---|---|---|---|
| Net sales including intersegment sales: | | | |
| Medical | $120,591 | $108,004 | $112,983 |
| Dental | 215,674 | 144,999(2) | 131,823 |
| Laboratory | 132,775 | 118,846 | 119,987 |
| Chemical | 88,286 | 85,845 | 97,341 |
| Intersegment sales | (2,773) | (3,191) | (5,118) |
| Net sales | $554,553 | $454,503(2) | $457,016 |
| Operating profit: | | | |
| Medical | $ 9,920 | $ 3,024(4) | $ 8,467(5) |
| Dental | (3,689)(3) | (4,620)(2,3,4) | 4,408(5) |
| Laboratory | 17,720 | 14,098(4) | 17,162 |
| Chemical | 6,788 | 5,141(4) | 10,034 |
| Eliminations | 116 | 222 | (43) |
| Total operating profit | 30,855(3) | 17,865(2,3,4) | 40,028(5) |
| General corporate | (12,064) | (6,711) | (1,736) |
| Income before taxes | $ 18,791 | $ 11,154 | $ 38,292 |
| Identifiable assets at December 31: | | | |
| Medical | $ 66,852 | $ 55,638 | $ 57,601 |
| Dental | 154,528 | 167,832 | 71,820 |
| Laboratory | 69,985 | 62,804 | 58,432 |
| Chemical | 44,467 | 45,075 | 51,658 |
| Eliminations | (3) | (119) | (341) |
| Total identifiable assets | 335,829 | 331,230 | 239,170 |
| Corporate assets: | | | |
| Net assets of discontinued operations | | 109,970 | 155,420 |
| Other | 131,738 | 68,318 | 88,337 |
| Total assets | $467,567 | $509,518 | $482,927 |

Notes:
(1) Reclassified to conform with 1983 presentation.
(2) The dental operations acquired in August 1982 were accounted for under the purchase method and therefore only four months of their operations are included.
(3) Includes approximately $6,800 in 1983 and $4,200 in 1982 for the non-cash charges arising from the purchase accounting for the acquisition of the dental businesses in August 1982.
(4) After relocation and restructuring expenses in 1982 as follows: Medical—$786; Dental—$2,801; Laboratory—$410; Chemical—$289; Total—$4,286.
(5) After relocation and restructuring expenses in 1981 as follows: Medical—$703; Dental—$2,089; Total—$2,792.

Products in the medical segment include hospital equipment and services, diagnostic imaging equipment, equipment for the physician's office and consumer products.

Dental products include supplies and consumables, equipment and laboratory services.

Laboratory products include labware, water treatment equipment, heating apparatus, analytical instruments and glass specialty items.

Chemical products include ion exchange resins, textile chemicals, and specialty industrial and marine chemicals.

Operating costs and expenses deducted from revenues reflect direct costs and expenses applicable to the businesses. Excluded from operating profits and included in general corporate category are the following:

| ($ Thousands) | 1983 | 1982 | 1981 |
|---|---|---|---|
| Interest expense | $(14,384) | $(14,477) | $(11,141) |
| Interest income(1) | 3,847 | 7,021 | 5,633 |
| Income of insurance subsidiary | 3,665 | 1,227 | 879 |
| Gain on sale of assets and claims settlement | 884 | 4,879 | 9,135 |
| Unallocated general corporate expenses and other | (6,076) | (5,361) | (6,242) |
| Total general corporate | $(12,064) | $ (6,711) | $ (1,736) |

Note:
(1) Excludes interest income reflected in operating profits.

Identifiable assets include direct and allocated assets applicable to the four business segments. Other corporate assets include cash, investments in marketable securities, receivables from the sale of businesses, deferred income tax benefits and other miscellaneous assets.

Intersegment sales and intersegment profits are eliminated from total operating profit. Intersegment profits in year-end inventory balances of the business segments are eliminated from total identifiable assets.

Depreciation expense and capital expenditures in 1983, 1982 and 1981 applicable to each of the business segments are as follows:

| ($ Thousands) | 1983 | | 1982 | | 1981 | |
|---|---|---|---|---|---|---|
| | Depreciation Expense | Capital Expenditures | Depreciation Expense | Capital Expenditures | Depreciation Expense | Capital Expenditures |
| Medical | $ 2,713 | $ 4,531 | $ 2,987 | $ 4,405 | $ 2,484 | $ 3,663 |
| Dental | 7,903 | 9,573 | 4,239 | 4,746 | 3,031 | 3,429 |
| Laboratory | 3,457 | 5,398 | 2,829 | 8,338 | 2,410 | 4,171 |
| Chemical | 1,773 | 1,919 | 1,796 | 2,099 | 1,491 | 2,505 |
| | 15,846 | 21,421 | 11,851 | 19,588 | 9,416 | 13,768 |
| Corporate assets | 378 | 376 | 208 | 450 | 346 | 498 |
| Total | $16,224 | $21,797 | $12,059 | $20,038 | $ 9,762 | $14,266 |

The Corporation, through its foreign subsidiaries, has substantial operations outside the United States. Of these operations, a major portion is in Europe.

In the geographic data that follows, the elements of general corporate income, expense and assets are the same as in the data provided for industry segments.

Inter-geographic area sales and inter-geographic operating profits have been eliminated from geographic area data. Inter-geographic area profits in the year-end inventory balances of the geographic areas have been eliminated from the identifiable assets data.

Intersegment sales and inter-geographic area sales are made on the basis of competitive prices and on markups over cost to reflect a fair distribution of profit margins.

## Information on Geographic Areas

| ($ Thousands) | 1983 | 1982(1) | 1981(1) |
|---|---|---|---|
| Net sales including inter-geographic sales: | | | |
| United States | | | |
| Customers | $415,952 | $339,816 | $330,917 |
| Inter-geographic | 17,865 | 10,279 | 10,171 |
| | 433,817 | 350,095 | 341,088 |
| Europe | | | |
| Customers | 87,629 | 78,343 | 81,995 |
| Inter-geographic | 7,963 | 4,030 | 2,787 |
| | 95,592 | 82,373 | 84,782 |
| All other areas | | | |
| Customers | 50,972 | 36,344 | 44,104 |
| Inter-geographic | 4,721 | 2,637 | 982 |
| | 55,693 | 38,981 | 45,086 |
| Inter-geographic sales | (30,549) | (16,946) | (13,940) |
| Net sales | $554,553 | $454,503(2) | $457,016 |

| ($ Thousands) | 1983 | 1982(1) | 1981(1) |
|---|---|---|---|
| Operating profit: | | | |
| United States | $ 22,474 | $ 16,571(4) | $ 34,411(5) |
| Europe | 3,473 | 122(4) | 2,298(5) |
| All other areas | 5,050 | 1,475(4) | 3,443 |
| Eliminations | (142) | (303) | (124) |
| Total operating profit | 30,855(3) | 17,865(2,3,4) | 40,028(5) |
| General corporate | (12,064) | (6,711) | (1,736) |
| Income before taxes | $ 18,791 | $ 11,154 | $ 38,292 |
| Identifiable assets at December 31: | | | |
| United States | $247,905 | $235,561 | $155,999 |
| Europe | 60,296 | 70,097 | 67,829 |
| All other areas | 29,268 | 27,070 | 16,537 |
| Eliminations | (1,640) | (1,498) | (1,195) |
| Total identifiable assets | 335,829 | 331,230 | 239,170 |
| Corporate assets: | | | |
| Net assets of discontinued operations | | 109,970 | 155,420 |
| Other | 131,738 | 68,318 | 88,337 |
| Total assets | $467,567 | $509,518 | $482,927 |

Notes:
(1) Reclassified to conform with 1983 presentation.
(2) The dental operations acquired in August 1982 were accounted for under the purchase method and therefore only four months of their operations are included.
(3) Includes approximately $6,800 in 1983 and $4,200 in 1982 (principally United States) for the non-cash charges arising from the purchase accounting for the acquisition of the dental businesses in August 1982.
(4) After relocation and restructuring expenses in 1982 as follows: United States—$2,014; Europe—$1,978; all other—$294; Total—$4,286.
(5) After relocation and restructuring expenses in 1982 as follows: United States—$2,321; Europe—$471; Total—$2,792.

The Consolidated Balance Sheets include the following net assets applicable to operations outside the United States:

| ($ Thousands) | 1983 | 1982 |
|---|---|---|
| Net current assets | $ 62,893 | $ 67,849 |
| Properties—net and other non-current assets | 54,208 | 40,300 |
| | 117,101 | 108,149 |
| Less long-term debt and other non-current liabilities | 35,097 | 38,753 |
| Net assets | $ 82,004 | $ 69,396 |

## Note 13. Pension Plans

The Corporation and its subsidiaries have various pension plans covering substantially all employees. For domestic pension plans, funds are deposited with pension fund trustees. Major subsidiaries outside the United States provide pensions for employees which conform with the practice in the country in which they do business. Under some plans outside the United States, accumulated pension amounts are carried as long-term liabilities by the subsidiaries, while others are trusteed or insured plans.

Pension expense charged to income totaled $6,398,000, $6,490,000 and $7,014,000 in 1983, 1982 and 1981, respectively, including amortization of past service cost over varying periods not exceeding forty years.

In 1982, certain actuarial assumptions on asset yields were updated for certain domestic plans. The effect in 1982 of such changes in accounting estimates was to lower pension expense by approximately $600,000 and increase net income per share by $.03.

As calculated at January 1, 1983 and 1982, the present value of benefits accumulated by current and former employees of the Corporation and its domestic subsidiaries were as follows:

| ($ Thousands) | 1983 | 1982 |
|---|---|---|
| Actuarial present value of accumulated plan benefits: | | |
| Vested | $ 67,494 | $61,235 |
| Non-vested | 11,807 | 8,823 |
| Accumulated benefits | $ 79,301 | $70,058 |
| Net assets available for benefits | $114,850 | $99,649 |

The weighted average assumed rate of return used in determining the actuarial present value of accumulated plan benefits was approximately 6.5% for both 1983 and 1982.

The Corporation's foreign subsidiaries are not required to report to the U.S. governmental agencies under ERISA and have not determined the actuarial value of accumulated benefits or net assets available for benefits as calculated and disclosed above. For those foreign plans, the estimated value of vested benefits exceeds the accrued liability by approximately $756,000 and $615,000 as of January 1, 1983 and 1982, respectively.

## Note 14. Relocation and Restructuring Expenses

In 1982, $4,286,000 of expenses for relocation and personnel reduction costs were charged to income and reduced net income by $.29 per share. In 1981, $2,792,000 of expenses under the restructuring program were incurred, primarily for relocation expenses, reducing net income by $.14 per share.

## Note 15. Other (Income) Expense—Net

Included in other (income) expense—net in the Statements of Consolidated (Loss) Income are net impacts due to foreign currency (gains) and losses of $(1,636,000) in 1983, $(2,002,000) in 1982 and $(505,000) in 1981. Other (income) expense—net also includes equity income of the Corporation's insurance subsidiary which amounted to $(3,665,000) in 1983 (including $(2,169,000) of favorable adjustments to insurance reserves), $(1,227,000) in 1982 and $(879,000) in 1981. Expenses related to the amortization of intangible assets acquired with the dental businesses last year are also included in this caption and total $4,015,000 and $1,196,000 in 1983 and 1982, respectively. In addition, $884,000 and $4,879,000 of gains from the sale of assets and claim settlements are included in 1983 and 1982, respectively, and $9,135,000 from the sale of assets, primarily the sale of the Corporation's interest in a Japanese affiliate, is included in 1981.

## Note 16. Other Matters

In the conduct of the Corporation's businesses, it is involved in normal litigation matters. In the opinion of management, the ultimate disposition of such litigation should not have a material adverse effect on the financial position of the Corporation.

The Corporation successfully completed a legal action in the United Kingdom against a competitor and several former employees and in 1983 was awarded $124,700,000 in damages. It is uncertain, however, whether any of the damages will be collected and therefore no income has been recorded.

## Report of Independent Accountants

To the Shareholders and
Board of Directors of
Sybron Corporation

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of (loss) income, changes in financial position and changes in shareholders' equity present fairly the financial position of Sybron Corporation and its subsidiaries at December 31, 1983 and 1982 and the results of their operations and the changes in their financial position for each of the three years in the period ended December 31, 1983, in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse

Price Waterhouse
1900 Lincoln First Tower
Rochester, New York
February 14, 1984

## Financial Reporting and Changing Prices (Unaudited)

*Background*

The following financial data was prepared in accordance with Statement of Financial Accounting Standards No. 33 on "Financial Reporting and Changing Prices" as amended by Statement No. 70 on "Financial Reporting and Changing Prices: Foreign Currency Translation." These statements require disclosure of the effects of changing prices on net asset values and operating results of the Corporation. Inherent in the computations used in determining the information presented is the use of assumptions and estimates. The measurements presented below, therefore, are quite subjective and should be viewed in that context and not as precise indicators of the effects of changing prices.

*Method used*

The current cost information reflects financial information expressed in terms of charges to income for cost of goods sold and depreciation expense based on the current cost of the specific inventories and capital assets employed in the Corporation's businesses.

Current cost information for inventories has been determined by adjustments to historical cost for the cost of replacing them. The Corporation's domestic inventories are valued principally on the LIFO method resulting in historical cost of goods sold which already reflect the impact of changing prices. Cost of goods sold for foreign operations have been adjusted for replacement cost of inventory at the time of sale.

Current cost information for property, plant and equipment has been determined from published indices. Current cost depreciation has been based on the average current cost of plant and equipment using the same methods and rates of depreciation used in the primary financial statements.

The amounts reported in the Statement of Income From Continuing Operations Adjusted for Changing Prices have been adjusted only for the current cost amount of cost of goods sold and depreciation.

For foreign operations, the effects of changing prices have been measured after translation into U.S. dollars and is based on the Consumer Price Index for All Urban Consumers.

*Statement of Income From Continuing Operations Adjusted for Changing Prices for the Year Ended December 31, 1983*

| ($ Thousands, except per share) | | Amount (In Average 1983 Dollars) | Per Share (In Average 1983 Dollars) |
|---|---|---|---|
| Income from continuing operations | | $11,991 | $1.04 |
| Adjustments to reflect changes in specific prices (current costs): | | | |
| Cost of goods sold | $(3,646) | | |
| Depreciation expense (see note) | (3,549) | (7,195) | |
| Income from continuing operations adjusted for changes in specific prices | | $ 4,796 | $ .30 |
| Gain from decline in purchasing power of net amounts owed | | $ 1,895 | |
| Translation adjustment (in shareholders' equity) | $(2,781) | | |
| Adjustment to reflect changes in specific prices | (770) | $ (3,551) | |
| Effect of increase in general price level on inventories and property, plant and equipment held during the year | | $11,227 | |
| Increase in specific prices (current costs) (see note) | | 10,495 | |
| Excess of increase in general price level over increase in specific prices | | $ 732 | |

Note.
At December 31, 1983, current cost of inventories was $131,591 and current cost of property, plant and equipment, net of accumulated depreciation, was $167,397. Total depreciation expense on a current cost basis for 1983 was $19,773.

*Review of Information Presented*

In the Statement of Income from Continuing Operations Adjusted for Changing Prices, income for 1983 of $11,991,000 is reduced to $4,796,000 on a current cost basis. This reflects higher cost of goods sold of $3,646,000 and higher depreciation expense of $3,549,000.

The Corporation uses the LIFO method of valuing inventories in determining cost of goods sold for most of its domestic operations. Therefore, the impact of current domestic costs is substantially reflected in the primary financial statements except for LIFO liquidations which are added back to the current cost amount of cost of goods sold. Consequently, the larger increases in cost of goods sold relate to foreign operations and reflect the higher costs of replacing inventory. Since only cost of goods and depreciation expense adjustments are made, there is no recognition for unrealized appreciation in inventories and plant and equipment or the gain in purchasing power of monetary items in income adjusted for changes in specific prices. In addition, current cost results do not recognize that actual replacement of assets would result in different economics of operation than those that exist using the present assets.

Income taxes are not adjusted in arriving at income adjusted for changes in specific prices thereby reflecting the non-recognition by most taxing jurisdictions of inflation. Income from continuing operations adjusted for changes in specific costs for 1983 therefore includes an income tax expense of $6,800,000 on pretax income of $11,596,000, resulting in an effective tax rate considerably higher than reflected in the primary financial statements.

The Consumer Price Index for All Urban Consumers used in measuring inflation is compiled from a wide range of services and commodities and is, therefore, not necessarily representative of changes experienced by the Corporation.

The five-year comparison table shows the effect of adjusting selected financial data to dollar amounts expressed in terms of average 1983 dollars as measured by the Consumer Price Index for All Urban Consumers.

*Five-Year Comparison of Selected Supplementary Financial Data Adjusted for Effects of Changing Prices*

| ($ Thousands, except per share) | 1983 | 1982 | 1981 | 1980 | 1979 |
|---|---|---|---|---|---|
| Net sales | $554,553 | $469,124 | $500,637 | $552,290 | $580,303 |
| *Historical Cost Information Adjusted For Changes in Specific Prices:* | | | | | |
| Income (loss) from continuing operations | 4,796 | (208) | 14,169 | 7,083 | (236) |
| Income (loss) per share from continuing operations | .30 | (.23) | 1.25 | .48 | (.32) |
| Net assets of continuing operations at year end | 307,129 | 353,663 | 354,127 | 380,981 | 415,482 |
| Excess of increase in general price level over increase in specific prices | 732 | 3,279 | 9,126 | 6,432 | 13,896 |
| Gain from decline in purchasing power of net amounts owed | 1,895 | 2,329 | 7,261 | 14,060 | 14,820 |
| Translation adjustment (in shareholders' equity) | (3,551) | (5,428) | (7,107) | (3,014) | 1,522 |
| Cash dividends declared per common share | 1.08 | 1.11 | 1.18 | 1.31 | 1 40 |
| Market price per common share at year end | 21.63 | 16.90 | 20.81 | 18.74 | 22 82 |
| Average consumer price index (base year 1967 = 100) | 298 4 | 289.1 | 272.4 | 246.8 | 217.4 |

## Two-Year Financial Data by Quarter

| ($ Thousands, except per share) | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Total Year |
|---|---|---|---|---|---|
| 1983[1] | | | | | |
| Net sales | $129,256 | $139,413 | $138,170 | $147,714 | $554,553 |
| Gross profit | 47,002 | 54,156 | 51,671 | 55,822 | 208,651 |
| Income from continuing operations[5] | 2,059[3] | 2,474 | 2,123 | 5,335[4] | 11,991 |
| (Loss) from discontinued operations | (1,610) | (32,582) | (4,500) | | (38,692) |
| Net income (loss) | $ 449 | $ (30,108) | $ (2,377) | $ 5,335 | $ (26,701) |
| Per share:[2] | | | | | |
| Income from continuing operations[5] | $ .16[3] | $ .21 | $ .17 | $ .48[4] | $ 1.04 |
| (Loss) from discontinued operations | (.16) | (3.37) | (.46) | | (3.97) |
| Net income (loss)[2] | $ | $ (3.16) | $ (.29) | $ .48 | $ (2.93) |
| 1982[1] | | | | | |
| Net sales | $105,376 | $107,558 | $110,589 | $130,980 | $454,503 |
| Gross profit | 40,543 | 41,037 | 38,938 | 47,241 | 167,759 |
| Income (loss) from continuing operations[5] | 3,226 | 4,345[6] | 35 | (1,188)[7] | 6,418 |
| Income (loss) from discontinued operations | 199 | 421 | 783 | (1,206) | 197 |
| Net income (loss) | $ 3,425 | $ 4,766 | $ 818 | $ (2,394) | $ 6,615 |
| Per share:[2] | | | | | |
| Income (loss) from continuing operations[5] | $ .29 | $ .40[6] | $ (.05) | $ (.17)[7] | $ .47 |
| Income (loss) from discontinued operations | .02 | .04 | .09 | (.13) | .02 |
| Net income (loss) | $ .31 | $ .44 | $ .04 | $ (.30) | $ .49 |

Notes

(1) The first quarter of 1983 and all quarters and total year 1982 have been reclassified to reflect Instrument Group results as discontinued operations.

(2) The earnings per share computations for each quarter are computed using the most dilutive method. The sum of the quarters in 1983, therefore, does not equal the total year

(3) Includes gain of $.6 million or $.06 per share for revaluation of reserves of a wholly-owned insurance subsidiary.

(4) Includes gain of $.9 million or $ 08 per share for revaluation of reserves of a wholly-owned insurance subsidiary and gains on the repurchase of sinking fund debentures. The provision for income taxes in the fourth quarter was $1.6 million reflecting a 23.1% effective income tax rate which is lower than the estimated annual effective income tax rate used through the third quarter. The effective income tax rate for the full year was 36.2% as explained in Note 11 of Notes to Financial Statements

(5) The acquisition of the dental operations occurred on August 31, 1982 and under the purchase method of accounting their results are included from that date forward. The acquisition results in non-cash charges (excluding finance charges) to operations. These charges in 1982, amounted to $.5 million or $ 05 per share in the third quarter and $1 7 million or $.17 per share in the fourth quarter In 1983, these charges amounted to $1.2 million or $ 12 per share in the first quarter, $.9 million or $ 09 per share in the second quarter, $ 8 million or $.08 per share in the third quarter and $.7 million or $.06 per share in the fourth quarter.

(6) Includes gain of $1.5 million or $ 13 per share from the sale of real estate

(7) Includes $2.6 million or $.27 per share for relocation and restructuring expenses, charges of $.2 million or $ 02 per share applicable to the devaluation of the Mexican peso and a gain on a claims settlement of $1 4 million or $ 14 per share. The provision for income taxes in the fourth quarter was $(1 9) million reflecting a 61.1% effective income tax benefit rate which is higher than the estimated annual effective income tax rate used through the third quarter The effective income tax rate for the full year was 42 5% as explained in Note 11 of Notes to Financial Statements.

## Five-Year Review

| (Thousands, except per share) | 1983 | 1982[1] | 1981[1] | 1980[1][2] | 1979[1][2] |
|---|---|---|---|---|---|
| *Financial Statement Information* | | | | | |
| Continuing Operations: | | | | | |
| Net sales | $554,553 | $454,503 | $457,016 | $456,787 | $422,781 |
| Income before taxes | 18,791 | 11,154 | 38,292 | 28,490 | 9,963 |
| Income from continuing operations | 11,991 | 6,418 | 19,779 | 14,097 | 5,143 |
| Discontinued Operations: | | | | | |
| (Loss) income from discontinued operations | (38,692) | 197 | 7,827 | 6,690 | 14,394 |
| Net (loss) income | (26,701) | 6,615 | 27,606 | 20,787 | 19,537 |
| Depreciation charges | 16,224 | 12,059 | 9,762 | 9,837 | 8,922 |
| Capital expenditures | 21,797 | 20,038 | 14,266 | 16,459 | 15,959 |
| Cash dividends paid | 12,353 | 12,317 | 12,318 | 12,340 | 11,765 |
| Current assets | 303,657 | 308,093 | 299,853 | 281,664 | 255,108 |
| Current liabilities | 116,954 | 126,564 | 106,077 | 102,163 | 82,671 |
| Working capital | 186,703 | 181,529 | 193,776 | 179,501 | 172,437 |
| Long-term debt | 99,661 | 113,528 | 102,855 | 109,274 | 110,832 |
| Shareholders' equity | 207,464 | 243,492 | 253,780 | 252,729 | 247,942 |
| Average number of shares outstanding[3] | 9,751 | 9,639 | 10,914 | 10,907 | 10,904 |
| *Per Share Data* | | | | | |
| Income from continuing operations[3] | $ 1.04 | $ .47 | $ 1.81 | $ 1.29 | $ .47 |
| (Loss) income from discontinued operations[3] | (3.97) | .02 | .72 | .62 | 1.32 |
| Net (loss) income[3] | (2.93) | .49 | 2.53 | 1.91 | 1.79 |
| Book value per common share | 19.38 | 23.44 | 24.56 | 24.53 | 24.03 |
| Dividends per share of common stock | 1.08 | 1.08 | 1.08 | 1.08 | 1.02 |
| Price range of common shares | 29–16½ | 20½–14¼ | 19½–14¾ | 18⅛–12 | 24¾–15⅛ |
| Average yield—% | 4.7 | 6.2 | 6.3 | 7.2 | 5.1 |
| *Financial Ratios* | | | | | |
| Continuing Operations: | | | | | |
| Current ratio | 2.6 | 2.4 | 2.8 | 2.8 | 3.1 |
| Return on capital—%[4] | 5.3 | 3.6 | 6.7 | 5.4 | 3.0 |
| Return on average shareholders' equity | 5.3 | 2.6 | 7.8 | 5.6 | 2.2 |
| Gross profit—% | 37.6 | 36.9 | 38.5 | 37.2 | 36.1 |
| Income before taxes to net sales—% | 3.4 | 2.5 | 8.4 | 6.2 | 2.4 |
| Net income to net sales—% | 2.2 | 1.4 | 4.3 | 3.1 | 1.2 |
| Average price earnings ratio[5] | | 35.8 | 6.7 | 8.1 | 10.4 |
| Total dividend payout to net income —(including preferred stock dividends)—%[5] | | 186 | 45 | 59 | 60 |

Notes:

(1) Reclassified to reflect Instrument Group as discontinued operations to conform with 1983 presentation.

(2) In 1981, the Corporation adopted Financial Accounting Standard No. 52 for foreign currency fluctuations and restated its 1980 and 1979 accounts accordingly.

(3) Income per share amounts for 1983, 1982 and 1981 are computed as explained in Note 10 of Notes to Financial Statements. The amounts for 1980 and 1979 are computed on the same basis as 1981.

(4) Return on capital is computed by dividing the sum of income from continuing operations and long-term interest expense (net of taxes) by the sum of average shareholders' equity and average long-term debt.

(5) Not appropriate in 1983 because of net loss.

## General Management Organization

### Health Products Group

*Group Headquarters*

Health Products Group
Sybron Corporation
820 Church Street
Evanston, IL 60201

David W. Carter
Group Vice President—Health Products

Brian Bremer
Director, Planning and Development

Jack J. Kogut
Controller

James T. Swartout
Group Executive,
Dental Operations

*Dental Operations*

Denco Division
Jeffrey Markle, President

Denticon Laboratories
William Regan, President

Kerr Division
Russell E. Nelson, President

Ormco Division
Floyd Pickrell, President

Ritter, A.G.
Gustav Kircher, President

Ritter-Midwest Division
Donald Lochman, President

*Medical Operations*

Castle Division
Richard D. Castle, President

Liebel-Flarsheim Division
Douglas H. Schneider, President

Ritter-Tycos Division
Frank H. Jellinek, Jr., President

Taylor Scientific/Consumer
Instrument Division
Frank H. Jellinek, Jr., President

### Laboratory Products Group

*Group Headquarters*

Laboratory Products Group
Sybron Corporation
1100 Midtown Tower
Rochester, New York 14604

Raymond W. Strohm
Group Vice President-Laboratory Products

William G. Jameson
Controller

*Operations*

Analytical Products Division
Alfred N. Gutzmer, President

Barnstead Company
Burton S. Payne, Jr., President

Brinkmann Instruments Co.
Klaus P Brinkmann, President

Erie Scientific Company
Frank H. Jellinek, Jr., President

Nalge Company
Marshall Hyman, President

Thermolyne Corporation
Kenneth R. Townsend, President

### Sybron Chemicals Inc.

Sybron Chemicals Inc.
P.O. Box 66
Birmingham, NJ 08011

Dr. Richard M. Klein
President and Chief Executive Officer

Dr. L. M. Stephenson
Vice President-Research & Development

*Operations*

America Division
Dr. Richard M. Klein, President

Far East Division
W. Michael Langhart, President

Europe Division
Jose Rodriguez, President

## Officers

William G. vonBerg
Chairman of the Board

Herbert W. Jarvis
President and Chief Executive Officer

James M. Kieffer
Vice Chairman of the Board

Jeffrey Albin
Vice President, Planning and Development

David W. Carter
Group Vice President-Health Products

Alfred M. Hallenbeck
Vice President and General Counsel

James P. McCloskey
Vice President-Finance and Treasurer

Robert H. Stegemann
Vice President and Controller

Raymond W. Strohm
Group Vice President-Laboratory Products

John G. Brummer
Secretary

Hansjoerg Cohnen
Assistant Treasurer

Dennis R. Olson
Assistant Controller

## Directors

William F. Andrews
Chairman, President and Chief Executive Officer
Scovill Inc
(diversified producer of goods for the housing, consumer and capital goods markets)

Richard C. Farley
President and Chief Operating Officer
Burndy Corporation
(manufacturer of electrical connectors)

Joseph P. Fox
Retired, formerly Chairman of the Board, Champion Products Inc.
(manufacturers of athletic and campus casual wear)

Donald A. Gaudion
Retired, formerly Chairman of the Board of the Corporation

Alexander D. Hargrave
Chairman of the Board
Lincoln First Banks Inc.
(a registered bank holding company)

Herbert W. Jarvis
President and Chief Executive Officer of the Corporation

James M. Kieffer
Vice Chairman of the Board of the Corporation

Donald D. Lennox
Chairman and Chief Executive Officer
International Harvester Co.
(manufacturers of trucks, farm implements and construction equipment)

James P. O'Neill
Retired, formerly Executive Vice President
Xerox Corporation
(information processing business)

Robert L. Sproull
President
University of Rochester
(education and research)

William G. vonBerg
Chairman of the Board of the Corporation

## Corporate Offices

Headquarters
Sybron Corporation
1100 Midtown Tower
Rochester, New York 14604
U S.A
Telephone: (716) 546-4040
Telex: 97-84-30

Europe
Sybron Corporation
Avenue Louise, 416-Boite 5
B-1050 Brussels, Belgium

Sybron Corporation
Via Santa Valeria 3
I-20123 Milano, Italy

Far East
Sybron Corporation
303 No. 1 Iwata Building
10-18 Higashi Gotanda
5-chome
Shinagawa-ku, Tokyo
141, Japan

For further information on Sybron Corporation, write:
Corporate Communications
Sybron Corporation
1100 Midtown Tower
Rochester, New York 14604

# Information

Annual Meeting:
Our Annual Meeting of Shareholders will be held in Rochester, New York on Wednesday, April 25, 1984. Official notice and other information with respect to this meeting will be mailed to shareholders.

Stock Transfer Agent and Registrar:
Lincoln First Bank, N.A.
Stock Transfer Dept
P.O. Box 1250
Rochester, New York 14603

Trustee, Paying and Conversion Agent for 4½% Convertible Subordinated Debentures Due 1987:
Citibank, N.A.
Corporate Trust Administration
111 Wall Street–20th Floor
New York, New York 10043

Trustee and Paying Agent for 7½% Sinking Fund Debentures Due 1994:
Morgan Guaranty Trust Company of New York
Corporate Trust Department
23 Wall Street
New York, New York 10015

Trustee and Paying Agent for 8% Sinking Fund Debentures Due 1987:
Morgan Guaranty Trust Company of New York
Corporate Trust Department
23 Wall Street
New York, New York 10015

Trustee and Paying Agent for 9⅛% Notes Due 1985:
Morgan Guaranty Trust Company of New York
Corporate Trust Department
23 Wall Street
New York, New York 10015

Shares Traded:
New York Stock Exchange
(Ticker Symbol "SYB")

Automatic dividend reinvestment is available to all Sybron shareholders. It offers a convenient, expense-free method to use your dividends to acquire additional shares of Sybron Corporation. To enroll or gain additional information about the plan, please write:

Lincoln First Bank, N.A.
Automatic Dividend
Reinvestment Service
P.O. Box 1507
Rochester, New York 14603

Charitable Activities and Community Affairs

For many years, Sybron and its predecessor companies have actively supported many local and national non-profit organizations, institutions and causes which are dedicated to improving the quality of life in the communities where Sybron people work and live. The Corporation is active today in providing funds to many social service agencies, educational institutions and arts and cultural organizations. We also encourage our employees to support these agencies both financially, and more importantly, by volunteering their help.

If you would like more information about these charitable activities, please write:
Director of Public Affairs, Sybron Corporation, Rochester, New York.

Design: Bill Buckett Associates
Major Photography: George Kamper
Printing: Great Lakes Press

SYBRON

Sybron Corporation
Rochester, New York
14604

Exhibit 2

Steel Dex
RECYCLED

CERTIFICATE OF INCORPORATION

OF

SYBRON CHEMICALS INC.

The undersigned, for the purpose of organizing a corporation under the General Corporation Law of Delaware, hereby certifies:

FIRST: The name of the Corporation is:

SYBRON CHEMICALS INC.

SECOND: The registered office of the Corporation in the State of Delaware is located at 100 West Tenth Street, in the City of Wilmington, County of New Castle. The name of the Corporation's registered agent at such address is The Corporation Trust Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH: The total number of shares of all classes of stock which the Corporation shall have authority to issue is one hundred thousand (100,000) shares, which shares shall be of one class, shall be designated Common Stock, and shall have a par value of one dollar ($1.00) per share.

FIFTH: The name and mailing address of the incorporator is Alfred M. Hallenbeck, 1100 Midtown Tower, Rochester, New York 14604.

SIXTH: Election of directors need not be by written ballot unless and to the extent the By-Laws of the Corporation so provide.

SEVENTH: In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, alter or repeal from time to time the By-Laws of the Corporation in any manner not inconsistent with the laws of the State of Delaware or the Certificate of Incorporation of the Corporation.

EIGHTH: The Corporation reserves the right at any time and from time to time to amend, alter or repeal any provision contained in this Certificate of Incorporation in the manner now or as hereafter prescribed by law, and all rights, preferences, and privileges conferred upon stockholder, director, and officers by or pursuant to this Certificate of Incorporation in its present form or as hereafter amended are subject to the rights reserved in this Article.

IN WITNESS WHEREOF, I have signed this Certificate this 29th day of November, 1983.

Alfred M. Hallenbeck

Exhibit 3

Still Dex
RECYCLED

# SYBRON CORPORATION

**1100 Midtown Tower**
**Rochester, New York 14604**

## NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

**APRIL 28, 1986**

TO OUR SHAREHOLDERS:

A Special Meeting of Shareholders (the "Special Meeting") of SYBRON CORPORATION (the "Company" or "Sybron") will be held at the Marriott Hotel, Garden State Parkway and Interstate 80, Saddle Brook, New Jersey on Monday, April 28, 1986, at 10:00 a.m., local time, to consider and act upon the following proposals and such other business as may properly come before the Special Meeting:

1. Adoption of an Agreement and Plan of Merger (the "Merger Agreement") providing for the merger (the "Merger") of SC Transco Corp. ("Transco"), an indirect wholly owned subsidiary of SC Acquisition Corp. and a corporation controlled by FLSC Partners, into Sybron, pursuant to which (i) each outstanding share of Common Stock (the "Common Shares") of the Company (other than those owned by Transco) will be converted into the right to receive $26.25 in cash, without interest, and (ii) each outstanding share of Preferred Stock (the "Preferred Shares") of the Company shall continue as one Preferred Share, unless the Cash-Out of the Preferred (as described below) is approved (in which case, the treatment of the Preferred Shares in the Merger will be as set forth in the following proposal).

2. Approval of the conversion in the Merger of each outstanding Preferred Share (other than shares owned by Transco) into the right to receive $42 in cash, without interest (the "Cash-Out of the Preferred").

Holders of Common Shares who dissent from the adoption of the Merger Agreement and holders of Preferred Shares who dissent from the Cash-Out of the Preferred in accordance with the provisions of Sections 623 and 910 of the New York Business Corporation Law are entitled, by following the procedures described in such statute, to obtain a judicial determination of the fair value of their Shares.

The Board of Directors of the Company has fixed the close of business on March 31, 1986 as the record date for the Special Meeting. Accordingly, only holders of record of Common Shares and Preferred Shares at the close of business on such date will be entitled to vote at the Special Meeting.

TRANSCO OWNS A SUFFICIENT NUMBER OF COMMON SHARES AND PREFERRED SHARES TO APPROVE THE ADOPTION OF THE MERGER AGREEMENT AND A SUFFICIENT NUMBER OF PREFERRED SHARES TO APPROVE THE CASH-OUT OF THE PREFERRED. TRANSCO HAS ADVISED THE COMPANY THAT IT INTENDS, IN ACCORDANCE WITH THE MERGER AGREEMENT, TO VOTE THE COMMON SHARES AND PREFERRED SHARES OWNED BY IT IN FAVOR OF THE ADOPTION OF THE MERGER AGREEMENT AND IT INTENDS TO VOTE ALL OF THE PREFERRED SHARES OWNED BY IT IN FAVOR OF THE CASH-OUT OF THE PREFERRED. ADOPTION OF THE FOREGOING TWO PROPOSALS IS THEREFORE ASSURED. ACCORDINGLY, WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

By order of the Board of Directors

Uldis Kordons
*Secretary*

Rochester, New York
April 7, 1986

## INFORMATION STATEMENT

## TABLE OF CONTENTS


| | Page |
|---|---|
| Summary | ii |
| Introduction | 1 |
| Purpose of Special Meeting | 1 |
| Voting at Special Meeting | 2 |
| The Merger and the Cash-Out of the Preferred | 3 |
| Purpose of and Principal Effects of the Merger and the Cash-Out of the Preferred | 3 |
| Background and Basis of Terms of the Merger and the Cash-Out of the Preferred | 3 |
| Financing of the Offer, the Merger and the Cash-Out of the Preferred | 6 |
| Effective Time of the Merger and Payment for Shares | 7 |
| Interests of Certain Persons in the Merger | 8 |
| Conditions to Consummation of the Merger and the Cash-Out of the Preferred; Termination | 10 |
| Certain Legal Considerations | 11 |
| Certain Income Tax Consequences | 11 |
| Rights of Dissenting Shareholders | 12 |
| Plans for the Company After the Merger | 14 |
| Certain Information Concerning Forstmann Little, MBO-II, FLSC, SC Acquisition and Transco | 15 |
| Market Prices of Shares | 15 |
| Beneficial Ownership of Shares | 16 |
| Business of Sybron | 17 |
| Properties of Sybron | 21 |
| Selected Financial Data | 22 |
| Management's Discussion and Analysis of Financial Condition and Results of Operations | 22 |
| Appraisals | 26 |
| Company Projections | 27 |
| Additional Available Information | 28 |
| Financial Statements | F-1 |
| Annex I—Agreement and Plan of Merger | |
| Annex II—Letter of Salomon Brothers Inc | |
| Annex III—Sections 623 and 910 of the New York Business Corporation Law | |

## SUMMARY

The following is a brief summary of certain information contained elsewhere in this Information Statement. This summary is qualified in its entirety by the more detailed information contained herein and the annexes hereto.

### The Merger and Cash-Out of the Preferred

| | |
|---|---|
| Merger Terms | In the Merger (i) all of the Company's outstanding Common Shares will be cancelled, and all holders thereof other than Transco will be entitled to receive $26.25 per Common Share in cash, without interest; the Common Shares owned by Transco will be cancelled without payment of any consideration therefor; and the outstanding stock of Transco will be converted into Common Shares, and (ii) all of the Company's outstanding Preferred Shares will continue as outstanding Preferred Shares, unless the Cash-Out of the Preferred is approved (in which case, the treatment of the Preferred Shares in the Merger will be as set forth below). |
| Cash-Out of the Preferred | If the Cash-Out of the Preferred is approved, then, in the Merger, (i) all of the Company's outstanding Preferred Shares will be cancelled, and all holders thereof other than Transco will be entitled to receive $42 per Preferred Share in cash, without interest, and (ii) the Preferred Shares owned by Transco will be cancelled without payment of any consideration therefor. A lawsuit has been commenced by a purported holder of Preferred Shares which appears to allege, among other things, that the transactions contemplated by the Merger Agreement constitute a liquidation or redemption of the Preferred Shares entitling the holders thereof to receive $70 per Preferred Share (the liquidation or redemption price) instead of $42 per Preferred Share. The Company believes that the claims made in the lawsuit are without merit. |
| Required Vote for the Merger and the Cash-Out of the Preferred | The vote of holders of at least two-thirds of the combined voting power of the Common Shares and the Preferred Shares entitled to vote at the Special Meeting is necessary to approve the adoption of the Merger Agreement, and the vote of at least two-thirds of the outstanding Preferred Shares entitled to vote at the Special Meeting is necessary to approve the Cash-Out of the Preferred. Transco (i) holds Shares representing more than two-thirds of the combined voting power of the Common Shares and Preferred Shares and (ii) holds more than two-thirds of the outstanding Preferred Shares. Transco intends to vote its Shares in favor of the Merger and the Cash-Out of the Preferred. Accordingly, approval of the Merger and the Cash-Out of the Preferred is assured. |
| Time and Place of Meeting | Monday, April 28, 1986 at 10:00 a.m., local time, at the Marriott Hotel, Garden State Parkway and Interstate 80, Saddle Brook, New Jersey. |
| Record Date | The close of business on March 31, 1986. |
| Payment to Shareholders | Upon consummation of the Merger, a transmittal letter and instructions for surrendering stock certificates for cash will be mailed to each shareholder of record of the Company. Manufacturers Hanover Trust Company has been appointed as paying agent and will handle the exchange of stock certificates for cash, but after 180 days from consummation of the Merger, the Company will handle such exchange. |

| | |
|---|---|
| Rights of Dissenting Shareholders..... | Under New York law, holders of Common Shares have the right to dissent from the Merger and holders of Preferred Shares have the right to dissent from the Cash-Out of the Preferred and, upon compliance with the statutory procedures, to obtain a judicial determination of the fair value of their Shares. Failure by any individual to take any step in connection with the exercise of his dissenter's rights may result in the termination or waiver of such individual's rights. |
| Effective Date of the Merger and the Cash-Out of the Preferred ..... | The Merger and Cash-Out of the Preferred will be effective upon the filing of a certificate of merger by the Secretary of State of the State of New York and with the Secretary of State of the State of Delaware. The Company anticipates that the Merger will be effective on or shortly after the Special Meeting on April 28, 1986. |
| Federal Income Tax Consequences ..... | The receipt of cash pursuant to the Merger and the Cash-Out of the Preferred or the exercise of dissenters' rights will be a taxable transaction for Federal income tax purposes and may also be a taxable transaction for state, local and other tax purposes. |

## Market Prices and Dividends

Prior to February 27, 1986, the Common Shares and the Preferred Shares were listed and traded principally on the New York Stock Exchange and were also traded but not listed on the Midwest and Pacific Stock Exchange. The following table sets forth for the periods indicated the high and low sales prices per Common Share and Preferred Share and the amount of cash dividends paid per Common Share and Preferred Share, as reported in published financial sources.

| | Common Shares | | | Preferred Shares | | |
|---|---|---|---|---|---|---|
| | High | Low | Dividends | High | Low | Dividends |
| 1984 | $23.000 | $16.125 | $1.08 | $38.250 | $28.500 | $2.40 |
| 1985 | 22.750 | 16.500 | 1.08 | 39.250 | 31.000 | 2.40 |
| 1986 (through February 26, 1986) | 26.375 | 20.500 | — | 44.500 | 33.750 | .60* |

* Paid on April 1, 1986 to holders of record of Preferred Shares on March 14, 1986.

## Selected Financial Information Relating to the Company

The following table sets forth selected financial information relating to the Company and should be read in connection with the financial statements and related notes included elsewhere in this Information Statement. See "FINANCIAL STATEMENTS."

### SYBRON CORPORATION

| | Years Ended December 31 (Dollars in thousands, except per share amounts) | |
|---|---|---|
| | 1985 | 1984 |
| Income Statement | | |
| Net Sales | $529,723 | $501,083 |
| Income from Continuing Operations | 6,852 | 19,191 |
| Income (Loss) from Discontinued Operations | 3,509 | (30,019) |
| Net Income (Loss) | 10,361 | (10,828) |
| Per Share | | |
| Income from Continuing Operations | .52 | 1.77 |
| Income (Loss) from Discontinued Operations | .35 | (3.03) |
| Net Income (Loss) | .87 | (1.26) |
| Ratio of Earnings from Continuing Operations to Fixed Charges(1) | 1.6(3) | 2.7(3) |
| Average number of common and common equivalent shares outstanding (in thousands) | 9,984 | 9,914 |
| Balance Sheet at end of period | | |
| Working Capital | 125,969 | 174,292 |
| Total Assets | 405,077 | 428,821 |
| Total Assets less cost in excess of underlying net assets acquired | 387,583 | 413,031 |
| Shareholders' equity | 182,245 | 182,038 |
| Book Value Per Common Share(2) | 16.79(3) | 16.79(3) |

(1) The Ratio of Earnings from Continuing Operations to Fixed Charges is based on earnings from continuing operations before income taxes and fixed charges divided by fixed charges. Fixed charges represent interest expense relating to continuing operations, amortization of debt costs, twenty percent of rentals (which is deemed to be representative of the interest factor) and pre-tax earnings required to cover preferred stock dividends.

(2) Net of preferred stock involuntary liquidation value.

(3) Unaudited.

# SYBRON CORPORATION

**1100 Midtown Tower**
**Rochester, New York 14604**

## INFORMATION STATEMENT

**Relating to the**

## SPECIAL MEETING OF SHAREHOLDERS

**To be held April 28, 1986**

---

### INTRODUCTION

This Information Statement is furnished to holders of Common Stock, $2.50 par value (the "Common Shares"), and to holders of $2.40 Convertible Preferred Stock, $4.00 par value (the "Preferred Shares") (the Common Shares and the Preferred Shares are hereinafter sometimes collectively referred to as the "Shares"), of Sybron Corporation, a New York corporation ("Sybron" or the "Company"), in connection with a Special Meeting of Shareholders to be held on Monday, April 28, 1986, at 10:00 a.m., local time, at the Marriott Hotel, Garden State Parkway and Interstate 80, Saddle Brook, New Jersey. This Information Statement will first be mailed to shareholders on or about April 8, 1986. The Special Meeting of Shareholders and all adjournments are referred to as the "Special Meeting." WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY. See "PURPOSE OF SPECIAL MEETING" and "VOTING AT SPECIAL MEETING."

### PURPOSE OF SPECIAL MEETING

At the Special Meeting, shareholders will be asked to consider and vote upon a proposal to approve an Agreement and Plan of Merger, dated as of January 26, 1986, as restated (the "Merger Agreement"), among Sybron, Forstmann Little & Co., a New York limited partnership ("Forstmann Little"), Forstmann Little & Co. Subordinated Debt and Equity Management Buyout Partnership-II, a New York limited partnership ("MBO-II"), and SC Acquisition Corp., a Delaware corporation ("SC Acquisition"). On February 27, 1986, Forstmann Little transferred and assigned its rights under the Merger Agreement to FLSC Partners ("FLSC"), a New York limited partnership and an affiliate of Forstmann Little, and SC Acquisition transferred and assigned its rights under the Merger Agreement to SC Transco Corp. ("Transco"), a Delaware corporation and an indirect wholly owned subsidiary of SC Acquisition. Also on that date, certain terms of the Merger Agreement were restated to provide for the merger of Transco, instead of SC Acquisition, into the Company.

The Merger Agreement, a copy of which is attached as Annex I to this Information Statement, provides for the merger (the "Merger") of Transco into Sybron and also provides for the Cash-Out of the Preferred (as described below) if the requisite vote of holders of Preferred Shares is obtained. The Merger Agreement provides that, in the Merger, (i) each outstanding Common Share (other than those owned by Transco or by holders properly exercising dissenters' rights) will be converted into the right to receive $26.25 in cash, without interest, (ii) unless the Cash-Out of the Preferred is approved (in which case the treatment of the Preferred Shares in the Merger will be as set forth below), each outstanding Preferred Share will continue as one Preferred Share, which, however, pursuant to the terms of Sybron's Certificate of Incorporation, will no longer be convertible into Common Shares but instead will be convertible into the right to receive $42 in cash, without interest (the cash which would have been received by the holder in respect of a Preferred Share had he converted his Preferred Share into Common Shares immediately prior to the Merger), (iii) all Common Shares owned by Transco will be cancelled and (iv) each outstanding share of common stock of Transco will be converted into one validly issued, fully paid and non-assessable Common Share.

Also at the Special Meeting, holders of Preferred Shares will be asked to consider and approve the conversion of each outstanding Preferred Share (other than those owned by Transco or by holders properly exercising dissenters' rights) into the right to receive $42 in cash, without interest (the "Cash-Out of the Preferred"). If the Cash-Out of the Preferred is approved by the requisite vote of the holders of Preferred Shares, then, in the Merger (i) the Cash-Out of the Preferred will be effected and (ii) all Preferred Shares owned by Transco will be cancelled.

As a result of the Merger and the Cash-Out of the Preferred, the Company will become an indirect wholly owned subsidiary of SC Acquisition. See "THE MERGER AND THE CASH-OUT OF THE PREFERRED — Purpose of and Principal Effects of the Merger and the Cash-Out of the Preferred."

Holders of Common Shares have the right to dissent from the Merger and holders of Preferred Shares have the right to dissent from the Cash-Out of the Preferred and, upon compliance with Sections 623 and 910 of the New York Business Corporation Law (the "BCL"), to have the fair value of their Shares judicially determined. See "RIGHTS OF DISSENTING SHAREHOLDERS."

## VOTING AT SPECIAL MEETING

The Board of Directors of Sybron has fixed the close of business on March 31, 1986 as the record date for the determination of holders of Common Shares and Preferred Shares entitled to notice of and to vote at the Special Meeting. At the close of business on such date, there were 8,059,096 Common Shares and 684,826 Preferred Shares issued and outstanding, which were held of record by 3,443 holders and 643 holders, respectively. The Shares are the only voting securities of the Company that will be outstanding at the time of the Special Meeting. Pursuant to Sybron's Certificate of Incorporation, each holder of Shares is entitled to one vote per Share, exercisable in person or by proxy, for each Common Share or Preferred Share held of record on the record date. The Merger Agreement was approved by a majority of the "Continuing Directors" as defined in Article Eighth of Sybron's Certificate of Incorporation. Accordingly, under the BCL and Sybron's Certificate of Incorporation, the affirmative vote of the holders of two-thirds of the outstanding Shares is required for approval of the Merger Agreement, and the affirmative vote of the holders of two-thirds of the Preferred Shares, voting separately as a class, is required for approval of the Cash-Out of the Preferred.

As described below under "THE MERGER AND THE CASH-OUT OF THE PREFERRED — Background and Basis of Terms of the Merger and the Cash-Out of the Preferred," on January 27, 1986, SC Acquisition and Sybron commenced a joint tender offer (the "Offer") for all outstanding Common Shares and Preferred Shares at $26.25 and $42 per Share, respectively, net to the seller in cash, in accordance with the Merger Agreement. The Offer expired, after extension, on February 26, 1986. Pursuant to the Offer, Transco purchased a total of 7,576,941 Common Shares and 515,197 Preferred Shares and Sybron purchased a total of 1,899,294 Common Shares. As a result of the purchases by Transco and Sybron (and the cancellation by Sybron of the Common Shares purchased by it), Transco owns approximately 94% of the currently outstanding Common Shares, approximately 75.2% of the currently outstanding Preferred Shares and approximately 92.6% of the combined voting power of all currently outstanding Shares. Accordingly, Transco owns sufficient Shares to assure adoption of the Merger Agreement and sufficient Preferred Shares to assure approval of the Cash-Out of the Preferred at the Special Meeting. Transco has advised the Company that it intends, in accordance with the Merger Agreement, to vote its Shares in favor of adoption of the Merger Agreement and it intends to vote its Preferred Shares in favor of the Cash-Out of the Preferred; accordingly, the affirmative vote of no other shareholder is required to approve the adoption of the Merger Agreement or the Cash-Out of the Preferred.

## THE MERGER AND THE CASH-OUT OF THE PREFERRED

The following contains, among other things, a summary of the pertinent provisions of the Merger Agreement. Such summary is not intended to be complete and is qualified in its entirety by reference to the Merger Agreement, a copy of which is attached to this Information Statement as Annex I.

### Purpose of and Principal Effects of the Merger and the Cash-Out of the Preferred

The purpose of the Merger and the Cash-Out of the Preferred is for SC Acquisition and its affiliates to complete the acquisition of the entire equity interest in the Company as contemplated by the Merger Agreement. Upon consummation of the Merger and the Cash-Out of the Preferred, and as a result thereof, the Company will become an indirect wholly owned subsidiary of SC Acquisition.

The Merger Agreement provides for the merger of Transco into the Company, and the Company will continue as the surviving corporation. Upon the consummation of the Merger, all properties, assets and businesses of Transco will be vested in the Company, and the Company will assume all the debts, liabilities and other obligations of Transco. Subject to certain terms and conditions contained in the Merger Agreement, the Merger will be consummated upon the filing of a certificate of merger by the Secretary of State of the State of New York and with the Secretary of State of the State of Delaware, which filings the Company anticipates will be made on or shortly after the Special Meeting on April 28, 1986. The Cash-Out of the Preferred will be effective on the date the Merger is consummated.

### Background and Basis of Terms of the Merger and Cash-Out of the Preferred

On September 6, 1985, Shearson/Lehman Brothers Inc., Hillside Capital Incorporated and five members of the Company's senior management (including Messrs. Jarvis (the President and Chief Executive Officer of Sybron at the time) and Kieffer (the Chairman of the Sybron Board of Directors at the time)) presented a proposal (the "Lehman/Hillside Proposal") to the Company for its acquisition. Under the Lehman/Hillside Proposal the Company's shareholders would have received for each Common Share $20 in cash and one-fifth share of a new Cumulative Exchangeable Preferred Stock. The holders of the Company's Preferred Shares were to have been offered $32 in cash and .32 shares of the new Cumulative Exchangeable Preferred Stock for each Preferred Share.

On September 11, 1985, a special meeting of the Company's Board of Directors was held to consider the Lehman/Hillside Proposal. In view of the interest of Messrs. Jarvis and Kieffer in the contemplated transaction, the Board appointed a special committee consisting of the eight outside members of the Board (the "Special Committee") for the purpose of evaluating the Lehman/Hillside Proposal and any other offer that might be received. The Board also authorized the engagement of special legal counsel, and Salomon Brothers Inc ("Salomon Brothers") to act as financial advisor, to the Special Committee and the Board.

On September 30, 1985, Salomon Brothers advised the Special Committee that in its opinion the Lehman/Hillside Proposal (which it had prior thereto advised the Special Committee was valued in the range of $22.25 to $22.30 per Common Share and $35.60 to $35.68 per Preferred Share) was inadequate and unfair to the Company and its shareholders from a financial point of view, and on October 16, 1985 the Lehman/Hillside Proposal was withdrawn.

During the following three months, Salomon Brothers continued its analysis of the Company and identified and contacted or was contacted by over 85 parties which it was thought might be interested or expressed an interest in acquiring all or part of the Company, including domestic and foreign industrial companies and leveraged buyout organizations. Salomon Brothers provided financial and other information regarding the Company to a number of these parties, including the four buyout groups which ultimately made proposals to acquire the Company.

On January 10, 1986, the Company received a proposal by a corporation to be formed by Montgomery Medical Ventures L.P. and Morgan Capital Corp. (the "Montgomery/Morgan Proposal") to acquire the Company in a leveraged buyout transaction for $24 in cash per Common Share and $38.40 in

cash per Preferred Share. On January 17, 1986, the Company received separate proposals by Citicorp Capital Investors, Ltd. and members of senior management of the Company, including Mr. Kieffer (the "Citicorp/Management Proposal"), and by Kelso & Company (the "Kelso Proposal") to acquire the Company in leveraged buyout transactions. Under the Citicorp/Management Proposal the Company's common shareholders would have received $24 in cash and $3 principal amount of junior subordinated debentures (the "Junior Subordinated Debentures") per Common Share. The holders of the Preferred Shares were to have been offered $38.50 in cash and $4.80 principal amount of the Junior Subordinated Debentures per Preferred Share. Under the Kelso Proposal, the Company's common shareholders would have received $24 in cash and one share of exchangeable preferred stock (the "Kelso Preferred Stock") per Common Share. The holders of the Preferred Shares were to have been offered $38.40 in cash and 1.6 shares of Kelso Preferred Stock per Preferred Share.

Also on January 17, 1986, the Company received a proposal by Forstmann Little and MBO-II (the "Forstmann Proposal"), providing for the acquisition of the Company at a price of $26 per Common Share and $41.60 per Preferred Share, payable in cash.

On January 19, 1986, the Special Committee reviewed the relative merits of the above four proposals. Salomon Brothers advised the Special Committee that its preliminary evaluation of the market values on a fully distributed basis of the noncash portions of the Citicorp/Management and Kelso Proposals were in a range of $1.25 to $1.35 and $1.85 to $1.95, respectively, per Common Share and $2.00 to $2.16 and $2.96 to $3.12, respectively, per Preferred Share, placing the total value of the Citicorp/Management Proposal in the range of $25.25 to $25.35 per Common Share and $40.50 to $40.66 per Preferred Share, and the total value of the Kelso Proposal in the range of $25.85 to $25.95 per Common Share and $41.36 to $41.52 per Preferred Share. Salomon Brothers further advised the Special Committee that additional value was present in the Forstmann Proposal as compared to the other proposals since the Forstmann Proposal contemplated the commencement of a tender offer within a short time period, which would provide shareholders the opportunity to receive the offered consideration significantly earlier than the other proposals, each of which was to be effected by a merger following a shareholders meeting. Salomon Brothers also noted that, unlike the other proposals, the Forstmann Proposal was not conditioned on obtaining financing. Salomon Brothers delivered its oral opinion to the Special Committee to the effect that the cash consideration of $26 per Common Share to be received by the common shareholders of the Company was fair from a financial point of view to such shareholders. Salomon Brothers further advised the Special Committee that of the four proposals the Forstmann Proposal was the most attractive from a financial point of view. The Special Committee approved the agreement in principle which embodied the Forstmann Proposal.

Immediately following the meeting, representatives of the Special Committee commenced negotiations with representatives of Forstmann Little. Concurrently, a representative of the Citicorp/Management buyout group contacted Salomon Brothers and orally advised Salomon Brothers that they were revising their proposal and increasing it to $26.25 per Common Share and $42 per Preferred Share, payable in cash, subject to arrangement of financing. No new written proposal was presented on behalf of the Citicorp/Management buyout group. As a result of the continuing negotiations with the Forstmann Little representatives, various improvements from the standpoint of the Company and its shareholders in the terms of their proposal were obtained, including an increase in the cash consideration to $26.25 per Common Share (with no further cash dividends to be paid on the Common Shares pending completion of the Offer and the Merger) and $42 per Preferred Share. The Forstmann Proposal was also modified to provide for the effectuation of the proposed tender offer through the Offer. An agreement in principle embodying the agreed proposal was entered into on the evening of January 20, 1986. At approximately the time that the agreement in principle was reached, a representative of the Montgomery/Morgan buyout group orally advised Salomon Brothers that it was raising its offer to $25.50 per Common Share.

On January 26, 1986, the Board of Directors received the written opinion of Salomon Brothers that, as of that date, the consideration of $26.25 in cash per Common Share and $42 per Preferred Share to be received in the Offer and the Merger by the holders of Common Shares and Preferred Shares was fair to such shareholders from a financial point of view. A copy of Salomon Brothers' opinion, dated January 26, 1986, is attached as Annex II. Shareholders are urged to read this opinion in its entirety, and the discussion herein is qualified in its entirety by reference to such opinion.

On January 26, 1986, the Special Committee recommended that the Board of Directors approve, and the Board of Directors did approve, the Merger Agreement and the transactions contemplated therein. The Special Committee and the Board of Directors determined that the Offer and the Merger were in the best interests of and were fair to all of the Company's shareholders and determined to recommend that shareholders accept the Offer and that shareholders remaining after completion of the Offer approve the Merger. Mr. Kieffer abstained from voting, indicating that he considered abstention appropriate in view of his participation in one of the other buyout groups.

In arriving at its decision, the Special Committee considered, among other things, the fact that the $26.25 per Common Share price represented a premium of approximately 58 percent over the net book value per Common Share as of September 30, 1985, which was approximately $16.66 per Common Share, and a premium of 52.2 percent over the closing price on August 6, 1985, which was 30 days prior to the Company's announcement of the Lehman/Hillside Proposal, of $17.25 per Common Share; the recent and historical market prices of the Common Shares; the Special Committee's knowledge of the management, business, operations, properties, assets and earnings of the Company; the effect of the structure and terms of the Offer and Merger on their feasibility and fairness; the possible alternatives to the Offer and Merger, including the proposals received from the other buyout groups and liquidation or sale of the Company as a whole or as separate businesses; the probable value of the Common Shares under current stock market conditions absent the Offer and Merger; the fact that Salomon Brothers had contacts with over 85 parties whom it thought might be interested in purchasing part or all of the Company without obtaining a higher offer than the Forstmann Proposal; and the receipt of the written opinion of Salomon Brothers that the $26.25 in cash per Common Share to be received in the Offer and the Merger by the holders of Common Shares is fair to such holders from a financial point of view and the $42 in cash per Preferred Share to be received by the holders of Preferred Shares in the Offer and Merger is fair to such holders from a financial point of view.

The Special Committee also recognized that consummation of the Offer and the Merger meant that shareholders of the Company would not have the opportunity to participate in the future growth prospects of the Company and, therefore, in reaching its conclusions to approve the Merger Agreement, gave consideration to management's projections of future sales and earnings of the Company, and determined that the future prospects of the Company were adequately reflected in the $26.25 price per Common Share. See "COMPANY PROJECTIONS" for information concerning projected financial information of the Company furnished to Forstmann Little.

In view of the wide variety of factors considered in connection with its evaluations of the Offer and the Merger, the Special Committee and the Board did not find it practicable to assign relative weights to the specific factors considered in reaching its decision.

For its services as financial advisor, the Company has paid Salomon Brothers a fee of $500,000 and will pay it an additional fee of approximately $1 million prior to consummation of the Merger. In connection with rendering the services described above, the Company agreed to indemnify Salomon Brothers against certain liabilities, including liabilities arising out of the federal securities laws, and to reimburse Salomon Brothers for all reasonable out-of-pocket expenses in connection with services rendered to the Company by Salomon Brothers.

The Offer commenced on January 27, 1986 and expired, after extension, on February 26, 1986. On February 26, in accordance with the terms of the Offer and the Merger Agreement, SC Acquisition transferred and assigned its rights to purchase Shares in the Offer to Transco. Pursuant to the Offer, Transco purchased 7,576,941 Common Shares and 515,197 Preferred Shares and Sybron purchased

1,899,294 Common Shares. The Common Shares purchased by Sybron were cancelled and resumed the status of authorized and unissued Common Shares. Transco has advised the Company, that it intends, in accordance with the Merger Agreement, to vote all Shares owned by it in favor of the adoption of the Merger Agreement and that it intends to vote all Preferred Shares owned by it in favor of the Cash-Out of the Preferred.

On February 27, 1986, in accordance with the terms of the Merger Agreement, eight members of the Company's Board of Directors resigned and Messrs. Nicholas C. Forstmann, Howard H. Leach, Wm. Brian Little and Kenneth F. Yontz were elected to the Company's Board of Directors. Messrs. Kieffer and Farley (the "Unaffiliated Directors") continue to serve as directors of the Company. Mr. Leach was elected Chairman of the Board, Mr. Yontz, President and Chief Executive Officer, and James C. McCulloch, a Vice President, Chief Financial Officer and Treasurer, of Sybron. Also on February 27, 1986, Sybron declared the stated quarterly dividend ($.60 per share) on the Preferred Shares. The dividend was paid on April 1, 1986 to holders of record of Preferred Shares on March 14, 1986.

For additional information concerning the Offer and the background of the Merger and the Cash-Out of the Preferred, reference is made to: the Schedule 14D-1 dated January 27, 1986, and amendments thereto, of SC Acquisition and the Schedule 13D dated March 4, 1986, and amendments thereto, of SC Acquisition, Transco, and their affiliates; the Rule 13e-1 Information Statement, the Schedule 13E-3, the Schedule 13E-4, and the Schedule 14D-9, each dated January 27, 1986, and amendments thereto, of the Company; and the Company's Rule 14f-1 Information Statement dated February 14, 1986, all of the foregoing as filed with the Securities and Exchange Commission (the "Commission"). Such Schedules, Information Statements and amendments may be inspected and copies obtained at the offices of the Commission and the New York Stock Exchange (the "NYSE") in the manner described below under "ADDITIONAL AVAILABLE INFORMATION."

**Financing of the Offer, the Merger and the Cash-Out of the Preferred**

The total amount of funds required by Transco and the Company to purchase, or to provide funds for the purchase of, all of the outstanding Shares and pay related fees and expenses in the Offer, the Merger and the Cash-Out of the Preferred is expected to be approximately $311 million, of which approximately $20 million is required to pay shareholders in the Merger and the Cash-Out of the Preferred.

*The Offer.* Transco obtained the funds required to purchase Shares in the Offer through equity contributions and subordinated loans in the aggregate amount of $123.8 million from SC Acquisition through SC Acquisition's direct wholly owned subsidiaries (which are the parent corporations of Transco), and through borrowings by Transco pursuant to a Credit Agreement dated as of February 25, 1986 (the "Transco Credit Agreement"), among Transco, SC Acquisition, subsidiaries of SC Acquisition, as guarantors, Manufacturers Hanover Trust Company ("MHTC"), Bank of Montreal, The Bank of Nova Scotia, Bank One, Columbus, N.A., Continental Illinois National Bank and Trust Company of Chicago, Security Pacific National Bank and Wells Fargo Bank, N.A. (collectively, the "Lenders"). SC Acquisition obtained $23.8 million from the sale of equity, primarily to FLSC Partners and MBO-II, and $100 million (which in turn was used to purchase subordinated debt of Transco in a like amount (the "Subordinated Debt")) from the sale of its 10-½% subordinated debentures, maturing serially from 1997 through 1999, to MBO-II. Transco has borrowed approximately $110 million under the Transco Credit Agreement. The Company obtained the funds required to purchase Common Shares in the Offer pursuant to a Credit Agreement, dated as of February 25, 1986 (the "Company Credit Agreement"), among the Company and the Lenders. The Company has borrowed approximately $83.4 million under the Company Credit Agreement. The Transco Credit Agreement and the Company Credit Agreement are sometimes collectively referred to as the "Offer Credit Agreements."

The Offer Credit Agreements are repayable upon demand but in no event later than September 30, 1986 and bear interest at a rate per annum equal to 1-½% above MHTC's publicly announced reference rate (the "MHTC Reference Rate"). Transco is also required to pay a commitment fee of ½ of 1% per annum on the excess of $225 million over the aggregate principal amount of loans made under the Offer Credit Agreements. Transco paid a facility fee of $1 million and a closing fee of $1 million in connection with the Offer Credit Agreements.

The Company Credit Agreement is unsecured. The Transco Credit Agreement is secured by a pledge of all of the Shares owned by Transco and a pledge of all of the shares of capital stock of the subsidiaries of SC Acquisition. In addition, pursuant to the Subordination Agreement, dated as of February 25, 1986, between SC Acquisition's subsidiaries and the Lenders, entered into in connection with the Transco Credit Agreement, the Lenders may require these subsidiaries to contribute to the capital of Transco the Subordinated Debt of Transco.

*The Merger.* Pursuant to a commitment letter dated January 22, 1986 from MHTC, MHTC has issued a commitment to provide financing for the Merger and working capital for the Company (the "Commitment"). The financing will consist of a loan in the principal amount of $180 million (the "Term Loan") and loans under a revolving working credit facility in the principal amount of $45 million (the "Credit Facility"). These loans, expected to be made by the Lenders, will be made to the Company, as the surviving corporation in the Merger, and will be obligations of the Company. Proceeds from the Term Loan and the Credit Facility will be used to provide financing for the payment for Shares in the Merger, repay borrowings made to Transco and the Company under the Offer Credit Agreements, repay certain existing indebtedness of the Company (including the Company's publicly held debt) required to be repaid as a result of the consummation of the Merger (See "PLANS FOR THE COMPANY AFTER THE MERGER"), and pay expenses and fees in connection with the Offer and the Merger. The Credit Facility will also be used to finance the working capital needs of the Company and, as part of such Facility, trade and standby letters of credit may be issued to support certain of the Company's existing debt obligations, for insurance and for other ordinary course of business purposes. The Term Loan will be payable in installments over a period of six years as follows: year 1: $80 million; year 2: $40 million; year 3: $8 million; year 4: $8 million; year 5: $8 million; year 6: $36 million. The Term Loan and the Credit Facility will bear interest at a rate per annum equal to 1-½% above the MHTC Reference Rate or 2-½% above the eurodollar rate at the Company's election from time to time. On the date of the Merger, the Company will pay a facility fee of $1,250,000 and a closing fee of $1,250,000. In addition, the Company will pay a commission of 2-½% per annum on the amount of each standby letter of credit issued and ¾ of 1% per annum on the amount of each trade letter of credit issued under the Credit Facility, and a commitment fee of ½ of 1% per annum on the daily average unused portion of the Credit Facility.

The Term Loan and the Credit Facility will be secured by a pledge agreement delivered to the Lenders, under which SC Acquisition will pledge all of the shares of the capital stock of its direct subsidiaries, the subsidiaries will pledge all of the outstanding capital stock of the Company owned by them, and the Company will pledge the capital stock of such of its subsidiaries as the Lenders may request on or prior to the date of the loans. In addition, the Commitment provides that the Lenders may require SC Acquisition's subsidiaries to contribute to the capital of the Company the Subordinated Debt which will be assumed by the Company in the Merger. The net proceeds of any sale of assets after the first $5 million of net proceeds and the proceeds of the reversion to the Company of excess assets from certain of its terminated pension plans must be used to prepay the Term Loan. See "PLANS FOR THE COMPANY AFTER THE MERGER." Prepayments are applied first against the installment due in the first year, then against that due in the second year, and thereafter in inverse order of maturity. The Lenders' obligation to lend under the Commitment is contingent upon a number of conditions, including, without limitation, (i) the completion of the Merger, (ii) the receipt by the Lenders of a pro forma balance sheet of the Company and its subsidiaries at the date of the Merger, but giving effect to the Merger, satisfactory to the Lenders, (iii) the Company having a capitalization satisfactory to the Lenders, (iv) receipt by the Lenders of such other legal opinions and corporate documents as the Lenders may reasonably request, (v) there having been no material adverse change in the business, operations, condition or prospects of the Company or SC Acquisition since the date the Offer was consummated and (vi) no litigation, governmental inquiries or injunctions being pending or threatened which in the Lenders' opinion could have a material adverse effect on the Merger or the Company.

**Effective Time of the Merger and Payment for Shares**

The Merger, including the Cash-Out of the Preferred, will become effective upon the filing of a certificate of merger by the Secretary of State of the State of New York. Delivery of such certificate to the Secretary of State for filing will be made after a certificate of merger has been filed with the Secretary of

State of the State of Delaware. The required filings are expected to be made as soon as practicable after the adoption of the Merger Agreement and approval of the Cash-Out of the Preferred at the Special Meeting.

After consummation of the Merger, all certificates evidencing Shares not owned by Transco (other than Shares in respect of which dissenters' rights are properly exercised; see "RIGHTS OF DISSENTING SHAREHOLDERS") will be required to be surrendered in order that the $26.25 per Common Share and the $42 per Preferred Share in cash to which holders of Common Shares and Preferred Shares, respectively, will be entitled as a result of the Merger may be paid. *No interest will be paid or accrued on the cash payable upon surrender of such certificates, nor will any dividends be paid to, or accrued for the benefit of, former shareholders by the Company after the Merger.*

Manufacturers Hanover Trust Company has been designated as the paying agent ("Paying Agent") to handle the exchange of stock certificates for cash pursuant to the Merger.

SHAREHOLDERS, IN ORDER TO RECEIVE THEIR CASH PAYMENT UNDER THE TERMS OF THE MERGER, MUST COMPLETE A LETTER OF TRANSMITTAL TO THE PAYING AGENT. THE LETTER OF TRANSMITTAL AND INFORMATION ABOUT PAYMENT PROCEDURES WILL BE SENT TO SHAREHOLDERS AT THE TIME THEY ARE NOTIFIED THAT THE MERGER HAS BEEN CONSUMMATED.

SHARES SHOULD NOT BE SENT TO THE PAYING AGENT UNTIL AFTER CONSUMMATION OF THE MERGER. If Shares are surrendered for exchange more than 180 days after consummation of the Merger, they should be sent to the Company instead of to the Paying Agent. All expenses of effecting the Merger, including all fees and expenses of the Paying Agent, will be paid by the Company.

**Interests of Certain Persons in the Merger**

In December 1982, the Company entered into Senior Executive Employment Agreements with Messrs. James M. Kieffer, Herbert W. Jarvis, David W. Carter, Alfred M. Hallenbeck and James P. McCloskey and three other executive officers ("Executives") providing for their employment in an executive capacity at an annual base salary rate approved by the Personnel and Compensation Committee of the Board of Directors. The Senior Executive Employment Agreements extend to December 31, 1986 and continue subject to certain termination provisions for successive one-year periods thereafter. The Senior Executive Employment Agreements are terminable as of the last day of any calendar year by the Company and in the event of disability or death of the Executive and upon notice for just cause. Upon termination of the Senior Executive Employment Agreement, other than for death, disability or cause, the Executive is entitled to severance pay, including an incentive award, for at least one year. The Executive may terminate his Senior Executive Employment Agreement at any time upon not less than 90 days' notice to the Company.

The Senior Executive Employment Agreements provide severance benefits to the Executives in the event of termination of their employment after any "Change of Control" of the Company (defined in the Senior Executive Employment Agreements as, among other events, the acquisition of securities of the Company representing 20% or more of the combined voting power of the outstanding securities by any person, corporation or group). The consummation of the Offer constituted a Change in Control of the Company under the Senior Executive Employment Agreements. Each Senior Executive Employment Agreement provides that in the event the Senior Executive Employment Agreement is not assumed by a successor to the business of the Company, or if within eighteen months after any Change of Control of the Company the employment of the Executive is terminated other than by death or disability by either the Executive or the Company, the Executive will receive a cash payment consisting of the sum of (a) any accrued base salary and incentive award plus the pro rata portion of the current year's annual incentive award, plus (b) a sum equal to (i) three and one-half times the Executive's current base salary, plus (ii) three times the average incentive awards received during the past three years (or such lesser number of years as he may have been eligible therefor). In addition, the Senior Executive Employment Agreements provide for a right to receive cash payments equal to the appreciation in value of the Executive's stock options.

On February 27, 1986, Mr. Jarvis entered into an agreement with the Company pursuant to which his employment as Chief Executive Officer terminated on that date and his employment relationship with the Company will terminate on December 31, 1986. Mr. Jarvis will be entitled to receive the severance benefits under his Senior Executive Employment Agreement as described above following the termination of his employment relationship with the Company. Messrs. Hallenbeck and McCloskey and one other executive officer have entered into similar agreements pursuant to which their employment as executive officers of the Company terminated or terminates on March 26, 1986, February 27, 1986, and June 30, 1986, respectively, and in each case their employment relationship with the Company will terminate on December 31, 1986. Each individual will be entitled to receive the severance benefits under his Senior Executive Employment Agreement as described above following the termination of his employment relationship with the Company. The Company is currently negotiating similar agreements with Mr. Carter and one other executive officer.

Pursuant to the Merger Agreement all employee stock options ("Employee Options") granted under the Company's 1975 and 1981 Stock Option Plans to purchase Common Shares which were outstanding immediately prior to the Offer either will have been cancelled prior to the Merger for a payment in cash, or will be converted in the Merger into the right to receive a payment in cash equal to the excess of $26.25 over the exercise price of each such Employee Option multiplied by the number of Common Shares subject to such Option. As of February 1, 1986, the then directors and executive officers of the Company held Employee Options to purchase 188,100 Common Shares at exercise prices ranging between $12.87 and $27.44. On February 25, 1986, the Company, in accordance with the Merger Agreement, paid the holders of these Employee Options the excess of $26.25 over the exercise price per Common Share covered by those options. Such executive officers and directors as a group have received, at an average exercise price of $17.28 per Common Share, a total of $1,645,154.

The table below sets forth for each of the five highest paid executive officers of the Company in 1985 and for all executive officers and directors as a group on February 1, 1986 the number of Common Shares that were subject to Employee Options, the amount received from the Company with respect to Employee Options, and the amount received pursuant to the Senior Executive Employment Agreements referred to above.

| Name | Title(1) | Option Shares | Average Exercise Price | Amount Received with Respect to Options | Aggregate Amount Receivable as a Result of the Offer and the Merger (2) |
|---|---|---|---|---|---|
| James M. Kieffer | Director and Chairman of the Board | 19,950 | $17.835 | $ 167,886 | $1,120,586 |
| Herbert W. Jarvis | Director, President and Chief Executive Officer | 49,000 | 16.46 | 479,560 | 1,817,260 |
| David W. Carter | Executive Vice President—Operations | 22,750 | 17.09 | 208,281 | 985,881 |
| Alfred M. Hallenbeck | Senior Vice President and General Counsel | 13,000 | 18.83 | 96,505 | 812,955 |
| J. P. McCloskey | Vice President—Corporate Finance and Treasurer | 18,000 | 15.17 | 199,500 | 953,750 |
| All executive officers and directors as a group on February 1, 1986(17) | | 188,100 | 17.28 | 1,645,154 | 7,347,254 |

(1) These positions are no longer held by these individuals except that Mr. Kieffer has remained as a director of the Company.

(2) Includes amounts received with respect to Employee Options, but does not include (i) compensation and benefits to be provided pursuant to the Senior Executive Employment Agreements during the balance of the executive officer's employment relationship with the Company, or (ii) payment of pension benefits (including supplemental pension benefits) or previously deferred compensation, the timing of which may have been affected by the Offer and the Merger, or (iii) payment received with respect to any Shares tendered in the Offer.

The current officers of the Company will continue to serve as officers of the Company after the Merger at the pleasure of the Board of Directors as then constituted.

The Merger Agreement provides that the officers, employees and directors of the Company or any subsidiary will be indemnified after the Merger by the Company to the extent permitted or required by New York law or the Company's By-laws (as in effect on January 26, 1986) against all losses, claims, damages or liabilities arising out of or pertaining to any action or omission occurring at or prior to the Merger. Additionally, the Merger Agreement provides that the Company will maintain (absent the occurrence of certain specified events), for not less than three years after the Merger, director and officer liability insurance at present levels, to the extent premiums do not exceed $300,000 in any year.

**Conditions to Consummation of the Merger and the Cash-Out of the Preferred; Termination**

Under the Merger Agreement, the obligations of Transco and the Company to effect the Merger (including the Cash-Out of the Preferred) are subject to the fulfillment or waiver of certain conditions. Such conditions are that: (i) the shareholders of the Company shall have duly approved the Merger Agreement (which approval is assured by reason of the number of Shares owned and to be voted at the Special Meeting by Transco); (ii) the consummation of the Merger shall not be precluded by any order or injunction of a court of competent jurisdiction; and (iii) no action shall have been taken or any statute, rule or regulation enacted, promulgated or deemed applicable to the Merger by any government or governmental or other regulatory agency, domestic or foreign, that makes consummation of the Merger illegal.

Pursuant to the Merger Agreement, the obligation of the parties to the Merger Agreement other than the Company (the "Forstmann Entities") to effect the Merger is subject to the fulfillment, at or before the time the Merger is consummated, of certain additional conditions or the waiver thereof. These conditions are that: (i) all covenants and agreements of the Company contained in the Merger Agreement to be performed prior to the Merger shall have been duly performed in all material respects; (ii) no material adverse change in the condition (financial or otherwise), results of operations, business or prospects of the Company and its subsidiaries taken as a whole shall have occurred after the completion of the Offer; and (iii) no governmental action or proceeding shall have been commenced after completion of the Offer which, in the opinion of counsel for SC Acquisition, is more likely than not to be successful and either (a) seeks an injunction, a restraining order or any other order seeking to prohibit, restrain, invalidate or set aside consummation of the Merger or (b) if successful, would have a material adverse effect on the Company.

Pursuant to the Merger Agreement, the obligation of the Company to effect the Merger is subject to the fulfillment, at or before the time the Merger is consummated, of the further condition, or the waiver thereof, that all covenants and agreements of the Forstmann Entities to be performed prior to the Merger shall have been duly performed in all material respects.

The Company presently expects, and has been advised that SC Acquisition and Transco presently expect, that all of the above-described conditions will be either satisfied or waived by the time of the Special Meeting. See, however, "THE MERGER AND THE CASH-OUT OF THE PREFERRED — Certain Legal Considerations."

The Merger Agreement provides that it may be terminated and the Merger abandoned at any time prior to consummation of the Merger, whether before or after approval by the shareholders of the Company: (i) by the mutual consent of the Forstmann Entities and the Company (which consent by the Company may only be given if the Unaffiliated Directors approve); or (ii) by the Forstmann Entities or the Company (by the Unaffiliated Directors on behalf of the Company), as the case may be, if the other party or parties to the Merger Agreement fail to comply in any material respect with any of their covenants and agreements contained in the Merger Agreement.

## Certain Legal Considerations

*Litigation.* A lawsuit was commenced on February 13, 1986 in New York Supreme Court, New York County, by William Rolland Fry, an alleged holder of Preferred Shares, naming the Company, certain of its directors, Forstmann Little, MBO-II and SC Acquisition as defendants. The complaint appears to allege, among other things, that the consummation of the transactions contemplated by the Merger Agreement constitutes either a liquidation or a redemption of the Preferred Shares under the Company's Certificate of Incorporation and therefore entitles the holders of the Preferred Shares to receive $70 per Preferred Share (the liquidation or redemption price) instead of the $42 per Preferred Share offered in the Offer and, upon approval of the Cash-Out of the Preferred, in the Merger. The complaint, which purports to be a class action on behalf of the holders of Preferred Shares, also appears to allege that certain of the directors of the Company approved the Merger Agreement in breach of their fiduciary duties to the holders of Preferred Shares.

The Company, Forstmann Little, MBO-II, SC Acquisition and certain of the named directors have been served with process. Each believes that the claims made in the lawsuit are without merit and has answered the complaint. Discovery has been sought from the plaintiff. See "PLANS FOR THE COMPANY AFTER THE MERGER."

*Foreign Regulatory Approvals.* The Company has certain foreign subsidiaries incorporated in countries whose laws require approvals to be sought, or filings to be made, in connection with SC Acquisition's indirect acquisition of those subsidiaries through the Offer and the Merger. The Company has advised SC Acquisition that failure to obtain the foreign approvals required for the consummation of the Merger will not have a material adverse effect on the Company and SC Acquisition has advised the Company that it anticipates, and the Company has concluded, that failure to complete the required filing or approval process in any foreign country will not result in a delay in the consummation of the Merger.

## Certain Income Tax Consequences

The receipt of cash for Common Shares and for Preferred Shares (as a consequence of approval of the Cash-Out of the Preferred) in the Merger will be a taxable transaction for federal income tax purposes (and may also be a taxable transaction under applicable state, local and other tax laws). Shareholders who do not demand an appraisal of the fair value of their Common Shares or Preferred Shares in accordance with Sections 623 and 910 of the BCL will recognize gain or loss for federal income tax purposes with respect to their Shares as of the effective time of the Merger. Shareholders who perfect their dissenters' rights in accordance with Sections 623 and 910 of the BCL will recognize gain or loss for federal income tax purposes with respect to their Shares on the date on which they receive (or become entitled to receive) payment for their Shares by reason of the proceedings described under "RIGHTS OF DISSENTING SHAREHOLDERS." In either case, the gain or loss recognized will equal the difference between the amount of proceeds received (or to be received) by the shareholder (other than amounts that are denominated as interest received by shareholders who demand an appraisal of the fair value of their Shares, which amounts will be subject to federal income tax as ordinary income) and the shareholder's tax basis for his Shares. In general, such gain or loss will be capital gain or loss if the shareholder held his Shares as a capital asset and will be long-term capital gain or loss if, at the effective time of the Merger, his Shares were held for more than six months. However, if any Shares were acquired upon conversion of the Company's convertible debentures, then a portion of any gain with respect to those Shares will be treated as ordinary income if the shareholder acquired such debentures at a "market discount" and did not elect to include such discount in income.

*In view of the individual nature of tax consequences, shareholders are urged to consult their own tax advisors with respect to specific tax consequences of the Merger and the Cash-Out of the Preferred, including the applicability and effect of federal, state, local and foreign tax laws.*

## RIGHTS OF DISSENTING SHAREHOLDERS

Pursuant to Sections 623 and 910 of the BCL, any holder of Common Shares who objects to the adoption of the Merger Agreement and any holder of Preferred Shares who objects to the Cash-Out of the Preferred is entitled to dissent therefrom and to have the fair value of his Shares judicially determined and paid to him by complying with the provisions of Sections 623 and 910 of the BCL. Shares held by shareholders demanding appraisal rights are hereinafter referred to as "Dissenting Shares."

The following is a summary of the statutory procedures required to be followed by a holder of Dissenting Shares (a "Dissenting Shareholder") in order to perfect his rights under the BCL. This summary is qualified in its entirety by reference to Sections 623 and 910 of the BCL, the texts of which are attached as Annex III.

If a shareholder elects to exercise his dissenter's rights with respect to the adoption of the Merger Agreement or approval of the Cash-Out of the Preferred, such shareholder must file with the Company before the Special Meeting, or at the Special Meeting but before the vote is taken, a written objection to the Merger which includes (a) a notice of his election to dissent, (b) his name and residence address, (c) the number and class of Shares as to which he dissents and (d) a demand for payment of the fair value of his Shares. This written objection must be in addition to and separate from any proxy or vote against adoption of the Merger Agreement or the Cash-Out of the Preferred. Neither voting against nor failure to vote for the adoption of the Merger Agreement or the Cash-Out of the Preferred will constitute the written objection required to be filed by a Dissenting Shareholder. Failure to vote against the adoption of the Merger Agreement or the Cash-Out of the Preferred will not constitute a waiver of rights under Sections 623 and 910 of the BCL provided that a written objection has been properly filed. However, a Dissenting Shareholder voting for the adoption of the Merger Agreement or the Cash-Out of the Preferred will be deemed to have waived his dissenter's rights.

Under the BCL, a shareholder may not dissent as to less than all of the Common Shares or Preferred Shares (as the case may be), as to which he has a right to dissent held by him of record, that he owns beneficially. A nominee or fiduciary may not dissent on behalf of any beneficial owner as to less than all the Common Shares or Preferred Shares (as the case may be) of such owner, as to which such nominee or fiduciary has a right to dissent, held of record by such nominee or fiduciary. All notices of election to dissent should be addressed to Sybron Corporation, 1100 Midtown Tower, Rochester, New York 14604, Attention: Secretary.

Within ten days after the date of the shareholders' vote authorizing the Merger and the Cash-Out of the Preferred, the Company will give written notice by registered mail of such authorization to each holder of Dissenting Shares who timely filed a written objection to either the adoption of the Merger Agreement or the Cash-Out of the Preferred and who did not vote in favor of adoption of the Merger Agreement or the Cash-Out of the Preferred (as the case may be).

At the time of filing his notice of election to dissent or within one month thereafter, a Dissenting Shareholder must submit the certificate or certificates representing his Dissenting Shares to the Company or its transfer agent, Chase Lincoln First Bank, N.A., Stock Transfer Department, P.O. Box 1250, Rochester, New York 14603, for notation thereon of his election to dissent, after which such certificates will be returned to the shareholder. Failure to submit the certificates may result in the loss of dissenters' rights.

Within 15 days after the expiration of the period within which shareholders may file their notices of election to dissent, or within 15 days after consummation of the Merger, whichever is later (but in no case later than 90 days after the shareholders' vote adopting the Merger Agreement and approving the Cash-Out of the Preferred), the Company is required to make a written offer by registered mail (which, if the Merger has not been consummated upon the expiration of the 90-day period after the shareholders' authorization date, may be conditioned upon such consummation) to each shareholder who has filed a notice of election to dissent to pay for such holder's Dissenting Shares at a specified price which the Company considers to be their fair value. The Company will make such a written offer of fair value to each Dissenting Shareholder who has filed such notice of election, but the Company does not intend to offer to pay more than $26.25 per Common Share and $42 per Preferred Share. Such offer will be

accompanied by a statement setting forth the aggregate number of Dissenting Shares with respect to which notices of election to dissent have been received and the aggregate number of holders of such shares. If the Merger has been consummated at the time such offer is made, such offer will also be accompanied by (a) advance payment to each Dissenting Shareholder who has submitted his certificates for notation thereon of the election to dissent of an amount equal to 80% of the amount of such offer, or (b) as to each Dissenting Shareholder who has not yet submitted his certificates for notation thereon of the election to dissent, a statement that advance payment to him of an amount equal to 80% of the amount of such offer will be made by the Company promptly upon submission of his certificates. Acceptance of such advance payment by a Dissenting Shareholder will not constitute a waiver of his dissenter's rights.

If the Company fails to make an offer within the 15-day period described above or, if it makes an offer but the Company and any Dissenting Shareholder does not agree within 30 days of the making of such offer upon the price to be paid for such holder's Dissenting Shares, the BCL requires that the Company must, within 20 days after the expiration of whichever of the foregoing periods is applicable, institute a special proceeding in the New York State Supreme Court in the judicial district in which the Company's office is located to determine the rights of dissenting shareholders and to fix the fair value of their Shares. If the Company does not institute such a proceeding within such 20-day period, any Dissenting Shareholder may, within 30 days after such 20-day period, institute a proceeding for the same purpose. All Dissenting Shareholders, other than those who agreed with the Company as to the price to be paid for their Shares, will be made parties to such proceeding. The court will determine those Dissenting Shareholders who have complied with the provisions of Section 623 of the BCL and who are entitled to dissenters' rights, and will then determine the fair value of their Dissenting Shares as of the close of business on the day prior to the date on which the shareholders approved the adoption of the Merger Agreement and the Cash-Out of the Preferred. In fixing the fair value of the Common Shares or Preferred Shares (as the case may be), the court will consider the nature of the transaction giving rise to the shareholder's right to receive payment for his Shares and its effects on the Company and its shareholders, the concepts and methods then customary in the relevant securities and financial markets for determining the fair value of shares of a corporation engaging in a similar transaction under comparable circumstances and all other relevant factors. Within 60 days after the completion of the proceeding, the Company will pay to each Dissenting Shareholder made a party to the proceeding the amount found to be due him, with interest thereon at such rate as the court finds to be equitable, upon surrender to the Company by such shareholder of the certificates representing his Dissenting Shares.

The parties to the appraisal proceeding will bear their own costs and expenses, including the fees and expenses of their counsel and of any experts employed by them, except that the court, in its discretion, may assess all or any part of the costs and expenses incurred by a Dissenting Shareholder against the Company or may assess all or any part of the costs and expenses incurred by the Company against any Dissenting Shareholder whom the court finds was arbitrary, vexatious or otherwise not acting in good faith in refusing any offer of payment the Company may have made.

Any shareholder who has filed a notice of election to dissent will not, after the Merger, have any rights of a shareholder with respect to his Dissenting Shares other than the right to be paid by the Company the fair value of his Shares under Section 623 of the BCL. Any notice of election to dissent may be withdrawn by a Dissenting Shareholder at any time prior to his acceptance in writing of an offer made by the Company, but in no case later than 60 days after the Merger, except that if the Company fails to make a timely offer to pay such shareholder the fair value of his Shares as provided above, the time for withdrawing a notice of election shall be extended until 60 days from the date an offer is made. Thereafter, withdrawal of a notice of election shall require the written consent of the Company. Any Dissenting Shareholder who withdraws his notice of election to dissent or otherwise loses his dissenter's rights shall thereupon have his shares of Dissenting Shares converted into the right to receive the price paid per Common Share pursuant to the Merger Agreement or the price paid per Preferred Share in the Cash-Out of the Preferred, as the case may be, without interest.

In view of the complexity of these provisions of New York law, shareholders of the Company who are considering dissenting from the adoption of the Merger Agreement or the approval of the Cash-Out of the Preferred should consult their legal advisors.

## PLANS FOR THE COMPANY AFTER THE MERGER

In considering the acquisition of the Company, Forstmann Little reviewed a number of factors, including, but not limited to, the historical and projected earnings of the Company and a "breakup" analysis of the potential value of the businesses of the Company. See "COMPANY PROJECTIONS." The Company has been advised by SC Acquisition that SC Acquisition intends, after the Merger, to cause the Company to conduct a majority of its core businesses substantially as they are currently being conducted. However, the Company will be required to repay $80 million of the Term Loan within 12 months of the Merger and anticipates that the funds to repay this indebtedness will come from sales of businesses or other assets, cash flow during the period and the proceeds of approximately $23 million (after tax) from the reversion to the Company of excess assets in certain of its pension plans terminated in 1985. See "THE MERGER AND THE CASH-OUT OF THE PREFERRED — Financing of the Offer, the Merger and the Cash-Out of the Preferred."

SC Acquisition has been evaluating, and plans to continue to evaluate, the various businesses and operations of the Company in order to make a determination as to their retention or disposition, and has engaged Goldman, Sachs & Co. to assist it in such evaluation and in the implementation of any divestitures of businesses which may be undertaken. The Company has contacted third parties with respect to the sale of its Midwest and Mediatech Divisions and the Photochem line of products of its Analytics Division. Also, prior to the time the Forstmann Proposal had been made, the Company had determined to sell its Denco Division and its Baisch operations and related real estate in Germany and the Company is continuing to proceed with its efforts to sell those businesses. No agreements with respect to the sale of any of the foregoing businesses has been reached. The Denco and Baisch operations have been reported as discontinued operations since September 1984. All of the foregoing businesses in the aggregate accounted for approximately 20% of the consolidated book value of the Company at December 31, 1985 and 1984. Aggregate operating losses for these business were approximately $5.5 million in 1985 and $3.9 million in 1984. See "BUSINESS OF SYBRON" for information concerning these and the other business operations of the Company.

In addition, SC Acquisition, in conjunction with Forstmann Little and its advisors, is continuing to study various tax planning alternatives which, under certain circumstances, could reduce the federal income taxes payable on any sale of assets or businesses of the Company following the Merger, including whether it would be beneficial for SC Acquisition to restructure its investment in the Company after the Merger through liquidation of the Company or otherwise or to elect to treat the Merger as a purchase and sale of the Company's assets for federal income tax purposes. Under the Company's Certificate of Incorporation, holders of Preferred Shares would be entitled, in the event of a voluntary liquidation of the Company, to receive from the assets of the Company, prior to payment to the holders of Common Shares or any other class of the Company's capital stock ranking as to distribution of assets subordinate to the Preferred Shares, the sum of $70 for each Preferred Share. Any liquidation of the Company, if one were to take place at all, would not occur until after the Merger is consummated. The Company believes that neither the Merger nor the Cash-Out of the Preferred is itself a voluntary liquidation. See "THE MERGER AND THE CASH-OUT OF THE PREFERRED — Certain Legal Considerations."

On March 25, 1986, the Company announced plans to relocate its corporate headquarters to Saddle Brook, New Jersey by June 30, 1986. In addition, the Company anticipates that the number of employees at the Company's corporate headquarters will be reduced from 80 to 20 in conjunction with the relocation. Those operating divisions of the Company headquartered in Rochester will remain there.

Certain of the Company's existing debt obligations will be required to be repaid as a result of the Merger and the financing therefor. The Company has called for redemption its 4-½% Convertible Debentures due 1987, and presently anticipates that, upon consummation of the Merger, it will be required, and it intends, to repay, among other indebtedness, its 7-½% Sinking Fund Debentures due 1994, which are publicly held. See "THE MERGER AND THE CASH-OUT OF THE PREFERRED—Financing of the Offer, the Merger and the Cash-Out of the Preferred."

## CERTAIN INFORMATION CONCERNING FORSTMANN LITTLE, MBO-II, FSLC, SC ACQUISITION AND TRANSCO

Forstmann Little is a private investment firm which specializes and invests in management buyout acquisitions. MBO-II was formed by Forstmann Little to provide subordinated debt financing and a portion of the equity financing required in leveraged buyout acquisitions arranged by Forstmann Little. The offices of Forstmann Little and MBO-II are located at 767 Fifth Avenue, New York, New York 10153. The general partner of each of Forstmann Little and MBO-II is FLC Partnership, a New York general partnership, whose partners are Theodore J. Forstmann, Wm. Brian Little, Nicholas C. Forstmann and John A. Sprague.

FLSC was formed by Forstmann Little for the purpose of participating in the acquisition of Sybron. The general partner of FLSC is FLC XV Partnership, a New York general partnership, whose partners are Messrs. Forstmann, Little, Forstmann and Sprague and Steven B. Klinsky. The offices of FLSC are located at 767 Fifth Avenue, New York, New York 10153. Other than its share ownership in SC Acquisition described below, it is not anticipated that, prior to the Merger, FLSC will have any other significant assets or liabilities or will engage in any activities other than those incident to the Offer and Merger and the financing thereof.

SC Acquisition was formed by Forstmann Little for the purpose of participating in the acquisition of Sybron. On February 27, 1986, Forstmann Little transferred and conveyed all of its stock of SC Acquisition to FLSC. Approximately 37.5% of the outstanding common stock of SC Acquisition is owned by MBO-II and the remainder is owned by FLSC and an affiliate of FLSC. FLSC has offered Messrs. Leach, Yontz and McCulloch the opportunity to acquire an equity interest of approximately 3%, 3% and 2.4%, respectively, in SC Acquisition. In addition, Mr. Yontz will be granted options to purchase an additional 1.4% of the equity in SC Acquisition. FLSC is also considering offering other members of management of the Company the opportunity to become equity participants in SC Acquisition and has had preliminary discussions regarding equity participation with certain members of the management of the Company, but no decisions have been made at this time either as to the identity of the persons who will be offered the opportunity to invest in SC Acquisition or as to the amount of the equity interest that will be offered.

Transco is an indirect wholly owned subsidiary of SC Acquisition formed for the purpose of effecting the Offer and Merger. The offices of Transco are located at 767 Fifth Avenue, New York, New York 10153. It is not anticipated that, prior to the Merger, Transco will have any other significant assets or liabilities or will engage in any activities other than those incident to the Offer and Merger and the financing thereof.

Neither Forstmann Little, MBO-II, FLC Partnership, FLSC, FLC XV Partnership, SC Acquisition, Transco nor the partners of either FLC Partnership or FLC XV Partnership had any relationship with the Company prior to the commencement of the negotiations which led to the execution of the Merger Agreement.

## MARKET PRICES OF SHARES

Prior to February 27, 1986, the Common Shares and the Preferred Shares were both listed and traded principally on the NYSE and were also traded but not listed on the Midwest and Pacific Stock Exchanges. On February 27, 1986, following the expiration of the Offer, the NYSE suspended trading in the Common Shares and Preferred Shares because of the reduced public shareholding. The Company has been advised by the NYSE that it intends to apply to the Commission to de-register the Common Shares and Preferred Shares. Shares not purchased pursuant to the Offer may continue to trade in the over-the-counter market prior to the Merger. The extent of the public market for such Shares and the availability of price quotations will, however, depend on the interest in maintaining a market in such Shares on the part of securities firms and on other factors. The Company understands that there has been little public trading in either the Common Shares or the Preferred Shares since February 26, 1986 and that prices are not being quoted through the National Association of Securities Dealers Automated Quotation System, Inc.

The following table sets forth, for the calendar periods indicated, the high and low sale prices on the NYSE Composite Tape and the amount of cash dividends paid per Common Share and Preferred Share by calendar quarter as reported in published financial sources.

| | Common Shares | | | Preferred Shares | | |
|---|---|---|---|---|---|---|
| Calendar Year | High | Low | Cash Dividends | High | Low | Cash Dividends |
| 1984: | | | | | | |
| First Quarter | $23.000 | $19.500 | $.27 | $38.250 | $31.000 | $.60 |
| Second Quarter | 20.000 | 16.125 | .27 | 33.000 | 28.500 | .60 |
| Third Quarter | 20.875 | 17.125 | .27 | 33.000 | 28.750 | .60 |
| Fourth Quarter | 21.500 | 17.500 | .27 | 34.500 | 30.500 | .60 |
| 1985: | | | | | | |
| First Quarter | 20.875 | 18.750 | .27 | 35.250 | 31.500 | .60 |
| Second Quarter | 19.500 | 17.375 | .27 | 35.750 | 31.000 | .60 |
| Third Quarter | 22.750 | 16.500 | .27 | 39.250 | 31.250 | .60 |
| Fourth Quarter | 22.625 | 18.375 | .27 | 36.250 | 32.000 | .60 |
| 1986: | | | | | | |
| First Quarter (through February 26, 1986) | 26.375 | 20.500 | (*) | 44.500 | 33.750 | .60(*)(**) |

* See "THE MERGER AND THE CASH-OUT OF THE PREFERRED—Background and Basis of Terms of the Merger and the Cash-Out of the Preferred."

** Paid on April 1, 1986 to holders of record of Preferred Shares on March 14, 1986.

On September 5, 1985, the last trading day prior to the announcement of the Lehman/Hillside Proposal, the closing sale prices per Common Share and per Preferred Share on the Composite Tape were $21.75 and $38.25, respectively. On January 20, 1986, the last trading day prior to the announcement of the Offer and the Merger Agreement, the closing sale prices per Common Share and per Preferred Share on the Composite Tape were $23 and $37.25, respectively. On January 24, 1986, the last trading day prior to the commencement of the Offer, such closing sale prices were $26.125 and $41.75 per share, respectively. The last reported prices for Common Shares and Preferred Shares on February 26, 1986, prior to suspension of trading on the NYSE, were $26.25 and $42.625, respectively.

No further dividends will be paid to, or accrued for the benefit of, holders of Common Shares prior to the Merger. Pursuant to the Merger Agreement, the Company has agreed not to pay any further dividends (including, but limited to, the regular quarterly cash dividends of $0.27 per Common Share) or make any further distribution (whether in cash, stock or property) with respect to any shares of the Company's capital stock while the Merger is pending (except that the Company is permitted to pay the stated quarterly dividends of $0.60 per Preferred Share). See "THE MERGER AND THE CASH-OUT OF THE PREFERRED — Background and Basis of Terms of the Merger and the Cash-Out of the Preferred." On February 27, 1986, the Company declared the $0.60 stated quarterly dividend per Preferred Share. This dividend was paid on April 1, 1986 to holders of record of Preferred Shares on March 14, 1986.

## BENEFICIAL OWNERSHIP OF SHARES

To the knowledge of Sybron, the only persons or entities who are, or may be deemed to be, the beneficial owners of more than five percent of any class of Sybron's voting securities are certain of the Forstmann Entities, FLC XV Partnership and FLC Partnership. Transco directly owns, and SC Acquisition, FLSC, MBO-II, FLC XV Partnership and FLC Partnership may be deemed to be the beneficial owners of, 7,576,941 Common Shares and 515,197 Preferred Shares, which represent approximately 94% and 75.2%, respectively, of such Shares outstanding on March 31, 1986.

The directors of Sybron are Richard C. Farley, Nicholas C. Forstmann, James M. Kieffer, Howard H. Leach, Wm. Brian Little and Kenneth F. Yontz. To the knowledge of Sybron, none of these persons nor any of the executive officers of Sybron beneficially owns any voting securities of Sybron. See "THE MERGER AND THE CASH-OUT OF THE PREFERRED — Interests of Certain Persons in the Merger."

## BUSINESS OF SYBRON

### General

The Company was formed on November 1, 1965, under the name Ritter Pfaudler Corporation by the consolidation of Ritter Corporation (successor of a business founded in 1887) and Pfaudler Permutit, Inc. (successor of a business organized in 1884). Ritter Pfaudler Corporation merged with Taylor Instrument Companies, Inc. and changed its name to Sybron Corporation in 1968.

The Company has undergone a major restructuring program, which was first announced in June of 1981. The purpose of the restructuring program was to shift the Company away from capital goods businesses and dependence upon cyclical, industrial markets, and to concentrate the Company's energies and resources in the consumables, services and equipment side of its health care and other businesses. A major portion of its restructuring program consisted of the sale of its Process Equipment Group in 1982, the sale of its Taylor Instrument Company Division in 1983, and the acquisition of dental operations from American Hospital Supply Corporation in 1982. Other acquisitions and divestitures were made to focus the Company's business, as follows:

1. Acquisition of Medical Research International, Inc. (manufacturer of angiographic injector systems) in September 1984;

2. Acquisition of Cryogenic Associates, Inc. (manufacturer of liquid oxygen therapy delivery systems) in March 1985 (Cryogenics was merged into and became a division of the Company in 1986);

3. Acquisition of Gerhard Menzel GmbH & Co. KG (manufacturer of microscope slides and cover glass) through the Company's wholly owned subsidiary, Sybron Deutschland GmbH, in July 1985;

4. Divestiture of Ritter A.G., a wholly owned German subsidiary (dental equipment business), in March 1985 (effective January 1, 1985);

5. Divestiture of the Company's Denticon division (dental laboratory chain) in September 1985 (effective August 31, 1985);

6. Start up of the Clinical Technology division (electrosurgical devices and disposable sterilization monitoring products) in March 1984;

7. Start up of the Mediatech division (tissue culture media products) in September 1984; and

8. Liquidation of the Company's Ritter U.S. dental equipment operations in 1985.

As previously discussed, the Company has contacted third parties with respect to the sale of its Mediatech division, the Midwest division of its dental business and the Photochem line of products of its Analytic division, and is also continuing to proceed with its efforts, begun prior to the time the Forstmann Proposal had been made, to sell the Denco division (dental products distributor) of Sybron Canada Limited and its Baisch operations (manufacturer of cabinetry for dental and medical offices) and related real estate in Germany. See "PLANS FOR THE COMPANY AFTER THE MERGER." No agreements with respect to the sale of any of the foregoing businesses have been reached.

The Company presently is engaged in four basic businesses, which include the manufacture and sale of products in the United States and in other countries. These businesses are:

1. Medical — hospital equipment and services, diagnostic imaging equipment, equipment for the physician's office and consumer products;

2. Dental — dental supplies, orthodontic appliances and intra-oral instrumentation;

3. Laboratory — labware, water treatment equipment, heating apparatus, analytical instruments and glass specialty items; and

4. Chemical — ion exchange resins, textile chemicals and specialty industrial and marine chemicals.

The Company manages its Medical, Dental and Laboratory businesses through operating divisions and subsidiaries. The divisions in the Medical business include Castle, Liebel-Flarsheim, Cryogenic Associates, Clinical Technology and Tycos Life Science. Divisions and subsidiaries in the Dental business include Kerr, Ormco, Midwest, and the Denco and Beavers divisions of Sybron Canada Limited. The divisions and subsidiaries in the Laboratory business include Servomex, Barnstead, Brinkmann Instruments Co., Erie Scientific, Nalge, Mediatech, Thermolyne Corporation, and Gerhard Menzel GmbH & Co. KG. The Chemical business is managed through a wholly owned subsidiary of the Company, Sybron Chemicals Inc., which, with its affiliated overseas companies, consists of the American, Far Eastern and European Divisions.

**Medical**

Products in this area fall into three general classifications, the largest being hospital equipment and services sold by the Company's Castle and Clinical Technology divisions. Major equipment includes sterilizers, washing equipment for central supply use, surgical lights and electrosurgical devices. Liebel-Flarsheim's expertise is in the diagnostic imaging field. Liebel-Flarsheim manufactures a line of specialty equipment used in the radiology, urology and cardiology segments of the medical/hospital field. Products include urological tables, chest radiology systems, angiographic injectors and disposable products, head stands, film changers and other accessories. Liebel-Flarsheim also produces components, including buckys and grids, for original equipment manufacturers.

The Tycos Life Science division sells primarily to the physician's market with a product line that includes sphygmomanometers, stethoscopes, tabletop sterilizers, examination tables and lights. Also included in this category is a line of consumer products currently sold under the Taylor trade name. These products include such items as thermometers and barometers.

The Cryogenic Associates division sells equipment for home use that stores and converts liquid oxygen into breathing oxygen for controlled dispensing to patients.

Medical products are sold both directly to end users and through dealers.

The Company utilizes a number of patents owned by it and a limited number owned by others and licensed to it. The Company, however, does not believe that the use of patents is essential to successful competition in this business. The Company also has a number of strong brand and product names, many of which are protected by trademark registration. The Company believes that it is important to continue to maintain this protection. Their use by the Company is advantageous but not essential to success in the business.

The Company is a significant manufacturer of x-ray accessory specialties and sphygmomanometers in the United States with competition in this area primarily from overseas manufacturers. In other areas of the medical products business, the Company encounters strong competition.

Product performance and service are important to the Company's customers. The Company maintains a large service organization for hospital and medical equipment and considers this important to maintaining a competitive position.

In general, the Company has alternate sources of supply for materials used in the manufacture of its medical products. It does not rely on any single customer for a significant portion of sales of these products.

The Taylor line of consumer products is sold through various wholesale and retail distribution channels, including hardware, department and discount stores and scientific supply and mail order houses. These items are often discretionary purchases where price, as well as product performance, are considerations.

**Dental**

The Company is a major manufacturer and supplier of professional dental products. Kerr, the Company's largest business unit in this market area, has operations in the United States, Europe and Brazil. Kerr is a supplier of dental sundries including impression materials, filling compounds, endodontic instruments and treatment materials for preventive dentistry. Ormco is a leading manufacturer of orthodontic dental supplies.

The other part of the Company's continuing dental business is in intra-oral instrumentation such as handpieces and burs, made by Midwest, a market leader. Dental burs sold by Midwest are manufactured at the Beavers division of Sybron Canada Limited.

Dental products are sold primarily through dealers. Orthodontic supplies are sold directly to professional users. Product performance, service and price are major factors in determining market share. The Company has numerous competitors in the United States, Canada and overseas in the dental market.

**Laboratory Products**

The Company sells an extensive line of laboratory products both directly and through dealers. These laboratory products include: plastic labware such as beakers, filters, graduates, flasks, and tubing manufactured by its Nalge division; microscope slides and specialty glass items manufactured by its Erie Scientific division and Gerhard Menzel GmbH subsidiary; electrical apparatus such as hot plates, incubators and magnetic stirrers made by its Thermolyne Corporation subsidiary; liquid and solid cell culture media made by its Mediatech division; water treatment equipment, including stills, demineralizers and deionization equipment for medical and scientific laboratory and industrial use manufactured by its Barnstead division; a line of gas analyzers which monitor combustion of fossil fuels and check noxious gas levels in a variety of industrial processes and marketed under the Servomex name; and European-made analytical instruments and laboratory products such as electronic balances, pipettes, rotary evaporators and titrators for industrial and clinical use distributed in the U.S. by its Brinkmann Instruments division.

The major portion of Brinkmann's business is derived from the sale of products imported from European manufacturers. Although Brinkmann has had business relationships for more than five years with its present major suppliers, there is no assurance that any or all of these relationships will continue.

The Company believes itself to be the largest manufacturer of plastic labware through its Nalge division but has numerous competitors in this area as well as most other areas of the laboratory product market. Product quality and performance are the major concerns to the customer. The Company has alternate sources of supply for materials it uses in the manufacture of laboratory products. It does not rely on any single customer for a significant portion of sales of these products.

**Chemical**

The Company's wholly owned subsidiary, Sybron Chemicals Inc., and its affiliated overseas companies manufacture and supply a wide range of specialty chemicals, including ion exchange resins, specially formulated performance catalysts and generic organic chemicals.

Ion exchange resin uses include industrial, utility and household water treatment, uranium and secondary oil recovery, sugar and sweetener purification and chemical and pharmaceutical processing. Other specialty polymers and organic chemicals are used in the manufacture of reprographic toners, carbonless copy paper, dentures and false teeth and consumer goods such as floor polishes.

Sybron Chemicals' marine and industrial chemicals and equipment are used for cleaning ships and industrial tanks and to improve marine and industrial combustion processes and energy efficiency. They have also been successfully employed in emergency oil spill cleanups involving oil tanker accidents.

Sybron Chemicals' textile specialty chemicals are used for dying and finishing fabrics. The dye carriers and other auxiliaries enable synthetic fabrics to be dyed readily and evenly. Finishing chemicals impart certain characteristics such as easy care, improved feel and appearance and special surface properties.

Sybron Chemicals' operations also formulate and market specially cultured and selected strains of bacteria. Traditionally, they are used for sanitary waste treatment, odor control, silage preservation and farm feed additives.

Special mutant bacteria are now being successfully marketed to treat industrial wastes which are not readily biodegradable. Chemicals are sold worldwide from manufacturing operations in the United States, France, Netherlands, Italy, Japan, Australia and the United Kingdom by Sybron Chemicals' own sales force and through dealers and independent representatives.

Sybron Chemicals is a relatively small factor in the highly competitive field of specialty chemicals. Price, product performance and availability are considerations in the purchase of chemical products. Sybron Chemicals feels it is competitive in all areas. The Company has patent and trademark protection in some areas but neither is considered essential to successful competition in the market.

In general, Sybron Chemicals has alternate sources of supply for materials used in the manufacture of specialty chemicals. It does not rely on any single customer for a significant portion of sales of its products.

**Research Activities**

The Company has a number of research and development programs in its various businesses, most of which are aimed at extending product lines or improving product differentiation. The Company considers these product development programs to be of importance in maintaining its market position. Product development expenditures increased 18.1% in 1985. The amount spent by the Company on research activities including development of new products and improvement of existing products was approximately $17.5 million in 1985, $14.8 million in 1984 and $12.8 million in 1983.

**Financial Information About Business Segments**

Financial information about the Company's business segments, including the amount and percentage of total revenue contributed by classes of similar products, is set forth under "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — Segments" and in Note 13 to the Financial Statements contained elsewhere in this Information Statement.

**Financial Information About Foreign and Domestic Operations and Export Sales**

Financial information about foreign and domestic operations and export sales is set forth under the captions "Information on Geographic Areas" and "Taxes on Income" in Notes 13 and 12, respectively, to the Financial Statements contained elsewhere in this Information Statement.

## PROPERTIES OF SYBRON

The Company conducts multinational operations, owning or leasing approximately 2.5 million square feet in the United States and 1.3 million square feet outside the United States, as indicated in the following table.

| Properties (at December 31, 1985) | Leased | Owned | Total |
|---|---|---|---|
| | (In thousands of square feet) | | |
| Medical | 299 | 700 | 999 |
| Dental | 109 | 554 | 663 |
| Laboratory | 234 | 809 | 1,043 |
| Chemical | 214 | 638 | 852 |
| Discontinued Operations | 207 | 37 | 244 |
| Corporate | 35 | — | 35 |
| Total | 1,098 | 2,738 | 3,836 |
| Total Domestic | 541 | 1,996 | 2,537 |
| Total Foreign | 557 | 742 | 1,299 |

The principal properties of the Company are suitable and adequate for the operations carried on at the various locations.

*Medical*

This segment has three major plants in the United States and one in Mexico.

*Dental*

This segment has three major plants in the United States as well as additional plants in Canada, Mexico, Brazil and Italy.

*Laboratory Products*

This segment has five major plants in the United States as well as additional plants in the United Kingdom, Germany and Switzerland.

*Chemicals*

This segment has two major plants in the United States as well as additional plants in the Netherlands, France, Italy, Japan, Australia and Mexico.

*Corporate Headquarters*

The Company leases space in an office building located in Rochester, New York for its headquarters. As previously discussed, by June 30, 1986, the Company plans to relocate its corporate headquarters to Saddle Brook, New Jersey. The new corporate headquarters will consist of approximately 8,000 square feet of leased space, compared to the 35,000 square feet leased for the Company's present corporate headquarters in Rochester, New York. See "PLANS FOR THE COMPANY AFTER THE MERGER."

## SELECTED FINANCIAL DATA

Set forth below is selected financial data with respect to Sybron. The following data should be read in connection with the financial statements and related notes included elsewhere in this Information Statement. See "FINANCIAL STATEMENTS."

### SYBRON CORPORATION
**(In thousands, except per share data)**

| | Year Ended December 31, | | | | |
|---|---|---|---|---|---|
| | 1985 | 1984 | 1983 | 1982 | 1981 |
| Net sales | $529,723 | $501,083 | $458,015 | $375,885 | $374,483 |
| Income from continuing operations | 6,852 | 19,191 | 18,606 | 11,440 | 22,081 |
| Net income (loss) | 10,361 | (10,828) | (26,701) | 6,615 | 27,606 |
| Total assets | 405,077 | 428,821 | 448,824 | 488,125 | 462,300 |
| Long-term obligations* | 91,719 | 116,555 | 118,416 | 115,814 | 106,513 |
| Income per Common Share from continuing operations | .52 | 1.77 | 1.72 | .99 | 2.02 |
| Net income (loss) per Common Share | .87 | (1.26) | (2.93) | .49 | 2.53 |
| Cash dividend per Common Share | 1.08 | 1.08 | 1.08 | 1.08 | 1.08 |

* Includes long-term debt, pension and severance obligations, and other non-current liabilities.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

On January 27, 1986, the Company and Forstmann Little announced that they had entered into the Merger Agreement which provided for the Company to be acquired by SC Acquisition for $26.25 in cash per Common Share and $42 in cash per Preferred Share, or a total of approximately $300 million. The Offer commenced on January 27, 1986, and expired, after extension, on February 26, 1986. In accordance with the terms of the Offer, SC Acquisition transferred and assigned its rights to purchase Shares to Transco, an indirect subsidiary of SC Acquisition. As a result of the purchase by Transco and the Company (and the cancellation by the Company of the Common Shares purchased by it) pursuant to the Offer, Transco owns approximately 94% of the currently outstanding Common Shares, 75.2% of the currently outstanding Preferred Shares, and approximately 92.6% of the combined voting power of all currently outstanding Shares.

The management and financial position of the Company have changed substantially as a result of the above. Subject to an evalution process, the carrying value of the Company's assets, liabilities and shareholders' equity will change as a result of these transactions. In addition, composition of the Company's businesses may be restructured. The following discussion and analysis has been written without consideration of the effects of the acquisition by SC Acquisition and should be read in that light.

### Major Trends

In 1984 and 1983 the Company continued its restructuring program with the sale of Taylor Instruments Group in 1983 and the decision in 1984 to dispose of the dental equipment, dental laboratory services and dental distribution businesses because the operations could not meet the Company's profit objectives. Net losses for the disposal of these discontinued operations of $24 million and $34.5 million were recorded in 1984 and 1983, respectively. In 1985, the Company recorded an adjustment of prior years' provisions for discontinued operations of $3,509,000, after taxes, because disposals of significant discontinued operations occurred on a more favorable basis than originally anticipated.

Earnings from continuing operations were $6.9 million in 1985 compared to $19.2 million in 1984 and $18.6 million in 1983. The drop in earnings in 1985 is primarily due to losses incurred in the Medical segment.

Sales of continuing operations increased 6% in 1985 and 9% in 1984.

Sales of dental products were flat in 1985 after being up 7% in 1984. Sales of orthodontic appliances and dental supplies increased in 1985 and 1984 while intra-oral instrument sales were lower in 1985 after increasing moderately in 1984.

Sales of medical products were up 6% in 1985 and 11% in 1984. Excluding Cryogenic Associates, a 1985 acquisition, sales of medical products declined in 1985 in most medical product lines.

Laboratory product sales were higher by 11% and 13% in 1985 and 1984, respectively. An increase in 1985 was realized by all operations within the Laboratory Group.

Sales by the chemical units increased 5% in 1985 and 1984.

**Financial Condition**

Sybron's liquidity and general financial condition remained strong in 1985. Although cash and short-term investments decreased by $30 million in 1985, short and long-term debt also decreased by $35.5 million. In 1984 cash and short-term investments increased $13.1 while short- and long-term debt remained about the same. Major sources of cash in these years were earnings from continuing operations, proceeds from divestitures, depreciation and amortization of intangibles. Major uses of cash included capital expenditures, dividends to shareholders and, in 1985, reduction of long-term debt and acquisitions.

**Working Capital**

Working capital, including cash and short-term investments and short-term debt, was as follows:

| | 1985 | 1984 | 1983 |
|---|---|---|---|
| | | ($ Thousands) | |
| Working capital | $125,969 | $174,292 | $186,703 |
| Increase (decrease) during year | (48,323) | (12,411) | 5,174 |
| Cash and short-term investments | 48,497 | 78,499 | 65,351 |
| Increase (decrease) during year | (30,002) | 13,148 | 29,426 |
| Current ratio | 2.0 | 2.4 | 2.7 |

The decline in the current ratio during 1985 primarily reflects the reduction in long-term debt and the acquisition of two companies for cash.

Accounts and notes receivable in 1985 and 1984, excluding the effects related to prior year discontinued businesses and, in 1985, receivables of the acquired companies, remained at about the same level as 1984.

Inventories in 1985 excluding the acquisitions made in that year declined by $8.9 million reflecting improved inventory control and, in the medical business, lower volume. Inventories increased by $12.1 million in 1984.

Turnover of average inventory, a measure of asset utilization based on cost of sales, was as follows:

| | 1985 | 1984 | 1983 |
|---|---|---|---|
| Inventory turnover | 3.8 | 3.7 | 3.8 |

**Capital Expenditures**

| | 1985 | 1984 | 1983 |
|---|---|---|---|
| | | ($ Thousands) | |
| Capital expenditures | $23,405 | $24,275 | $17,356 |

Major capital expenditures in 1985 and 1984 in the Laboratory segment included machinery and equipment for replacement and cost reduction in various operations, and building expansion at the Brinkmann Instruments facility in Westbury, New York. Expenditures in the Medical segment included machinery, equipment and tooling to reduce manufacturing costs, and factory control computer systems. For the Dental segment, expenditures included machinery and equipment replacements, new product tooling, and machinery to reduce manufacturing costs. For the Chemical sector, expenditures were made for expansion of ion exchange manufacturing capability, consolidation of manufacturing facilities, product cost reductions, and environmental related items.

In general, capital spending programs are to modernize the Company's facilities, to provide for expansion, reduce product costs, improve productivity and to provide modern computer-based factory control systems.

**Financing and Investment Activities**

Dividends paid to common shareholders of $1.08 per share totaled $10.7 million in 1985. The dividend has continued at $1.08 per share since 1980. Dividends paid to preferred shareholders were $2.40 per share and totaled $1.7 million. During 1985, 5,600 preferred shares were converted into 8,960 common shares.

The Company increased short-term borrowings by $.2 million in 1985 after an increase of $4.3 million in 1984. In 1985, short-term borrowings include $5 million previously classified with net assets for disposal which are now considered to be retained by the Company for ultimate payment. Historically, most short-term borrowings have been used to finance overseas operations. Although the majority of this debt is at floating rates, the flexibility offered by this method of financing reduces risk associated with currency fluctuations.

In connection with the Menzel acquisition, the Company borrowed the equivalent of $4 million in Deutschemarks in 1985. The Company also repaid $34.9 million for the 9-⅛% notes due in 1985 and repurchased $1.8 million in 1985 and $4.2 million in 1984 of its notes and sinking fund obligations at attractive market prices.

**Leverage**

Leverage ratios measure the extent to which the Company is financed by debt and indicate the degree of conservatism in management's financing policy. The trend of selected leverage ratios is as follows:

| | 1985 | 1984 | 1983 |
|---|---|---|---|
| Total debt to total capital plus short-term debt | 27.9% | 36.6% | 32.4% |
| Total debt to equity | 39.4 | 58.9 | 51.4 |
| Times interest earned by continuing operations | 2.0 | 3.3 | 3.1 |

The improvement in the ratios of total debt to total capital plus short-term debt and total debt to equity is primarily due to the repayment of $34.9 million of 9-⅛% notes which became due in 1985 with funds generated principally from liquidation of short-term investments.

**Liquidity**

Turnover ratios helpful in the evaluation of the effect of operations on liquidity are as follows:

| | 1985 | 1984 | 1983 |
|---|---|---|---|
| Sales to average working capital | 3.53 | 2.78 | 2.49 |
| Sales to average total assets | 1.27 | 1.14 | .98 |

These liquidity ratios improved substantially in 1985 and 1984. In 1985, average working capital decreased because of the reduction of short-term investments and collections of accounts receivable relating to prior discontinued operations together with application of funds for reduction of long-term

debt, acquisitions and other uses. In 1984 the improvement was favorably affected by the restructuring of the Company.

At December 31, 1985 the Company had a $40 million credit line available under its credit agreement and a substantial number of authorized but unissued common and preference shares.

**Results of Operations**

Product sales to customers were up 5.7% in 1985. Sales were up in all segments with the Medical and Laboratory segments benefitting from the 1985 acquisitions. Excluding the acquisition of Cryogenic Associates, sales of the Medical segment were lower in 1985 reflecting customer cost containment pressures and the Castle division coming off a strong sales year in 1984. Dental sales were up slightly, although Ormco and Kerr showed steady improvement. The Laboratory and Chemical segment sales were up 10.7% and 4.5% respectively.

Sales to customers from domestic units were $427.9 million in 1985 and $408.8 million in 1984, representing slightly more than 80% of total sales in both years. Sales to customers, in 1985, increased 5% in the U.S., 16% in Europe and 2% in all other areas of the world. Sales by new acquisitions, Cryogenic Associates in the U.S. and Menzel in Europe, contributed to the increased sales. Sales in 1984 increased 10% in the U.S., decreased 3% in Europe and increased 21% in all other areas.

Profitability ratios used by the Company to assess performance trends are as follows:

| | 1985 | 1984 | 1983 |
|---|---|---|---|
| Percent of net sales | | | |
| Cost of goods sold | 60.7% | 59.2% | 59.6% |
| Selling and administrative | 31.2 | 30.9 | 30.0 |
| Research and development | 3.3 | 3.0 | 2.8 |
| Pre-tax income | 2.0 | 6.5 | 6.2 |
| Income from continuing operations | 1.3 | 3.8 | 4.1 |
| Percentage return on average shareholders' equity | 3.8 | 9.9 | 8.3 |

Costs of goods sold as a percent of net sales increased 1.5 percentage points in 1985 after declining .4 percentage points in 1984. The increase in 1985 reflects the cost/price pressures existing during the year, particularly in the Medical segment.

Selling and administrative expenses as a percent of sales increased .3 percentage points in 1985 after increasing .9 percentage points in 1984. Administrative expenses for staff reductions and other program costs contributed to the increase.

Research and development expenditures as a percent of sales increased .3 percentage points in 1985 and .2 in 1984. Actual expenditures increased $2.7 million in 1985 and $2 million in 1984 as emphasis on new product development was continued.

Interest income was lower in 1985 by $5.7 million primarily reflecting the utilization of funds for the reduction of long-term debt, lower interest rates and the acquisition of two companies in 1985. Interest expense declined by $3.4 million. In 1984, interest earned was higher by $7.4 million primarily reflecting a full year's earnings on proceeds from the sale of Taylor Instruments on September 30, 1983.

Other expenses (net) was up significantly in 1985. Foreign currency losses were $2.3 million in 1985 compared to gains of $1.7 million and $1.5 million in 1984 and 1983, respectively. Equity income of an insurance subsidiary amounted to $.3 million in 1985 compared to $1.5 in 1984 and $3.7 million in 1983. Other large items included in other expenses (net) are charges for amortization of intangible assets arising from the 1982 acquisition of dental units of $3.4 million in 1985, $3.7 million in 1984 and $3.9 million in 1983. An additional $2.1 million of charges for amortization of intangible assets was incurred in 1985 relative to the 1985 acquisitions. Also, in 1985, losses of $1.4 million were recognized on disposal of

property, plant and equipment, including a write down of an Irish facility to estimated realizable value. In 1983, gains of $.9 million were realized from disposal of property, plant and equipment and a claim settlement.

**Segments**

The Medical segment continued to be adversely affected by cost containment pressures in the health care field which constrained volume. In addition, higher costs for systems changes, severance pay and other operating costs contributed to the operating losses incurred by the Medical segment. The Castle Division, which had increased volume and profits in 1984, reported lower sales and losses in 1985. The Medical segment includes Cryogenic Associates which was acquired on March 1, 1985. Costs of $2.3 million for the amortization of revalued assets related to the acquisition also have been incurred by the Medical segment.

The Dental segment operating profits declined 20% in 1985 after improving by 32% in 1984. The decline is attributed to the Midwest Division which incurred losses in 1985 including $1.7 million of costs attributable to closing its operations in Ireland. The Ormco and Kerr Divisions reported higher sales and operating profits in 1985. In 1984 the Dental segment recorded increased sales with operating profits up 32% that year with Ormco the primary contributor.

The Laboratory segment improved sales by 10% and operating profits by 3% in 1985 after increases of 13% in sales and 12% in operating profits in 1984. Start up costs of the Mediatech Division lowered the Laboratory segment operating profits in 1985. The segment's results in 1984 were favorably affected by the strengthened U.S. dollar resulting in lower costs of imported products.

The Chemical segment reported sales up 5% from 1984 while operating profits were down 4%. In 1984, sales and operating profits were up 5% and 6%, respectively. Lower margins because of pricing pressures affected 1985 results.

**Net Sales To Customers By Product Line**

| | 1985 | | 1984 | | 1983 | |
|---|---|---|---|---|---|---|
| | | | ($ Thousands) | | | |
| Life Sciences | | | | | | |
| Medical and hospital products | $120,113 | 23% | $111,529 | 22% | $100,433 | 22% |
| Consumer products | 21,568 | 4 | 21,872 | 5 | 19,421 | 4 |
| Total Medical | 141,681 | 27 | 133,401 | 27 | 119,854 | 26 |
| Dental products | 127,402 | 24 | 127,154 | 25 | 118,972 | 26 |
| Laboratory products | 165,299 | 31 | 149,320 | 30 | 132,067 | 29 |
| Total Life Sciences | 434,382 | 82 | 409,875 | 82 | 370,893 | 81 |
| Chemicals | 95,341 | 18 | 91,208 | 18 | 87,122 | 19 |
| Total | $529,723 | 100% | $501,083 | 100% | $458,015 | 100% |

## APPRAISALS

SC Acquisition engaged Arthur D. Little Valuation, Inc. ("ADL") to appraise certain tangible and intangible assets of the Company. The appraisal was desired for various purposes, including estimating the fair market value of the Company's assets in connection with financing the acquisition of the Company, determining the investment of SC Acquisition in its subsidiaries (which in turn directly own Transco), complying with Accounting Principle Board Opinion No. 16 relating to purchase accounting adjustments, and evaluating various federal income tax planning alternatives. The tangible assets appraised included land, buildings and improvements, machinery and equipment, and construction in progress. The intangible assets appraised included leasehold interests, license agreements, trademarks and trade names, supply contracts, proprietary technology, product and engineering drawings and manuals, computer software, customer lists and goodwill and going concern value.

The estimated value, as of February 14, 1986, of the assets appraised by ADL was determined by ADL to be $279.6 million. The estimated value of the net assets of the Company as of September 30, 1985, based on ADL's appraisal and management's estimate of the value of the assets not appraised by ADL and the liabilities of the Company at September 30, 1985, was approximately $311 million. The cost of acquiring all of the Common Shares and Preferred Shares, together with related costs and expenses (including employee severance benefits) of approximately $21 million, will be approximately $311 million.

The appraisals made by ADL are estimates of the fair market value of the Company's assets assuming their continued use in the business. The value of assets of certain operating divisions was reduced to reflect economic obsolescence (inability to support a sufficient return on asset value) associated with these divisions. Except for the assets of these operating divisions, the fair market value of an asset, as determined by ADL, is the estimated amount at which the appraised asset might be expected to exchange between a willing buyer and a willing seller, neither being under compulsion, each having reasonable knowledge of all relevant facts and assuming that the appraised assets will continue in their present use as part of an ongoing business enterprise. In general, ADL utilized cost, market and income approaches, as it deemed appropriate, in the valuation of the various classes of assets. Certain of the valuations of classes of assets utilized replacement cost which was adjusted for depreciation.

In conducting its investigation for purposes of preparing its appraisal, ADL conducted a personal inspection of all major facilities of the Company and conducted discussions with management of the Company concerning the history and nature of the business of the Company, its financial status and its economic prospects, but did not solicit any offers or inquiries with respect to the appraised properties from potential purchasers.

ADL has been engaged by Forstmann Little from time to time in the past in connection with the valuation of certain assets of Forstmann Little and assets of certain entities affiliated with Forstmann Little. ADL was not retained by SC Acquisition to evaluate the fairness of the Merger or the Cash-Out of the Preferred or the amounts to be paid to shareholders of the Company with respect thereto.

## COMPANY PROJECTIONS

In the course of the negotiations between Forstmann Little, MBO-II and the Company, the Company provided certain business and financial information which the Company believes was not at the time publicly available, including financial projections for the fiscal years 1985 through 1988. Such projections forecast operating profits of the Company, before interest, taxes and various corporate items such as administrative costs, adjustments to LIFO inventory, other income and expenses and acquisition accounting adjustments, of approximately $41.7 million, $54.5 million, $69.5 million and $78.4 million for 1985, 1986, 1987 and 1988, respectively.

Projections of this type are based on estimates and assumptions that are inherently subject to significant economic and competitive uncertainties and contingencies, all of which are difficult to predict and many of which are beyond the Company's control. Accordingly, there can be no assurance that the projected results would be realized or that actual results would not be significantly higher or lower than those projected. In addition, the projections were not prepared with a view to complying with the published guidelines of the Commission regarding projections and are included only because such information was provided to Forstmann Little and MBO-II during their discussions with the Company. Because the foregoing projections are inherently subject to uncertainties, the Company assumes no responsibility for their accuracy or validity.

## ADDITIONAL AVAILABLE INFORMATION

Sybron is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files periodic reports, proxy statements and other information with the Commission relating to its business, financial statements and other matters. Such reports, proxy statements and other information may be inspected at the public reference facilities maintained by the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and should also be available for inspection and copying at the regional offices of the Commission located at the Jacob K. Javits Federal Building, 26 Federal Plaza, New York, New York 10278; and the Everett McKinley Dirksen Building, 219 South Dearborn Street, Chicago, Illinois 60604. Copies of such material can also be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. Such material should also be available for inspection at the offices of the NYSE, 20 Broad Street, New York, New York 10005.

SYBRON CORPORATION
INDEX TO FINANCIAL STATEMENTS


| | Page |
|---|---|
| **Financial Statements** | |
| Report of Independent Accountants | F-2 |
| Consolidated Balance Sheets, December 31, 1985 and 1984 | F-3 |
| Statements of Consolidated Income (Loss), Years Ended December 31, 1985, 1984 and 1983 | F-4 |
| Statements of Changes in Consolidated Financial Position, Years Ended December 31, 1985, 1984 and 1983 | F-5 |
| Statements of Changes in Consolidated Shareholders' Equity, Years ended December 31, 1985, 1984 and 1983 | F-6 |
| Notes to Financial Statements | F-7 |
| Supplementary Financial Data | F-22 |
| Two-Year Financial Data by Quarter | F-25 |

## REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders and Board of Directors of Sybron Corporation

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income (loss), changes in financial position and changes in shareholders' equity present fairly the financial position of Sybron Corporation and its subsidiaries at December 31, 1985 and 1984 and the results of their operations and the changes in their financial position for each of the three years in the period ended December 31, 1985, in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse

PRICE WATERHOUSE
1900 Lincoln First Tower
Rochester, New York
February 26, 1986

## SYBRON CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

**($ Thousands, Except Per Share)**

### ASSETS

| | December 31, 1985 | December 31, 1984 |
|---|---|---|
| Current assets: | | |
| Cash | $ 1,593 | $ 2,686 |
| Short-term investments at cost, which approximates market | 46,904 | 75,813 |
| Accounts and notes receivable net of allowance for doubtful accounts: 1985-$2,897 and 1984-$2,423 | 101,813 | 117,283 |
| Inventories | 82,802 | 86,244 |
| Prepaid expenses and other current assets | 21,146 | 18,344 |
| Total current assets | 254,258 | 300,370 |
| Cost in excess of underlying net asset value of acquired companies | 17,494 | 15,790 |
| Other non-current assets | 27,945 | 20,431 |
| Property, plant and equipment at cost net of allowance for depreciation: 1985-$87,354 and 1984-$74,884 | 105,380 | 92,230 |
| Total Assets | $405,077 | $428,821 |

### LIABILITIES AND SHAREHOLDERS' EQUITY

| | | |
|---|---|---|
| Current liabilities: | | |
| Short-term debt due banks | $ 11,694 | $ 11,460 |
| Long-term debt due within one year | 4,505 | 7,557 |
| Accounts payable | 45,084 | 35,854 |
| Estimated taxes on income | 14,368 | 14,082 |
| Accrued expenses | 52,638 | 57,125 |
| Total current liabilities | 128,289 | 126,078 |
| Long-term debt | 55,563 | 88,247 |
| Pension and severance obligations | 14,739 | 9,668 |
| Deferred income taxes | 2,824 | 4,150 |
| Other non-current liabilities | 21,417 | 18,640 |
| Total liabilities | 222,832 | 246,783 |
| Shareholders' equity: | | |
| Preferred stock, $2.40 cumulative convertible, authorized 1,435,754 shares, par value $4.00, outstanding 1985-684,811 and 1984-690,411 (involuntary liquidation value $15,066) | 2,739 | 2,762 |
| Class A preference stock, authorized 6,000,000 shares, par value $1.00 non issued | | |
| Common stock, authorized 20,000,000 shares, par value $2.50, outstanding 1985-9,956,765 and 1984-9,947,805 | 24,892 | 24,869 |
| Additional paid-in capital | 6,172 | 6,731 |
| Cumulative currency translation adjustment | (7,953) | (10,550) |
| Retained earnings | 156,409 | 158,439 |
| | 182,259 | 182,251 |
| Common stock in treasury, 1985-672 and 1984-9,887 shares, at cost | (14) | (213) |
| Total shareholders' equity | 182,245 | 182,038 |
| Total liabilities and shareholders' equity | $405,077 | $428,821 |

The information on pages F-7 through F-21 is an integral part of these financial statements.

SYBRON CORPORATION AND SUBSIDIARIES

STATEMENTS OF CONSOLIDATED INCOME (LOSS)

($ Thousands, Except Per Share)

| | Year Ended December 31, | | |
|---|---|---|---|
| | 1985 | 1984 | 1983 |
| Sales and other revenue: | | | |
| Net sales | $529,723 | $501,083 | $458,015 |
| Interest earned | 5,893 | 11,636 | 4,244 |
| Revenues | 535,616 | 512,719 | 462,259 |
| Costs and expenses: | | | |
| Cost of goods sold | 321,587 | 296,710 | 273,123 |
| Selling and administrative expenses | 165,422 | 154,592 | 137,487 |
| Research and development expenses | 17,510 | 14,831 | 12,785 |
| Interest expense | 10,675 | 14,051 | 13,782 |
| Other expense (income)—net | 9,570 | (256) | (3,374) |
| Total costs and expenses | 524,764 | 479,928 | 433,803 |
| Income before taxes | 10,852 | 32,791 | 28,456 |
| Taxes on income | 4,000 | 13,600 | 9,850 |
| Income from continuing operations | 6,852 | 19,191 | 18,606 |
| Income (Loss) from discontinued operations | 3,509 | (30,019) | (45,307) |
| Net Income (Loss) | $ 10,361 | $(10,828) | $(26,701) |
| Net Income (Loss) per share: | | | |
| Continuing operations | $ .52 | $ 1.77 | $ 1.72 |
| Discontinued operations | .35 | (3.03) | (4.65) |
| Net Income (Loss) | $ .87 | $ (1.26) | $ (2.93) |

The information on pages F-7 through F-21 is an integral part of these financial statements.

## SYBRON CORPORATION AND SUBSIDIARIES

## STATEMENTS OF CHANGES IN CONSOLIDATED FINANCIAL POSITION

**($ Thousands)**

| | Year Ended December 31, | | |
|---|---|---|---|
| | 1985 | 1984 | 1983 |
| Cash provided (used) by continuing operations: | | | |
| Income from continuing operations | $ 6,852 | $ 19,191 | $ 18,606 |
| Items not requiring cash outlay: | | | |
| Depreciation expense | 15,366 | 13,283 | 11,901 |
| Deferred income taxes | (1,259) | 24 | 1,344 |
| Book value of asset disposals | 1,953 | 2,679 | 2,156 |
| Amortization of intangible assets | 5,242 | 3,545 | 3,929 |
| Amortization of cost in excess of net asset values of acquired companies | 723 | 411 | 310 |
| Provided (used) by working capital: | | | |
| Accounts receivable: (includes proceeds from prior years' disposals of discontinued operations: 1985—$20,610, 1984—$12,977) | 19,827 | 17,489 | (15,887) |
| Inventories | 8,938 | (12,135) | (4,755) |
| Prepaid expenses and other current assets | (2,741) | (1,466) | (4,516) |
| Payables and accrued expenses | 4,706 | 4,616 | 5,931 |
| Capital expenditures | (23,405) | (24,275) | (17,356) |
| Currency translation adjustments | 2,597 | (1,951) | (2,463) |
| (Increase) decrease in property, plant and equipment due to currency rate changes | (1,763) | 872 | 767 |
| Distribution from wholly-owned insurance subsidiary | 5,949 | 3,000 | |
| Other transactions, net | 4,753 | 185 | 7,256 |
| Cash provided (used) by continuing operations | 47,738 | 25,468 | 7,223 |
| Cash provided (used) by discontinued operations: | | | |
| Income (loss) from discontinued operations | 3,509 | (30,019) | (45,307) |
| Other items including those not requiring cash outlay: | | | |
| Adjustment of reserves of prior discontinued operations and related deferred taxes | (3,509) | | |
| Currency translation adjustments | | (439) | 3,027 |
| Changes in net assets of discontinued dental operations and, in 1984, accrued expenses net of related income taxes | | 29,679 | 7,750 |
| Decrease in net assets of prior discontinued operations | | | 94,078 |
| Cash provided (used) by discontinued operations | | (779) | 59,548 |
| Total cash provided by continuing and discontinued operations | 47,738 | 24,689 | 66,771 |
| Cash (used) for acquisitions less $177 cash received | (29,904) | | |
| Cash provided (used) by financing activities: | | | |
| Issuance of long term debt | 36,536 | 2,822 | 2,601 |
| Increase (decrease) in debt due within one year | (2,936) | 7,864 | (13,778) |
| Reduction of long-term debt | (69,220) | (10,019) | (16,277) |
| Proceeds from stock options and debenture conversions | 175 | 179 | 2,462 |
| Cash dividends paid | (12,391) | (12,387) | (12,353) |
| Total cash (used) by financing activities | (47,836) | (11,541) | (37,345) |
| Increase (decrease) in cash and short-term investments | $(30,002) | $ 13,148 | $ 29,426 |

The information on pages F-7 through F-21 is an integral part of these financial statements.

## SYBRON CORPORATION AND SUBSIDIARIES

## STATEMENTS OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

### ($ Thousands, Except Per Share)

| | Preferred Stock | | Common Stock | | Additional Paid-In Capital | Cumulative Currency Translation Adjustment | Retained Earnings | Common Stock In Treasury at Cost | |
|---|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | | | | Shares | Amount |
| Balance at December 31, 1982 | 799,174 | $3,197 | 9,639,211 | $24,098 | $4,213 | $ (8,724) | $220,708 | | |
| Conversion of preferred to common | (90,228) | (361) | 144,360 | 361 | | | | | |
| Exercise of stock options | | | 125,558 | 314 | 2,361 | | | (9,887) | $(213) |
| Translation adjustment | | | | | | (4,056) | | | |
| Transfer to net loss on sale of businesses | | | | | | 4,620 | | | |
| Net loss | | | | | | | (26,701) | | |
| Cash dividends paid: | | | | | | | | | |
| Preferred—$2.40 per share | | | | | | | (1,828) | | |
| Common—$1.08 per share | | | | | | | (10,525) | | |
| Balance at December 31, 1983 | 708,946 | 2,836 | 9,909,129 | 24,773 | 6,574 | (8,160) | 181,654 | (9,887) | (213) |
| Conversion of debentures | 33 | | | | 2 | | | | |
| Conversion of preferred to common | (18,568) | (74) | 29,707 | 74 | | | | | |
| Exercise of stock options | | | 8,969 | 22 | 155 | | | | |
| Translation adjustment including income tax charges of $1,427 | | | | | | (2,720) | | | |
| Transfer to net loss on disposal of businesses | | | | | | 330 | | | |
| Net loss | | | | | | | (10,828) | | |
| Cash dividends paid: | | | | | | | | | |
| Preferred—$2.40 per share | | | | | | | (1,679) | | |
| Common—$1.08 per share | | | | | | | (10,708) | | |
| Balance at December 31, 1984 | 690,411 | 2,762 | 9,947,805 | 24,869 | 6,731 | (10,550) | 158,439 | (9,887) | (213) |
| Conversion of preferred to common | (5,600) | (23) | 8,960 | 23 | | | | | |
| Exercise of stock options | | | | | (24) | | | 9,226 | 199 |
| Purchase of treasury shares | | | | | | | | (11) | |
| Translation adjustment including income tax benefit of $298 | | | | | | 2,600 | | | |
| Transfer to net income on disposal of businesses | | | | | | (3) | | | |
| Adjustment relative to disposal of foreign subsidiary | | | | | (535) | | | | |
| Net income | | | | | | | 10,361 | | |
| Cash dividends paid: | | | | | | | | | |
| Preferred—$2.40 per share | | | | | | | (1,653) | | |
| Common—$1.08 per share | | | | | | | (10,738) | | |
| Balance at December 31, 1985 | 684,811 | $2,739 | 9,956,765 | $24,892 | $6,172 | $ (7,953) | $156,409 | (672) | $ (14) |

The information on pages F-7 through F-21 is an integral part of these financial statements.

**Note 1. Summary of Accounting Policies**

The accounting policies of the Corporation are as follows:

*Consolidation*

The financial statements include the accounts of the Corporation and its subsidiaries, except those of a wholly-owned insurance company which is accounted for by the equity method. Intercompany balances, sales and profits are eliminated in the consolidated financial statements.

*Associated Corporations*

The Corporation records its investment in affiliates (in excess of 20 percent ownership) on the equity method and includes in net income its proportionate share of the net income or loss of the affiliates.

*Translation of Foreign Currencies*

The Corporation translates the accounts of its foreign subsidiaries in accordance with the Statement of Financial Accounting Standards No. 52.

For subsidiaries where the functional currency is other than the U.S. dollar, assets and liabilities are translated into U.S. dollars at currency exchange rates prevailing at the year end. All income and expenses of these subsidiaries are translated into U.S. dollars at average monthly currency exchange rates. Currency gains and losses on business transactions of these subsidiaries are included in net income. Gains and losses arising from the translation of the subsidiaries' balance sheets into U.S. dollars and designated economic hedges of foreign investments (net of income taxes) are recorded directly to the cumulative currency translation adjustment component of shareholders' equity. Upon sale or liquidation of a subsidiary, the amount of accumulated translation adjustments applicable to such subsidiary included in the separate component of shareholders' equity is removed and reported as part of the gain or loss on the sale or liquidation of the subsidiary.

For subsidiaries operating in highly inflationary economies and certain other subsidiaries, the U.S. dollar is used as the functional currency. Monetary assets and liabilities for these subsidiaries are translated into U.S. dollars at current rates and certain assets, notably inventories and property, plant and equipment and related depreciation reserves, are translated at the historical currency rates in effect when the assets were acquired. Income and expenses for these subsidiaries are translated into U.S. dollars at average monthly rates except for certain amounts, principally cost of goods sold and depreciation expense, which are translated at currency rates applicable to the historical cost of the related assets. All gains and losses from currency translations and transactions for these subsidiaries are included directly in income.

*Inventories*

Inventories are stated at the lower of cost or market. Substantially all domestic inventories are valued on the last-in, first-out method. Other inventories are valued at approximate current costs.

*Cost in Excess of Underlying Net Asset Value of Acquired Companies*

Cost in excess of underlying net asset value of companies acquired prior to 1971 and included in the Consolidated Balance Sheets is not being amortized because, in the opinion of management, it has continuing value. In accordance with generally accepted accounting principles, the Corporation amortizes cost in excess of underlying net asset value of companies acquired subsequent to 1970 over periods not exceeding forty years.

*Capitalized Leases*

Leases which under generally accepted accounting principles are considered capital leases, have been included in the accounts as capital assets with appropriate recording of depreciation, interest expense and remaining obligations owing under such leases.

**Note 1. Summary of Accounting Policies—(Continued)**

*Depreciation*

The cost of property, plant and equipment is generally depreciated on the straight-line method based on the estimated lives of the assets.

*Taxes on Income*

Income taxes for financial statement reporting purposes are provided on pre-tax income at rates prevailing during the period, including estimated taxes with respect to foreign subsidiaries' earnings which are expected to be repatriated. Deferred income taxes resulting from timing differences between financial statement and tax reporting are appropriately classified in the Consolidated Balance Sheets.

Investment tax credits are recognized in the year the credits are taken for income tax purposes.

*Pensions*

The Corporation and its subsidiaries have various pension plans covering substantially all employees. The past service liabilities of these plans are being charged to income over varying periods not exceeding forty years. Pension liabilities are funded by payments to pension fund trustees or are carried as long-term liabilities. Charges to income are determined from annual actuarial valuations of the pension plans.

**Note 2. Discontinued Operations**

In 1984, the Corporation announced plans to dispose of its dental operatory equipment, laboratory services and distribution businesses. A provision for loss relating to the disposals of $24,000,000, net of income taxes, and including estimated operating losses during the phase out period was recorded at September 30, 1984. During 1985, the Corporation sold its German dental equipment subsidiary, Ritter AG, and its U.S. chain of dental laboratories. The Ritter U.S. dental equipment line is being phased out and the Canadian dental products distributor and a German equipment manufacturer are being offered for sale. Effective September 30, 1983, the Corporation sold its Taylor Instrument business and recorded a provision for a net loss on disposal of $34,500,000. The provisions and the operating results of these businesses to the respective measurement dates of September 30, 1984 and May 31, 1983 have been accounted for as discontinued operations.

During 1985, the Corporation recorded an adjustment of prior years' provisions for discontinued operations of $3,509,000, net of income taxes of $2,252,000, because disposals of significant discontinued operations have occurred on a more favorable basis than originally anticipated.

**Note 2. Discontinued Operations—(Continued)**

The results of operations, and the resulting losses in 1984 and 1983 on disposal of the discontinued operations, are shown in the Statements of Consolidated Income (Loss) under the caption, Income (Loss) from discontinued operations and include the following:

| | 1984 | 1983 |
|---|---|---|
| Net Sales | $ 60,299 (1) | $156,553 (1) |
| (Loss) from operations | $ (8,919) | $(16,857) |
| Taxes (benefit) | (2,900) | (6,050) |
| Net (loss) from operations | (6,019) | (10,807) |
| (Loss) on disposal | (44,000)(2) | (33,000) |
| Taxes (benefit) | (20,000) | 1,500 |
| Net (loss) on disposal | (24,000) | (34,500) |
| (Loss) from discontinued operations | $(30,019) | $(45,307) |

Notes:

(1) Includes dental and instrument operations through measurement dates of September 30, 1984 and May 31, 1983, respectively.

(2) Includes a provision of $6,363 for estimated operating losses during phase out period of which $1,749 remains at December 31, 1985.

At December 31, 1985, the remaining net assets of the discontinued dental operations, principally accounts receivable, inventory and property, plant and equipment, totaling $12,997,000, net of the $7,078,000 accrual for loss, have been included in prepaid expenses and other current assets. In 1984, net assets of $25,286,000 were applied against the accrual for loss and the net amount of $3,240,000 was included in accrued expenses on the Consolidated Balance Sheet.

**Note 3. Acquisitions**

On March 1, 1985 and July 1, 1985, the Corporation acquired the operations of Cryogenic Associates, Inc. and Gerhard Menzel Glasbearbeitungswerk GMBH & Co. KG, respectively, for an aggregate purchase price of approximately $31,700,000. Operations of Cryogenic and Menzel are included in the 1985 consolidated financial statements for ten months and six months, respectively. These acquisitions were accounted for under the purchase method and, accordingly, the aggregate cost has been allocated to assets and liabilities acquired based upon fair value at date of acquisition. The cost in excess of underlying net asset value is being amortized over 20 years for Cryogenics and 10 years for Menzel. Other intangible assets will be amortized over periods ranging from 3 to 10 years. Expenses related to the amortization of these intangibles for 1985 total $2,103,000. Sales and other operating costs of these acquisitions were not material.

**Note 4. Inventories**

Major classifications of inventories are as follows:

| | 1985 | 1984 |
|---|---|---|
| | ($ Thousands) | |
| Raw materials and supplies | $21,723 | $23,180 |
| Work in process including finished and semi-finished parts | 20,652 | 21,961 |
| Finished products | 40,427 | 41,103 |
| Total | $82,802 | $86,244 |

Domestic inventories valued on a LIFO basis were less than they would have been if valued on a current cost basis by $34,320,000 and $34,443,000 at the end of 1985 and 1984, respectively. During the last three years, quantities of inventory valued on a LIFO basis were consumed. This resulted in the liquidation of LIFO inventories valued at the lower prevailing costs when such LIFO quantities were originally acquired in prior years. If these LIFO quantities had not been consumed, but replenished with quantities valued at current costs in each respective year, net income would have been lower by $1,556,000 in 1985, $26,000 in 1984 and $76,000 in 1983, or $.16 per share in 1985, $ Nil per share in 1984 and $.01 per share in 1983.

**Note 5. Wholly-Owned Insurance Subsidiary**

Included in other non-current assets in the Consolidated Balance Sheets is the Corporation's investment in its wholly-owned Bermuda insurance subsidiary, Genesee Assurance Ltd., carried at underlying equity of $384,000 in 1985 and $6,073,000 in 1984. As noted in the Statement of Changes in Consolidated Financial Position a dividend of $5,949,000 was paid to the Corporation in 1985. Other expense (income) — net on the Statement of Consolidated Income (Loss) includes the net income of Genesee of $(260,000), $(1,519,000) and $(3,665,000) for years 1985, 1984 and 1983, respectively.

**Note 6. Property, Plant and Equipment**

Major classifications of property, plant and equipment are as follows:

| | 1985 | 1984 |
|---|---|---|
| | ($ Thousands) | |
| Land and land improvements | $ 7,417 | $ 6,591 |
| Building and building improvements | 50,385 | 43,573 |
| Machinery and equipment | 131,581 | 111,801 |
| Construction in progress | 3,351 | 5,149 |
| | 192,734 | 167,114 |
| Less—allowance for depreciation | 87,354 | 74,884 |
| Total | $105,380 | $ 92,230 |

Machinery and equipment includes capitalized leases totaling $2,689,000 and $5,356,000 for years 1985 and 1984, respectively. The allowance for depreciation for these capitalized leases was $1,653,000 and $3,180,000 at the end of 1985 and 1984, respectively.

**Note 7. Accrued Expenses**

Accrued expenses included in the Consolidated Balance Sheets are as follows:

| | 1985 | 1984 |
|---|---|---|
| | ($ Thousands) | |
| Payrolls | $16,468 | $13,683 |
| Reserves related to discontinued operations | 10,107 | 19,248 |
| Other | 26,063 | 24,194 |
| Total | $52,638 | $57,125 |

**Note 8. Debt**

The long-term debt of the Corporation and its subsidiaries consists of:

| | 1985 | 1984 |
|---|---|---|
| | ($ Thousands) | |
| 9⅛% notes due 1985 | | $34,900 |
| 8⅝% note due 1997, payments of $1,785 are due annually from 1986 to 1996 | $24,645 | 25,430 |
| 7½% sinking fund debentures due 1994; sinking fund requirements are $1,071 in 1990 and $1,250 annually from 1991 to 1993 | 8,571 | 9,123 |
| 8% sinking fund debentures due 1987; sinking fund requirement is $1,203 in 1986 | 3,603 | 4,131 |
| 4½% convertible subordinated debentures due 1987, convertible into preferred stock at $63.00 a share | 3,459 | 4,159 |
| 7⅗% note due 1990 | 3,973 | |
| Industrial Development obligations | 13,278 | 13,778 |
| Obligations under capital leases | 1,044 | 2,247 |
| Other long-term debt | 1,495 | 1,036 |
| | 60,068 | 95,804 |
| Less—payments due within one year classified as long-term debt due within one year, including amounts for capital leases of $615 in 1985 and $1,219 in 1984 | 4,505 | 7,557 |
| Total | $55,563 | $88,247 |

In 1982, the Corporation entered into a revolving credit and term loan facility with six commercial banks which provides for borrowing through June 30, 1990 of up to $40 million, or an equivalent amount in other currencies. The amount borrowed at June 30, 1986 will be converted to a term loan with required principal payments commencing September 30, 1986 and quarterly thereafter through June 30, 1990. The minimum principal payment is one-sixteenth of the June 30, 1986 loan balance; however, additional payments can be made anytime at the Corporation's option. Interest on U.S. dollar borrowings is payable at the U.S. prime rate through June 29, 1986 and at prime plus ¼% thereafter, or at a fixed CD rate plus ⅝% through June 29, 1986 and a fixed CD rate plus ⅞% thereafter. For Eurodollar borrowings and borrowings in other currencies, interest is payable at the London Interbank Offered Rate (LIBOR) plus ½% through June 29, 1986 and at the LIBOR rate plus ⅝% thereafter. A fee of ⅜% per annum is payable on the unused portion of the commitment through June 29, 1986. There were no borrowings outstanding at December 31, 1985 and 1984.

In 1985, the Corporation borrowed DM 10 million on a long-term credit agreement with a German bank.

**Note 8. Debt—(Continued)**

In 1985, the Corporation borrowed $3,557,500 through Industrial Development Revenue Bonds due in 1995 with interest at 70% of prime rate. This amount together with other debt issues relative to industrial development and similar obligations aggregated $13,278,000 and $13,778,000 at December 31, 1985 and 1984, respectively. Interest on these obligations ranges from 6.0% to 8.0% and the obligations are due from 1992 to 1997.

In prior years, the Corporation entered into a back-to-back loan with an Italian bank under which it has deposited $2,875,000 and has borrowed, through a subsidiary in Italy, an equivalent amount in local currency. This agreement continues until 1988 with the cost to the Corporation being an interest spread of 4-½%. As the irrevocable right of off-set exists, this asset and liability has been netted in the Consolidated Balance Sheets.

Obligations relative to capital leases have been included in long-term debt and represent the present value of future minimum lease payments.

Long-term debt payment requirements excluding capital leases over the next five years are: 1986—$3,890,000, 1987—$7,761,000, 1988—$1,889,000, 1989—$1,939,000 and 1990—$6,983,000.

There are restrictions under certain of the Corporation's long-term debt agreements including restrictions on the payment of cash dividends. Under the terms of the most restrictive agreement, $11,981,000 of retained earnings would be available for cash dividends at December 31, 1985.

Maximum month-end short-term borrowing occurred in September 1985 and November 1984 and were $20,050,000 and $14,101,000, respectively. The average aggregate amount of short-term debt during 1985 and 1984 was $10,337,000 and $9,587,000, respectively. Average interest rates for short-term borrowings at December 31, 1985 and 1984 were 18.8% and 16.9%, respectively. These rates reflect borrowings primarily in foreign currencies, some of which are in hyperinflationary countries, and should be considered along with foreign exchange rates against the U.S. dollar. Average interest rate is computed by extending year-end short-term borrowings times the respective interest rates and dividing by the total year-end short-term debt balance.

**Note 9. Leases**

Rental expense applicable to operating leases was $5,476,000, $4,602,000 and $4,387,000 for years 1985, 1984 and 1983, respectively.

As of December 31, 1985, future minimum payments required under non-cancelable leases are:

| | Operating Leases | Capital Leases |
|---|---|---|
| | ($ Thousands) | |
| 1986 | $ 2,522 | $ 714 |
| 1987 | 1,848 | 305 |
| 1988 | 1,201 | 132 |
| 1989 | 1,009 | 44 |
| 1990 | 836 | |
| Later Years | 4,284 | |
| Net minimum lease payments | $11,700 | $1,195 |
| Less—amount representing interest | | 151 |
| Present value of net minimum capital lease payments | | $1,044 |

**Note 10. Other Non-current Liabilities**

Other non-current liabilities included in the Consolidated Balance Sheets are as follows:

| | 1985 | 1984 |
|---|---|---|
| | ($ Thousands) | |
| Insurance reserves related to discontinued operations | $15,601 | $13,371 |
| Other | 5,816 | 5,269 |
| Total | $21,417 | $18,640 |

**Note 11. Capital Stock**

The Corporation's preferred stock provides for cumulative dividends of $2.40 per share annually which are payable quarterly on the first of January, April, July and October. Each share of preferred stock is convertible into 1.6 common shares and is redeemable at the option of the Corporation at $70.00 per share plus accrued dividends. In addition, if the Corporation were voluntarily liquidated each holder of preferred stock is entitled to $70.00 per share, or to $22.00 per share in the case of an involuntary liquidation.

There are 6 million shares of Class A preference stock authorized. The preference stock can be issued by the Board of Directors, in series, under varying rights relative to dividends, conversions, voting and liquidation. The Board can also set redemption terms. No series of preference stock could be issued with rights or preferences which could change adversely in any respect the rights and preferences of the holders of the Corporation's preferred stock. No shares of preference stock have been issued.

At the 1981 annual meeting the shareholders approved a Stock Option Plan which provides for granting options for up to 450,000 shares of the Corporation's common stock to key employees. No option may be granted more than ten years after the effective date of the Plan or such earlier date as the Board of Directors may determine. Each option will extend for a period not to exceed ten years, at a purchase price not less than the fair market value per share on the date it was granted. Under normal circumstances options are not exercisable until after one year and then will be exercisable subject to the terms of the stock option agreement by which they were granted, in whole, or from time to time, in part. As of December 31, 1985 options for 346,133 shares at an average purchase price of $18.33 are outstanding and 63,332 shares are reserved for future grants under this plan. The outstanding options expire from May 26, 1991 to May 21, 1995.

At December 31, 1985 options for 94,033 shares at an average purchase price of $16.39 are outstanding from an earlier Stock Option Plan. These options expire from June 22, 1986 to April 22, 1990.

A summary of the changes in outstanding options for common stock for the two-year period ended December 31, 1985 is as follows:

| | Number of Shares |
|---|---|
| Granted and unissued at the beginning of 1984 at $12.87 to $27.44 per share | 479,045 |
| Granted at $19.13 to $22.69 per share | 26,725 |
| Exercised at $17.81 to $20.56 per share | (8,969) |
| Cancelled or expired | (51,969) |
| Granted and unissued at the end of 1984 at $12.87 to $27.44 per share | 444,832 |
| Granted at $18.19 per share | 103,075 |
| Exercised at $12.87 to $18.75 per share | (9,226) |
| Cancelled or expired | (98,515) |
| Granted and unissued at the end of 1985 at $12.87 to $27.44 per share | 440,166 |

**Note 11. Capital Stock—(Continued)**

In 1983, the Corporation acquired 9,887 shares of its common stock through the exercise of stock options. This stock has been held as treasury stock and used for the exercise of stock options.

In addition to common shares reserved for the above stock options, 54,898 shares of preferred stock are reserved for the conversion of the 4-½% subordinated debentures outstanding at December 31, 1985. Total preferred shares outstanding and reserved at December 31, 1985 require 1,183,535 shares of common stock to be reserved for conversion of preferred shares.

Net income per share and income per share from continuing operations for 1985 are computed by dividing net income and income from continuing operations, respectively, less preferred dividends of $1,653,000 by 9,984,241, the average common and common equivalent shares excluding consideration of conversion of the preferred stock. Net loss per share and income per share from continuing operations for 1984 and 1983 are computed by dividing net loss and income from continuing operations, respectively, less preferred dividends of $1,679,000 for 1984 and $1,828,000 for 1983, by the average common shares outstanding of 9,913,998 for 1984 and 9,750,894 for 1983. The dilutive effect on earnings per share, assuming full conversion of the convertible subordinated debentures, is not significant.

**Note 12. Taxes on Income**

The domestic and foreign components of income before taxes were as follows:

| | 1985 | 1984 | 1983 |
|---|---|---|---|
| | | ($ Thousands) | |
| Domestic | $(4,421) | $15,918 | $14,223 |
| Foreign | 15,273 | 16,873 | 14,233 |
| Total | $10,852 | $32,791 | $28,456 |

The above amounts differ from the operating profits shown under Information on Geographic Areas because of the definitional differences in the categories and the allocations made in the determination of operating profits. There are many complex variables in the taxation of multi-national corporations; consequently, the relationships of the domestic and foreign components of income before taxes and taxes on income can vary significantly from period to period.

Taxes on income consist of:

| | 1985 | 1984 | 1983 |
|---|---|---|---|
| | | ($ Thousands) | |
| Currently payable: | | | |
| Federal | $(1,278) | $ 5,142 | $3,846 |
| State | 800 | 1,300 | 500 |
| Foreign | 5,737 | 7,134 | 4,160 |
| | 5,259 | 13,576 | 8,506 |
| Deferred taxes for timing differences: | | | |
| United States | (1,022) | (542) | 1,304 |
| Foreign | (237) | 566 | 40 |
| | (1,259) | 24 | 1,344 |
| Total tax provisions | $ 4,000 | $13,600 | $9,850 |

**Note 12. Taxes on Income—(Continued)**

The reconciliations of the United States Federal statutory income tax rate of 46% with the effective income tax rates reflected in the financial statements are as follows:

| | Amount | Percent of Income Before Taxes |
|---|---|---|
| | ($ Thousands) | |
| 1985 | | |
| Tax at federal rate | $ 4,995 | 46.0 |
| State income taxes | 432 | 4.0 |
| Investment and research and development tax credits | (1,712) | (15.8) |
| Foreign operations | (227) | (2.1) |
| Amortization of intangibles | 391 | 3.6 |
| Other—Net | 121 | 1.2 |
| Total taxes on income | $ 4,000 | 36.9 |
| 1984 | | |
| Tax at federal rate | $15,084 | 46.0 |
| State income taxes | 702 | 2.1 |
| Investment and research and development tax credits | (1,488) | (4.5) |
| Foreign operations | (308) | (.9) |
| Export related items | (305) | (.9) |
| Other—net | (85) | (.3) |
| Total taxes on income | $13,600 | 41.5 |
| 1983 | | |
| Tax at federal rate | $13,090 | 46.0 |
| State income taxes | 270 | .9 |
| Investment and research and development tax credits | (1,240) | (4.3) |
| Foreign operations | (1,908) | (6.7) |
| Export related items | (188) | (.7) |
| Other—net | (174) | (.6) |
| Total taxes on income | $ 9,850 | 34.6 |

**Note 12. Taxes on Income—(Continued)**

The deferred income tax effects of current and long-term timing differences between financial statement and tax reporting of income and deductions are as follows:

| | ($ Thousands) |
|---|---|
| 1985 | |
| Excess of U.S. tax depreciation deductions over book depreciation charges | $ 2,865 |
| Deferred tax benefits for pension costs | (1,223) |
| Deferred tax benefits for net currency losses | (1,148) |
| Deferred tax benefits for intangible costs | (976) |
| Deferred tax benefits for severance costs | (959) |
| Deferred tax benefits for interest income | (564) |
| Deferred tax benefits for deferred compensation | (393) |
| Deferred taxes for inventory related costs | 306 |
| Deferred taxes on interest expense | 286 |
| Deferred tax benefits for warranty costs | (262) |
| Other timing differences—net | 809 |
| Total | $(1,259) |
| 1984 | |
| Excess of U.S. tax depreciation deductions over book depreciation charges | $ 2,268 |
| Excess of taxable income from insurance subsidiary over book income | (1,135) |
| Deferred taxes on currency gains | 865 |
| Deferred tax benefits for inventory related costs | (679) |
| Deferred tax benefits for pension costs | (1,083) |
| Deferred taxes on interest income | 740 |
| Other timing differences—net | (952) |
| Total | $ 24 |
| 1983 | |
| Excess of U.S. tax depreciation deductions over book depreciation charges | $ 2,435 |
| Realization of tax benefits for relocation and restructuring expenses previously recorded | 1,043 |
| Excess of book income of insurance subsidiary over taxable income | 1,245 |
| Deferred taxes for currency gains previously recorded | (1,488) |
| Deferred tax benefits for pension costs | (559) |
| Other timing differences—net | (1,332) |
| Total | $ 1,344 |

Accumulated earnings of foreign subsidiaries at December 31, 1985 of approximately $33,082,000 have been reinvested in the business and no provision for income taxes has been made for the repatriation of these earnings.

**Note 13. Segments of Corporate Activities**

The continuing operations of the Corporation manufacture and sell in four basic businesses in the United States and other countries. These are the medical, dental, laboratory and chemical segments.

**Information on Business Segments**

| | 1985 | 1984 | 1983 |
|---|---|---|---|
| | | ($ Thousands) | |
| Net sales including intersegment sales: | | | |
| Medical | $142,526 | $134,553 | $120,761 |
| Dental | 127,547 | 127,186 | 118,973 |
| Laboratory | 166,259 | 150,517 | 132,777 |
| Chemical | 96,502 | 92,311 | 88,286 |
| Intersegment sales | (3,111) | (3,484) | (2,782) |
| Net sales | $529,723 | $501,083 | $458,015 |
| Operating profit (loss): | | | |
| Medical | $ (6,528) | $ 6,348 | $ 8,952 |
| Dental | 6,605 | 8,221 | 6,214 |
| Laboratory | 20,564 | 19,890 | 17,720 |
| Chemical | 6,872 | 7,164 | 6,788 |
| Eliminations | (81) | (94) | 116 |
| Total operating profit | 27,432 | 41,529 | 39,790 |
| General corporate | (16,580) | (8,738) | (11,334) |
| Income before taxes | $ 10,852 | $ 32,791 | $ 28,456 |
| Identifiable assets at December 31: | | | |
| Medical | $ 86,384 | $ 76,402 | $ 66,852 |
| Dental | 94,135 | 98,553 | 97,017 |
| Laboratory | 98,478 | 76,186 | 69,985 |
| Chemical | 50,138 | 41,709 | 44,467 |
| Eliminations | (178) | (97) | (3) |
| Total identifiable assets | 328,957 | 292,753 | 278,318 |
| Corporate assets: | | | |
| Net assets of discontined operations | 5,919 | | 34,756 |
| Other | 70,201 | 136,068 | 135,750 |
| Total assets | $405,077 | $428,821 | $448,824 |

Products in the medical segment include hospital equipment and services, diagnostic imaging equipment, equipment for the physician's office and home use and consumer products.

Dental products include orthodontic appliances, dental supplies and intra-oral instrumentation.

Laboratory products include labware, water treatment equipment, heating apparatus, analytical instruments and glass specialty items.

Chemical products include ion exchange resins, textile chemicals and specialty industrial and marine chemicals.

**Note 13. Segments of Corporate Activities—(Continued)**

Operating costs and expenses deducted from revenues reflect direct costs and expenses applicable to the businesses. Excluded from operating profits and included in general corporate category are the following:

| | 1985 | 1984 | 1983 |
|---|---|---|---|
| | | ($ Thousands) | |
| Interest expense | $(10,675) | $(14,051) | $(13,782) |
| Interest income(1) | 5,610 | 11,227 | 3,847 |
| Income of insurance subsidiary | 260 | 1,519 | 3,665 |
| Gain on sale of assets and claims settlement | (263) | 23 | 884 |
| Foreign currency (losses) gains(2) | (197) | 1,535 | 1,612 |
| Unallocated general corporate expenses and other | (11,315) | (8,991) | (7,560) |
| Total general corporate | $(16,580) | $ (8,738) | $(11,334) |

Notes:
(1) Excludes interest income reflected in operating profits.

(2) Excludes foreign currency gains and losses in operating profits.

Identifiable assets include direct and allocated assets applicable to the four business segments. Other corporate assets include cash, investments in marketable securities, deferred income tax benefits and other miscellaneous assets.

Intersegment sales and intersegment profits are eliminated from total operating profit. Intersegment profits in year-end inventory balances of the business segments are eliminated from total identifiable assets.

Depreciation expense and capital expenditures applicable to each of the continuing business segments are as follows:

| | 1985 | | 1984 | | 1983 | |
|---|---|---|---|---|---|---|
| | Depreciation Expense | Capital Expenditures | Depreciation Expense | Capital Expenditures | Depreciation Expense | Capital Expenditures |
| | | | ($ Thousands) | | | |
| Medical | $ 4,153 | $ 5,208 | $ 3,191 | $ 7,316 | $ 2,713 | $ 4,531 |
| Dental | 4,028 | 4,002 | 3,846 | 5,573 | 3,580 | 5,132 |
| Laboratory | 4,926 | 9,180 | 3,927 | 8,688 | 3,457 | 5,398 |
| Chemical | 2,055 | 4,310 | 1,940 | 2,057 | 1,773 | 1,919 |
| | 15,162 | 22,700 | 12,904 | 23,634 | 11,523 | 16,980 |
| Corporate assets | 204 | 705 | 379 | 641 | 378 | 376 |
| Total | $15,366 | $23,405 | $13,283 | $24,275 | $11,901 | $17,356 |

The Corporation, through its foreign subsidiaries, operates outside the United States. Of these operations, a major portion is in Europe.

In the geographic data that follows, the elements of general corporate income, expense and assets are the same as in the data provided for industry segments.

**Note 13. Segments of Corporate Activities—(Continued)**

Inter-geographic area sales and inter-geographic operating profits have been eliminated from geographic area data. Inter-geographic area profits in the year-end inventory balances of the geographic areas have been eliminated from the identifiable assets data.

Intersegment sales and inter-geographic area sales are made on the basis of competitive prices and on markups over cost to reflect a fair distribution of profit margins.

**Information on Geographic Areas**

| | 1985 | 1984 | 1983 |
|---|---|---|---|
| | | ($ Thousands) | |
| Net Sales including inter-geographic sales: | | | |
| United States Customers | $427,919 | $408,751 | $370,435 |
| Inter-geographic | 17,907 | 15,932 | 16,735 |
| | 445,826 | 424,683 | 387,170 |
| Europe Customers | 63,028 | 54,289 | 56,106 |
| Inter-geographic | 7,831 | 8,555 | 7,552 |
| | 70,859 | 62,844 | 63,658 |
| All other areas Customers | 38,776 | 38,043 | 31,474 |
| Inter-geographic | 7,979 | 7,597 | 6,016 |
| | 46,755 | 45,640 | 37,490 |
| Inter-geographic sales | (33,717) | (32,084) | (30,303) |
| Net sales | $529,723 | $501,083 | $458,015 |
| Operating profit: | | | |
| United States | $ 14,527 | $ 29,246 | $ 28,995 |
| Europe | 6,450 | 6,954 | 6,067 |
| All other areas | 6,174 | 5,752 | 4,881 |
| Eliminations | 281 | (423) | (153) |
| Total operating profit | 27,432 | 41,529 | 39,790 |
| General corporate | (16,580) | (8,738) | (11,334) |
| Income before taxes | $ 10,852 | $ 32,791 | $ 28,456 |

| | 1985 | 1984 | 1983 |
|---|---|---|---|
| | | ($ Thousands) | |
| Identifiable assets at December 31: | | | |
| United States | $256,338 | $239,873 | $223,185 |
| Europe | 52,894 | 32,962 | 34,330 |
| All other areas | 21,499 | 21,973 | 22,435 |
| Eliminations | (1,774) | (2,055) | (1,632) |
| Total identifiable assets | 328,957 | 292,753 | 278,318 |
| Corporate assets: | | | |
| Net assets of discontinued operations | 5,919 | | 34,756 |
| Other | 70,201 | 136,068 | 135,750 |
| Total assets | $405,077 | $428,821 | $448,824 |

**Note 14. Pension Plans**

The Corporation and its subsidiaries have various pension plans covering substantially all employees. For most domestic pension plans, funds are deposited with pension fund trustees. Major subsidiaries outside the United States provide pensions for employees which conform with the practice in the country in which they do business. Under some plans outside the United States, accumulated pension amounts are carried as long-term liabilities by the subsidiaries, while others are trusteed or insured plans.

Pension costs incurred totaled $4,910,000, $3,896,000 and $4,784,000 in 1985, 1984 and 1983, respectively, including amortization of past service cost over varying periods not exceeding forty years.

As calculated at January 1, 1985 and 1984 the present value of benefits accumulated by current and former employees of the Corporation and its domestic subsidiaries were as follows:

| | 1985 | 1984 |
|---|---|---|
| | ($ Thousands) | |
| Actuarial present value of accumulated plan benefits: | | |
| Vested | $ 81,001 | $ 68,576 |
| Non-vested | 6,858 | 9,207 |
| Accumulated benefits | $ 87,859 | $ 77,783 |
| Net assets available for plan benefits | $120,837 | $121,260 |

The weighted average assumed rate of return used in determining the actuarial present value of accumulated plan benefits was approximately 6.5% for both 1985 and 1984.

The Corporation's foreign subsidiaries are not required to report to the U.S. governmental agencies under ERISA and have not determined the actuarial value of accumulated benefits or net assets available for benefits as calculated and disclosed above. For those foreign plans, the net assets available for benefits exceed the estimated value of vested benefits by approximately $1,775,000 and $1,701,000 as of January 1, 1985 and 1984, respectively.

In addition to providing pension benefits, the Corporation and its domestic subsidiaries provide certain health care and life insurance benefits for retired employees. Substantially all of the Corporation's domestic employees may become eligible for those benefits if they reach normal retirement age while working for the Corporation. Those benefits are obtained through various insurance carriers and cost is based either on benefits paid during the year, or on a fully insured premium basis. The Corporation recognizes the cost of providing benefits for retirees, as a charge to expenses each year. For 1985, those costs totaled $558,000.

In December 1985 certain steps were initiated to create through spin-off a Salaried Retirees' Pension Plan from the Corporation's existing Salaried Pension Plan; and, application was made for regulatory approval from the Pension Benefits Guaranty Corporation and the Internal Revenue Service for termination of the Salaried Retirees' Pension Plan. During 1986, it is expected that these actions will return to the Corporation approximately $46 million in excess cash from the overfunded Salaried Retirees' Pension Plan.

**Note 15. Other Expense (Income)—Net**

Included in other expense (income)—net in the Statements of Consolidated Income (Loss) are net impacts due to foreign currency losses (gains) of $2,254,000 in 1985, $(1,717,000) in 1984 and $(1,455,000) in 1983. Other expense (income)—net also includes equity income of the Corporation's insurance subsidiary which amounted to $(260,000), $(1,519,000) and $(3,665,000) in 1985, 1984 and 1983, respectively. This equity income includes unfavorable (favorable) adjustments to insurance reserves of $356,000 in 1985, $(430,000) in 1984 and $(2,169,000) in 1983. Expenses arising from the amortization of intangible assets acquired with the dental business are also included in this caption and total $3,406,000, $3,730,000 and $3,897,000 in 1985, 1984 and 1983, respectively. Amortization of intangible assets for 1985 acquisitions of $2,103,000 and exit costs related to the 1985 closing of a dental products manufacturing facility in Ireland of $1,167,000 are also included in this caption. In addition, 1983 includes $(884,000) of gains from the sale of assets and claim settlements.

**Note 16. Other Matters**

The Corporation is involved in various litigation matters that were incurred in the normal course of business. In the opinion of management, the ultimate disposition of such litigation should not have a material adverse effect on the financial position of the Corporation.

The Corporation successfully completed a legal action in the United Kingdom against a competitor and several former employees and in 1983 was awarded $124,700,000 in damages. It is uncertain, however, whether any of the damages will be collected. Any amounts collected will be recorded as income when received.

**Note 17. Subsequent Events**

On January 27, 1986, the Corporation and Forstmann Little & Co., an investment firm specializing in leveraged buyouts, announced that they had entered into a definitive merger agreement which provided for the Corporation to be acquired by SC Acquisition Corp., a corporation organized by Forstmann Little, for $26.25 cash per common share and $42.00 in cash per convertible preferred share, or a total of approximately $300 million. The joint tender offer, as described in the "Offer to Purchase for Cash All Outstanding Shares of Common Stock and All Outstanding Shares of $2.40 Convertible Preferred Stock of Sybron Corporation," was provided to shareholders on January 27, 1986 and was concluded on February 26, 1986. Impact of the above transactions will, subject to completion of an evaluation process, change the carrying values of the Corporation's assets, liabilities and shareholders' equity. In addition, the composition of the Corporation's businesses may be restructured significantly.

Due to the reduced availability of certain liability insurance and escalating costs for such insurance, the Corporation's excess insurance limits in 1986 have decreased significantly. The effect, if any, on the Corporation's financial position is not determinable.

## SUPPLEMENTARY FINANCIAL DATA

### Financial Reporting and Changing Prices (Unaudited)

*Background*

The following financial data was prepared in accordance with Statement of Financial Accounting Standards No. 33 on "Financial Reporting and Changing Prices" as amended. This statement requires disclosure of the effects of changing prices on net asset values and operating results of the Corporation. Inherent in the computations used in determining the information presented is the use of assumptions and estimates. The measurements presented below, therefore, are quite subjective and should be viewed in that context and not as precise indicators of the effects of changing prices.

*Method used*

The current cost information reflects financial information expressed in terms of charges to income for cost of goods sold and depreciation expense based on the current cost of the specific inventories and capital assets employed in the Corporation's businesses.

Current cost information for inventories has been determined by adjustments to historical cost for the cost of replacing them. The Corporation's domestic inventories are valued principally on the LIFO method resulting in historical cost of goods sold which already reflect the impact of changing prices. Cost of goods sold for foreign operations have been adjusted for replacement cost of inventory at the time of sale.

Current cost information for property, plant and equipment has been determined from published indices. Current cost depreciation has been based on the average current cost of plant and equipment using the same methods and rates of depreciation used in the primary financial statements.

The amounts reported in the Statement of Income from Continuing Operation Adjusted for Changing Prices have been adjusted only for the current cost amount of cost of goods sold and depreciation.

For foreign operations, the effects of changing prices have been measured after translation into U.S. dollars and is based on the Consumer Price Index for All Urban Consumers.

**Statement of Income from Continuing Operations Adjusted for Changing Prices for the Year Ended December 31, 1985**

| | | | Amount per Share (In Average 1985 Dollars) |
|---|---|---|---|
| | ($ Thousands, except per share) | | |
| Income from continuing operations | | $ 6,852 | $.52 |
| Adjustment to reflect changes in specific prices (current costs): | | | |
| Cost of goods sold | $(1,867) | | |
| Depreciation expense(1) | (2,483) | (4,350) | |
| Income from continuing operations adjusted for changes in specific prices | | $ 2,502 | $.09 |
| (Loss) from decline in purchasing power of net amounts owed | | $ (625) | |
| Translation adjustment (in shareholders' equity) | $ 2,597 | | |
| Adjustment to reflect changes in specific prices | 595 | $ 3,192 | |
| Effect of increase in general price level on inventories and property, plant and equipment held during the year | | $ 9,324 | |
| Increase in specific prices (current cost)(1) | | 11,390 | |
| Excess of increase in specific prices over increase in general price level | | $ 2,066 | |

Note:

(1) At December 31, 1985 current cost of inventories was $117,272 and current cost of property, plant and equipment, net of accumulated depreciation, was $134,636. Total depreciation expense on a current cost basis for 1985 was $17,849.

**Review of Information Presented**

In the Statement of Income from Continuing Operations Adjusted for Changing Prices, income for 1985 of $6,852,000 is reduced to $2,502,000 on a current cost basis. This reflects higher cost of goods sold of $1,867,000 and higher depreciation expense of $2,483,000.

The Corporation uses the LIFO method of valuing inventories in determining cost of goods sold for substantially all of its domestic operations. Therefore, the impact of current domestic costs is substantially reflected in the primary financial statements except for LIFO liquidations which are added back to the current cost amount of cost of goods sold. Since only cost of goods sold and depreciation expense adjustments are made, there is no recognition for unrealized appreciation in inventories and plant and equipment or the gain in purchasing power of monetary items in income adjusted for changes in specific prices. In addition, current cost results do not recognize that actual replacement of assets would result in different economics of operation than those that exist using the present assets.

Income taxes are not adjusted in arriving at income adjusted for change in specific prices thereby reflecting the non-recognition by most taxing jurisdictions of inflation. Income from continuing operations adjusted for changes in specific costs for 1985 therefore includes an income tax expense of $4,000,000 on pre-tax income of $6,502,000, resulting in an effective tax rate higher than reflected in the primary financial statements.

The Consumer Price Index for All Urban Consumers used in measuring inflation is compiled from a wide range of services and commodities and is, therefore, not necessarily representative of changes experienced by the Corporation.

The five year comparison table shows the effect of adjusting selected financial data to dollar amounts expressed in terms of average 1985 dollars as measured by the Consumer Price Index for All Urban Consumers.

## Five-Year Comparison of Selected Supplementary Financial Data Adjusted for Effects of Changing Prices

| | 1985 | 1984 | 1983 | 1982 | 1981 |
|---|---|---|---|---|---|
| | ($ Thousands, except per share) | | | | |
| Net sales | $529,723 | $518,962 | $494,546 | $418,921 | $442,946 |
| Historical Cost Information Adjusted for Changes in Specific Prices: | | | | | |
| Income from continuing operations | 2,502 | 16,237 | 13,092 | 6,887 | 21,747 |
| Income per share from continuing operations | .09 | 1.46 | 1.14 | .49 | 2.02 |
| Net assets at year end | 242,064 | 254,051 | 313,130 | 361,563 | 365,781 |
| Excess of increase in general price level over increase in specific prices | (2,066) | 5,954 | 641 | 2,872 | 8,506 |
| Gain (loss) from decline in purchasing power of net amounts owed | (625) | 152 | 2,169 | 2,434 | 7,383 |
| Translation adjustment (in shareholders' equity) | 3,192 | (2,599) | (2,998) | (5,180) | (6,258) |
| Cash dividends declared per common share | 1.08 | 1.12 | 1.17 | 1.20 | 1.28 |
| Market price per common share at year end | 20.17 | 19.91 | 23.36 | 18.04 | 21.75 |
| Average consumer price index (base year 1967 = 100) | 322.2 | 311.1 | 298.4 | 289.1 | 272.4 |

## TWO-YEAR FINANCIAL DATA BY QUARTER

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Total Year |
|---|---|---|---|---|---|
| | ($ Thousands, except per share) | | | | |
| 1985 | | | | | |
| Net sales | $126,459 | $134,042 | $128,268 | $140,954 | $529,723 |
| Gross Profit | 49,537 | 53,272 | 48,349 | 56,978 | 208,136 |
| Income (loss) from continuing operations | 2,598 | 1,594 | (795) | 3,455(3) | 6,852 |
| Income from discontinued operations | | | 3,509(2) | | 3,509 |
| Net income | $ 2,598 | $ 1,594 | $ 2,714 | $ 3,455 | $ 10,361 |
| Per share: | | | | | |
| Income (loss) from continuing operations | $ .22 | $ .12 | $ (.12) | $ .30 | $ .52 |
| Income from discontinued operations | | | .35(2) | | .35 |
| Net income | $ .22 | $ .12 | $ .23 | $ .30 | $ .87 |
| 1984 | | | | | |
| Net sales | $122,086 | $128,461 | $118,125 | $132,411 | $501,083 |
| Gross profit | 49,931 | 52,417 | 49,079 | 52,946 | 204,373 |
| Income from continuing operations | 4,131 | 5,252 | 4,168 | 5,640 | 19,191 |
| (Loss) from discontinued operations | (1,818) | (1,464) | (26,737) | | (30,019) |
| Net income (loss) | $ 2,313 | $ 3,788 | $(22,569) | $ 5,640 | $(10,828) |
| Per share:(1) | | | | | |
| Income from continuing operations | $ .37 | $ .49 | $ .38 | $ .51 | $ 1.77 |
| (Loss) from discontinued operations | (.18) | (.15) | (2.70) | | (3.03) |
| Net income (loss) | $ .19 | $ .34 | $ (2.32) | $ .51 | $ (1.26) |

Notes:

(1) The earnings per share computations for each quarter and for the full year are computed using the most dilutive method. The sum of the quarters, therefore, does not equal the total year.

(2) Represents adjustments of prior years' provisions for discontinued operations.

(3) The provision for income taxes in the fourth quarter was $1.5 million reflecting a 30.3% effective income tax rate which is lower than the estimated annual effective income tax rate used through the third quarter. The effective income tax rate for the full year was 36.9% as explained in Note 12 of Notes to Financial Statements.

## AGREEMENT AND PLAN OF MERGER, AS RESTATED*

AGREEMENT AND PLAN OF MERGER (the "Agreement"), dated as of January 26, 1986, by and among Sybron Corporation, a New York corporation (the "Company"), Forstmann Little & Co., a New York limited partnership ("FL & Co."), Forstmann Little & Co. Subordinated Debt and Equity Management Buyout Partnership II, a New York limited partnership ("MBO-II") (FL & Co. and MBO-II being herein collectively called the "FL & Co. Companies"), and SC Acquisition Corp., a Delaware corporation ("Newco").

### PREAMBLE

The Company and FL & Co. desire to effect a business combination of the Company and Newco pursuant to which Newco will merge with and into the Company (such merger being referred to herein as the "Merger"), the holders of shares of the Company's common stock, par value $2.50 per share (the "Company Common Stock"), will receive a price of $26.25 per share net to the holder in cash (the "Common Stock Price") and the holders of shares of the Company's $2.40 Convertible Preferred Stock, par value $4 per share (the "Company Preferred Stock"), either will continue to hold their Company Preferred Stock or, if the requisite approval is obtained from holders of the Preferred Stock, will receive a price of $42 per share net to the holder in cash (the "Preferred Stock Price"). The Company Common Stock and Company Preferred Stock are herein collectively referred to as the "Company Securities". Prior to the Merger and in accordance with the terms and conditions of this Agreement, Newco and the Company will commence a joint tender offer for all outstanding shares of Company Common Stock at the Common Stock Price and for all outstanding shares of Company Preferred Stock at the Preferred Stock Price (the "Offer").

The Special Committee of the Board of Directors and the Board of Directors of the Company each has approved the Merger and the making of the Offer and the Board has recommended that the shareholders of the Company accept the Offer.

ACCORDINGLY, in consideration of the mutual covenants and agreements set forth herein, the parties hereto agree as follows:

1. *The Tender Offer*

1.1. *The Offer.* So long as none of the events set forth in Exhibit A hereto shall have occurred or be existing, Newco and the Company shall jointly and promptly (but in no event later than five business days from the date hereof) commence the Offer. The Offer shall be subject only to the conditions set forth in Exhibit A hereto, any of which conditions may be waived as set forth in Exhibit A hereto. Upon the terms and subject to the conditions of the Offer, (a) Newco will purchase at least the first 7,000,000 shares of Company Common Stock validly tendered, and the Company will purchase the remaining shares of Company Common Stock validly tendered, pursuant to the Offer and not withdrawn, (b) Newco will purchase all shares of Company Preferred Stock validly tendered pursuant to the Offer and not withdrawn, and (c) if the Company shall be unable for any reason to purchase Company Common Stock in the Offer (other than by reason of action or inaction by the Company in breach of this Agreement), Newco will assume the Company's obligations under the Offer. Newco may determine, in its sole discretion, to purchase any of the Company Common Stock otherwise to be purchased by the Company pursuant to the Offer. Any shares of Company Common Stock purchased by the Company shall be cancelled and restored to the status of authorized but unissued Company Common Stock. The Offer shall be made pursuant to an offer to purchase and related letters of transmittal (collectively, the "Offer Documents").

2. *The Merger*

2.1. *Merger.*

2.1.1. Subject to the terms and conditions hereof, the Merger shall be consummated in accordance with the applicable provisions of the New York Business Corporation Law (the

* Restated on February 27, 1986.

"NYBCL") and the Delaware General Corporation Law (the "GCL") as soon as practicable following the expiration or termination of the Offer and, if required by applicable law, approval of the Merger by the shareholders of the Company.

2.1.2. Upon consummation of the Merger: the Company shall be the surviving corporation in the Merger (sometimes hereinafter referred to as the "Surviving Corporation") and shall continue its existence under the laws of the State of New York; the separate existence of Newco shall cease; the Certificate of Incorporation of the Company, as in effect immediately prior to consummation of the Merger, shall be amended and restated to read in its entirety substantially as set forth in Exhibit B hereto, and as so amended and restated shall be the Certificate of Incorporation of the Surviving Corporation until thereafter amended as provided by law and such Certificate of Incorporation; the By-laws of Newco, as in effect immediately prior to the consummation of the Merger, shall be the By-laws of the Surviving Corporation until thereafter amended as provided by law, the Certificate of Incorporation of the Surviving Corporation and such By-laws; the directors of Newco and the officers of the Company immediately prior to consummation of the Merger shall be, respectively, the directors and officers of the Surviving Corporation, to serve in accordance with the By-laws thereof; and the status, rights and liabilities of, and the effect of the Merger on, each of the constituent corporations in the Merger and the Surviving Corporation shall be as provided in Section 906 of the NYBCL and Section 259 of the GCL.

2.1.3. Upon the consummation of the Merger and without any action on the part of Newco, the Company or the holders of any of the following securities:

(a) Each then outstanding share of Company Common Stock (other than any such shares which are owned by Newco, the FL & Co. Companies, or any other direct or indirect subsidiary (as hereinafter defined) of the FL & Co. Companies or are held in the treasury of the Company or are Dissenting Shares (as hereinafter defined)) shall be converted into the right to receive, in cash, the Common Stock Price;

(b) Each then outstanding share of Company Preferred Stock shall continue as one share of Company Preferred Stock. Notwithstanding the foregoing, but not as a condition of the Merger, if the requisite affirmative vote of the holders of the Company Preferred Stock, voting as a class (the "Preferred Approval"), is obtained, each outstanding share of Company Preferred Stock (other than such shares which are owned by Newco, the FL & Co. Companies, or any other direct or indirect subsidiary of the FL & Co. Companies or are held in the treasury of the Company or are Dissenting Shares) shall be converted into the right to receive, in cash, the Preferred Stock Price (the "Preferred Cash Conversion");

(c) Each then outstanding share of Company Common Stock owned by SC Transco Corp., a Delaware corporation ("Transco"), the FL & Co. Companies, or any other direct or indirect subsidiary of the FL & Co. Companies or of Newco shall be cancelled; and

(d) Each then outstanding share of common stock, $.01 par value, of Transco shall be converted into a fully paid and nonassessable share of Company Common Stock.

2.2. *Shareholders' Meeting.* The Company will take all action necessary in accordance with applicable law and its Certificate of Incorporation and By-laws to convene a meeting of its shareholders promptly after the expiration of the Offer to consider and vote upon the approval of the Merger and, in the case of the holders of Company Preferred Stock, the Preferred Cash Conversion, if such shareholder approval is required by applicable law (the "Shareholders Meeting"). At the Shareholders Meeting, all of the Company Securities then owned by Newco, the FL & Co. Companies or any other direct or indirect subsidiary of any of the FL & Co. Companies will be voted in favor of the Merger and the Preferred Cash Conversion. The Board of Directors of the Company will recommend, subject to its fiduciary duties, that the Company's shareholders approve the Merger if such vote is required or sought.

2.3. *Consummation of the Merger.* The closing of the Merger (the "Closing") shall take place (a) at the offices of Fried, Frank, Harris, Shriver & Jacobson, One New York Plaza, New York, New York 10004, on the later of (i) the day of (and immediately following) the receipt of approval of the Merger by the Company's shareholders, if such approval is required, or (ii) 10:00 A.M. on the day on which the last of the conditions set forth in Section 5 is fulfilled or waived, or (b) at such other time and place and on such other date as Newco and the Company shall agree. As soon as practicable after the Closing, the parties hereto will cause the Merger to be consummated by the filing with the Secretary of State of New York and the Secretary of State of Delaware of certificates of merger in such form as required by and executed in accordance with the relevant provisions of applicable law. The time the Merger becomes effective in accordance with applicable law shall hereinafter be referred to as the "Effective Time."

2.4. *Stock Options.* At the Effective Time and without any action on the part of the holder thereof, each option to purchase shares of Company Common Stock (the "Options") issued pursuant to the Company's 1975 and 1981 Stock Option Plan (the "Company Option Plans") or otherwise, which has not been cancelled pursuant to Section 4.3, whether or not then exercisable, shall be converted into, and shall thereafter represent the right to receive from the Surviving Corporation (as provided in Section 2.8), an amount in cash equal to the difference between the Common Stock Price and the per share exercise price of such Option, multiplied by the number of shares of Company Common Stock covered by such Option, subject to any required withholding of taxes.

2.5. *Dissenters' Rights.* Shares of Company Common Stock and, if the Preferred Approval shall have been obtained, Company Preferred Stock that have not been voted for adoption of the Merger and with respect to which appraisal shall have been properly demanded in accordance with Sections 623 and 910 of the NYBCL ("Dissenting Shares") shall not be converted into the right to receive the Common Stock Price or Preferred Stock Price, as the case may be, but instead shall be entitled only to such rights as are granted by such Sections of the NYBCL; provided that if a holder of Dissenting Shares shall withdraw (in accordance with Section 623(e) of the NYBCL) his or her demand for such appraisal or shall become ineligible for such appraisal, then such holder's Dissenting Shares shall automatically cease to be Dissenting Shares and shall be converted into and represent the right to receive the Common Stock Price or Preferred Stock Price, as the case may be.

2.6. *Payment for Shares.* Newco shall authorize one or more commercial banks or trust companies to act as Paying Agent hereunder (the "Paying Agent"). Each holder of a certificate or certificates which prior thereto represented shares of Company Common Stock, or, in the case of the Preferred Approval having been obtained, Company Preferred Stock, and which, pursuant to Section 2.1.3(a) or 2.1.3(c) are converted into the rights to receive the Common Stock Price or the Preferred Stock Price shall be entitled to receive, upon proper surrender to the Paying Agent of the certificate or certificates for cancellation and subject to any required withholding of taxes, the aggregate amount of cash into which the shares of Company Common Stock or Company Preferred Stock previously represented by such certificate or certificates shall have been converted in the Merger. When and as needed, Newco shall make available to the Paying Agent sufficient funds to make all payments pursuant to the preceding sentence. Until surrendered to the Paying Agent, each certificate which immediately prior to the Effective Time represented outstanding shares of Company Common Stock, or in the case of the Preferred Approval having been obtained, Company Preferred Stock, as the case may be (other than Dissenting Shares and shares of Company Common Stock and Company Preferred Stock owned by Newco, the FL & Co. Companies or any other direct or indirect subsidiary of any of the FL & Co. Companies) shall be deemed for all corporate purposes to evidence only the right to receive upon such surrender the aggregate amount of cash into which the shares of Company Common Stock or Company Preferred Stock represented thereby shall have been converted, subject to any required withholding of taxes; *provided however,* that shares of Company Preferred Stock shall, if the Preferred Approval shall not have been obtained, continue as outstanding shares of Company Preferred Stock as set forth in Section 2.1.3. No interest shall accrue or be paid on the cash payable upon the surrender of the certificate or certificates. If any payment for Company Securities is to be made to a person other than the person in whose name the certificates for such shares surrendered for

exchange are registered, it shall be a condition of the exchange that the person requesting such exchange shall pay to the Paying Agent any transfer or other taxes required by reason of the delivery of such check to a person other than the registered owner of the certificates surrendered or shall establish to the satisfaction of the Paying Agent that such tax has been paid or is not applicable. Any cash delivered or made available to the Paying Agent pursuant to this Section 2.6 and not exchanged for certificates representing Company Securities within one year after the Effective Time pursuant to this Section 2.6 shall be returned by the Paying Agent to the Surviving Corporation which shall thereafter act as Paying Agent subject to the rights of holders of unsurrendered certificates representing Company Securities under this Section 2. Notwithstanding the foregoing, neither the Paying Agent nor any party hereto shall be liable to a holder of Company Securities for any amount paid to a public official pursuant to applicable abandoned property laws. If any certificates representing Company Securities shall not have been surrendered prior to six years after the Effective Time (or immediately prior to such earlier date on which any payment in respect thereof would otherwise escheat to or become the property of any governmental unit or agency), the payment in respect of such certificates shall, to the extent permitted by applicable law, become the property of the Surviving Corporation, free and clear of all claims or interest of any person previously entitled thereto.

2.7. *Closing of the Company's Transfer Books.* At the Effective Time, the stock transfer books of the Company shall be closed with respect to the Company Common Stock and no transfer of such shares shall thereafter be made. If the Preferred Approval is obtained, at the Effective Time, the stock transfer books of the Company shall be closed with respect to the Company Preferred Stock and no transfer of such shares shall thereafter be made.

2.8. *Payment for Options.* Promptly after the Effective Time, the Surviving Corporation shall pay to each holder of an Option which has not been cancelled pursuant to Section 4.3, whether or not then exercisable, an amount in cash, as provided in Section 2.4 hereof, upon the surrender of the Option by the holder thereof to the Surviving Corporation.

2.9. *Supplementary Action.* If at any time after the Effective Time, any further assignments or assurances in law or any other things are necessary or desirable to vest or to perfect or confirm of record in the Surviving Corporation the title to any property or rights of either of the constituent corporations, or otherwise to carry out the provisions of this Agreement, the officers and directors of the Surviving Corporation are hereby authorized and empowered on behalf of the respective constituent corporations, in the name of and on behalf of the appropriate constituent corporation, to execute and deliver any and all things necessary or proper to vest or to perfect or confirm title to such property or rights in the Surviving Corporation, and otherwise to carry out the purposes and provisions of this Agreement.

3. *Representations And Warranties*

3.1. *Representations and Warranties of Newco and the FL & Co. Companies.* Each of Newco, FL & Co. and MBO-II represents and warrants to the Company, jointly and severally (except that the representations and warranties contained in Sections 3.1.2 and 3.1.3 are being made severally by FL & Co. and MBO-II, respectively), as follows:

3.1.1. *Organization.* Newco is a corporation duly organized and validly existing and in good standing under the laws of the State of Delaware. All the issued and outstanding shares of capital stock of Newco have been duly authorized by all necessary corporate action and are validly issued, fully paid and nonassessable. A complete and correct copy of Newco's Certificate of Incorporation and By-laws, as in effect on the date of delivery, has been delivered to the Company.

3.1.2. *FL & Co.* The sole general partner of FL & Co. is FLC Partnership, a New York general partnership, of which Theodore J. Forstmann, Wm. Brian Little, Nicholas C. Forstmann and John A. Sprague are the only general partners. FL & Co. has made available to the Company complete and correct copies of its Certificate of Limited Partnership and Agreement of Limited Partnership.

3.1.3. *MBO-II.* The sole general partner of MBO-II is FLC Partnership, a New York general partnership, of which Theodore J. Forstmann, Wm. Brian Little, Nicholas C. Forstmann and John A.

Sprague are the only general partners. MBO-II has made available to the Company complete and correct copies of its Certificate of Limited Partnership and Articles and Agreement of Limited Partnership.

3.1.4. *Authority.* FL & Co. and MBO-II each has full power and authority to enter into this Agreement and to perform its obligations hereunder; the execution, delivery and performance by FL & Co. and MBO-II of this Agreement and the transactions contemplated hereby have been duly authorized by all necessary partnership action on either of their part and no other partnership proceedings on each of their part are necessary to authorize the execution, delivery or performance of this Agreement. Newco has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder; the execution, delivery and performance by Newco of this Agreement and the transactions contemplated hereby have been duly authorized by all necessary corporate action on its part and no other corporate proceedings on its part are necessary to authorize the execution, delivery or performance of this Agreement. This Agreement constitutes the valid and binding agreement of FL & Co., MBO-II and Newco.

3.1.5. *Brokers.* Neither FL & Co., MBO-II nor Newco has employed any broker or finder or incurred any liability for any brokerage fees, commissions, or finder's fees in connection with transactions contemplated hereby, except that Newco has employed Goldman, Sachs & Co. as its financial advisor, the arrangements with respect to which have been disclosed in writing to the Company.

3.1.6. *Information.* The FL Information (as hereinafter defined) contained in the Offer Documents (including any amendments or supplements thereto and any schedules, including the Schedule 14D-1, required to be filed with the Securities and Exchange Commission (the "Commission") in connection therewith), the Schedule 13E-3 (as hereinafter defined) or the Proxy Material (as hereinafter defined) (a) with respect to the Offer Documents and the Schedule 13E-3, will not, on the date the Offer Documents or the Schedule 13E-3 is first filed with the Commission, as the case may be, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading, and (b) with respect to the Proxy Material, as amended and supplemented, will not, at the date of the Shareholders Meeting or at the Effective Time, contain any statement which, at the time and in light of the circumstances under which it is made, is false or misleading with respect to any material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not false or misleading, or necessary to correct any statement in any earlier communication with respect to the solicitation of proxies for the Shareholders Meeting. For purposes of this Agreement, FL Information means (i) in the Offer Documents, all of the information contained therein other than information relating in any way to the Company and contained in the Sections marked with an asterisk on the table of contents for the offer to purchase contained in Exhibit E or any other information supplied by the Company or any of its authorized representatives for use in or in preparing the Offer Documents, (ii) in the Schedule 13E-3, the information with respect to FL & Co., MBO-II and Newco and any of their affiliates or associates which shall have been supplied by them or any of their authorized representatives for use in or in preparing such Schedule 13E-3, as well as the information contained in the Schedule 13E-3 through incorporation by reference to the FL Information in the Offer Documents, and (iii) in the case of the proxy materials to be used in connection with the Shareholders Meeting (the "Proxy Material"), the information with respect to FL & Co., MBO-II and Newco and any of their affiliates or associates which shall have been supplied by them or any of their authorized representatives for use in or in preparing the Proxy Material. Any information in any of the Offer Documents, the Schedule 13E-3, or the Proxy Material which is not FL Information is hereinafter referred to as "Company Information." The Schedule 14D-1 will comply as to form in all material respects with the Exchange Act and the rules and regulations of the Commission thereunder.

3.1.7. *Effect of Agreement.* The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including the making of the Offer, by the FL & Co. Companies and Newco will not constitute a breach or violation of or a default under (a) the

Certificate of Incorporation or the By-laws of Newco, the FL & Co. Agreement of Limited Partnership or the MBO-II Articles and Agreement of Limited Partnership, (b) any applicable law, rule or regulation, (c) any judgment, decree, order, governmental permit or license or (d) any indenture, agreement or instrument of the FL & Co. Companies or Newco or to which the FL & Co. Companies or Newco is subject, other than in the case of (a) through (d) above, a breach, violation or default which would prevent, materially hinder or make materially more burdensome the consummation by the FL & Co. Companies or Newco of the transactions contemplated hereby. Except for compliance with the Exchange Act, the securities laws of the various states and the New Jersey Environmental Clean-Up Responsibility Act, and the filing of certificates of merger pursuant to the NYBCL and the GCL, the consummation by the FL & Co. Companies and Newco of the transactions contemplated hereby will not require the consent or approval of or filing with any governmental or other regulatory body or other third party where the failure to obtain such consent or approval or make such filing would prevent, materially hinder or make materially more burdensome the consummation of the transactions contemplated hereby.

3.1.8. *Financing.* Newco has funds available to it sufficient to consummate the Offer and the Merger on the terms contemplated hereby. The FL & Co. Companies have, in the aggregate, committed capital of approximately $560 million available for acquisitions and can supplement these funds with bank borrowings.

3.2. *Representations and Warranties of the Company.* The Company represents and warrants to each of the FL & Co. Companies, Newco and any other person who may pursuant to Section 6.9 become a party to this Agreement as follows; *provided, however,* that notwithstanding any language to the contrary contained therein, such representations and warranties relating to information contained in the Schedules referred to in Section 3 which are to be delivered by the Company to the FL & Co. Companies and Newco after the date hereof pursuant to Section 4.14 of this Agreement shall be deemed made as of the date specified in the relevant Schedule (which date shall be a date not earlier than the date hereof).

3.2.1. *Organization.* The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of New York. A true and complete copy of the Company's Certificate of Incorporation and By-laws have previously been furnished to Newco. All of the Significant Subsidiaries (as hereinafter defined) are corporations duly organized, validly existing and in good standing under the laws of their respective jurisdictions of incorporation. The Company and the subsidiaries each have the requisite corporate power to conduct their respective businesses as they are currently being conducted and are duly qualified as foreign corporations to do business in the respective jurisdictions where the character of their properties owned or leased or the nature of their activities makes such qualification necessary, except to the extent that lack of such qualification would not have a material adverse effect on the condition (financial or otherwise), results of operations, properties, business or prospects of the Company and its subsidiaries taken as a whole (a "Material Adverse Effect"). All the outstanding shares of capital stock of each Significant Subsidiary held by the Company or any subsidiary are validly issued, fully paid and nonassessable and are owned by the Company or such subsidiaries, free and clear of all liens, claims or other encumbrances ("Liens") the existence of which, singly or in the aggregate, would have a Material Adverse Effect. There are no existing subscriptions, options, warrants, rights, convertible securities or other agreements or commitments of any character relating to the issued or unissued capital stock or other securities of any Significant Subsidiary or obligating any Significant Subsidiary to issue any securities. The Company directly or indirectly owns the entire equity interest (other than directors' qualifying shares) in each of its Significant Subsidiaries except as otherwise indicated in the Form 10-K for the fiscal year ended December 31, 1984 filed by the Company with the Commission, and no person other than the Company or a Subsidiary has any preemptive, stock purchase or other rights to acquire any shares of capital stock of any Significant Subsidiary.

3.2.2. *Capitalization.* The authorized capital stock of the Company consists of 27,435,754 shares, divided into three classes as follows: 20,000,000 shares of Company Common Stock, 1,435,754 shares of Company Preferred Stock and 6,000,000 shares of preference stock. As of January 23, 1986, no shares of preference stock were outstanding; 9,956,093 shares of Company Common Stock and 684,811 shares of

Company Preferred Stock were validly issued and outstanding, fully paid and nonassessable. There are outstanding employee stock options to purchase an aggregate of 440,226 shares of Company Common Stock under the Company Option Plans at an average exercise price of $17.91 and 62,172 shares of Company Common Stock are available for awards under the 1981 Company Option Plan. No shares of Company Common Stock are available for awards under the 1975 Company Option Plan. There are $3,456,600 in principal amount of the Company's 4-½% Convertible Subordinated Debentures due 1987 (the "Debentures"), convertible into Company Preferred Stock at a conversion rate of $63 principal amount per share of Company Preferred Stock. Except as set forth above, there are no shares of capital stock of the Company issued or outstanding and there are no outstanding subscriptions, options, warrants, rights, convertible securities or other agreements or commitments of any character relating to the issued or unissued capital stock or other securities of the Company or obligating the Company to issue any securities.

3.2.3. *Authority.* The Company has the requisite corporate power to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company, subject only, with respect to the consummation of the Merger, to approval, if necessary, by the shareholders of the Company and, with respect to the Preferred Cash Conversion, to approval by the holders of the Company Preferred Stock, as provided in Section 2.2. In particular, (a) the Merger Agreement and the Merger have been expressly approved by the vote of at least a majority of the Company's "Continuing Directors" in accordance with Article Eight of the Company's Certificate of Incorporation, so that the approval of the holders of no more than two-thirds of the outstanding Company Securities would be required to approve the Merger, if shareholder approval is required at all; and (b) the affirmative vote of the holders of not less than two-thirds of the outstanding shares of Company Preferred Stock is required to approve the Preferred Cash Conversion. This Agreement has been duly executed and delivered by, and is a valid and binding obligation of, the Company. The Board of Directors of the Company has determined that the Offer and the Merger are fair and in the best interests of the Company and its shareholders and has resolved (subject to its fiduciary duties) to recommend acceptance of the Offer and approval of the Merger by the Company's shareholders.

3.2.4. *Effect of Agreement.* Except as set forth in Schedule 3.2.4 or as described in the Offer Documents, the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including the making and consummation of the Offer, will not constitute a breach or violation of or default under, nor is the Company or any of its subsidiaries otherwise in breach or violation of or default under, (a) the Certificate of Incorporation or the By-laws of the Company or such subsidiary, as the case may be, (b) any applicable law, rule or regulation, (c) any judgment, decree, order, governmental permit or license, or (d) any indenture, agreement or instrument of the Company or any of its subsidiaries or to which the Company or any of the subsidiaries is subject, other than, in the case of (a) through (d) above, a breach, violation or default that would not have a Material Adverse Effect or prevent, materially hinder or make materially more burdensome the consummation of the transactions contemplated hereby. Except for compliance with the Exchange Act, the securities laws of the various states and the New Jersey Environmental Clean-up Responsibility Act, and the filing of certificates of merger pursuant to the NYBCL and the GCL, the consummation of the transactions contemplated hereby by the Company will not require the consent or approval of or filing with any governmental or other regulatory body or other third party, other than the Shareholders of the Company in the case of the merger, where the failure to obtain such consent or approval or make such filing would have a Material Adverse Effect or would prevent, materially hinder or make materially more burdensome the consummation of the transactions contemplated hereby.

3.2.5. *Financial Statements; Commission Reports.* Since January 1, 1982, the Company has filed with the Commission all Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy materials and registration statements required to be filed by it pursuant to the federal securities laws and has made all other filings with the Commission required to be made where the failure to have made such filing has or is expected by the Company to have a Material Adverse Effect (collectively, the "Commission Filings"). Except as set forth on Schedule 3.2.5 the

Company has delivered to the FL & Co. Companies true and complete copies of all of the Commission Filings. The Commission Filings did not (as of their respective filing dates, mailing dates or effective dates, as the case may be) contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The audited and unaudited consolidated financial statements of the Company included in the Commission Filings (excluding such financial statements covering periods ended on or before December 31, 1981) were each prepared in accordance with generally accepted accounting principles applied on a consistent basis (except as stated in such financial statements) and fairly present the financial position of the Company and its consolidated subsidiaries as of the respective dates thereof and the results of their operations and changes in financial position for the respective periods then ended, subject, in the case of the unaudited financial statements, to normal year-end audit adjustments which, in the case of the unaudited financial statements covering periods in 1985, shall not be materially adverse to the Company and its subsidiaries taken as a whole. Except as set forth in Schedule 3.2.5 or as disclosed in the Annual Report on Form 10-K for the fiscal year ended December 31, 1984 or in subsequent Commission Filings, the Company and its subsidiaries have no liabilities, contingent or otherwise, other than (i) liabilities which were disclosed in the unaudited consolidated financial statements for the quarter ended September 30, 1985, or (ii) liabilities which, individually or in the aggregate, would not have a Material Adverse Effect. None of the subsidiaries of the Company is required to file any statements or reports with the Commission. Except as disclosed on Schedule 3.2.5, the Profit Center Information (as hereinafter defined) with respect to 1985 and prior years is true and correct in all material respects.

3.2.6. *Absence of Certain Changes or Events.* Except as disclosed on Schedule 3.2.6, since September 30, 1985, the Company and its subsidiaries have operated their respective businesses only in the ordinary course and there has not been (i) except as disclosed in the historical and forecast profit center financial information furnished by the Company to FL & Co. (the "Profit Center Information"), any material adverse change in the condition (financial or otherwise), results of operations, properties, business or prospects of the Company and its subsidiaries taken as a whole; (ii) any damage, destruction or loss, whether covered by insurance or not, materially and adversely affecting the properties or businesses of the Company and its subsidiaries taken as a whole; (iii) any declaration, setting aside or payment of any dividend (whether in cash, stock or property) with respect to the capital stock of the Company, except one regular quarterly cash dividend not in excess of $0.27 per share of Company Common Stock which was paid with respect to the fourth quarter of 1985 and stated quarterly dividends not in excess of $0.60 per share on Company Preferred Stock; (iv) any entry into an employment agreement calling for compensation in excess of $50,000 or not in the ordinary course of business or (other than normal increases in the ordinary course of the Company's business that are consistent with past practices and that, in the aggregate, have not resulted in a material increase in compensation or benefits expense to the Company) any increase in the compensation payable or to become payable by the Company to its directors, officers or employees or in any bonus, insurance, pension or other employee benefit plan, payment or arrangement made to, for or with any such officers or key employees; or (v) any entry into any commitment or transaction material to the Company and its subsidiaries taken as a whole (including, without limitation, any material borrowing, sale of a material asset or material amount of assets or capital expenditure in a material amount). No existing or, to the knowledge of the Company, threatened labor strikes affecting the Company or any of its subsidiaries or efforts to unionize the Company's or any of its subsidiaries' employees, which would have a Material Adverse Effect, exist on the date hereof.

3.2.7. *Compliance With Law; Litigation.* The businesses of the Company and its subsidiaries are not being conducted in violation of any law, ordinance or regulation of any governmental entity or other regulatory body, except for violations which either singly or in the aggregate do not and are not reasonably expected to have a Material Adverse Effect. Except as set forth in the Company's financial statements referred to in Section 3.2.5 or in Schedule 3.2.7, there is no suit, action or proceeding pending or, to the knowledge of the Company, threatened against or affecting the Company or any of

its subsidiaries which, if adversely determined, could reasonably be expected to have a Material Adverse Effect, nor is there any judgment, decree, injunction, rule or order of any court or governmental or other regulatory body outstanding against the Company or any of its subsidiaries which could reasonably be expected to have a Material Adverse Effect, or which, insofar as can be foreseen, in the future may have any such Effect. Except as disclosed in Schedule 3.2.7, neither the Company nor any of its subsidiaries is a party to any products liability actions, suits or proceedings which, subject to deductible amounts, are not fully covered by product liability insurance or, if not so covered, in which an adverse determination could reasonably be expected to have a Material Adverse Effect.

3.2.8. *Governmental Authorizations and Regulations.* Except as set forth in Schedule 3.2.8 the Company and its subsidiaries hold all governmental licenses, permits and other authorizations necessary for their businesses, except where the failure to hold such government licenses, permits and other authorizations would not have a Material Adverse Effect. Except as set forth in Schedule 3.2.8 such governmental licenses, permits and other authorizations are valid and sufficient in all material respects for all business presently carried on by the Company and its subsidiaries, and the Company knows of no threatened suspension, cancellation or invalidation of any such license, permit or other authorization, which, if suspended, cancelled or invalidated, could reasonably be expected to have a Material Adverse Effect.

3.2.9. *Information.* The Company Information contained in any of the Offer Documents (including any amendments or supplements thereto and any schedules required to be filed with the Commission in connection therewith), the Transaction Statement on Schedule 13E-3 filed with the Commission in connection with the transactions contemplated in this Agreement (the "Schedule 13E-3") or the Proxy Material (a) with respect to the Offer Documents and the Schedule 13E-3, will not, on the date the Offer Documents or the Schedule 13E-3 is first filed with the Commission, as the case may be, contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements made, in light of the circumstances under which they are made, not misleading, and (b) with respect to the Proxy Material, as amended and supplemented, will not, at the date of the Shareholders Meeting or at the Effective Time, contain any statement which, at the time and in light of the circumstances under which it is made, is false or misleading with respect to any material fact, or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not false or misleading, or necessary to correct any statement in any earlier communication with respect to the solicitation of proxies for the Shareholders Meeting. The Schedule 13E-3 and the Proxy Material will comply as to form in all material respects with the Exchange Act and the rules and regulations of the Commission thereunder.

3.2.10. *Brokers.* Neither the Company nor any of its subsidiaries has employed any broker, finder or intermediary in connection with the transactions contemplated hereby other than Salomon Brothers Inc ("Salomon Brothers"). The only fees paid or payable to Salomon are as set forth in the agreement between the Company and Salomon which agreement has been previously delivered to FL & Co. and initialled by the Company and FL & Co.

3.2.11. *Employee Benefits and Agreements.* (a) Except for agreements specified in Schedule 3.2.11(a), there are no bonus, profit sharing, compensation, severance, termination, stock option, pension, retirement, deferred compensation, employment or other employee benefit agreements, trusts, plans, funds or other arrangements for the benefit or welfare of any director, officer or employee of the Company or any of its subsidiaries. True and complete copies of the agreements specified in Schedule 3.2.11(a) will be delivered to FL & Co. concurrently with Schedule 3.2.11(a).

(b) Except as disclosed in Schedule 3.2.11(b), (i) neither the Company nor any of its subsidiaries is party to any multi-employer plan; (ii) for each funded employee pension benefit plan (within the meaning of Section 3(2) of Employee Retirement Income Security Act of 1974, as amended ("ERISA")) that (x) is subject to the provisions of Section 401(a) of the Internal Revenue Code, as amended (the "Code") and (y) is maintained by the Company or any of its subsidiaries for any of its employees, the Company or such subsidiary has obtained a favorable determination letter

from the Internal Revenue Service ("IRS"); (iii) to the knowledge of the Company, none of said determination letters has been revoked by the IRS, nor has the IRS given any indication to the Company or such subsidiary that it intends to revoke any such determination letter; and (iv) the Company, its subsidiaries and the employee benefit plans maintained by them have not committed any violation of ERISA or any agreement relating to the administration of such plans which, singly or in the aggregate, would have a Material Adverse Effect.

As of December 31, 1985, the Company split the Sybron Salary Pension Plan into two parts, one to cover retired vested employees (the "Retirees' Plan") and the other to cover active salaried employees (the "Salaried Plan"). The Retirees' Plan was then terminated effective as of December 31, 1985. Participants under the Retirees' Plan and the Salaried Plan became fully vested in the benefits provided under those Plans as of December 31, 1985 and the Company will purchase annuities to cover those benefits. Participants in the Retirees' Plan were given notice of the split off of the Sybron Salary Pension Plan and the termination of the Retirees' Plan and of the vesting and annuitizing of benefits, as required under applicable provisions of ERISA, prior to the filing of a Notice of Intent to terminate on December 31, 1985. As a result of the foregoing, there is reasonably expected to be a reversion to the Company of surplus assets from the Retirees' Plan in a pre-tax amount not less than $40,000,000.

3.2.12. *Fairness Opinion.* The Company has received from Salomon Brothers an executed copy of the opinion set forth in Exhibit C hereto (the "Fairness Opinion"). The Company has been authorized by Salomon Brothers to include the Fairness Opinion in the Offer Documents and the Proxy Statement and has not been notified by Salomon Brothers that the Fairness Opinion has been withdrawn or materially modified.

3.2.13. *Material Agreements.* Except as set forth on Schedule 3.2.13, neither the Company nor any of its subsidiaries is a party to any agreement which is material to the Company and its subsidiaries taken as a whole.

3.2.14. *Title to Properties; Encumbrances.* Except as set forth on Schedule 3.2.14, each of the Company and its subsidiaries has good and marketable title to or other legal right to use all properties and assets (real, personal and mixed, tangible and intangible) which are material to the Company and its subsidiaries taken as a whole, including, without limitation, all such properties and assets which it or they purport to own or have a legal right to use as reflected on the consolidated balance sheet of the Company and its subsidiaries as at September 30, 1985, including the notes thereto (the "Balance Sheet"), or acquired after the date thereof (except for properties and assets disposed of since September 30, 1985 in the ordinary course of business and consistent with past practice). Except as set forth in Schedule 3.2.14, none of such properties or assets reflected on the Balance Sheet or acquired after the date of the Balance Sheet are subject to any Lien except (a) statutory Liens not yet delinquent, (b) Liens, with respect to the properties or assets of the Company and its subsidiaries taken as a whole, that do not materially impair or materially interfere with the present use of the properties or assets subject thereto or affected thereby, or otherwise materially impair present business operations at such properties, (c) Liens for taxes not yet delinquent or the validity of which are being contested in good faith by appropriate actions and (d) Liens reflected in the Commission Filings.

3.2.15. *Fees and Bonuses.* Schedule 3.2.15 sets forth a list of (a) the amounts owed to directors as deferred directors fees (approximately $800,000) (the "Deferred Directors' Fees"); (b) the amounts owed to officers and employees in respect of deferred compensation (approximately $2,750,000) (the "Deferred Compensation"); (c) the amounts payable to certain employees as bonuses in respect of 1985 (approximately $3,300,000) (the "Bonuses"); (d) the present value of payments (discounted at a rate of 9% pursuant to certain supplemental pension benefits, other pensions and the ERISA excess plan (approximately $2,500,000); and (e) the amounts payable (discounted at a rate of 10%) pursuant to the Supplemental Executive Retirement Plan (approximately $1,750,000). True and complete copies of each plan or resolution pursuant to which any of the foregoing are payable will be furnished to the FL & Co. Companies together with Schedule 3.2.15. All of the amounts listed on Schedule 3.2.15 were accrued and reflected in full on the Balance Sheet, except not more than for approximately $5,300,000.

4. *Covenants*

4.1. *Acquisition Proposals.* The Company shall not, directly or indirectly, through any officer, director, employee, agent or otherwise, shall cause its subsidiaries not to, and shall use its best efforts to cause its representatives not to, solicit or encourage (including by way of furnishing any non-public information concerning the Company's business, properties or assets) any acquisition proposal other than the one contemplated by this Agreement. As used in this Agreement, "acquisition proposal" shall mean any proposal for a merger or other business combination involving the Company or the acquisition of a substantial equity interest in or a substantial part of the assets of the Company or any of its subsidiaries other than the one contemplated by this Agreement.

4.2. *Appraisal Rights.* The Company shall not settle or compromise any claim for appraisal rights in respect of the Merger prior to the Effective Time without the prior written consent of Newco.

4.3. *Stock Options.* Prior to the Effective Time, the Company shall make all necessary and appropriate adjustments to, and shall use its best efforts to obtain all necessary consents with respect to, all options to acquire shares of Company Common Stock which have been granted pursuant to the Company Option Plans and which are outstanding immediately prior to completion of the Offer, to provide that in cancellation and settlement thereof the Company shall promptly after completion of the Offer make a cash payment to the holder of each such Option in an amount equal to the difference between the Common Stock Price and the per share exercise price of such Option, multiplied by the number of shares of Company Common Stock covered by such Option, subject to any required withholding of taxes.

4.4. *Interim Operations.* During the period from the date of this Agreement to the Effective Time, except as specifically contemplated by this Agreement, or as otherwise approved in writing by Newco:

4.4.1. The Company shall, and shall cause each of its subsidiaries to, conduct its business only in, and not to take any action except in, the ordinary course of business and consistent with past practice;

4.4.2. The Company shall not, and shall not permit any of its subsidiaries to, make or propose any change or amendment in its charter or by-laws;

4.4.3. The Company shall not, and shall not permit any of its subsidiaries to, issue or sell any shares of its capital stock or any other securities or issue any securities convertible into or exchangeable for, or options, warrants to purchase, rights to subscribe for, calls or commitments of any character whatsoever relating to, or enter into any agreement, understanding or arrangement with respect to the issuance of, any of its shares of capital stock or any other securities (including securities of others) (other than pursuant to employee stock options outstanding on the date of this Agreement, upon conversion of the Company Preferred Stock into Company Common Stock in accordance with the Company's Certificate of Incorporation or upon conversion of the Debentures into Company Preferred Stock in accordance with the terms of the indenture governing the Debentures), or enter into any agreement, understanding or arrangement with respect to the purchase or voting of shares of its capital stock, or adjust, split, combine or reclassify any of its securities, or make any other changes in its capital structure.

4.4.4. The Company shall not, and shall not permit any of its subsidiaries to, declare, set aside, pay or make any dividend (including, but not limited to, the regular quarterly cash dividends of $0.27 per share of Company Common Stock) or other distribution or payment (whether in cash, stock or property) with respect to, or purchase or redeem, any shares of the capital stock of any of them, except that (a) dividends may be paid by the Company's subsidiaries to the Company with respect to their common stock held by the Company, and (b) the Company may pay stated quarterly cash dividends of $0.60 per share with respect to the Company Preferred Stock.

4.4.5. The Company shall use its best efforts to preserve intact the business organization of the Company and each of its active subsidiaries, to keep available the services of its and their present officers and key employees, and to preserve the good will of those having business relationships with it and its active subsidiaries.

4.4.6. The Company shall not, and shall not permit any of its subsidiaries to, adopt or amend any bonus, profit sharing, compensation, severance, termination, stock option, pension, retirement, deferred compensation, employment or other employee benefit agreements, trusts, plans, funds or other arrangements for the benefit or welfare of any director, officer or employee, or (except for normal increases in the ordinary course of business that are consistent with past practices and that, in the aggregate, do not result in a material increase in benefits or compensation expense to the Company) increase in any manner the compensation or fringe benefits of any director, officer or employee or pay any benefit not required by any existing plan and arrangement (including, without limitation, the granting of Options) or enter into any agreement, arrangement or understanding to do any of the foregoing except as set forth in Exhibit F. The Company shall be entitled to pay Bonuses to persons who are corporate officers of the Company only in amounts not exceeding the amounts set forth as proposed Bonuses for such persons in Schedule 3.2.15.

4.4.7. Except with respect to transactions between and among the Company and any of its subsidiaries, the endorsement of negotiable instruments in the ordinary course of its business, borrowings in the ordinary course of business under currently existing bank credit lines and the financing arrangements entered or to be entered into by the Company to finance its purchases of Company Common Stock in the Offer, the Company shall not, and shall not permit any of its subsidiaries to, incur or assume any indebtedness for money borrowed or guarantee any indebtedness or enter into any agreement, arrangement or understanding to do any of the foregoing.

4.4.8. The Company shall not, and shall not permit any of its subsidiaries to, sell, lease, pledge or otherwise dispose of any of its assets other than in the ordinary course of business or any material asset or material amount of its assets whether or not in the ordinary course of business, or enter into any merger or other agreement providing for the acquisition of the Company or any of its subsidiaries by any third party or acquire (by merger, consolidation, or acquisition of stock or assets) any corporation, partnership or other business organization or division thereof or enter into any agreement, arrangement or understanding to do any of the foregoing.

4.4.9. The Company shall not, and shall not permit any of its subsidiaries to, take or fail to take any action which would result in any of the representations and warranties of the Company contained herein being untrue (i) as of the date of such action or inaction or (ii) as of the Effective Time.

4.5. *Access and Information.* The Company shall give to the FL & Co. Companies, Newco and their representatives and designees full access to all the premises and books and records of the Company and its subsidiaries and shall, and shall cause its subsidiaries, officers and independent auditors to furnish to the FL & Co. Companies, Newco and their representatives and designees such financial and operating data and other information, including access to the working papers of its independent auditors, with respect to its business and properties and the business and properties of its subsidiaries as FL & Co. shall from time to time reasonably request; *provided, however,* that any such investigation shall be conducted in such manner as not to interfere unreasonably with the operation of the business of the Company and its subsidiaries. If the transactions contemplated hereby are not consummated, the FL & Co. Companies shall return all documents, work papers and other material obtained by them from the Company and its subsidiaries in connection with the transactions contemplated hereby, and shall not retain any copies thereof. No investigation pursuant to this Section shall affect or be deemed to modify any representations or warranties made in this Agreement or the conditions to the obligations of the parties to consummate the Merger. The Confidentiality Agreement previously entered into between the Company and FL & Co. shall remain in effect, provided that FL & Co. shall be entitled to disclose such material as is deemed necessary by it and the Company to be disclosed in the Offer Documents and Proxy Material.

4.6. *Certain Filings, Consents and Arrangements.* Newco and the Company will use their best efforts to obtain any necessary consents, permits, authorizations, approvals and waivers to permit the consummation of the transactions contemplated by this Agreement, provided that the Company shall not, without the consent of the FL & Co. Companies (which consent shall not be unreasonably withheld), agree to any amendment to any instrument or agreement to which it is a party.

Newco, the FL & Co. Companies and the Company shall cooperate with one another (i) in promptly determining whether any filings are required to be made or consents, approvals, permits or authorizations

are required to be obtained under any federal, state or foreign law or regulation or any consents, approvals or waivers are required to be obtained from other parties to loan agreements or other agreements or instruments material to the Company's business in connection with the consummation of the Offer and the Merger and (ii) in promptly making any such filings, furnishing information required in connection therewith and seeking timely to obtain any such consents, permits, authorizations, approvals or waivers.

4.7. *Board of Directors.* Upon the acquisition of any Company Securities pursuant to the Offer, and from time to time thereafter as the FL & Co. Companies or any of its direct or indirect wholly owned subsidiaries acquires additional Company Securities, the FL & Co. Companies shall be entitled to designate at its option up to that number of directors, rounded up to the next whole number, of the Company's Board of Directors as will make the percentage of the Company's directors designated by the FL & Co. Companies equal to the percentage of the aggregate voting power of the outstanding Company Securities held by the FL & Co. Companies or any of its direct or indirect wholly owned subsidiaries. The Company shall, upon the request of the FL & Co. Companies, use its best efforts to promptly increase the size of the Board and/or secure the resignation of such number of directors as is necessary to enable the FL & Co. Companies' designees to be elected to the Company's Board of Directors and shall use its best efforts to cause the FL & Co. Companies' designees to be so elected and to make any filings required by Rule 14f-1 under the Exchange Act with respect to such election.

4.8. *State Takeover Statutes.* The Company shall, upon the request of Newco, take all reasonable steps to assist in any challenge by Newco to the validity or applicability to the Offer of any state takeover statutes.

4.9. *Proxy Statement and Schedule 13E-3.* (a) The Company shall cause the Shareholders Meeting to be duly called and held as soon as reasonably practicable for the purpose of approving and adopting this Agreement and all actions contemplated hereby which require the approval of Company shareholders, and (b) the Board of Directors of the Company shall include (subject to its fiduciary duties) in the Proxy Material its recommendation that shareholders of the Company vote in favor of the Merger at such meeting. Although each of the FL & Co. Companies disclaim that it is, or that, prior to the Effective Time, Newco will be, an "affiliate" of the Company within the meaning of Rule 13e-3 under the Exchange Act, the Company will prepare and file with the Commission the Schedule 13E-3 with respect to the transactions contemplated by this Agreement. The Company also will, in connection with the Shareholders Meeting, prepare and file with the Commission preliminary proxy material relating to the transactions contemplated by this Agreement (the "Preliminary Proxy Material") and will use its best efforts to respond to the comments of the Commission and to cause the Proxy Material to be mailed to its shareholders, all at the earliest practicable time; *provided, however,* that the Company shall have no obligation to mail the Proxy Material or call the Shareholders Meeting to vote on the Merger until Newco shall have furnished to the Company in writing, for use in the Proxy Material, such information relating to the FL & Co. Companies and Newco as counsel to the Company shall reasonably believe to be necessary in order for the Proxy Material to comply with the Exchange Act and the rules and regulations of the Commission thereunder and as may reasonably be necessary to respond satisfactorily to any comments from the Commission with respect to the Preliminary Proxy Material. If at any time prior to the Effective Time, any party hereto becomes aware that any event has occurred relating to it or its affiliates or associates or any other information which should be set forth in an amendment of, or a supplement to, the Schedule 13E-3 or the Proxy Material, it will promptly inform the other parties to this Agreement and will furnish to such other parties all necessary information with respect thereto.

4.10. *Additional Agreements.* Subject to the terms and conditions herein provided, each of the parties hereto agrees to use their best efforts promptly to take, or cause to be taken, all actions and promptly 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. In case at any time after the Effective Time any further action is necessary or desirable to carry out the purposes of this Agreement, the proper officers and/or directors, and partners (as the case may be), of Newco, the FL & Co. Companies and the Company shall take such necessary action.

4.11. *Press Releases.* FL & Co., Newco and the Company shall consult with each other before issuing any press release or otherwise making any public statements with respect to the transactions contemplated hereby and shall not issue any press release or make any such public statement prior to such consultation except as may be required by law or by obligations pursuant to any listing agreement with any national securities exchange.

4.12. *Registration of Company Securities.* The Company understands that Newco will pledge to its lender banks ("Banks") any Company Securities purchased by it in the Offer. If the Banks determine to exercise their rights to sell any Company Securities so pledged to them (the "Pledged Stock"), the Company: will, and will use its best efforts to cause its officers and directors to, execute and deliver all such instruments and documents, and to do or cause to be done all such other acts and things, as may be necessary or, in the reasonable opinion of the Banks, advisable to register the Pledged Stock, or that portion thereof to be sold, under the provisions of the Securities Act of 1933, as amended (the "Securities Act"), and to cause the registration statement relating thereto to become effective and to remain effective until the earlier of the distribution of the Pledge Stock or a period of one year from the date of the first public offering of the Pledged Stock, or that portion thereof to be sold, and to make all amendments thereto and/or to the related prospectus which, in the opinion of the Banks, are necessary or advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the Commission applicable thereto; and will comply with the provisions of the securities or "Blue Sky" laws of any jurisdictions which the Banks shall reasonably designate and to cause the Company to make available to its security holders, as soon as practicable, an earnings statement (which need not be audited) which will satisfy the provisions of Section 11(a) of the Securities Act. The expense of the registration of the Pledged Stock shall not be required to be borne by the Company.

4.13. *Certain Obligations of the Company.* On the date of and immediately prior to the initial expiration of the Offer (the "Initial Expiration Date"):

(a) The Company shall deliver to the FL & Co. Companies and Newco a certificate in the name of the Company, dated the Initial Expiration Date and signed by an executive officer, certifying that (x) the representations and warranties contained in this Agreement are true and correct in all material respects on the date as of which made and on the Initial Expiration Date with the same force and effect as though made on and as of such Date, and (y) the Company has performed in all material respects all of the agreements and covenants contained in this Agreement to be performed prior to, or on, the Initial Expiration Date;

(b) The Company shall deliver to Newco such additional certificates, opinions of counsel and other documents as Newco shall reasonably request; and

(c) The Company shall deliver, or cause to be delivered, opinions of Sullivan & Cromwell or Alfred M. Hallenbeck, Esq., Senior Vice President and General Counsel of the Company, addressed to each of the FL & Co. Companies and to Newco, dated the Initial Expiration Date, in substance as set forth in Exhibit D hereto.

If the Initial Expiration Date is extended one or more times pursuant to the Offer (the "Extended Expiration Date"), the Company shall, each time, also deliver, or cause to be delivered, the foregoing opinions, certificates and documents on, and dated, and as of, the Extended Expiration Date.

If the Company and Newco elect to purchase Company Securities prior to the Initial Expiration Date, the Company shall deliver, or cause to be delivered, the foregoing opinions, certificates and documents on, and dated, and as of, such earlier date.

4.14. *Schedules.* The Company shall deliver all Schedules to this Agreement to the FL & Co. Companies and Newco not later than seven days from the date hereof.

4.15. *Indemnification and Insurance.* The FL & Co. Companies shall cause the Surviving Corporation to indemnify, defend and hold harmless the present and former employees, agents, directors and officers of the Company and its subsidiaries (an "Indemnified Party") against all losses,

claims, damages or liabilities arising out of actions or omissions in their capacity as an employee, agent, director or officer of the Company or a subsidiary occuring on or prior to the Effective Time to the maximum extent permitted or required under New York law and the Company's By-laws in effect on the date hereof, including provisions with respect to advances of expenses incurred in the defense of any action or suit, provided that any determination required to be made with respect to whether an Indemnified Party's conduct complies with the standards set forth under New York law and the Company's By-laws shall be made by independent legal counsel selected in good faith by the Surviving Corporation.

The FL & Co. Companies shall cause the Surviving Corporation to maintain for not less than three years from the Effective Time the current policies of directors' and officers' liability insurance maintained by the Company (provided that the Surviving Corporation may substitute therefor policies of at least the same coverage terms and conditions which are no less advantageous) with respect to all matters including the transactions contemplated hereby, occurring prior to, and including, the Effective Time, provided, however, that if the premiums for such insurance exceed $300,000 in any year such insurance may be modified to provide the maximum coverage available for such amount of premiums.

If the Surviving Corporation shall be liquidated and dissolved or if it shall sell substantially all of its assets during the six-year period immediately following the Effective Time then, unless (x) the indemnification and expense advance obligations set forth in this section are assumed in all substantial respects by a corporation organized under the laws of a jurisdiction which permits indemnification of employees, agents, officers and directors to at least the same extent as is permitted under the NYBCL and (y) such successor corporation shall, in the good faith, reasonable judgment of the Board of Directors then in office of the Surviving Corporation, be not materially less creditworthy than the Surviving Corporation was immediately prior to such liquidation or sale, if there exists at the time of such liquidation or sale any pending or threatened litigation for which any Indemnified Party would or might be entitled to the benefits of this Section, the Surviving Corporation shall reserve in a liquidating trust or some other appropriate manner, an amount of money which the Board of Directors of the Surviving Corporation then in office, in good faith reasonably believes, after consultation with independent legal counsel, is sufficient to provide for such indemnification and expense advance responsibilities. For purposes of this Section a determination as to the existence of threatened litigation shall be made in good faith and in the reasonable judgment of the Board of Directors then in office of the Surviving Corporation, after consultation with independent legal counsel.

5. *Conditions*

5.1. *Conditions to the Obligations of Newco, the FL & Co. Companies and the Company.* The obligations of Newco, the FL & Co. Companies and the Company to consummate the Merger are subject to the satisfaction, at or before the Effective Time, of each of the following conditions:

5.1.1. The shareholders of the Company shall have duly approved the Merger, if required by applicable law.

5.1.2. The consummation of the Merger shall not be precluded by any order or injunction of a court of competent jurisdiction (each party agreeing to use its best efforts to have any such order reversed or injunction lifted), and there shall not have been any action taken or any statute, rule or regulation enacted, promulgated or deemed applicable to the Merger by any government or governmental or other regulatory agency, domestic or foreign, that makes consummation of the Merger illegal.

5.2. *Conditions to the Obligations of Newco and the FL & Co. Companies.* The obligations of Newco and the FL & Co. Companies to consummate the Merger are subject to the satisfaction, at or before the Effective Time, of the following additional conditions:

5.2.1. The Company shall have performed in all material respects the covenants and agreements set forth herein to be performed by it on or prior to the Effective Time.

5.2.2. The representations and warranties of the Company set forth in Section 3.2 hereof shall be true and correct in all material respects on the date as of which made and on the date of the Closing with the same force and effect as though made on and as of such date.

5.2.3. There shall not have occurred after the completion of the Offer any material adverse change in the condition (financial or otherwise), results of operations, business or prospects of the Company and its subsidiaries taken as a whole, except for such changes that are caused by the Company's compliance with the terms of this Agreement and the Offer or are contemplated hereby.

5.2.4. No governmental or other action or proceeding shall have been commenced after completion of the Offer which (a) in the opinion of Newco's counsel is more likely than not to be successful, and (b) either (i) seeks an injunction, a restraining order or any other order seeking to prohibit, restrain, invalidate or set aside consummation of the Merger or (ii) if successful, would have a Material Adverse Effect.

5.2.5. The Company shall have delivered to Newco and the FL & Co. Companies a certificate, dated the date of the Effective Time and executed by a senior executive officer of the Company, to the effect that, to the best of such officer's knowledge, the conditions set forth in Section 5.2 have been fulfilled.

Section 5.2.2 and Section 5.2.5 (insofar as it relates to Section 5.2.2) of this Agreement shall not be applicable in the event Newco purchases Company Securities in the Offer.

5.3. *Condition to the Company's Obligation.* The obligation of the Company to consummate the Merger is subject to the satisfaction, at or before the Effective Time, of the following additional conditions:

5.3.1. The FL & Co. Companies and Newco shall have performed in all material respects the covenants and agreements set forth herein to be performed by them on or prior to the Effective Time.

5.3.2. The representations and warranties of Newco and the FL & Co. Companies set forth in Section 3.1 shall be true and correct in all material respects on the date as of which made and on the date of the Closing with the same force and effect as though made on and as of such date.

5.3.3. Newco and the FL & Co. Companies shall have delivered to the Company a certificate, dated the date of the Effective Time and executed by, in the case of the FL & Co. Companies, a general partner of its respective general partner, and in the case of Newco, a senior executive officer thereof, that to the best of his knowledge, the conditions set forth in Section 5.3 have been fulfilled.

Section 5.3.2 and Section 5.3.3 (insofar as it relates to Section 5.3.2) of this Agreement shall not be applicable in the event Newco purchases Company Securities in the Offer.

5.4. *Certain Conditions to the Company's Obligations Regarding the Offer.*

The obligation of the Company to purchase Company Common Stock in the Offer is subject to the satisfaction of the following conditions:

5.4.1. The FL & Co. Companies and Newco shall have performed in all material respects the covenants and agreements set forth herein to be performed by them on or prior to the Initial Expiration Date and any Extended Expiration Date.

5.4.2. The representations and warranties of Newco and the FL & Co. Companies set forth in Section 3.1 shall be true and correct in all material respects on the date as of which made and on the Initial Expiration Date and any Extended Expiration Date with the same force and effect as though made on and as of such date.

5.4.3. Newco and the FL & Co. Companies shall have delivered to the Company a certificate, dated the date of purchases by the Company pursuant to the Offer and executed by, in the case of the FL & Co. Companies, a general partner of its respective general partner, and in the case of Newco, a senior executive officer thereof, that to the best of his knowledge the conditions set forth in Sections 5.4.1 and 5.4.2 have been fulfilled.

5.4.4. The financing for the purchase of Company Common Stock in the Offer by the Company shall have been obtained.

5.4.5. The Company shall not have been notified by Salomon Brothers that the Fairness Opinion has been withdrawn or materially modified.

6. *Miscellaneous*

6.1. *Termination.* This Agreement may be terminated and the Merger contemplated herein may be abandoned at any time prior to the Effective Time, whether before or after approval by the shareholders of the Company:

(a) by the mutual consent of the FL & Co. Companies and the Company; *provided, that* however, if the FL & Co. Companies shall have designated a majority of the directors of the Company pursuant to Section 4.7 (a "Majority Designation"), such consent by the Company may only be given if approved by a majority of the directors at the time unaffiliated with the FL & Co. Companies (the "Unaffiliated Directors");

(b) by the FL & Co. Companies if another entity, person or "group" (as defined in Section 13(d)(3) of the Exchange Act) commences a public offer seeking to acquire Company Securities representing more than one-third of the then outstanding voting power of the Company at a higher price per share than the Common Stock Price (in the case of an offer for Company Common Stock) or the Preferred Stock Price (in the case of an offer for Company Preferred Stock) or acquires Company Securities representing more than one-third of the then outstanding voting power of the Company;

(c) by the FL & Co. Companies (i) if there is a material breach of any of the representations and warranties of the Company or (ii) if the Company fails to comply in any material respect with any of its covenants or agreements contained herein (other than in Section 4.4.4) or if the Company fails to comply with its covenant and agreement contained in Section 4.4.4;

(d) by the Company (i) if there is a material breach of any of the representations and warranties of the FL & Co. Companies or (ii) if any of the FL & Co. Companies fails to comply in any material respect with any of its covenants or agreements contained herein;

(e) by the FL & Co. Companies if (i) the Company has not delivered to the FL & Co. Companies the Schedules within the time period required by Section 4.14 or (ii) within seven days following receipt of such Schedules, the FL & Co. Companies give notice in writing to the Company abandoning the transactions contemplated hereby based on information contained in such Schedules which, in the reasonable judgment of such Companies, has or is expected to have material adverse significance with respect to the Company and its subsidiaries taken as a whole; or

(f) by the FL & Co. Companies if the Offer shall expire or have been terminated without any Company Securities purchased thereunder (unless such failure to purchase Company Securities was a breach of this Agreement by the FL & Co. Companies or Newco);

*provided, however,* that the Company shall not terminate this Agreement pursuant to subsection (d)(i) of this Section 6.1, and the FL & Co. Companies shall not terminate this Agreement pursuant to subsection (c)(i) of this Section 6.1, if any Company Securities are purchased by Newco pursuant to the Offer. In the event of such termination and abandonment, no party hereto (or any of its directors or officers) shall have any liability or further obligation to any other party to this Agreement except as provided in Sections 6.1.1 and 6.1.2, and except that nothing herein will relieve any party from liability for any breach of this Agreement.

6.1.1. If this Agreement is terminated by the FL & Co. Companies pursuant to clause (b) or (c) of Section 6.1, the Company shall, immediately, but, in any event, not later than five business days after such termination, pay to FL & Co. an amount in cash equal to $5,000,000 plus not more than $3,500,000 of the out-of-pocket expenses incurred by Newco and the FL & Co. Companies in connection with the transactions contemplated by this Agreement (including, but not limited to, fees and disbursements of counsel, fees and expenses of investment bankers and lenders, and printing costs) (collectively, the "Commitment Fee").

6.1.2. The Company acknowledges that the agreements contained in Section 6.1.1 and this Section 6.1.2 are an integral part of the transactions contemplated in this Agreement, and that, without these agreements, the FL & Co. Companies would not enter into this Agreement; accordingly, if the Company fails to promptly pay the Commitment Fee when due, the Company shall in addition thereto pay to the FL & Co. Companies all costs and expenses (including fees and disbursements of counsel) incurred in collecting such Commitment Fee, together with interest on the amount of the Commitment Fee (or any unpaid portion thereof) from the date such payment was required to be made until the date such payment is received by the FL & Co. Companies at the prime rate as in effect from time to time during such period of Manufacturers Hanover Trust Company.

6.2. *Non-Survival of Representations, Warranties and Agreements.* The representations and warranties in this Agreement shall terminate at the Effective Time or the termination of this Agreement pursuant to Section 6.1, as the case may be. The covenants and agreements contained in this Agreement shall survive the Effective Time or termination of this Agreement, as the case may be, and shall continue until terminated in accordance with their terms.

6.3. *Waiver and Amendment.* Any provision of this Agreement may be waived at any time by the party which is, or whose shareholders are, entitled to the benefits thereof and this Agreement may be amended or supplemented at any time, except that after approval hereof by the shareholders of the Company, no amendment shall be made which decreases the Common Stock Price or Preferred Stock Price or which in any other way materially adversely affects the rights of such shareholders (other than a termination of this Agreement) without the further approval of such shareholders. No such waiver, amendment or supplement shall be effective unless in writing and signed by the party or parties sought to be bound thereby.

6.4. *Entire Agreement.* This Agreement (a) contains the entire agreement among Newco, the FL & Co. Companies and the Company with respect to the Offer, the Merger and the other transactions contemplated hereby, and supersedes all prior agreements among the parties with respect to such matters, and (b) is not intended to confer upon any other persons any rights or remedies hereunder.

6.5. *Applicable Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed in that State.

6.6. *Interpretation.* For purposes of this Agreement, (a) a "subsidiary" of a person means any person more than 50% of whose outstanding voting securities are directly or indirectly owned by such other person; (b) "person" means an individual, corporation, partnership, association, trust or any unincorporated organization; and (c) "Significant Subsidiary" means a subsidiary which meets any of the conditions set forth in Section 1.02(v) of Regulation S-X; provided that, in determining whether a representation and warranty, covenant or condition applicable to a Significant Subsidiary is breached or unsatisfied, it shall be deemed to be breached or unsatisfied if it is breached or unsatisfied by each of one or more subsidiaries which considered in the aggregate would constitute a "Significant Subsidiary." The descriptive headings contained herein are for convenience and reference only and shall not affect in any way the meaning or interpretation of this Agreement.

6.7. *Notices.* All notices or other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by cable, telegram, telex or other standard form of telecommunications, or by registered or certified mail, postage prepaid, return receipt requested addressed as follows:

If to the Company:

Sybron Corporation
1100 Midtown Tower
Rochester, New York 14604
Attention: Alfred M. Hallenbeck, Esq.

with a copy to:

Sullivan & Cromwell
125 Broad Street
New York, New York 10004
Attention: Gregory K. Palm, Esq.

If to Newco or the FL & Co. Companies:

c/o Forstmann, Little & Co.
767 Fifth Avenue
New York, New York
Attention: Theodore J. Forstmann

with a copy to:

Fried, Frank, Harris, Shriver & Jacobson
One New York Plaza
New York, New York 10004
Attention: Stephen Fraidin, P.C.

or to such other address as any party may have furnished to the other parties in writing in accordance herewith.

6.8. *Counterparts.* This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original but all of which together shall constitute but one agreement.

6.9. *Parties in Interest; Assignment.* This Agreement is binding upon and is solely for the benefit of the parties hereto and their respective successors, legal representatives and assigns except that Section 4.15 shall be for the express benefit of the parties named therein. Newco and the FL & Co. Companies shall have the right (a) to assign to one or more direct or indirect wholly owned subsidiaries of the FL & Co. Companies any and all rights and obligations of Newco under this Agreement, including, without limitation, the right to substitute in Newco's place such a subsidiary as one of the constituent corporations in the Merger (such subsidiary assuming all of the obligations of Newco in connection with the Merger), (b) to transfer to one or more direct or indirect wholly owned subsidiaries of the FL & Co. Companies the right to purchase Company Securities tendered pursuant to the Offer and (c) to restructure the transaction to provide for the merger of the Company with and into Newco or any such other entity as provided above. If Newco or the FL & Co. Companies exercise their right to so restructure the transaction, the Company shall promptly enter into appropriate agreements to reflect such restructuring. In any such event the amounts to be paid to holders of Company Securities shall not be reduced nor shall there be any material delay of the Effective Time.

6.10. *Expenses.* Except as otherwise contemplated in Sections 6.1.1 and 6.1.2, if the Merger is not consummated, all costs and expenses incurred in connection with the Offer, this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses.

6.11. *Specific Performance.* The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity.

6.12. *Certain Undertakings of the FL & Co. Companies; No Liability of the Limited Partners of the FL & Co. Companies.* The FL & Co. Companies jointly and severally agree that they will perform, or cause to be performed, any obligation of Newco (or any successor person pursuant to Section 6.9) under this Agreement which shall have been breached by Newco (or such successor) but only if such breach occurs prior to the Effective Time or at any time if the Merger is not consummated. Notwithstanding any of the

terms or provisions of this Agreement, the Company agrees that neither it nor any person acting on its behalf may assert any claim or cause of action against the limited partners of FL & Co. or MBO-II in their capacity as such in connection with or arising out of this Agreement or the transactions contemplated hereby.

6.13. *Benefit Plans.* The FL & Co. Companies represent that it intends, after consummation of the Merger, to cause the Surviving Corporation to continue to provide employees of the Company with employee benefits which in the aggregate are no less favorable than those currently provided by the Company.

6.14. *Action by the Company after a Majority Designation.* After a Majority Designation and prior to the Effective Time, any action by the Company pursuant to the Agreement may only be given if approved by a majority of Unaffiliated Directors.

6.15. *Certain Amendments to the Offer.* If Newco shall have elected to terminate its obligations to purchase Company Securities pursuant to the Offer, and the Company desires to purchase Company Common Stock pursuant to the Offer, the Company shall, prior to making any such purchases, amend the Offer Documents to disclose that the FL & Co. Companies, Newco and Goldman, Sachs & Co. are no longer involved in the Offer and have no responsibility whatsoever with respect to the Offer or the Offer Documents.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement.

SYBRON CORPORATION

By: /s/ H. W. JARVIS
Title: President

FORSTMANN LITTLE & CO.,
FORSTMANN LITTLE & CO. SUBORDINATED DEBT AND EQUITY MANAGEMENT BUYOUT PARTNERSHIP—II

By: FLC PARTNERSHIP, as General Partner of Forstmann Little & Co., and Forstmann Little & Co. Subordinated Debt and Equity Management Buyout Partnership—II

By: /s/ JOHN A. SPRAGUE
a general partner

SC ACQUISITION CORP.

By: /s/ JOHN A. SPRAGUE
Title: Vice President

Member of the New York Stock Exchange, Inc.

One New York Plaza
New York, N.Y. 10004 (212) 747-7000

**Salomon Brothers Inc**

Annex II

January 26, 1986

The Board of Directors
Sybron Corporation
1100 Midtown Tower
Rochester, NY 14604

Members of the Board:

You have requested our opinion, as investment bankers, as to the fairness, from a financial point of view, to the holders of the common stock, par value $2.50 (the "Common Stock"), and to the holders of the $2.40 Convertible Preferred Stock, par value $4.00 (the "Preferred Stock") of Sybron Corporation ("Sybron"), of the consideration to be received by such shareholders in connection with the proposed acquisition of Sybron through the tender offer (the "Tender Offer") and the merger (the "Merger" and together with the Tender Offer, the "Proposed Transaction") to be effected pursuant to the Agreement and Plan of Merger, dated as of January 26, 1986 (the "Merger Agreement"), by and among Sybron, Forstmann Little & Co., Forstmann Little & Co. Subordinated Debt and Equity Management Buyout Partnership-II and SC Acquisition Corp. As set forth more fully in the Merger Agreement, in the Tender Offer each share of Common Stock is to be purchased for $26.25 in cash and each share of Preferred Stock is to be purchased for $42.00 in cash and in the Merger each share of Common Stock is to be exchanged for $26.25 in cash and each share of Preferred Stock, if the Preferred Stock is exchanged for cash, is to be exchanged for $42.00 in cash.

As you are aware, Salomon Brothers Inc has participated on behalf of Sybron in the negotiations relating to the Proposed Transaction and has acted as financial advisor to Sybron in connection with the solicitation of potential purchasers of Sybron. As you are also aware, we own 50,000 shares of the Common Stock which was acquired in the ordinary course of our arbitrage activities prior to our retention by Sybron.

In conducting our analysis and in arriving at our opinion as expressed herein, we have reviewed and analyzed, among other things, the following: (i) the Merger Agreement; (ii) the Certificate of Incorporation of Sybron; (iii) a draft, dated January 26, 1986, of an Offer to Purchase to be used in connection with the Tender Offer; (iv) Sybron's Annual Reports on Form 10-K for the five years ended December 31, 1984 and Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 1985, June 30, 1985 and September 30, 1985, respectively; (v) certain Sybron filings with the Securities and Exchange Commission for the five fiscal years ended December 31, 1984 and the nine months ended September 30, 1985; (vi) certain other publicly available information concerning Sybron and the trading markets for the Common Stock and Preferred Stock; (vii) certain internal information relating to Sybron, including preliminary operating results for the fiscal year ended December 31, 1985 and including certain forecasts and projections, provided to us by the management of Sybron; (viii) information relating to the industry segments in which Sybron participates provided to us by the management of Sybron; (ix) certain publicly available information concerning certain other companies engaged in businesses which we believe to be comparable to Sybron and its operating divisions and the trading markets for certain of such other companies' securities; (x) the terms of certain recent similar and other business combinations which we believe to be relevant; and (xi) certain other proposals received by Sybron relating to the acquisition of Sybron (the "Alternative Proposals"). We have also met with certain officers and employees of Sybron to discuss the foregoing as well as other matters we believe relevant to our inquiry.

In arriving at our opinion, we have not conducted a physical inspection of the properties and facilities of Sybron, nor have we made or obtained any independent evaluation or appraisal of such properties and facilities. We have assumed the accuracy and completeness of the financial and other information provided us or publicly available, and have not attempted independently to verify the same. We have also relied upon the advice of Sullivan & Cromwell, counsel to Sybron, that neither the Tender Offer nor the Merger will constitute a "voluntary liquidation" of Sybron as such term is used in the Certificate of Incorporation of Sybron.

In arriving at our opinion as expressed herein, we have considered such financial and other factors as we have deemed appropriate and feasible in the circumstances including, among others, the following: (i) the current and historical financial position and results of operations of Sybron, including revenues, earnings history, profit margins, dividend record, net worth, return on investment and capitalization; (ii) the financial and business prospects for Sybron and the industry segments in which it operates; (iii) the terms of the Preferred Stock; (iv) the current and historical trading markets for the Common Stock, including prices and price-earnings ratios, and for the equity securities of certain companies that we believe to be comparable to Sybron; (v) the current and historical trading markets for the Preferred Stock; (vi) the terms of certain other business combinations that we believe relevant; and (vii) the terms and conditions of the Alternative Proposals. We have also taken into account our assessment of general economic, market and financial conditions and our experience in similar transactions, as well as our experience in securities valuation in general. Our opinion necessarily is based upon conditions as they exist and can be evaluated on the date hereof.

Based upon and subject to the foregoing, it is our opinion as investment bankers that the cash consideration to be received by the holders of the Common Stock and the holders of the Preferred Stock, respectively, in the Tender Offer and the Merger is fair, from a financial point of view, to such holders.

Very truly yours,

SALOMON BROTHERS INC

# SECTIONS 623 AND 910 OF THE NEW YORK BUSINESS CORPORATION LAW

**§ 623. Procedure to enforce shareholder's right to receive payment for shares.**

(a) A shareholder intending to enforce his right under a section of this chapter to receive payment for his shares if the proposed corporate action referred to therein is taken shall file with the corporation, before the meeting of shareholders at which the action is submitted to a vote, or at such meeting but before the vote, written objection to the action. The objection shall include a notice of his election to dissent, his name and residence address, the number and classes of shares as to which he dissents and a demand for payment of the fair value of his shares if the action is taken. Such objection is not required from any shareholder to whom the corporation did not give notice of such meeting in accordance with this chapter or where the proposed action is authorized by written consent of shareholders without a meeting.

(b) Within ten days after the shareholders' authorization date, which term as used in this section means the date on which the shareholders' vote authorizing such action was taken, or the date on which such consent without a meeting was obtained from the requisite shareholders, the corporation shall give written notice of such authorization or consent by registered mail to each shareholder who filed written objection or from whom written objection was not required, excepting any shareholder who voted for or consented in writing to the proposed action and who thereby is deemed to have elected not to enforce his right to receive payment for his shares.

(c) Within twenty days after the giving of notice to him, any shareholder from whom written objection was not required and who elects to dissent shall file with the corporation a written notice of such election, stating his name and residence address, the number and classes of shares as to which he dissents and a demand for payment of the fair value of his shares. Any shareholder who elects to dissent from a merger under section 905 (Merger of subsidiary corporation) or paragraph (c) of section 907 (Merger or consolidation of domestic and foreign corporations) shall file a written notice of such election to dissent within twenty days after the giving to him of a copy of the plan of merger or an outline of the material features thereof under section 905.

(d) A shareholder may not dissent as to less than all of the shares, as to which he has a right to dissent held by him of record, that he owns beneficially. A nominee or fiduciary may not dissent on behalf of any beneficial owner as to less than all of the shares of such owner, as to which such nominee or fiduciary has a right to dissent, held of record by such nominee or fiduciary.

(e) Upon consummation of the corporate action, the shareholder shall cease to have any of the rights of a shareholder except the right to be paid the fair value of his shares and any other rights under this section. A notice of election may be withdrawn by the shareholder at any time prior to his acceptance in writing of an offer made by the corporation, as provided in paragraph (g), but in no case later than sixty days from the date of consummation of the corporate action except that if the corporation fails to make a timely offer, as provided in paragraph (g), the time for withdrawing a notice of election shall be extended until sixty days from the date an offer is made. Upon expiration of such time, withdrawal of a notice of election shall require the written consent of the corporation. In order to be effective, withdrawal of a notice of election must be accompanied by the return to the corporation of any advance payment made to the shareholder as provided in paragraph (g). If a notice of election is withdrawn, or the proposed corporate action is abandoned or rescinded, or a court shall determine that the shareholder is not entitled to receive payment for his shares, or the shareholder shall otherwise lose his dissenter's rights, he shall not have the right to receive payment for his shares and he shall be reinstated to all his rights as a shareholder as of the consummation of the corporate action, including any intervening preemptive rights and the right to payment of any intervening dividend or other distribution or, if any such rights have expired or any such dividend or distribution other than in cash

has been completed, in lieu thereof, at the election of the corporation, the fair value thereof in cash as determined by the board as of the time of such expiration or completion, but without prejudice otherwise to any corporate proceedings that may have been taken in the interim.

(f) At the time of filing the notice of election to dissent or within one month thereafter the shareholder of shares represented by certificates shall submit the certificates representing his shares to the corporation, or to its transfer agent, which shall forthwith note conspicuously thereon that a notice of election has been filed and shall return the certificates to the shareholder or other person who submitted them on his behalf. Any shareholder of shares represented by certificates who fails to submit his certificates for such notation as herein specified shall, at the option of the corporation exercised by written notice to him within forty-five days from the date of filing of such notice of election to dissent, lose his dissenter's rights unless a court, for good cause shown, shall otherwise direct. Upon transfer of a certificate bearing such notation, each new certificate issued therefor shall bear a similar notation together with the name of the original dissenting holder of the shares and a transferee shall acquire no rights in the corporation except those which the original dissenting shareholder had at the time of transfer.

(g) Within fifteen days after the expiration of the period within which shareholders may file their notices of election to dissent, or within fifteen days after the proposed corporate action is consummated, whichever is later (but in no case later than ninety days from the shareholders' authorization date), the corporation or, in the case of a merger or consolidation, the surviving or new corporation, shall make a written offer by registered mail to each shareholder who has filed such notice of election to pay for his shares at a specified price which the corporation considers to be their fair value. Such offer shall be accompanied by a statement setting forth the aggregate number of shares with respect to which notices of election to dissent have been received and the aggregate number of holders of such shares. If the corporate action has been consummated, such offer shall also be accompanied by (1) advance payment to each such shareholder who has submitted the certificates representing his shares to the corporation, as provided in paragraph (f), of an amount equal to eighty percent of the amount of such offer, or (2) as to each shareholder who has not yet submitted his certificates a statement that advance payment to him of an amount equal to eighty percent of the amount of such offer will be made by the corporation promptly upon submission of his certificates. If the corporate action has not been consummated at the time of the making of the offer, such advance payment or statement as to advance payment shall be sent to each shareholder entitled thereto forthwith upon consummation of the corporate action. Every advance payment or statement as to advance payment shall include advice to the shareholder to the effect that acceptance of such payment does not constitute a waiver of any dissenter' rights. If the corporate action has not been consummated upon the expiration of the ninety-day period after the shareholders' authorization date, the offer may be conditioned upon the consummation of such action. Such offer shall be made at the same price per share to all dissenting shareholders of the same class, or if divided into series, of the same series and shall be accompanied by a balance sheet of the corporation whose shares the dissenting shareholder holds as of the latest available date, which shall not be earlier than twelve months before the making of such offer, and a profit and loss statement or statements for not less than a twelve-month period ended on the date of such balance sheet or, if the corporation was not in existence throughout such twelve-month period, for the portion thereof during which it was in existence. Notwithstanding the foregoing, the corporation shall not be required to furnish a balance sheet or profit and loss statement or statements to any shareholder to whom such balance sheet or profit and loss statement or statements were previously furnished, nor if in connection with obtaining the shareholders' authorization for or consent to the proposed corporate action the shareholders were furnished with a proxy or information statement, which included financial statements, pursuant to Regulation 14A or Regulation 14C of the United States Securities and Exchange Commission. If within thirty days after the making of such offer, the corporation making the offer and any shareholder agree upon the price to be paid for his shares, payment therefor shall be made within sixty days after the making of such offer or the consummation of the proposed corporate action, whichever is later, upon the surrender of the certificates for any such shares represented by certificates.

(h) The following procedure shall apply if the corporation fails to make such offer within such period of fifteen days, or if it makes the offer and any dissenting shareholder or shareholders fail to agree with it within the period of thirty days thereafter upon the price to be paid for their shares:

(1) The corporation shall, within twenty days after the expiration of whichever is applicable of the two periods last mentioned, institute a special proceeding in the supreme court in the judicial district in which the office of the corporation is located to determine the rights of dissenting shareholders and to fix the fair value of their shares. If, in the case of merger or consolidation, the surviving or new corporation is a foreign corporation without an office in this state, such proceeding shall be brought in the county where the office of the domestic corporation, whose shares are to be valued, was located.

(2) If the corporation fails to institute such proceeding within such period of twenty days, any dissenting shareholder may institute such proceeding for the same purpose not later than thirty days after the expiration of such twenty day period. If such proceeding is not instituted within such thirty day period, all dissenter's rights shall be lost unless the supreme court, for good cause shown, shall otherwise direct.

(3) All dissenting shareholders, excepting those who, as provided in paragraph (g), have agreed with the corporation upon the price to be paid for their shares, shall be made parties to such proceeding, which shall have the effect of an action quasi in rem against their shares. The corporation shall serve a copy of the petition in such proceeding upon each dissenting shareholder who is a resident of this state in the manner provided by law for the service of a summons, and upon each nonresident dissenting shareholder either by registered mail and publication, or in such other manner as is permitted by law. The jurisdiction of the court shall be plenary and exclusive.

(4) The court shall determine whether each dissenting shareholder, as to whom the corporation requests the court to make such determination, is entitled to receive payment for his shares. If the corporation does not request any such determination or if the court finds that any dissenting shareholder is so entitled, it shall proceed to fix the value of the shares, which, for the purposes of this section, shall be the fair value as of the close of business on the day prior to the shareholders' authorization date. In fixing the fair value of the shares, the court shall consider the nature of the transaction giving rise to the shareholder's right to receive payment for shares and its effects on the corporation and its shareholders, the concepts and methods then customary in the relevant securities and financial markets for determining fair value of shares of a corporation engaging in a similar transaction under comparable circumstances and all other relevant factors. The court shall determine the fair value of the shares without a jury and without referral to an appraiser or referee. Upon application by the corporation or by any shareholder who is a party to the proceeding, the court may, in its discretion, permit pretrial disclosure, including, but not limited to, disclosure of any expert's reports relating to the fair value of the shares whether or not intended for use at the trial in the proceeding and notwithstanding subdivision (d) of section 3101 of the civil practice laws and rules.

(5) The final order in the proceeding shall be entered against the corporation in favor of each dissenting shareholder who is a party to the proceeding and is entitled thereto for the value of his shares so determined.

(6) The final order shall include an allowance for interest at such rate as the court finds to be equitable, from the date the corporate action was consummated to the date of payment. In determining the rate of interest, the court shall consider all relevant factors, including the rate of interest which the corporation would have had to pay to borrow money during the pendency of the proceeding. If the court finds that the refusal of any shareholder to accept the corporate offer of payment for his shares was arbitrary, vexatious or otherwise not in good faith, no interest shall be allowed to him.

(7) Each party to such proceeding shall bear its own costs and expenses, including the fees and expenses of its counsel and of any experts employed by it. Notwithstanding the foregoing, the court may, in its discretion, apportion and assess all or any part of the costs, expenses and fees incurred by the corporation against any or all of the dissenting shareholders who are parties to the proceeding, including any who have withdrawn their notices of election as provided in paragraph (e), if the court finds that their refusal to accept the corporate offer was arbitrary, vexatious or otherwise not in good faith. The court may, in its discretion, apportion and assess all or any part of the costs, expenses and fees incurred by any or all of the dissenting shareholders who are parties to the proceeding against the corporation if the court finds any of the following: (A) that the fair value of the shares as determined materially exceeds the amount which the corporation offered to pay; (B) that no offer or required advance payment was made by the corporation; (C) that the corporation failed to institute the special proceeding within the period specified therefor; or (D) that the action of the corporation in complying with its obligations as provided in this section was arbitrary, vexatious or otherwise not in good faith. In making any determination as provided in clause (A), the court may consider the dollar amount or the percentage, or both, by which the fair value of the shares as determined exceeds the corporate offer.

(8) Within sixty days after final determination of the proceeding, the corporation shall pay to each dissenting shareholder the amount found to be due him, upon surrender of the certificates for any such shares represented by certificates.

(i) Shares acquired by the corporation upon the payment of the agreed value therefor or of the amount due under the final order, as provided in this section, shall become treasury shares or be cancelled as provided in section 515 (Reacquired shares), except that, in the case of a merger or consolidation, they may be held and disposed of as the plan of merger or consolidation may otherwise provide.

(j) No payment shall be made to a dissenting shareholder under this section at a time when the corporation is insolvent or when such payment would make it insolvent. In such event, the dissenting shareholder shall, at his option:

(1) Withdraw his notice of election, which shall in such event be deemed withdrawn with the written consent of the corporation; or

(2) Retain his status as a claimant against the corporation and, if it is liquidated, be subordinated to the rights of creditors of the corporation, but have rights superior to the non-dissenting shareholders, and if it is not liquidated, retain his right to be paid for his shares, which right the corporation shall be obliged to satisfy when the restrictions of this paragraph do not apply.

(3) The dissenting shareholder shall exercise such option under subparagraph (1) or (2) by written notice filed with the corporation within thirty days after the corporation has given him written notice that payment for his shares cannot be made because of the restrictions of this paragraph. If the dissenting shareholder fails to exercise such option as provided, the corporation shall exercise the option by written notice given to him within twenty days after the expiration of such period of thirty days.

(k) The enforcement by a shareholder of his right to receive payment for his shares in the manner provided herein shall exclude the enforcement by such shareholder of any other right to which he might otherwise be entitled by virtue of share ownership, except as provided in paragraph (e), and except that this section shall not exclude the right of such shareholder to bring or maintain an appropriate action to obtain relief on the ground that such corporate action will be or is unlawful or fraudulent as to him.

(l) Except as otherwise expressly provided in this section, any notice to be given by a corporation to a shareholder under this section shall be given in the manner provided in section 605 (Notice of meetings of shareholders).

(m) This section shall not apply to foreign corporations except as provided in subparagraph (e)(2) of section 907 (Merger or consolidation of domestic and foreign corporations).

**§ 910. Right of shareholder to receive payment for shares upon merger, consolidation or sale, lease, exchange or other disposition of assets.**

(a) A shareholder of a domestic corporation shall, subject to and by complying with section 623 (Procedure to enforce shareholder's right to receive payment for shares), have the right to receive payment of the fair value of his shares and the other rights and benefits provided by such section, in the following cases:

(1) Any shareholder entitled to vote who does not assent to the taking of an action specified in subparagraphs (A) and (B).

(A) Any plan of merger or consolidation to which the corporation is a party; except that the right to receive payment of the fair value of his shares shall not be available:

(i) To a shareholder of the surviving corporation in a merger authorized by section 905 (Merger of subsidiary corporation), or paragraph (c) of section 907 (Merger or consolidation of domestic and foreign corporations); and

(ii) To a shareholder of the surviving corporation in a merger authorized by this article, other than a merger specified in subparagraph (i), unless such merger effects one or more of the changes specified in subparagraph (b)(6) of section 806 (Provisions as to certain proceedings) in the rights of the shares held by such shareholder.

(B) Any sale, lease, exchange or other disposition of all or substantially all of the assets of a corporation which requires shareholder approval under section 909 (Sale, lease, exchange or other disposition of assets) other than a transaction wholly for cash where the shareholders' approval thereof is conditioned upon the dissolution of the corporation and the distribution of substantially all of its net assets to the shareholders in accordance with their respective interests within one year after the date of such transaction.

(2) Any shareholder of the subsidiary corporation in a merger authorized by section 905 or paragraph (c) of section 907, who files with the corporation a written notice of election to dissent as provided in paragraph (c) of section 623.

**STANDARD CHLORINE SUPERFUND SITE**

**THERMO FISHER SCIENTIFIC INC.**

**EXHIBITS TO RESPONSE TO SUPPLEMENTAL §104(e) INFORMATION REQUEST**

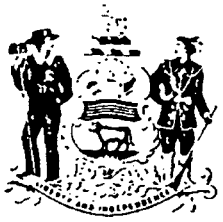
**VOLUME 2 OF 4**

| Exhibit No. | Description |
|---|---|
| 4 | Certificate of Incorporation of S.C. Acquisition Corp. (Jan. 21, 1986) |
| 5 | Sybron-NY, Board of Directors Minutes (Jul. 17, 1986) |
| 6 | Deloitte, Haskins & Sells, Sybron Chemicals Inc. Combined Financial Statements for 1984 and 1985 (Mar. 18, 1987) |
| 7 | Certificate of Ownership and Merger Merging Sybron Corporation into Sybron Transition Corp. (Jul. 31, 1986) |
| 8 | Certificate of Amendment of Certificate of Incorporation of S.C. Acquisition Corp. (Aug. 8, 1986) |
| 9 | Deloitte Haskins & Sells, Pro Forma Condensed Consolidated Balance Sheet [for Sybron-DE-1986] as of May 31, 1987 (Jul. 10, 1987) |

Exhibit 4

Skil Dex
RECYCLED

# State of Delaware



## Office of Secretary of State

I, MICHAEL HARKINS, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF SC ACQUISITION CORP. FILED IN THIS OFFICE ON THE TWENTY-SECOND DAY OF JANUARY, A.D. 1986, AT 10 O'CLOCK A.M.

NYS DEPARTMENT OF STATE

FILING RECEIPT DESIGNATION (FOREIGN-BUSINESS)

CORPORATION NAME

SC ADUISITION CORP.

| DATE FILED | DURATION & COUNTY CODE | FILM NUMBER | CASH NUMBER |
|---|---|---|---|
| 05/04/86 | XXXX | 0365926-3 | 733654 |

| NUMBER AND KIND OF SHARES | LOCATION OF PRINCIPAL OFFICE |
|---|---|
| | |

ARTICLE 23-A

| ADDRESS FOR PROCESS | REGISTERED AGENT |
|---|---|
| 726022020 | |

DATE: 01/22/1986

726022020

BOOK 328 PAGE 0712 FILED

JAN 22 1986 10AM

SECRETARY OF STATE

CERTIFICATE OF INCORPORATION
OF
SC ACQUISITION CORP.

Pursuant to § 102 of the General Corporation Law
of the State of Delaware

The undersigned, in order to form a corporation pursuant to Section 102 of the General Corporation Law of the State of Delaware, does hereby certify:

FIRST: The name of the Corporation is SC Acquisition Corp.

SECOND: The address of the Corporation's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street in the City of Wilmington, County of New Castle, Delaware 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH: The total number of shares which the Corporation shall have authority to issue is 1000 shares of Common Stock, par value one cent ($.01) per share.

FIFTH: The name and mailing address of the Incorporator is as follows:

| Name | Mailing Address |
|---|---|
| Jon Filderman | Room 2605<br>One New York Plaza<br>New York, New York 10004 |

SIXTH: The Board of Directors is expressly authorized to adopt, amend or repeal the by-laws of the Corporation.

SEVENTH: Elections of directors need not be by written ballot unless the by-laws of the Corporation shall otherwise provide.

EIGHTH: Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of January, 1986 and I affirm that the foregoing certificate is my act and deed and that the facts stated therein are true.

Jon Filderman

Jon Filderman, Incorporator

RECEIVED FOR RECORD

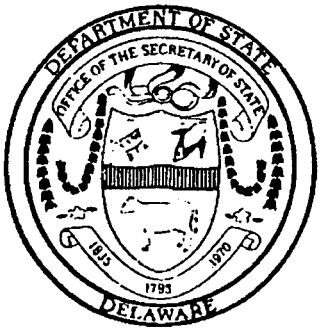
JAN 22 1986

LEO J. DUGAN, Jr., Recorder

# State of Delaware

## Office of Secretary of State

I, MICHAEL HARKINS, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF SC ACQUISITION CORP. FILED IN THIS OFFICE ON THE TWENTIETH DAY OF FEBRUARY, A.D. 1986, AT 10 O'CLOCK A.M.




736051017

Michael Harkins, Secretary of State

AUTHENTICATION: 0745335

DATE: 02/20/1986

736051017

BOOK 338 PAGE 308

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

OF

SC ACQUISITION CORP.

FILED

FEB 20 1986 10:

SECRETARY OF STATE

SC Acquisition Corp., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

FIRST: That Article FOURTH of the Certificate of Incorporation be and it hereby is amended to read as follows:

> "FOURTH: The total number of shares which the Corporation shall have authority to issue is 200,000 shares of Class A Common Stock, par value $.01 per share and 50,000 shares of Class B Common Stock, par value $.01 per share."

SECOND: That the amendment was duly adopted by Unanimous Written Consent of the members of the Board of Directors of SC Acquisition Corp. and the sole stockholder thereof in accordance with the provisions of section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said SC Acquisition Corp. has caused this certificate to be signed by Steven B. Klinsky, its President, and attested by Winston W. Hutchins, its Assistant Secretary this 19th day of February, 1986.

SC ACQUISITION CORP.

By Steven B. Klinsky
Steven B. Klinsky
President

ATTEST:

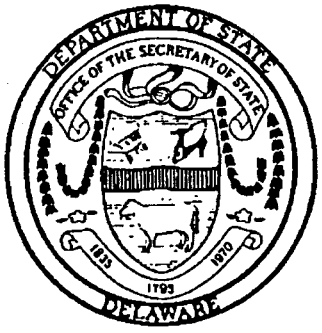
By: Winston W. Hutchins
Winston W. Hutchins
Assistant Secretary

RECEIVED FOR RECORD
FEB 20 1986
LEO J. DUGAN, Jr., Recorder

State of Delaware

# Office of Secretary of State

I, MICHAEL HARKINS, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF SC ACQUISITION CORP. FILED IN THIS OFFICE ON THE TWENTY-FOURTH DAY OF FEBRUARY, A.D. 1986, AT 9 O'CLOCK A.M.




Michael Harkins, Secretary of State

AUTHENTICATION: 10747238

DATE: 02/24/1986

860550051

8600550051

# CERTIFICATE OF AMENDMENT

# OF

# CERTIFICATE OF INCORPORATION

# OF

# SC ACQUISITION CORP.

SC Acquisition Corp., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

**FIRST:** That Article FOURTH of the Certificate of Incorporation be and it hereby is amended to read as follows:

## ARTICLE FOURTH

The aggregate number of shares of all classes of capital stock which the Corporation shall have the authority to issue is 250,000 shares of Common Stock, $.01 par value, of which 200,000 shares shall be designated Class A Common Stock and 50,000 shares shall be designated Class B Common Stock.

Each outstanding share of Common Stock outstanding as of February 20, 1986, shall be converted into one fully paid, nonassessable share of Class A Common Stock of the Corporation.

The powers, preferences and rights of the shares of Class A Common Stock and Class B Common Stock, and the qualifications, limitations or restrictions thereon are as follows:

1. Dividends. The holders of shares of Class A Common Stock and the holders of shares of Class B Common Stock shall be entitled to receive, when and if declared by the Board of Directors, out of the assets of the Corporation which are by law available therefor, dividends payable either in cash, in property, or in shares of capital stock of the Corporation, and for these purposes the Class A Common Stock and Class B Common Stock shall be treated as a single class.

2. Voting Rights. At every annual or special meeting of stockholders of the Corporation, every holder of shares of Class A Common Stock or Class B Common Stock shall be entitled to one vote, in person or by proxy, for each share of Class A Common Stock or Class B Common Stock standing in his name on the books of the Corporation. All shares of Class A Common Stock and Class B Common Stock entitled to vote on any matter shall vote together as a single class.

3. Dissolution, Liquidation or Winding-Up. In the event of any dissolution, liquidation or winding-up of the affairs of the Corporation, whether voluntary or involuntary, after payment or provision for payment of the debts and other liabilities of the Corporation, (a) the holders of all

outstanding shares of Class A Common Stock shall be entitled to receive ~~$114.67~~ 116.667 per share of Class A Common Stock, whereupon (b) the holders of all outstanding shares of Class B Common Stock shall be entitled to receive $33.333 per share of Class B Common Stock, whereupon (c) the holders of all outstanding shares of Class A Common Stock shall be entitled to receive $33.333 per share of Class A Common Stock, whereupon (d) the holders of all outstanding shares of Class A Common Stock and Class B Common Stock shall be entitled to share in the remaining assets of the Corporation as a single class.

4. Exchange of Class B Common Stock. (a) In the event there is a public offering of all or a portion of the shares of Class A Common Stock, the Board of Directors of the Corporation shall declare, at least 20 days prior to the commencement of the offering, that on the day of and immediately prior to the consummation of the offering all outstanding shares of Class B Common Stock shall be exchanged for fully paid and nonassessable shares of Class A Common Stock in accordance with the Exchange Rate (as defined below). Any such declaration may be made contingent upon the consummation of the public offering, in which event it may be revoked by the Board of Directors if the public offering is not consummated.

(b) In the event that any holder of 10% or more of the Class A Common Stock proposes to sell all or a portion of its shares of Class A Common Stock to an unaffiliated

entity, each holder of Class B Common Stock shall be entitled, by written notice to the Corporation, to exchange, for fully paid and nonassessable shares of Class A Common Stock at the Exchange Rate, the same percentage of his or its shares of Class B Common Stock that is equal to the percentage of shares of Class A Common Stock to be sold by the 10% holder.

The term "Exchange Rate" shall mean the fraction (calculated to the nearest three decimal places) of one share of Class A Common Stock for which one share of Class B Common Stock shall be exchangeable, which fraction shall be determined by dividing (x) by (y), where (x) equals the aggregate amount payable in respect of each share of Class B Common Stock and (y) equals the aggregate amount payable in respect of each share of Class A Common Stock upon a dissolution, liquidation or winding-up of the affairs of the Corporation pursuant to Section 3 of this Article Fourth, assuming the aggregate amount of assets available for distribution in respect of the Class A Common Stock and Class B Common Stock were equal to the value of the Corporation on a going-concern basis (after payment or provision for payment of the debts and other liabilities of the Corporation and of the amounts to which the holders of all outstanding shares of any capital stock ranking senior in preference to the Class A Common Stock and Class B Common Stock shall be entitled) as of the last day of the fiscal quarter next preceding the fiscal quarter in which the date of the

exchange of Class B Common Stock for Class A Common Stock (the "Exchange Date") occurs, provided that if the Exchange Date shall occur within 30 days following the end of a fiscal quarter, then such value shall be determined as of the last day of the second preceding fiscal quarter, in any case determined in good faith by the Board of Directors of the Corporation, whose determination shall be final and binding.

(d) If the Exchange Date shall be subsequent to the record date for the payment of a dividend or other distribution on or with respect to shares of Class B Common Stock but prior to the payment or distribution thereof, the registered holders of such shares at the close of business on such record date shall be entitled to receive the dividend or other distribution payable on such shares on the date set for payment of such dividend or other distribution notwithstanding the exchange of any of such shares for Class A Common Stock.

(e) The Corporation shall give notice of any proposed Exchange Date and the Exchange Rate to each holder of Class B Common Stock, by mailing to such person at his last address as it shall appear on the Corporation's books, not less than 15 nor more than 60 days prior thereto, a written notice (the "Exchange Notice"), which shall specify the proposed Exchange Date and the Exchange Rate and shall state that the issuance of certificates representing Class A Common Stock to be received upon exchange of shares of Class B Common Stock

shall be upon surrender of certificates representing such shares of Class B Common Stock.

(f) Before any holder of shares of Class B Common Stock whose shares are exchanged shall be entitled to receive certificates representing shares of Class A Common Stock, he shall surrender, at such place as the Corporation shall specify, certificates for his shares of Class B Common Stock duly endorsed to the Corporation or accompanied by proper instruments of transfer to the Corporation, with signatures guaranteed by a commercial bank, trust company or registered broker dealer, unless the Corporation shall waive any such requirement. The Corporation, as soon as practicable after such surrender of certificates representing shares of Class B Common Stock, shall issue and deliver at the office of the transfer agent representing the Class A Common Stock to the person for whose account such shares of Class B Common Stock were so surrendered, or to his nominee or nominees, certificates representing the number of shares (including fractions thereof) of Class A Common Stock to which he shall be entitled.

(g) From and after the Exchange Date, all rights of a holder of shares of Class B Common Stock which were exchanged for shares of Class A Common Stock shall cease with respect to such shares of Class B Common Stock except for the right, upon surrender of the certificates representing such

shares of Class B Common Stock, to receive certificates representing shares of Class A Common Stock as contemplated by Section 4(e) of this Article Fourth and the right to receive dividends as provided in Section 4(d) of this Article Fourth. No holder of a certificate which immediately prior to the Exchange Date represented shares of Class B Common Stock which were exchanged for shares of Class A Common Stock shall be entitled to receive any dividend or other distribution in respect of shares of Class A Common Stock until surrender of such holder's certificate for a certificate or certificates representing shares of Class A Common Stock, but upon such surrender, there shall be paid to the holder the amount of any dividends or other distributions (without interest) which theretofore became payable after the Exchange Date, but which were not paid by reason of the foregoing, with respect to the number of shares of Class A Common Stock represented by the certificate or certificates issued upon such surrender. However, from and after the Exchange Date, the Corporation shall be entitled to treat the unsurrendered certificates representing shares of Class B Common Stock which were exchanged for shares of Class A Common Stock as evidencing the ownership of the number of shares of Class A Common Stock for which the shares of Class B Common Stock represented by such certificates shall have been exchanged, notwithstanding the failure to surrender such certificates.

(h) If any certificate for shares of Class A Common Stock is to be issued in a name other than that in which the certificate representing shares of Class B Common Stock surrendered in exchange therefor is registered, it shall be a condition of such issuance that the person requesting such issuance shall pay any transfer or other taxes required by reason of the issuance of certificates for such shares of Class A Common Stock in a name other than that of the record holder of the certificate surrendered, or shall establish to the satisfaction of the Corporation or its agent that such tax has been paid or is not applicable. Notwithstanding anything to the contrary in this Section 4(h) of Article Fourth, the Corporation shall not be liable to a holder of shares of Class B Common Stock which have been exchanged for shares of Class A Common Stock for any shares of Class A Common Stock or dividends or distributions thereon delivered to a public official pursuant to any applicable abandoned property escheat or similar law.

(i) At such time as any Exchange Notice is delivered with respect to any shares of Class B Common Stock, the Corporation shall have reserved and kept available, solely for the purpose of issuance upon exchange of the outstanding shares of Class B Common Stock, such number of shares of Class A Common Stock as shall be issuable upon the exchange of all of the then outstanding shares of Class B Common Stock;

provided, that nothing contained herein shall be construed to preclude the Corporation from satisfying its obligations in respect of the exchange of the outstanding shares of Class B Common Stock by delivery of purchased shares of Class A Common Stock which are held in the treasury of the Corporation.

SECOND: That the amendment was duly adopted at a meeting of the members of the Board of Directors of SC Acquisition Corp. and approved by the written consent of the sole stockholder thereof, in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said SC Acquisition Corp. has caused this certificate to be signed by Steven B. Klinsky, its President, and attested by Winston W. Hutchins, its Assistant Secretary this 23rd day of February, 1986.

SC ACQUISITION CORP.

By Steven B. Klinsky
Steven B. Klinsky
President

ATTEST:

By: Winston W. Hutchins
Winston W. Hutchins
Assistant Secretary

State of Delaware

6161

# Office of Secretary of State

I, MICHAEL HARKINS, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF SC ACQUISITION CORP. FILED IN THIS OFFICE ON THE FOURTEENTH DAY OF MAY, A.D. 1986, AT 10 O'CLOCK A.M.

Michael Harkins, Secretary of State

AUTHENTICATION: 10820669

DATE: 05/15/1986

726134054

7261341054 BOOK 368 PAGE 279

FILED

MAY 14 1988 10AM

SECRETARY OF STATE

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

OF

SC ACQUISITION CORP.

SC Acquisition Corp., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

FIRST: That the first paragraph of Article FOURTH of the Certificate of Incorporation is amended to read in its entirety as follows:

"The aggregate number of shares of all classes of capital stock which the Corporation shall have the authority to issue is 298,500 shares of Common Stock, $.01 par value, of which 250,000 shares shall be designated Class A Common Stock and 48,500 shares shall be designated Class B Common Stock."

SECOND: That the amendment was duly adopted at a meeting of the members of the Board of Directors of SC Acquisition Corp. and approved by the unanimous written consent

of the stockholders thereof, in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said SC Acquisition Corp. has caused this certificate to be signed by John A. Sprague, its Vice President, and attested by Winston W. Hutchins, its Assistant Secretary this 12th day of May, 1986.

SC Acquisition Corp.

By _____
John A. Sprague
Vice President

ATTEST:

By: _____
Winston W. Hutchins
Assistant Secretary

# State of Delaware

## Office of Secretary of State

I, MICHAEL HARKINS, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF SC ACQUISITION CORP. FILED IN THIS OFFICE ON THE TWELFTH DAY OF AUGUST, A.D. 1986, AT 10 O'CLOCK A.M.

726302120

Michael Harkins, Secretary of State

AUTHENTICATION: 0991272

DATE: 10/29/1986

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

OF

SC ACQUISITION CORP.

SC Acquisition Corp. the ("Corporation"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "GCL"), does hereby certify that:

FIRST. The Board of Directors of the Corporation by the unanimous written consent of its members, filed with the minutes of the Board, adopted a resolution proposing and declaring advisable the following amendment to the Certificate of Incorporation of the Corporation:

> RESOLVED, that the Certificate of Incorporation of the Corporation be amended by changing Article 1 thereof so that, as amended, said Article shall be and read as follows:
>
> "The name of the Corporation is Sybron Corporation."

SECOND. In lieu of a meeting and vote of stockholders, the sole stockholder has given written consent to such amendment in accordance with the provisions of Section 228(a) of the GCL.

THIRD. Such amendment was duly adopted in accordance with the applicable provisions of Section 242 of the GCL.

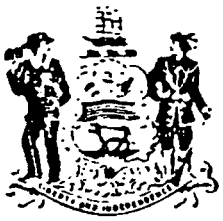
IN WITNESS WHEREOF, the Corporation has caused this certificate to be executed on this 6th day of August, 1986.

By: Steven B. Klinsky
Steven B. Klinsky
President

ATTEST:

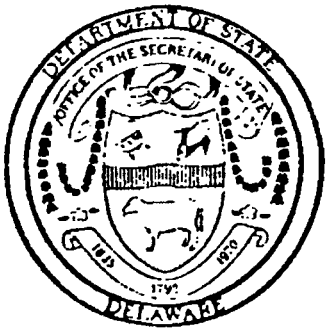
John A. Sprague
Secretary

# State of Delaware



## Office of Secretary of State

I, MICHAEL HARKINS, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF SYBRON CORPORATION FILED IN THIS OFFICE ON THE THIRD DAY OF FEBRUARY, A.D. 1987, AT 10 O'CLOCK A.M.




727034098

Michael Harkins, Secretary of State

AUTHENTICATION: 1104233

DATE: 02/03/1987

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

OF

SYBRON CORPORATION

Sybron Corporation (the "Corporation"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "GCL"), does hereby certify that:

FIRST. The Board of Directors of the Corporation adopted a resolution proposing and declaring advisable the following amendment to the Certificate of Incorporation of the Corporation:

> RESOLVED, that the Certificate of Incorporation be amended by adding a new Article 10 thereto, said Article 10 to read as follows:
>
> TENTH: To the fullest extent permitted by the Delaware General Corporation Law in its present form and as it may hereafter be amended, no director of this Corporation shall be liable to this Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director.

SECOND. Such amendment was duly adopted in accordance with the applicable provisions of Section 242 of the GCL.

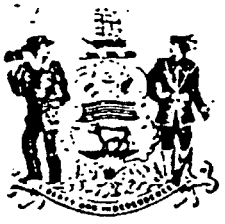
IN WITNESS WHEREOF, the Corporation has caused this certificate to be executed on this 30 day of January, 1987.

By: _____
Uldis Kordons
Vice President

ATTEST:

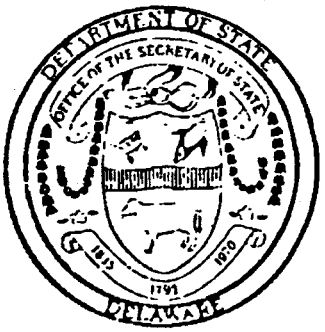
_____
Assistant Secretary

# State of Delaware



## Office of Secretary of State

I, MICHAEL HARKINS, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF SYBRON CORPORATION FILED IN THIS OFFICE ON THE FIFTH DAY OF FEBRUARY, A.D. 1987, AT 10 O'CLOCK A.M.




Michael Harkins, Secretary of State

AUTHENTICATION: 11133529

DATE: 02/19/1987

727036061

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

OF

SYBRON CORPORATION

Sybron Corporation, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

FIRST. That the first paragraph of Article FOURTH of the Certificate of Incorporation is amended to read in its entirety as follows:

> "The aggregate number of shares of all classes of capital stock which the Corporation shall have the authority to issue is 250,000 shares of Common Stock, $.01 par value, of which 202,000 shares shall be designated Class A Common Stock and 48,000 shares shall be designated Class B Common Stock."

SECOND. That the Amendment was duly adopted at a meeting of the members of the Board of Directors of Sybron Corporation and approved by the stockholders thereof, in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said Sybron Corporation has caused this certificate to be executed by Uldis Kordons, its Vice President, and attested by R. Jeffrey Harris, its Assistant Secretary this 9th day of February, 1987.

SYBRON CORPORATION

By: _____
Uldis Kordons
Vice President

ATTEST:

_____
R. Jeffrey Harris
Assistant Secretary

Exhibit 5

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF SYBRON CORPORATION

July 17, 1986

A regular meeting of the Board of Directors was held at 9:30 a.m. on July 17, 1986 at the offices of Forstmann Little & Co., 767 Fifth Avenue, New York, New York with all directors present. Mr. Yontz chaired the meeting. Mr. Kordons served as Secretary for the meeting.

APPROVAL OF MINUTES. Mr. Yontz proposed the minutes of the special meeting of May 20, 1986 be approved. Upon motion duly made and seconded, the minutes were approved as submitted.

APPOINTMENT OF ASSISTANT TREASURER. Upon the recommendation of Mr. McCulloch and upon motion duly made, seconded and carried, Mr. Alan Zeffer was elected as Assistant Treasurer of the Corporation, effective immediately, to serve at the pleasure of the Board and until his successor shall be duly qualified and elected.

FINANCIAL REPORT. Mr. McCulloch presented a summary of the income statement and operating cash flow statements as of May 31, 1986. He highlighted certain trends that could be seen from the summary of financial information and reviewed the debt outstanding as of May 1986.

OPERATIONS REPORT. Mr. Yontz presented a report on the business activities of all of the divisions, including discontinued operations, of the Corporation.

SECTION 332 PLAN OF LIQUIDATION. Mr. Yontz reported that adoption of a formal plan of liquidation had been completed by prior unanimous written consent, dated July 11, 1986. The resolutions and attachments to the Plan of Liquidation were explained to the Board by Mr. Yontz. After discussion, upon motion duly made, seconded and unanimously approved, the resolutions attached to these minutes as Exhibit A were adopted as presented.

HAUSSER SCIENTIFIC ACQUISITION. Mr. Yontz reviewed with the Board the written summary made available at the meeting concerning acquisition of Hausser Scientific Inc., a Pennsylvania corporation, by Erie Scientific Co. Inc. Mr. Yontz recommended the Hausser acquisition be approved for substantially the terms presented. After discussion, upon motion duly made and seconded, it was

> RESOLVED: That the Corporation acquire the assets of the microscope slide and cover glass business of Hausser Scientific Inc., a Pennsylvania corporation, ("Hausser") upon the terms and in accordance with the structure of such acquisition as presented to this meeting, or upon such other terms (including such changes to the price or the manner and timing of payment of the price) as may be negotiated between the Corporation and the principals of Hausser; and further
>
> RESOLVED: That the appropriate officers of the Corporation, including the President, any Vice President, the Secretary and Frank H. Jellinek, Jr., President of Erie Scientific Co. Inc., an affiliate of the Corporation, or any of them, or any such person or persons as they may designate, be, and they hereby are authorized to do, and cause to be done any and all acts and things, and to make, execute and deliver a purchase agreement in such form and with such changes and modifications therein as they, with the advice of counsel, may deem necessary or appropriate, and any and all instruments, agreements and documents with and to Erie or the Corporation that they may deem necessary or proper to complete the purchase of the assets related to the microscope slide and cover glass business of

Hausser and to carry into effect the foregoing resolutions.

ADJOURNMENT. There being no further business, the meeting was adjourned at 11:15 a.m.

Secretary

Subsequent exclosure 1/17/86

EXHIBIT A

RESOLUTIONS ADOPTING
PLAN OF LIQUIDATION

RESOLVED, that a plan of liquidation (the "Plan") be, and hereby is, formulated to effect a liquidation in accordance with Section 332 of the United States Internal Revenue Code of 1954, as amended, and the following Resolutions.

RESOLVED, that the date of adoption and the effective date of the Plan shall be the date of the adoption of these Resolutions.

RESOLVED, that, during the period of liquidation of the Company, due provision shall be made for any debts and liabilities of the Company.

RESOLVED, that the Company shall distribute to each shareholder (other than SC Acquisition Corp. No. 15) (subject to the authorization for adjustments set forth in the fourth succeeding Resolution) the assets listed opposite its name on Schedules A and B hereto or otherwise indicated as being allocated to such shareholder in Schedule C, in cancellation of each such holder's shares of Common Stock (except for the shares held by SC Acquisition Corp. No. 15).

RESOLVED, that the assets set forth in Schedules A and B or otherwise indicated as being allocated to each shareholder in Schedule C (subject to the authorization for adjustments set forth in the third succeeding Resolution) transferred pursuant to the preceding Resolution will be transferred subject to all related liabilities (excluding any liabilities listed in Schedules D and E), which shall be assumed by each such shareholder to which the assets are being transferred.

RESOLVED, that each shareholder (other than SC Acquisition Corp. No. 15) shall (subject to the authorization for adjustments set forth in the second succeeding Resolution) assume such other liabilities of the Company, or portion thereof, as is indicated as being allocated to such shareholder in Schedules D and E (not limited, however, to the specific dollar amounts set forth therein).

RESOLVED, that the Company shall effect the transfer to each shareholder (other than SC Acquisition Corp. No. 15) (subject to the authorization for adjustments set forth in the succeeding Resolution) of the assets listed opposite its name on Schedules A and B or otherwise indicated as being allocated to such shareholder in Schedule C and each such shareholder shall assume the related liabilities and the liabilities set forth in Schedules D and E by executing a Bill of Sale and Assignment and Assumption Agreement and other appropriate document between the Company and each such shareholder upon such terms and conditions as the proper officers of the Company may deem necessary or appropriate.

RESOLVED, that the proper officers of the Company be, and each of them hereby is, authorized to effect such adjustments in the allocation of assets and liabilities among the shareholders with due regard to the shareholders' proportionate ownership of shares of the Company as they may deem necessary or appropriate.

RESOLVED, that the Company hereby adopts an Agreement and Plan of Merger substantially in the form attached hereto as Exhibit I (the "Plan of Merger"), whereby the Company will, after the distributions of assets and assumptions of liabilities referred to in the preceding Resolutions, be merged with and into its sole remaining shareholder, SC Acquisition Corp. No. 15, on the effective date of the Plan of Merger.

RESOLVED, that the Directors and proper officers of the Company be, and each of them hereby is, directed and authorized, in the name and on behalf of the Company, to submit the Plan of Merger to SC Acquisition Corp. No. 15, as its sole shareholder, for its approval of the Plan of Merger after the cancellation of each holder's shares of Common Stock (except for the shares held by SC Acquisition Corp. No. 15) pursuant to the fourth Resolution herein adopted and, following all required approvals, to

execute and file a Certificate of Merger pursuant to Section 905 of the Business Corporation Law of the State of New York.

RESOLVED, that the actions provided for in the foregoing Resolutions be commenced immediately, and that the liquidation and subsequent merger of the Company be completed as soon as practicable, but in no event later than December 31, 1989.

RESOLVED, that any one or more officers of the Company be, and each of them individually hereby is, authorized and empowered, in the name and on behalf of the Company, to take any such action and to execute and deliver any and all such agreements, instruments and other documents which such officer, in his sole discretion, deems necessary or desirable to effectuate the purpose and intent of the foregoing Resolutions, the authority for the taking of such action to be conclusively evidenced by the execution and delivery of any such agreement or document.

RESOLVED, that these Resolutions may be executed in counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

## Schedule A

| Name | Assets |
|---|---|
| S.C. Acquisition Corp. No. 1 | Castle, Mediatech |
| S.C. Acquisition Corp. No. 2 | Nalge, Cryogenics, Tycos, Midwest, Sybron Salary Pension Reversion |
| S.C. Acquisition Corp. No. 3 | Erie Scientific |
| S.C. Acquisition Corp. No. 4 | Brinkman |
| S.C. Acquisition Corp. No. 5 | Barnstead |
| S.C. Acquisition Corp. No. 6 | Analytics |
| S.C. Acquisition Corp. No. 8 | Kerr |
| S.C. Acquisition Corp. No. 9 | Ormco |
| S.C. Acquisition Corp. No. 12 | Liebel-Flarsheim |
| S.C. Acquisition Corp. No. 15 | Corporate Headquarters |

---

* Wherever the name of a profit center is listed, the assets referred to are those used principally by that profit center, excluding any assets or the stock of any subsidiaries listed in Schedule B or any other assets listed in Schedule C.

## Schedule B

## Distribution of Stock of First Tier Subsidiaries

| Name | First Tier Subsidiaries |
|---|---|
| S.C. Acquisition No. 1 | Sybron Asia (Hong Kong) Ltd. |
| S.C. Acquisition No. 2 | Tycos de Juarez, S.A. de C.V.<br>Sybron Midwest B.V.<br>Bothnia Holdings, Inc. (Cayman Islands)<br>Karl Baisch Inc.<br>Sybron Suddeutsch GmbH |
| S.C. Acquisition No. 3 | Erie-Electroverre S.A.<br>Sybron Deutschland GmbH |
| S.C. Acquisition No. 4 | Brinkmann Instrumentenbau GmbH |
| S.C. Acquisition No. 8 | Sybron Italia S.p.A.<br>Sybron Asia Ltd.<br>Sybron (Europe) A.G.<br>Bothnia Holdings Inc. (Del)<br>Sybron Desenvolvimento Ltd.<br>Kerr GmbH |
| S.C. Acquisition No. 9 | Sybron Zuerich A.G.<br>Ormex S.A. de C.V. |
| S.C. Acquisition No. 10 | Sybron Canada Limited<br>Gamlen (Australasia) Pty. Ltd.<br>Gamlen (Japan) Limited<br>Gamlen Chemie (Nederland) B.V.<br>Sybron Ltd.<br>Gamlen Chemie GmbH<br>Gamlen Norway A/S |
| S.C. Acquisition No. 12 | Medical Research International, Inc. |
| S.C. Acquisition No. 13 | Sybron Chemicals Inc.<br>Sybron (Australia) Pty. Ltd.<br>Tanatex Colombiana Ltd.<br>Tanatex Mexicana, S.A. de C.V.<br>Sybron Chemie France S.A. |
| S.C. Acquisition No. 14 | Thermolyne Corporation |

Schedule B (Con't.)

| | |
|---|---|
| S.C. Acquisition No. 15 | Genesse Assurance Ltd.<br>Sybron Nederland B.V.<br>Sybron Dental Administration Inc. (NY)<br>Sybron Foreign Sales Corp. (Virgin Islands)<br>Sybron International Corp. (NY)<br>Sybron International Trade Corp. (NY)<br>Sybron Overseas Sales Corp. (Del)<br>Sybron Western Hemisphere, Inc. (NY)<br>Taylor Instrument Iberica S.A. (Spain) (in liquidation)<br>Chalbey Limited<br>Neptune Trustees Limited<br>Rochem Group S.A.<br>Creehouse Limited |

| REF DESCRIPTION | TOTAL (000'S) | S.C. ACQ. CORP. NO. 1 | S.C. ACQ. CORP. NO. 2 | S.C. ACQ. CORP. NO. 3 | S.C. ACQ. CORP. NO. 4 | S.C. ACQ. CORP. NO. 5 | S.C. ACQ. CORP. NO. 6 | S.C. ACQ. CORP. NO.8 | S.C. ACQ. CORP. NO. 9 | S.C. ACQ. CORP. NO. 10 | S.C. ACQ. CORP. NO. 12 | S.C. ACQ. CORP. NO. 13 | S.C. ACQ. CORP. NO. 14 | S.C. ACQ. CORP. NO. 15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | | | | | | | | 14,290 |
| CASH & MARKETABLE SEC. | 14,290 | | | | | | | | | | | | | 0 |
| RECEIVABLES | | | | | | | | | | | 46 | | | |
| DIAMOND CHEM NTD - ST | 44 | | | | | | | | | 326 | | | | 0 |
| PRUDENTIAL INSURANCE | 431 | | 193 | | | | | | | | 138 | | | 0 |
| ALPHA B. LANDA | 138 | | 0 | | | | | | | | 0 | | | |
| OTHER(INC. TX. REC.) | 4,995 | | 0 | 4,995 | | | | | | | | | | |
| OTHER CURRENT ASSETS | | | | | | | | | | | 65 | | | 0 |
| EXCESS PENSION ASSETS-TAYLOR | 65 | | 0 | | | | | | | | 2,000 | | | 0 |
| EXCESS PENSION ASSETS-HERITAGE | 2,000 | | | | | | | | | | 250 | | | 0 |
| NOTES REC.-REUTLOM | 250 | | 0 | | | | | | | | | 97 | 153 | 20 |
| PREPAID INSURANCE | 944 | | 411 | 19 | 64 | 34 | 6 | 83 | 57 | | 145 | | | 0 |
| OTHER | 145 | | 0 | | | | | | | | | | | |
| OTHER NON-CURRENT ASSETS | | | | | | | | | | | 299 | 605 | 1,566 | 170 (341) |
| DEFERRED FINANCING COSTS | 8,000 | 542 | 2,186 | 239 | 1,063 | 108 | 14 | 735 | 699 | | | | | 0 |
| INVESTMENT IN 86 WHITE | 2,000 | | | | | | | 2,000 | | | 296 | | | 500 |
| DIAMOND CHEM NTD. - LT | 296 | | | | | | | | | | | | | 350 |
| PUTL JOINT VENTURE | 500 | | | | | | | | | | | | | 0 |
| PP&E - REUTLOM | 350 | | | | | | | | | | 500 | | | 0 |
| HENRIETA LAND (PAYABLE) | 300 | | | | | | | | | | 114 | | | |
| HERITAGE - REUTLOM LAND & BLDG. | 114 | | | | | | | | | | | | | 0 |
| EQUITY INVEST. IN REVENUE ASSURANCE | | | | | | | | | | | 104 | | | 0 |
| OTHER | 104 | | | | | | | | | | 83 | | | |
| GOODWILL/LEASEHOLD | 83 | | | | | | | | | | | | | |
| TOTAL | 35,639 | 542 | 2,702 | 4,753 | 1,127 | 142 | 20 | 2,818 | 1,082 | 4,048 | 502 | 1,719 | 198 | 15,18 |

| REF DESCRIPTION | TOTAL (000'S) | S.C. ACQ. CORP. NO. 1 | S.C. ACQ. CORP. NO. 2 | S.C. ACQ. CORP. NO. 3 | S.C. ACQ. CORP. NO. 4 | S.C. ACQ. CORP. NO. 5 | S.C. ACQ. CORP. NO. 6 | S.C. ACQ. CORP. NO.8 | S.C. ACQ. CORP. NO. 9 | [illegible] ACQ. CORP. NO. 10 | ACQ. CORP. NO. 12 | ACQ. CORP. NO. 13 | ACQ. CORP. NO. 14 | [illegible] NO. 15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LIABILITIES | | | | | | | | | | | | | | 393 |
| ********** | | | | | | | | | | | | | | 263 |
| PAYROLL WITHHOLDINGS (VAR. DIVS.) | 393 | | | | | | | | | | | | | (7) |
| CORP. ACCTS PAY. | 263 | | | | | | | | | | | | | 248 |
| ACCRUED INTEREST * | 1,635 | 111 | 447 | 49 | 217 | 22 | 3 | 150 | 143 | 61 | 83 | 320 | 36 | 797 |
| ACC. VACATION-CORP. EMPLOY. | 248 | | | | | | | | | | | | | |
| ACC. SEVERANCE-CORP. | 8,395 | 670 | 2,954 | 519 | 0 | 195 | 47 | 761 | 929 | 781 | 238 | 1,242 | 162 | |
| ACC SEVERANCE-ANALYTICS | 287 | | | | | | 287 | | | | | | | 158 |
| ACC. EXEC. COMP-CORP. | 158 | | | | | | | | | | | | | |
| | | | | | | | | | | | | | 686 | 0 |
| TAI RESERVE | 10,000 | | 7,689 | 0 | | | | 1,625 | | | | | | |
| | | | | | | | | | | | | | | 4,392 |
| ACC. PROFESSIONAL FEES | 4,392 | | | | | | | | | | | | | 296 |
| ACC. DONATIONS | 296 | | | | | | | | | | | | | |
| NET CLOSING RESERVES: | | | | | | | | | | | | | | |
| BITTER A.B. - RESERVE | 234 | | 234 | | | | | | | | | 2,070 | | |
| PFAUDLER RESERVES | 2,070 | | | | | | | | | | | | | |
| TAYLOR RESERVES | 12,355 | 0 | 0 | 0 | | 0 | | 0 | 0 | 0 | 0 | 12,355 | 0 | 0 |
| BERTICOM RESERVES | 2,209 | | 0 | | | | | | 0 | | 2,209 | | | |
| BITTER (U.S.) RESERVE | 1,540 | | 0 | | | | | | | | 1,540 | | | 0 |
| NET DISCO RENTAL ASSETS | 3,327 | | 3,327 | | | | | 0 | | | | | | |
| PRUDENTIAL INSURANCE RESERVE | 490 | | 161 | 5 | 96 | 5 | 5 | 26 | 140 | | 30 | 20 | 10 | |
| PENSION LIAB. - CASTLE | 390 | 390 | | | | | | | | | | | | |
| PENSION LIAB. - KERR | 303 | | | | | | | 303 | | | | | | |
| PENSION LIAB. - L.F. | 368 | | | | | | | | | | 368 | | | |
| PENSION LIAB. - AIRREST | 77 | | 77 | | | | | | | | | | 155 | |
| PENSION LIAB. - THERMOLINE | 155 | | | | | | | | | | | | | |
| PENSION LIAB. - BARNSTEAD | 110 | | | | | | 110 | | | | | | | |
| PENSION LIAB. - BALSE | 84 | | 84 | | | | | | | | | | | |
| PENSION LIAB. - CRYOGENICS | 11 | | 11 | | | | | | | | | | | |
| PENSION LIAB. - ERIE | 80 | | | 80 | | | | | | | | | | |
| TAYLOR CPO PLAN | 352 | | 352 | | | | | | | | | | | |
| SYBRON/DENTAL UNIT PLAN | 906 | | 336 | | | | | 14 | 536 | | | | | |
| SYBRON CANADA PENSION PLAN | | | | | | | | | | | | | | |
| TAI LEASE | 2,426 | 0 | 0 | | | | | 2,426 | 0 | | 0 | 0 | | |
| GENERAL INSURANCE RESERVES (PRO RATA) | 2,459 | 476 | 557 | 49 | 169 | 80 | 17 | 204 | 140 | 58 | 234 | 376 | 51 | 30 |
| OUTSTANDING RIGHTS | 6,945 | | | | | | | | | | | | | 6,945 |
| OTHER | 23 | | | | | | | | | | | | | 23 |
| TOTAL | 63,047 | 1,655 | 15,331 | 702 | 482 | 420 | 339 | 5,509 | 1,896 | 900 | 4,704 | 16,391 | 1,100 | 13,538 |

* Any difference in this amount (positive or negative) will be allocated among the shareholders i proportion to their ownership of shares of the Company.

| REF DESCRIPTION | TOTAL ($000'S) | S.C. ACQ. CORP. NO. 1 | S.C. ACQ. CORP. NO. 2 | S.C. ACQ. CORP. NO. 3 | S.C. ACQ. CORP. NO. 4 | S.C. ACQ. CORP. NO. 5 | S.C. ACQ. CORP. NO. 6 | S.C. ACQ. CORP. NO.8 | S.C. ACQ. CORP. NO. 9 | S.C. ACQ. CORP. NO. 10 | S.C. ACQ. CORP. NO. 12 | S.C. ACQ. CORP. NO. 13 | S.C. ACQ. CORP. NO. 14 | S.C. ACQ. CORP. NO. 15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Bank Debt and/or Refinanced Bank Debt owed to S.C. Acquisition Corp. | 211,753 * | 15,382 | 51,011 | 12,042 | 26,857 | 3,210 | 177 | 19,194 | 20,671 | 19,470 | 7,295 | 30,040 | 4,343 | 1,269 |

* Any difference from this amount (positive or negative) will be allocated among the shareholders in proportion to their ownership of shares of the Company.

EXHIBIT I

# AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER dated July __ 1986 (this "Agreement") between Sybron Corporation, a New York corporation ("Sybron"), and SC Acquisition Corp. No. 15, a Delaware corporation ("Corp. No. 15"). Sybron and Corp. No. 15 are hereinafter sometimes collectively called the "Constituent Corporations."

WHEREAS, the authorized capital stock of Sybron consists of: 1,435,754 shares of $2.40 Convertible Preferred Stock, par value $4.00 per share, of which 515,197 shares are treasury shares; 6,000,000 shares of Class A Preference Stock, par value $1.00 per share, none of which shares are issued; and, 20,000,000 shares of Common Stock, par value $2.50 per share, of which 9,200 are issued, outstanding, and owned by Corp. No. 15;

WHEREAS, the authorized capital stock of Corp. No. 15 consists of 1,000 shares of Common Stock, par value $.01 per share ("Corp. No. 15 Common Stock"), of which 100 shares are issued, outstanding, and owned by SC Acquisition Corp., a Delaware corporation ("SC Acquisition");

WHEREAS, the respective Boards of Directors of each of the Constituent Corporations deem it advisable and to the welfare and advantage of each of the Constituent Corporations and their respective stockholders that the Constituent Corporations merge under and pursuant to the Business Corporation Law of the State of New York and the General Corporation Law of the State of Delaware into a single corporation, to wit, Corp. No. 15, which shall be the surviving corporation (such corporation in its capacity as such surviving corporation being hereinafter sometimes called the "Surviving Corporation"), and have approved this Agreement and the merger contemplated hereby (the "Merger");

Accordingly, the parties hereto hereby agree in accordance with the Business Corporation Law of the State of New York and the General Corporation Law of the State of Delaware that, upon the filing of a Certificate of Merger in the form of Exhibit I-A attached hereto and a Certificate of Ownership and Merger in the form of Exhibit I-B attached hereto (the date and time of the later such event being the effective date), Sybron shall merge into Corp. No. 15, and the parties hereto adopt and agree to the following agreements, terms and conditions relating to the Merger and the mode of carrying the Merger into effect:

1. Name of Surviving Corporation, Certificate of Incorporation, Share Information, By-Laws, Directors and Officers.

1.1. Name of Constituent Corporations. The name of the Constituent Corporations are Sybron Corporation and "SC Acquisition Corp. No. 15."

1.2. Name of Surviving Corporation. The name of the Surviving Corporation after the Effective Date shall be SC Acquisition Corp. No. 15.

1.3. Certificate of Incorporation. On the Effective Date, the Certificate of Incorporation of Corp. No. 15, as in effect on the date hereof, shall, from and after the Effective Date, be and continue to be the Certificate of Incorporation of the Surviving Corporation until amended as provided by law.

1.4. By-Laws. The By-Laws of Corp. No. 15 shall, from and after the Effective Date, be and continue to be the By-Laws of the Surviving Corporation until amended as therein provided.

1.5. Directors and Officers. The directors and officers of the Surviving Corporation from and after the Effective Date shall be those directors and officers of Corp. No. 15 in office on the Effective Date, each of whom shall hold office in the Surviving Corporation until his respective successor is elected and shall qualify in accordance with law and the By-Laws of the Surviving Corporation.

1.6. Vacancies. If, on or after the Effective Date, a vacancy exists in the Board of Directors or in any of the offices of the Surviving Corporation by reason of death or inability or refusal to act, or for any other reason, such vacancy may be filled in the manner provided in the By-Laws of the Surviving Corporation.

2. Status of Securities of Constituent Corporations.

2.1. Corp. No. 15 Common Stock. The shares of capital stock of Corp. No. 15 outstanding on the Effective Date shall continue as shares of capital stock of the Surviving Corporation.

2.2. Sybron Common Stock. On the Effective Date, each then outstanding share of Sybron shall, by virtue of the Merger, automatically be cancelled and be converted into and represent solely the right of the holder thereof to receive in exchange therefor one share of Common Stock par value $.01

per share, of the Surviving Corporation. From and after the Effective Date, (a) the holder of certificates theretofore representing outstanding shares of Sybron shall cease to have any rights in respect of such shares except the right to receive payment therefor upon surrender thereof as hereinafter provided, and (b) no transfer of any shares of Sybron shall be made on the stock transfer books of the Surviving Corporation.

2.3. Surrender of Sybron Stock Certificates. Upon surrender in good delivery form of any certificate theretofore representing outstanding shares of Sybron to the Surviving Corporation, or such other bank or trust company designated by the Surviving Corporation (hereinafter called the "Exchange Agent"), such holder shall be entitled to receive in exchange therefor certificates representing the number of whole shares of Common Stock of the Surviving Corporation into which such shares of Sybron have been converted. If delivery is to be made to a person other than the person in whose name the surrendered certificate is registered, it shall be a condition of such delivery that the certificate so surrendered shall be properly endorsed or otherwise be in proper form for transfer, and that the person requesting such delivery shall pay to the Exchange Agent any transfer or other taxes payable by reason of the issuance in a name other than the name of the registered holder of the certificate surrendered to establish to the satisfaction of the Exchange Agent that such tax has been paid or is not applicable.

Until so surrendered and exchanged and the certificates theretofore representing outstanding shares of Sybron shall be deemed for all purposes, other than the payment of dividends or other distributions, if any, to shareholders, to represent the number of whole shares of Common Stock of the Surviving Corporation into which the outstanding shares of Sybron Common Stock theretofore represented and thereby shall have been converted. No dividend or other distributions, if any, payable to holders of record or other distributions, if any, payable to holders of record of shares of Common Stock of the Surviving Corporation as of any date subsequent to the Effective Date shall be paid to the holders of unsurrendered certificates theretofore representing outstanding shares of Sybron; provided, however, that upon surrender and exchange of such certificates theretofore representing outstanding shares of Sybron there shall be paid to the record holders of the certificates issued in exchange therefor, the amount, without interest thereon, of dividends and other distributions, if any, which theretofore have become payable with respect to the number of whole shares of Common Stock of the Surviving Corporation represented thereby.

3. Miscellaneous.

3.1. Termination of Merger. At any time prior to the Effective Date, (a) this Agreement may be terminated by mutual agreement of the Boards of Directors of both of the Constituent Corporations notwithstanding approval of this Agreement by the sole stockholder of either or both of the Constituent Corporations.

3.2. Effect of Merger. From and after the Effective Date, the status, rights and liabilities of, and the effect of the Merger on, each of the Constituent Corporations and the Surviving Corporation shall be as provided in Section 906 of the Business Corporation Law of the State of New York and Section 259 of the General Corporation Law of the State of Delaware. At any time, and from time to time after the Effective Date, the last acting officers of Sybron, or the corresponding officers of the Surviving Corporation, may, in the name of Sybron, execute and deliver all such proper deeds, assignments, and other instruments and take or cause to be taken all such further or other action as the Surviving Corporation may deem necessary or desirable in order to vest, perfect, or confirm in the Surviving Corporation title to and possession of all of Sybron's property, rights, privileges, powers, franchises, immunities, and interests and otherwise to carry out the purposes of this Agreement and the Merger.

3.3. Execution in Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been executed by each of the Constituent Corporations by its President and witnessed by its Assistant Secretary under its corporate seal, as of the date first above written.

SYBRON CORPORATION

By: _____
Kenneth F. Yontz
President

Corporate Seal

ATTEST: _____
R. Jeffrey Harris
Assistant Secretary

SC Acquisition Corp. No. 15

By _____
Steven B. Klinsky
President and Treasurer

Corporate Seal

ATTEST: _____
Winston W. Hutchins
Assistant Secretary

I, R. JEFFREY HARRIS, Assistant Secretary of Sybron Corporation, a New York corporation (the "Company"), certify that the foregoing Agreement and Plan of Merger was adopted and approved by the Board of Directors of the Company and executed and acknowledged by the President of the Company and attested by the Assistant Secretary of the Company under its corporate seal. Thereafter, such Agreement and Plan of Merger was adopted by the sole shareholder of the Company by written consent.

IN WITNESS WHEREOF, I have hereunto signed my name as Assistant Secretary of the Company and affixed the seal of the Company on July ___, 1986.

R. Jeffrey Harris
Assistant Secretary

Corporate Seal

I, WINSTON W. HUTCHINS, Assistant Secretary of SC Acquisition Corp. No. 15, a Delaware corporation (the "Company"), certify that the foregoing Agreement and Plan of Merger was adopted and approved by the Board of Directors of the Company in accordance with Section 253 of the General Corporation Law of Delaware, and executed and acknowledged by the President of the Company and attested by the Assistant Secretary of the Company in accordance with Section 103 of such Law. Thereafter, such Agreement and Plan of Merger was adopted by the sole stockholder of the Company by written consent, in accordance with Section 228 of such law.

IN WITNESS WHEREOF, I have hereunto signed my name as Assistant Secretary of the Company and affixed the seal of the Company on July ___, 1986.

Winston W. Hutchins
Assistant Secretary

Corporate Seal

The foregoing Agreement and Plan of Merger, having been adopted by SC Acquisition Corp. No. 15, a Delaware corporation, pursuant to Section 253 of the General Corporation Law of the State of Delaware and Sybron Corporation, a New York corporation, and the fact of the adoption thereof as aforesaid having been duly certified thereon by the Assistant Secretary of SC Acquisition Corp. No. 15 and by the Assistant Secretary of Sybron Corporation, respectively, all in accordance with law, said Agreement and Plan of Merger is hereby executed by the President of SC Acquisition Corp. No. 15 and the President of Sybron Corporation and attested by the Assistant Secretary of each of said Corporations thereunto duly authorized, under its respective corporate seal, on July ___, 1986.

SC Acquisition Corp. No. 15

By_____
Steven B. Klinsky
President and Treasurer

Corporate Seal

ATTEST:

_____
Winston W. Hutchins
Assistant Secretary

Sybron Corporation

By:_____
Kenneth F. Yontz
President

Corporate Seal

ATTEST:

_____
R. Jeffrey Harris
Assistant Secretary

EXHIBIT I-A

CERTIFICATE OF MERGER

OF

SC TRANSCO CORP.

INTO

SYBRON CORPORATION

UNDER SECTION 905 OF THE BUSINESS CORPORATION LAW

The undersigned, a Delaware corporation

DOES HEREBY CERTIFY

First: That the name and state of incorporation of each of the constituent corporations of the merger are as follows:

| Name | State of Incorporation | Date of Incorporation |
|---|---|---|
| SC Acquisition Corp. No. 15 | Delaware | February 6, 1986 |
| Sybron Corporation | New York | November 1, 1965 |

Sybron Corporation ("Sybron") was originally incorporated under the name Ritter Pfaudler Corporation.

Second: The name of the surviving corporation of the merger will be SC Acquisition Corp. No. 15 ("Corp. No. 15"), a Delaware corporation.

Third: All of the issued and outstanding common shares of Sybron, par value $2.50 per share ("Common Shares") were owned by Corp. No. 15.

Fourth: The merger shall be effective upon the filing of a Certificate of Merger in the form of Exhibit I-A attached hereto and a Certificate of Ownership and Merger in the form of

Exhibit I-B attached hereto (the date and time of the later such event being the effective date).

Fifth: The merger was adopted by each constituent corporation in the following manner:

(a) As to Corp. No. 15, by the unanimous written consent of its Board of Directors and the written consent of its sole stockholder.

(b) As to Sybron, by the unanimous written consent of its Board of Directors and the written consent of Corp. No. 15, as its sole stockholder.

IN WITNESS WHEREOF, each of the undersigned has caused this certificate to be signed o its behalf on this 6th day of May , 1986 by an officer thereunto duly authorized, who affirms the statements contained therein as true under penalties of perjury.

SC ACQUISITION CORP. NO. 15

By: _____
Steven B. Klinsky
President

_____
John A. Sprague
Secretary

SYBRON CORPORATION

By: _____
Kenneth F. Yontz
President

_____
Uldis Kordons
Secretary

EXHIBIT I-B

CERTIFICATE OF OWNERSHIP AND MERGER

MERGING

SYBRON CORPORATION

INTO

SC ACQUISITION CORP. NO. 15

UNDER SECTION 253 OF THE DELAWARE GENERAL CORPORATION LAW

The undersigned, a Delaware corporation

DOES HEREBY CERTIFY

First: The name and state of incorporation of each of the constituent corporations is as follows:

| Name | State of Incorporation | Date of Incorporation |
|---|---|---|
| SC Acquisition Corp. No. 15 | Delaware | February 6, 1986 |
| Sybron Corporation | New York | November 1, 1965 |

Second: SC Acquisition Corp. No. 15 ("Corp. No. 15") owns all of the issued and outstanding shares of common stock of Sybron Corporation.

Third: On July __, 1986, the Board of Directors of Corp. No. 15 adopted, by the unanimous written consent of its members, the resolutions attached hereto as Exhibit A which are incorporated herein by reference.

Fourth: The Merger contemplated herein was approved by SC Acquisition Corp., a Delaware corporation and the sole stockholder of Corp. No. 15, by written consent dated July __, 1986, pursuant to Section 228(a) of the Delaware General Corporation Law.

Fifth: The Certificate of Incorporation of Corp. No. 15 shall constitute the Certificate of Incorporation of the surviving corporation.

Sixth: This Certificate of Ownership and Merger shall be effective upon its filing date.

Dated: July ___, 1986

SC ACQUISITION CORP. NO. 15

By: _____
Steven B. Klinsky
President

Attest:

By: _____
Winston W. Hutchins
Assistant Secretary

Exhibit 6

Skill Dex
RECYCLED

Deloitte
Haskins + Sells

SYBRON CHEMICALS INC.

Combined Financial Statements as of and
for the Years Ended December 31, 1985 and
1984 and Auditors' Opinion

Deloitte
Haskins+Sells

2500 Three Mellon Bank Center
Philadelphia, Pennsylvania 19102-2425
(215) 299-4500
Telex: 757720

AUDITORS' OPINION

Sybron Chemicals Inc.:

We have examined the combined balance sheets of Sybron Chemicals Inc. and subsidiaries and certain affiliates (see Note 1) as of December 31, 1985 and 1984 and the related combined statements of income, equity and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, such combined financial statements present fairly the financial position of the companies at December 31, 1985 and 1984 and the results of their operations and the changes in their financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Deloitte Haskins + Sells

March 18, 1987

SYBRON CHEMICALS INC.

COMBINED BALANCE SHEETS, DECEMBER 31, 1985 AND 1984 (In Thousands)

| ASSETS | NOTES | 1985 | 1984 |
|---|---|---|---|
| CURRENT ASSETS: | | | |
| Cash and marketable securities | | $ 2,046 | $ 1,730 |
| Accounts receivable (less allowance for doubtful accounts - 1985, $1,095; 1984, $967) | | 21,123 | 16,734 |
| Inventories | 1,2 | 10,156 | 9,919 |
| Prepaid and other current assets | | 494 | 435 |
| Total current assets | | 33,819 | 28,818 |
| PROPERTY, PLANT AND EQUIPMENT - Net | 1,3 | 15,003 | 12,286 |
| OTHER NONCURRENT ASSETS | | 719 | 424 |
| TOTAL ASSETS | 9 | $49,541 | $41,528 |

| LIABILITIES AND STOCKHOLDERS' EQUITY | NOTES | 1985 | 1984 |
|---|---|---|---|
| CURRENT LIABILITIES: | | | |
| Accounts payable | | $11,901 | $ 9,545 |
| Accrued liabilities | 5,6 | 8,552 | 7,830 |
| Customer advances and deferred income | | 115 | 69 |
| Income taxes payable | 1 | 2,409 | 3,139 |
| Total current liabilities | | 22,977 | 20,583 |
| LONG-TERM DEBT | 5 | 4,452 | 4,448 |
| OTHER NONCURRENT LIABILITIES | 6 | 1,665 | 939 |
| STOCKHOLDERS' EQUITY: | | | |
| Common stock | | 1,991 | 1,896 |
| Additional paid-in capital | | 12,146 | 14,242 |
| Divisional equity | | 11,673 | 2,484 |
| Cumulative translation adjustment | | (5,363) | (3,064) |
| Total stockholders' equity | | 20,447 | 15,558 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | | $49,541 | $41,528 |

See notes to combined financial statements.

SYBRON CHEMICALS INC.

COMBINED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 1985 AND 1984 (In Thousands)

| | NOTES | 1985 | 1984 |
|---|---|---|---|
| NET SALES | | $96,489 | $92,270 |
| COST OF SALES | | 60,561 | 56,117 |
| GROSS MARGIN | | 35,928 | 36,153 |
| OPERATING EXPENSES: | 6,8 | | |
| Selling | | 18,839 | 18,619 |
| General and administrative | 4 | 7,231 | 7,252 |
| Research and development | 1 | 2,553 | 2,677 |
| Total | | 28,623 | 28,548 |
| OPERATING INCOME | | 7,305 | 7,605 |
| OTHER INCOME (EXPENSE): | | | |
| Interest expense | | (610) | (540) |
| Other income (expense) - net | | (169) | 24 |
| INCOME BEFORE INCOME TAXES | | 6,526 | 7,089 |
| INCOME TAXES | 1,7 | 1,685 | 3,634 |
| NET INCOME | 9 | $ 4,841 | $ 3,455 |

See notes to combined financial statements.

SYBRON CHEMICALS INC.

COMBINED STATEMENTS OF EQUITY
FOR THE YEARS ENDED DECEMBER 31, 1985 AND 1984 (In Thousands)

| | 1985 | 1984 |
|---|---|---|
| Balance, beginning of period | $15,558 | $20,136 |
| Net income | 4,841 | 3,455 |
| Proceeds from stock issue | 95 | 51 |
| Transfers from (to) Sybron Corporation - net | 2,252 | (6,546) |
| Change in cumulative translation adjustment | (2,299) | (1,538) |
| Balance, end of period | $20,447 | $15,558 |

See notes to combined financial statements.

SYBRON CHEMICALS INC.

COMBINED STATEMENTS OF CHANGES IN FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 1985 AND 1984 (In Thousands)

| | 1985 | 1984 |
|---|---|---|
| FUNDS PROVIDED BY: | | |
| Net income | $ 4,841 | $ 3,455 |
| Items not requiring cash - depreciation | 2,222 | 1,785 |
| Total from operations | 7,063 | 5,240 |
| Transfer of long-term debt from Sybron Corporation | | 4,404 |
| Other transfers from (to) Sybron Corporation - net | 2,252 | (6,546) |
| Net proceeds from sale of fixed assets | 91 | 145 |
| Proceeds from stock issue | 95 | 51 |
| (Increase) decrease in current assets: | | |
| Accounts receivable | (4,389) | 2,170 |
| Inventories | (237) | (874) |
| Prepaid and other current assets | (59) | 293 |
| Increase (decrease) in current liabilities: | | |
| Accounts payable | 2,356 | (510) |
| Accrued liabilities | 722 | 152 |
| Income taxes payable | (730) | (1,073) |
| Customer advances and deferred income | 46 | (116) |
| Other - net | (302) | (458) |
| Total funds provided | 6,908 | 2,878 |
| FUNDS USED BY: | | |
| Additions to property, plant and equipment | 4,267 | 2,020 |
| Reduction of long-term debt | 26 | 19 |
| Change in cumulative translation adjustment | 2,299 | 1,538 |
| Total funds used | 6,592 | 3,577 |
| INCREASE (DECREASE) IN CASH AND MARKETABLE SECURITIES | $ 316 | $ (699) |

See notes to combined financial statements.

SYBRON CHEMICALS INC.

NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1985 and 1984

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying combined financial statements include the accounts of Sybron Chemicals Inc., its wholly-owned subsidiaries and the following affiliates included in the Chemicals sector of Sybron Corporation: Sybron Chemical Italia Division of Sybron Italia S.P.A., Gamlen Australasia Pty. Ltd., Gamlen (Japan) Limited, Gamlen Chemie (Nederland) B.V., Gamlen Norway A/S, Gamlen Chemical Company (U.K.) Ltd., Tanatex Mexicana S.A. de C.V. and Sybron Chemie France S.A. (collectively, the "Company"). All significant intercompany activity has been eliminated.

Inventories - Inventories are valued at the lower of cost or market. For the U.S. operations, cost is determined utilizing the last-in, first-out (LIFO) method. For foreign operations, cost is determined utilizing the first-in, first-out (FIFO) method.

Property, Plant and Equipment - Property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of depreciable assets (generally 10-40 years for buildings and 3-20 years for machinery and equipment) using the straight-line method.

Research and Development Costs - Research and development costs are charged to expense in the year they are incurred.

Income Taxes - The Company is included in the U.S. Federal income tax returns of Sybron Corporation. The Company's share of U.S. Federal and state income taxes is allocated based on rates determined by Sybron Corporation (see Note 7) and are payable to Sybron Corporation.

2. INVENTORIES

The components of inventories, net of LIFO reserves of $3,195,000 and $3,209,000 at December 31, 1985 and 1984, respectively, were:

| | 1985 | 1984 |
|---|---|---|
| | (In thousands) | |
| Raw materials | $ 3,860 | $3,565 |
| Work-in-process | 264 | 236 |
| Finished goods | 6,032 | 6,118 |
| Total | $10,156 | $9,919 |

3. PROPERTY, PLANT AND EQUIPMENT

The components of property, plant and equipment at December 31, 1985 and 1984 were:

| | 1985 | 1984 |
|---|---|---|
| | (In thousands) | |
| Land | $ 521 | $ 453 |
| Buildings | 8,174 | 7,551 |
| Machinery and equipment | 23,521 | 18,748 |
| Construction in process | 167 | 38 |
| Total | 32,383 | 26,790 |
| Less accumulated depreciation | (17,380) | (14,504) |
| Property, plant and equipment - net | $15,003 | $12,286 |

4. RELATED PARTY TRANSACTIONS

Included in administrative expenses are charges by Sybron Corporation of $1,070,000 and $847,000 for the years ended December 31, 1985 and 1984, respectively. These charges were computed at amounts that are intended to reimburse Sybron Corporation for costs incurred on behalf of the Company relating primarily to the Company's share of pension expense and other employee benefits.

5. LONG-TERM DEBT

Long-term debt at December 31, 1985 and 1984 consisted of the following:

| | 1985 | 1984 |
|---|---|---|
| | (In thousands) | |
| Notes payable, interest payable at 6.65%, due September 1, 1995 | $3,558 (a) | $3,558 |
| Note payable, interest payable at 5.99%, due December 1, 1992 | 760 (a) | 760 |
| Notes payable (French Francs), interest payable at 13.3%, due in various annual instalments through December 29, 1992 | 160 | 149 |
| Total debt | 4,478 | 4,467 |
| Less - current portion | (26) | (19) |
| Total long-term debt | $4,452 | $4,448 |

(a) In early 1986, all long-term debt, except for the notes payable (French Francs), was repaid.

6. LEASE COMMITMENTS

As of December 31, 1985, minimum rentals on noncancellable operating leases were:

| | Amount (In thousands) |
|---|---|
| December 31: | |
| 1986 | $ 860 |
| 1987 | 391 |
| 1988 | 274 |
| 1989 | 109 |
| 1990 | 51 |
| Thereafter | 37 |
| Total | $1,722 |

For the years ended December 31, 1985 and 1984, rental expense relating to operating leases amounted to approximately $986,000 and $1,122,000, respectively.

7. INCOME TAXES

For the years ended December 31, 1985 and 1984, the income tax provision consisted of the following:

| | 1985 | 1984 |
|---|---|---|
| | (In thousands) | |
| United States (See Note 1) | $ 408 | $1,876 |
| Foreign | 1,277 | 1,758 |
| Total | $1,685 | $3,634 |

8. EMPLOYEE PENSION PLANS

Employee retirement benefits are provided through various pension plans maintained by Sybron Corporation covering substantially all employees. Pension costs allocated to the Company totaled $813,000 and $666,000 for the years ended December 31, 1985 and 1984, respectively. There is no separate determination made of the actuarial present value of accumulated plan benefits and the net assets available for benefits for employees of the Company who are included in the pension plans of Sybron Corporation.

9. FOREIGN OPERATIONS

Net income and total assets of foreign operations were as follows:

| | 1985 | 1984 |
|---|---|---|
| | (In thousands) | |
| Net income | $ 1,005 | $ 1,071 |
| Total assets | $25,600 | $19,834 |

Gains on foreign currency transactions were $171,000 and $120,000 for the years ended December 31, 1985 and 1984, respectively.

10. CONTINGENCY

The New Jersey Environmental Clean-Up and Responsibility Act (ECRA) requires a comprehensive environmental review of all industrial facilities sold in New Jersey. Due to the acquisition of Sybron Corporation by Forstmann Little & Co. (see Note 11), which constituted a sale for purposes of ECRA, Sybron Corporation has letters of credit totaling $6,169,000 which are available to secure the cost, if any, of environmental clean-up as may be required by the New Jersey Department of Environmental Protection.

11. SUBSEQUENT EVENTS

On February 27, 1986, substantially all of the stock of the former Sybron Corporation was purchased by an affiliate of Forstmann Little & Co. The primary effects of this purchase on the Company's successor, Sybron Chemicals Holdings, Inc. and the affiliates referred to in Note 1, were fair value adjustments that increased net assets by $42,402,000.

On July 11, 1986, the former Sybron Corporation was liquidated under Section 332 of the United States Internal Revenue Code. Pursuant to the plan of liquidation, the assets of the U.S. Chemical Division of the former Sybron Corporation were transferred to Sybron Chemicals Holdings, Inc. for the assumption of certain liabilities amounting to $58,392,000 and in cancellation of its investment in the stock of the former Sybron Corporation. The ultimate parent of the companies included in these combined financial statements is presently a corporation, the name of which became after such liquidation, Sybron Corporation ("New Sybron").

On February 19, 1987, New Sybron Corporation and Sybrac Corporation reached an agreement in principle which provides for Sybron Chemicals Holdings, Inc. and the affiliates referred to in Note 1 to be acquired by Sybrac Corporation. The agreement provides for the transfer of ownership through a stock sale. The aggregate purchase price under this agreement is approximately $70 million.

In connection with the pending sale, Sybrac Corporation will be required to replace the letters of credit (which may differ in amount) that Sybron Corporation has made available to the New Jersey Department of Environmental Protection (see Note 10).

Exhibit 7

Staff Dat
RECYCLED

13786

# State of Delaware

BOOK 809 PAGE 410

## Office of Secretary of State

I, MICHAEL HARKINS, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF OWNERSHIP OF SYBRON TRANSITION CORP., A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, MERGING SYBRON CORPORATION A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF NEW YORK, PURSUANT TO SECTION 253 OF THE GENERAL CORPORATION LAW OF THE STATE OF DELAWARE, AS RECEIVED AND FILED IN THIS OFFICE THE SIXTH DAY OF AUGUST, A.D. 1986, AT 10 O'CLOCK A.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CORPORATION SHALL BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE.

DEPARTMENT OF STATE
OFFICE OF THE SECRETARY OF STATE
1855 1793 1870
DELAWARE

Michael Harkins, Secretary of State

AUTHENTICATION: 10906363

DATE: 08/06/1986

8621801B3

FILED 10 AM

AUG 6 1986

SECRETARY OF STATE

BOOK 369 PAGE 411

CERTIFICATE OF OWNERSHIP AND MERGER

MERGING

SYBRON CORPORATION

INTO

SYBRON TRANSITION CORP.

UNDER SECTION 253 OF THE DELAWARE GENERAL CORPORATION LAW

The undersigned, a Delaware corporation

DOES HEREBY CERTIFY

First: The name and state of incorporation of each of the constituent corporations is as follows:

| Name | State of Incorporation | Date of Incorporation |
|---|---|---|
| Sybron Transition Corp. | Delaware | February 6, 1986 |
| Sybron Corporation | New York | November 1, 1965 |

Second: Sybron Transition Corp. ("Sybron Transition") owns all of the issued and outstanding shares of common stock of Sybron Corporation.

Third: On July 11, 1986, the Board of Directors of Sybron Transition adopted, by the unanimous written consent of its members, the resolutions attached hereto as Exhibit A which are incorporated herein by reference.

Fourth: The Merger contemplated herein was approved by SC Acquisition Corp., a Delaware corporation and the sole stockholder of Sybron Transition, by written consent dated July 11, 1986, pursuant to Section 228(a) of the Delaware General Corporation Law.

Fifth: The Certificate of Incorporation of Sybron Transition shall constitute the Certificate of Incorporation of the surviving corporation.

Sixth: This Certificate of Ownership and Merger shall be effective upon its filing date.

Dated: July 31st, 1986

SYBRON TRANSITION CORP.

By: Steven B. Klinsky
Steven B. Klinsky
President

Attest:

By: Winston W. Hutchins
Winston W. Hutchins
Assistant Secretary

CERTIFICATE OF MERGER
OF
SYBRON CORPORATION
INTO
SYBRON TRANSITION CORP.

RECEIVED
DEPARTMENT OF
TAXATION AND FINANCE
AUG 5 1986
CORPORATION TAX

UNDER SECTION 905 OF THE BUSINESS CORPORATION LAW

The undersigned

DO HEREBY CERTIFY

First: That the name and state of incorporation of each of the constituent corporations of the merger are as follows:

| Name | State of Incorporation | Date of Incorporation |
|---|---|---|
| Sybron Transition Corp. | Delaware | February 6, 1986 |
| Sybron Corporation | New York | November 1, 1965 |

Sybron Corporation ("Sybron") was originally incorporated under the name Ritter Pfaudler Corporation. Sybron Transition Corp. was originally incorporated under the name SC Acquisition Corp. No. 15.

Second: The name of the surviving corporation of the merger will be Sybron Transition Corp. ("Sybron Transition").

Third: Sybron had 9,200 common shares, par value $2.50 per share ("Common Shares") issued and outstanding, all of which shares were owned by Sybron Transition.

Fourth: The merger shall be effective upon the filing of this Certificate of Merger by the Department of State.

Fifth: The merger is permitted by the laws of jurisdiction of each constituent corporation and is in compliance therewith.

Sixth: The merger was adopted by each constituent corporation in the following manner:

(a) As to Sybron Transition, by the unanimous written consent of its Board of Directors and the written consent of its sole stockholder.

(b) As to Sybron, by the unanimous written consent of its Board of Directors and the written consent of Sybron Transition, as its sole stockholder.

IN WITNESS WHEREOF, each of the undersigned has caused this certificate to be signed on its behalf on this 31st day of July , 1986 by an officer thereunto duly authorized, who affirms the statements contained therein as true under penalties of perjury.

Winston W. Hutchins
Assistant Secretary

SC TRANSITION CORP.

By: Steven B. Klinsky
Steven B. Klinsky
President

Uldis Kordons
Secretary

SYBRON CORPORATION

By: Kenneth F. Yontz
Kenneth F. Yontz
President

UNANIMOUS WRITTEN CONSENT OF DIRECTORS
OF
SC ACQUISITION CORP. NO. 15

---

Pursuant to Section 141(f) of the
General Corporation Law of the State of Delaware

---

The undersigned, being all of the directors of SC Acquisition Corp. No. 15, a Delaware corporation (the "Corporation"), hereby consent to and adopt the following resolutions:

RESOLVED, that the Plan of Liquidation (the "Plan") of Sybron Corporation ("Sybron") set forth in the Resolutions attached hereto as Exhibit A be, and it hereby is, adopted.

RESOLVED, that the distribution to the Corporation pursuant to the Plan of the Sybron assets listed opposite its name on Schedules A and B attached hereto or otherwise indicated as being allocated to the Corporation in Schedule C subject to the assumption by the Corporation of the related liabilities and the liabilities set forth in Schedules D and E attached hereto, in cancellation of all of the shares of Common Stock of Sybron owned by the Corporation, be, and it hereby is, accepted.

RESOLVED, that the proper officers of the Corporation be, and each of them hereby is, authorized to effect the distribution to the Corporation of the Sybron assets as set forth in the preceding Resolution by executing a Bill of Sale and Assignment and Assumption Agreement and other appropriate documents between Sybron and the Corporation upon such terms and conditions as such officers may deem necessary or appropriate.

RESOLVED, that any one or more of the officers of the Corporation be, and each of them individually hereby is, authorized and empowered, in the name and

on behalf of the Corporation, to take any such action and to execute and deliver any and all further agreements, instruments and other documents which such officer, in his sole discretion, deems necessary or desirable to effectuate the purpose and intent of the foregoing resolutions (including, without limitation, the execution of a consent, on behalf of the Corporation, as a stockholder of Sybron in favor of adoption of the Plan), the authority for the taking of such action to be conclusively evidenced by the execution and delivery of any such agreement or document.

July 11, 1986

Theodore J. Forstmann

John R. Sprague

Steven B. Klinsky

Steven B. Klinsky

EXHIBIT A

UNANIMOUS WRITTEN CONSENT OF THE BOARD OF DIRECTORS OF SYBRON CORPORATION TO LIQUIDATE SYBRON CORPORATION PURSUANT TO A PLAN OF LIQUIDATION

The UNDERSIGNED, being all the members of the Board of Directors of Sybron Corporation, a New York corporation (the "Company"), in accordance with Section 708(b) of the Business Corporation Law of the State of New York, do hereby unanimously consent to the adoption of the following resolutions:

RESOLVED, that a plan of liquidation (the "Plan") be, and hereby is, formulated to effect a liquidation in accordance with Section 332 of the United States Internal Revenue Code of 1954, as amended, and the following Resolutions.

RESOLVED, that the date of adoption and the effective date of the Plan shall be the date of the adoption of these Resolutions.

RESOLVED, that, during the period of liquidation of the Company, due provision shall be made for any debts and liabilities of the Company.

RESOLVED, that the Company shall distribute to each shareholder (other than SC Acquisition Corp. No. 15) (subject to the authorization for adjustments set forth in the fourth succeeding Resolution) the assets listed opposite its name on Schedules A and B hereto or otherwise indicated as being allocated to such shareholder in Schedule C, in cancellation of each such holder's shares of Common Stock (except for the shares held by SC Acquisition Corp. No. 15).

RESOLVED, that the assets set forth in Schedules A and B or otherwise indicated as being allocated to each shareholder in Schedule C (subject to the authorization for adjustments set forth in the third succeeding Resolution) transferred pursuant to the preceding Resolution will be transferred subject to all related liabilities (excluding any liabilities listed in Schedules D and E), which shall be assumed by each such shareholder to which the assets are being transferred.

RESOLVED, that each shareholder (other than SC Acquisition Corp. No. 15) shall (subject to the authorization for adjustments set forth in the second succeeding Resolution) assume such other liabilities of the Company, or portion thereof, as is indicated as being allocated to such shareholder in Schedules D and E (not limited, however, to the specific dollar amounts set forth therein).

RESOLVED, that the Company shall effect the transfer to each shareholder (other than SC Acquisition Corp. No. 15) (subject to the authorization for adjustments set forth in the succeeding Resolution) of the assets listed opposite its name on Schedules A and B or otherwise indicated as being allocated to such shareholder in Schedule C and each such shareholder shall assume the related liabilities and the liabilities set forth in Schedules D and E by executing a Bill of Sale and Assignment and Assumption Agreement and other appropriate document between the Company and each such shareholder upon such terms and conditions as the proper officers of the Company may deem necessary or appropriate.

RESOLVED, that the proper officers of the Company be, and each of them hereby is, authorized to effect such adjustments in the allocation of assets and liabilities among the shareholders with due regard to the shareholders' proportionate ownership of shares of the Company as they may deem necessary or appropriate.

RESOLVED, that the Company hereby adopts an Agreement and Plan of Merger substantially in the form attached hereto as Exhibit I (the "Plan of Merger"), whereby the Company will, after the distributions of assets and assumptions of liabilities referred to in the preceding Resolutions, be merged with and into its sole remaining shareholder, SC Acquisition Corp. No. 15, on the effective date of the Plan of Merger.

RESOLVED, that the Directors and proper officers of the Company be, and each of them hereby is, directed and authorized, in the name and on behalf of the Company, to submit the Plan of Merger to SC Acquisition Corp. No. 15, as its sole shareholder, for its approval of the Plan of Merger after the cancellation of each holder's shares of Common Stock (except for the shares held by SC Acquisition Corp. No. 15) pursuant to the fourth Resolution herein adopted and, following all required approvals, to

execute and file a Certificate of Merger pursuant to Section 905 of the Business Corporation Law of the State of New York.

RESOLVED, that the actions provided for in the foregoing Resolutions be commenced immediately, and that the liquidation and subsequent merger of the Company be completed as soon as practicable, but in no event later than December 31, 1989.

RESOLVED, that any one or more officers of the Company be, and each of them individually hereby is, authorized and empowered, in the name and on behalf of the Company, to take any such action and to execute and deliver any and all such agreements, instruments and other documents which such officer, in his sole discretion, deems necessary or desirable to effectuate the purpose and intent of the foregoing Resolutions, the authority for the taking of such action to be conclusively evidenced by the execution and delivery of any such agreement or document.

RESOLVED, that these Resolutions may be executed in counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed these Resolutions this 11th day of July, 1986.

DIRECTORS

Kenneth F. Yontz

James McCulloch

John A. Sprague

execute and file a Certificate of Merger pursuant to Section 905 of the Business Corporation Law of the State of New York.

RESOLVED, that the actions provided for in the foregoing Resolutions be commenced immediately, and that the liquidation and subsequent merger of the Company be completed as soon as practicable, but in no event later than December 31, 1989.

RESOLVED, that any one or more officers of the Company be, and each of them individually hereby is, authorized and empowered, in the name and on behalf of the Company, to take any such action and to execute and deliver any and all such agreements, instruments and other documents which such officer, in his sole discretion, deems necessary or desirable to effectuate the purpose and intent of the foregoing Resolutions, the authority for the taking of such action to be conclusively evidenced by the execution and delivery of any such agreement or document.

RESOLVED, that these Resolutions may be executed in counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed these Resolutions this 11th day of July, 1986.

DIRECTORS

Kenneth F. Yontz

James McCulloch

John A. Sprague

## Schedule A

| Name | Assets |
|---|---|
| S.C. Acquisition Corp. No. 1 | Castle, Mediatech |
| S.C. Acquisition Corp. No. 2 | Nalge, Cryogenics, Tycos, Midwest, Sybron Salary Pension Reversion |
| S.C. Acquisition Corp. No. 3 | Erie Scientific |
| S.C. Acquisition Corp. No. 4 | Brinkman |
| S.C. Acquisition Corp. No. 5 | Barnstead |
| S.C. Acquisition Corp. No. 6 | Analytics |
| S.C. Acquisition Corp. No. 8 | Kerr |
| S.C. Acquisition Corp. No. 9 | Ormco |
| S.C. Acquisition Corp. No. 12 | Liebel-Flarsheim |
| S.C. Acquisition Corp. No. 15 | Corporate Headquarters |

---

* Wherever the name of a profit center is listed, the assets referred to are those used principally by that profit center, excluding any assets or the stock of any subsidiaries listed in Schedule B or any other assets listed in Schedule C.

Schedule B

Distribution of Stock of First Tier Subsidiaries

| Name | First Tier Subsidiaries |
|---|---|
| S.C. Acquisition No. 1 | Sybron Asia (Hong Kong) Ltd. |
| S.C. Acquisition No. 2 | Tycos de Juarez, S.A. de C.V.<br>Sybron Midwest B.V.<br>Bothnia Holdings, Inc. (Cayman Islands)<br>Karl Baisch Inc.<br>Sybron Suddeutsch GmbH |
| S.C. Acquisition No. 3 | Erie-Electroverre S.A.<br>Sybron Deutschland GmbH |
| S.C. Acquisition No. 4 | Brinkmann Instrumentenbau GmbH |
| S.C. Acquisition No. 8 | Sybron Italia S.p.A.<br>Sybron Asia Ltd.<br>Sybron (Europe) A.G.<br>Bothnia Holdings Inc. (Del)<br>Sybron Desenvolvimento Ltd.<br>Kerr GmbH |
| S.C. Acquisition No. 9 | Sybron Zuerich A.G.<br>Ormex S.A. de C.V. |
| S.C. Acquisition No. 10 | Sybron Canada Limited<br>Gamlen (Australasia) Pty. Ltd.<br>Gamlen (Japan) Limited<br>Gamlen Chemie (Nederland) B.V.<br>Sybron Ltd.<br>Gamlen Chemie GmbH<br>Gamlen Norway A/S |
| S.C. Acquisition No. 12 | Medical Research International, Inc. |
| S.C. Acquisition No. 13 | Sybron Chemicals Inc.<br>Sybron (Australia) Pty. Ltd.<br>Tanatex Colombiana Ltd.<br>Tanatex Mexicana, S.A. de C.V.<br>Sybron Chemie France S.A. |
| S.C. Acquisition No. 14 | Thermolyne Corporation |

Schedule B (Con't.)

S.C. Acquisition No. 15

Genesse Assurance Ltd.
Sybron Nederland B.V.
Sybron Dental Administration Inc. (NY)
Sybron Foreign Sales Corp. (Virgin Islands)
Sybron International Corp. (NY)
Sybron International Trade Corp. (NY)
Sybron Overseas Sales Corp. (Del)
Sybron Western Hemisphere, Inc. (NY)
Taylor Instrument Iberica S.A. (Spain) (in liquidation)
Chalbey Limited
Neptune Trustees Limited
Rochem Group S.A.
Creehouse Limited

| REF DESCRIPTION | TOTAL (000'S) | S.C. ACQ. CORP. NO. 1 | S.C. ACQ. CORP. NO. 2 | S.C. ACQ. CORP. NO. 3 | S.C. ACQ. CORP. NO. 4 | S.C. ACQ. CORP. NO. 5 | S.C. ACQ. CORP. NO. 6 | S.C. ACQ. CORP. NO. 8 | S.C. ACQ. CORP. NO. 9 | S.C. ACQ. CORP. NO. 10 | S.C. ACQ. CORP. NO. 12 | S.C. ACQ. CORP. NO. 13 | S.C. ACQ. CORP. NO. 14 | S.C. ACQ. CORP. NO. 15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ASSETS | | | | | | | | | | | | | | |
| CASH & MARKETABLE SEC. | 14,290 | | | | | | | | | | | | | 14,290 |
| RECEIVABLES | | | | | | | | | | | | | | |
| DIAMOND CHEM MTG - ST | 46 | | | | | | | | | 46 | | | | 0 |
| PROPERTIAL INSURANCE | 431 | | 105 | | | | | | 326 | | | | | |
| ALPHA R. LARDA | 138 | | 0 | | | | | | | 138 | | | | 0 |
| OTHER(INC. TX. REC.) | 4,495 | | 0 | 4,495 | | | | | | 0 | | | | 0 |
| OTHER CURRENT ASSETS | | | | | | | | | | | | | | |
| EXCESS PENSION ASSETS-TAYLOR | 65 | | 0 | | | | | | | 65 | | | | 0 |
| EXCESS PENSION ASSETS-HERITAGE | 2,000 | | | | | | | | | 2,000 | | | | 0 |
| OTHER REC.-DEMICHON | 250 | | 0 | | | | | | | 250 | | | | 0 |
| PREPAID INSURANCE | 944 | | 411 | 19 | 64 | 34 | 6 | 83 | 57 | | 97 | 153 | 20 | |
| OTHER | 145 | | 0 | | | | | | | 145 | | | | 0 |
| OTHER NON-CURRENT ASSETS | | | | | | | | | | | | | | |
| DEFERRED FINANCING COSTS | 8,000 | 542 | 2,106 | 239 | 1,063 | 108 | 14 | 735 | 609 | 299 | 405 | 1,566 | 178 | (34) |
| INVESTMENT IN US WHITE | 2,000 | | | | | | | 2,000 | | | | | | |
| DIAMOND CHEM MTG. - LT | 296 | | | | | | | | | 296 | | | | 0 |
| POTL JOINT VENTURE | 500 | | | | | | | | | | | | | 500 |
| PPSE - HISTORY | 350 | | | | | | | | | | | | | 350 |
| HERITAGE LAND (FRANKLIN) | 500 | | | | | | | | | 500 | | | | 0 |
| HERITAGE - DEMICHON LAND & BLDG. | 114 | | | | | | | | | 114 | | | | 0 |
| EQUITY INVEST. IN DEMENSE ASSURANCE | | | | | | | | | | | | | | |
| OTHER | 104 | | | | | | | | | 104 | | | | 0 |
| MORTGAGE/LEASEHOLD | 83 | | | | | | | | | 83 | | | | 0 |
| TOTAL | 35,639 | 542 | 2,702 | 4,753 | 1,127 | 142 | 20 | 2,818 | 1,082 | 4,848 | 502 | 1,719 | 198 | 15,186 |

| REF DESCRIPTION | TOTAL (000'S) | ACQ. COMP. NO. 1 | ACQ. CORP. NO. 2 | ACQ. CORP. NO. 3 | ACQ. CORP. NO. 4 | ACQ. CORP. NO. 5 | ACQ. CORP. NO. 6 | ACQ. CORP. NO. 8 | ACQ. CORP. NO. 9 | ACQ. CORP. NO. 10 | ACQ. CORP. NO. 12 | ACQ. CORP. NO. 13 | ACQ. CORP. NO. 14 | ACQ. CORP. NO. 15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LIABILITIES | | | | | | | | | | | | | | |
| PAYROLL WITHHOLDINGS (VAR. DIVS.) | 393 | | | | | | | | | | | | | 393 |
| CORP. ACCTS PAY. | 263 | | | | | | | | | | | | | 263 |
| ACCRUED INTEREST * | 1,633 | 111 | 447 | 49 | 217 | 22 | 3 | 150 | 143 | 61 | 83 | 320 | 36 | 171 |
| ACC. VACATION-CORP. EMPLOY. | 248 | | | | | | | | | | | | | 248 |
| ACC. SEVERENCE-CORP. | 8,395 | 670 | 2,054 | 519 | 8 | 195 | 47 | 761 | 929 | 781 | 238 | 1,242 | 162 | 797 |
| ACC SEVERENCE-ANALYTICS | 287 | | | | | | 287 | | | | | | | |
| ACC. EXEC. COMP-CORP. | 158 | | | | | | | | | | | | | 158 |
| TAX RESERVE | 10,000 | | 7,689 | 0 | | | | 1,625 | | | | | 686 | 0 |
| ACC. PROFESSIONAL FEES | 4,392 | | | | | | | | | | | | | 4,392 |
| ACC. DONATIONS | 296 | | | | | | | | | | | | | 296 |
| NET CLOSING RESERVES: | | | | | | | | | | | | | | |
| RITTER A.B. - RESERVE | 236 | | 236 | | | | | | | | | 2,078 | | |
| PFAUDLER RESERVES | 2,078 | | | | | | | | | | | | | |
| TAYLOR RESERVES | 12,355 | 0 | 0 | 0 | | 0 | | 0 | 0 | 0 | 0 | 12,355 | 0 | 0 |
| BENTICON RESERVES | 2,209 | | 0 | | | | | | 0 | | 2,209 | | | |
| RITTER (U.S.) RESERVE | 1,500 | | 0 | | | | | | | | 1,500 | | | 0 |
| NET DISCO RENTAL ASSETS | 3,327 | | 3,327 | | | | | 0 | | | | | | |
| PRUDENTIAL INSURANCE RESERVE | 498 | | 161 | 5 | 96 | 5 | 5 | 26 | 140 | | 30 | 20 | 10 | |
| PENSION LIAB. - CASTLE | 398 | 398 | | | | | | | | | | | | |
| PENSION LIAB. - KERR | 303 | | | | | | | 303 | | | | | | |
| PENSION LIAB. - L.F. | 368 | | | | | | | | | | 368 | | | |
| PENSION LIAB. - MIDWEST | 77 | | 77 | | | | | | | | | | | |
| PENSION LIAB. - THERMOLINE | 155 | | | | | | | | | | | | 155 | |
| PENSION LIAB. - BARNSTEAD | 110 | | | | | 110 | | | | | | | | |
| PENSION LIAB. - MALOE | 84 | | 84 | | | | | | | | | | | |
| PENSION LIAB. - CHROMEDICS | 11 | | 11 | | | | | | | | | | | |
| PENSION LIAB. - ERIE | 80 | | | 80 | | | | | | | | | | |
| TAYLOR CPD PLAN | 352 | | 352 | | | | | | | | | | | |
| SYDNOR/DENTAL UNIT PLAN | 906 | | 356 | | | | | 14 | 536 | | | | | |
| SYDNOR CANADA PENSION PLAN | | | | | | | | | | | | | | |
| TAX LEASE | 2,426 | 0 | 0 | | | | | 2,426 | 0 | | 0 | 0 | | |
| GENERAL INSURANCE RESERVED (PRO RATA) | 2,459 | 476 | 557 | 49 | 169 | 88 | 17 | 204 | 148 | 58 | 236 | 376 | 51 | 30 |
| OUTSTANDING RIGHTS | 6,945 | | | | | | | | | | | | | 6,945 |
| OTHER | 23 | | | | | | | | | | | | | 23 |
| TOTAL | 63,007 | 1,655 | 15,351 | 702 | 482 | 420 | 339 | 5,509 | 1,896 | 900 | 4,704 | 16,391 | 1,100 | 13,538 |

* Any difference in this amount (positive or negative) will be allocated among the shareholders in proportion to their ownership of shares of the Company.

| REF DESCRIPTION | TOTAL (000'S) | S.C. ACQ. CORP. NO. 1 | S.C. ACQ. CORP. NO. 2 | S.C. ACQ. CORP. NO. 3 | S.C. ACQ. CORP. NO. 4 | S.C. ACQ. CORP. NO. 5 | S.C. ACQ. CORP. NO. 6 | S.C. ACQ. CORP. NO. 8 | S.C. ACQ. CORP. NO. 9 | S.C. ACQ. CORP. NO. 10 | S.C. ACQ. CORP. NO. 12 | S.C. ACQ. CORP. NO. 13 | S.C. ACQ. CORP. NO. 14 | S.C. ACQ. CORP. NO. 15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Bank Debt and/or Refinanced Bank Debt used to S.C. Acquisition Corp. | 211,753 * | 15,382 | 51,811 | 12,042 | 26,857 | 3,218 | 177 | 19,194 | 20,671 | 19,078 | 7,295 | 30,008 | 4,343 | 1,299 |

* Any difference from this amount (positive or negative) will be allocated among the shareholders in proportion to their ownership of shares of the Company.

EXHIBIT I

# AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER dated July __ 1986 (this "Agreement") between Sybron Corporation, a New York corporation ("Sybron"), and SC Acquisition Corp. No. 15, a Delaware corporation ("Corp. No. 15"). Sybron and Corp. No. 15 are hereinafter sometimes collectively called the "Constituent Corporations."

WHEREAS, the authorized capital stock of Sybron consists of: 1,435,754 shares of $2.40 Convertible Preferred Stock, par value $4.00 per share, of which 515,197 shares are treasury shares; 6,000,000 shares of Class A Preference Stock, par value $1.00 per share, none of which shares are issued; and, 20,000,000 shares of Common Stock, par value $2.50 per share, of which 9,200 are issued, outstanding, and owned by Corp. No. 15;

WHEREAS, the authorized capital stock of Corp. No. 15 consists of 1,000 shares of Common Stock, par value $.01 per share ("Corp. No. 15 Common Stock"), of which 100 shares are issued, outstanding, and owned by SC Acquisition Corp., a Delaware corporation ("SC Acquisition");

WHEREAS, the respective Boards of Directors of each of the Constituent Corporations deem it advisable and to the welfare and advantage of each of the Constituent Corporations and their respective stockholders that the Constituent Corporations merge under and pursuant to the Business Corporation Law of the State of New York and the General Corporation Law of the State of Delaware into a single corporation, to wit, Corp. No. 15, which shall be the surviving corporation (such corporation in its capacity as such surviving corporation being hereinafter sometimes called the "Surviving Corporation"), and have approved this Agreement and the merger contemplated hereby (the "Merger");

Accordingly, the parties hereto hereby agree in accordance with the Business Corporation Law of the State of New York and the General Corporation Law of the State of Delaware that, upon the filing of a Certificate of Merger in the form of Exhibit I-A attached hereto and a Certificate of Ownership and Merger in the form of Exhibit I-B attached hereto (the date and time of the later such event being the effective date), Sybron shall merge into Corp. No. 15, and the parties hereto adopt and agree to the following agreements, terms and conditions relating to the Merger and the mode of carrying the Merger into effect:

1. Name of Surviving Corporation, Certificate of Incorporation, Share Information, By-Laws, Directors and Officers.

1.1. Name of Constituent Corporations. The name of the Constituent Corporations are Sybron Corporation and "SC Acquisition Corp. No. 15."

1.2. Name of Surviving Corporation. The name of the Surviving Corporation after the Effective Date shall be SC Acquisition Corp. No. 15.

1.3. Certificate of Incorporation. On the Effective Date, the Certificate of Incorporation of Corp. No. 15, as in effect on the date hereof, shall, from and after the Effective Date, be and continue to be the Certificate of Incorporation of the Surviving Corporation until amended as provided by law.

1.4. By-Laws. The By-Laws of Corp. No. 15 shall, from and after the Effective Date, be and continue to be the By-Laws of the Surviving Corporation until amended as therein provided.

1.5. Directors and Officers. The directors and officers of the Surviving Corporation from and after the Effective Date shall be those directors and officers of Corp. No. 15 in office on the Effective Date, each of whom shall hold office in the Surviving Corporation until his respective successor is elected and shall qualify in accordance with law and the By-Laws of the Surviving Corporation.

1.6. Vacancies. If, on or after the Effective Date, a vacancy exists in the Board of Directors or in any of the offices of the Surviving Corporation by reason of death or inability or refusal to act, or for any other reason, such vacancy may be filled in the manner provided in the By-Laws of the Surviving Corporation.

2. Status of Securities of Constituent Corporations.

2.1. Corp. No. 15 Common Stock. The shares of capital stock of Corp. No. 15 outstanding on the Effective Date shall continue as shares of capital stock of the Surviving Corporation.

2.2. Sybron Common Stock. On the Effective Date, each then outstanding share of Sybron shall, by virtue of the Merger, automatically be cancelled and be converted into and represent solely the right of the holder thereof to receive in exchange therefor one share of Common Stock par value $.01

per share, of the Surviving Corporation. From and after the Effective Date, (a) the holder of certificates theretofore representing outstanding shares of Sybron shall cease to have any rights in respect of such shares except the right to receive payment therefor upon surrender thereof as hereinafter provided, and (b) no transfer of any shares of Sybron shall be made on the stock transfer books of the Surviving Corporation.

2.3. Surrender of Sybron Stock Certificates. Upon surrender in good delivery form of any certificate theretofore representing outstanding shares of Sybron to the Surviving Corporation, or such other bank or trust company designated by the Surviving Corporation (hereinafter called the "Exchange Agent"), such holder shall be entitled to receive in exchange therefor certificates representing the number of whole shares of Common Stock of the Surviving Corporation into which such shares of Sybron have been converted. If delivery is to be made to a person other than the person in whose name the surrendered certificate is registered, it shall be a condition of such delivery that the certificate so surrendered shall be properly endorsed or otherwise be in proper form for transfer, and that the person requesting such delivery shall pay to the Exchange Agent any transfer or other taxes payable by reason of the issuance in a name other than the name of the registered holder of the certificate surrendered to establish to the satisfaction of the Exchange Agent that such tax has been paid or is not applicable.

Until so surrendered and exchanged and the certificates theretofore representing outstanding shares of Sybron shall be deemed for all purposes, other than the payment of dividends or other distributions, if any, to shareholders, to represent the number of whole shares of Common Stock of the Surviving Corporation into which the outstanding shares of Sybron Common Stock theretofore represented and thereby shall have been converted. No dividend or other distributions, if any, payable to holders of record or other distributions, if any, payable to holders of record of shares of Common Stock of the Surviving Corporation as of any date subsequent to the Effective Date shall be paid to the holders of unsurrendered certificates theretofore representing outstanding shares of Sybron; provided, however, that upon surrender and exchange of such certificates theretofore representing outstanding shares of Sybron there shall be paid to the record holders of the certificates issued in exchange therefor, the amount, without interest thereon, of dividends and other distributions, if any, which theretofore have become payable with respect to the number of whole shares of Common Stock of the Surviving Corporation represented thereby.

3. Miscellaneous.

3.1. Termination of Merger. At any time prior to the Effective Date, (a) this Agreement may be terminated by mutual agreement of the Boards of Directors of both of the Constituent Corporations notwithstanding approval of this Agreement by the sole stockholder of either or both of the Constituent Corporations.

3.2. Effect of Merger. From and after the Effective Date, the status, rights and liabilities of, and the effect of the Merger on, each of the Constituent Corporations and the Surviving Corporation shall be as provided in Section 906 of the Business Corporation Law of the State of New York and Section 259 of the General Corporation Law of the State of Delaware. At any time, and from time to time after the Effective Date, the last acting officers of Sybron, or the corresponding officers of the Surviving Corporation, may, in the name of Sybron, execute and deliver all such proper deeds, assignments, and other instruments and take or cause to be taken all such further or other action as the Surviving Corporation may deem necessary or desirable in order to vest, perfect, or confirm in the Surviving Corporation title to and possession of all of Sybron's property, rights, privileges, powers, franchises, immunities, and interests and otherwise to carry out the purposes of this Agreement and the Merger.

3.3. Execution in Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been executed by each of the Constituent Corporations by its President and witnessed by its Assistant Secretary under its corporate seal, as of the date first above written.

SYBRON CORPORATION

By: _____
Kenneth F. Yontz
President

Corporate Seal

ATTEST: _____
R. Jeffrey Harris
Assistant Secretary

SC Acquisition Corp. No. 15

By _____
Steven B. Klinsky
President and Treasurer

Corporate Seal

ATTEST: _____
Winston W. Hutchins
Assistant Secretary

I, R. JEFFREY HARRIS, Assistant Secretary of Sybron Corporation, a New York corporation (the "Company"), certify that the foregoing Agreement and Plan of Merger was adopted and approved by the Board of Directors of the Company and executed and acknowledged by the President of the Company and attested by the Assistant Secretary of the Company under its corporate seal. Thereafter, such Agreement and Plan of Merger was adopted by the sole shareholder of the Company by written consent.

IN WITNESS WHEREOF, I have hereunto signed my name as Assistant Secretary of the Company and affixed the seal of the Company on July ___, 1986.

R. Jeffrey Harris
Assistant Secretary

Corporate Seal

The foregoing Agreement and Plan of Merger, having been adopted by SC Acquisition Corp. No. 15, a Delaware corporation, pursuant to Section 253 of the General Corporation Law of the State of Delaware and Sybron Corporation, a New York corporation, and the fact of the adoption thereof as aforesaid having been duly certified thereon by the Assistant Secretary of SC Acquisition Corp. No. 15 and by the Assistant Secretary of Sybron Corporation, respectively, all in accordance with law, said Agreement and Plan of Merger is hereby executed by the President of SC Acquisition Corp. No. 15 and the President of Sybron Corporation and attested by the Assistant Secretary of each of said Corporations thereunto duly authorized, under its respective corporate seal, on July ___, 1986.

SC Acquisition Corp. No. 15

By_____
Steven B. Klinsky
President and Treasurer

Corporate Seal

ATTEST:

_____
Winston W. Hutchins
Assistant Secretary

Sybron Corporation

By:_____
Kenneth F. Yontz
President

Corporate Seal

ATTEST:

_____
R. Jeffrey Harris
Assistant Secretary

UNANIMOUS WRITTEN CONSENT OF SHAREHOLDERS
OF SYBRON CORPORATION TO LIQUIDATE SYBRON
CORPORATION PURSUANT TO A PLAN OF LIQUIDATION

The UNDERSIGNED, being all the shareholders (collectively, the "Companies") of Sybron Corporation, a New York corporation, in accordance with Section 615 of the Business Corporation Law of the State of New York, do hereby unanimously consent to the adoption of the following resolutions:

RESOLVED, that the plan of liquidation (the "Plan") as adopted by the Board of Directors of Sybron Corporation on July 11, 1986, and set forth in the Resolutions attached hereto as Exhibit A be, and it hereby is, adopted.

RESOLVED, that the Board of Directors and officers of each of the Companies are hereby authorized to take any and all such further actions considered by them necessary or desirable to carry out the provisions of the Plan.

RESOLVED, that these Resolutions may be executed in counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed these Resolutions this 11th day of July, 1986.

By: Steven B. Klinsky
Steven B. Klinsky
President

SC Acquisition Corp. No. 1
SC Acquisition Corp. No. 2
SC Acquisition Corp. No. 3
SC Acquisition Corp. No. 4
SC Acquisition Corp. No. 5
SC Acquisition Corp. No. 6
~~SC Acquisition Corp. No. 7~~
SC Acquisition Corp. No. 8
SC Acquisition Corp. No. 9
SC Acquisition Corp. No. 10
~~SC Acquisition Corp. No. 11~~
SC Acquisition Corp. No. 12
SC Acquisition Corp. No. 13
SC Acquisition Corp. No. 14
SC Acquisition Corp. No. 15

# Tax Sharing Agreement

Agreement, dated as of July 11, 1986, among Sybron Corporation and the corporations listed on Schedule A hereto (the "Subsidiaries").

Whereas, each Subsidiary is a direct wholly-owned subsidiary of Sybron and is included in the same consolidated federal income tax returns as Sybron.

Whereas, Sybron and each Subsidiary desire to establish an arrangement whereby the consolidated federal and any combined or consolidated state or local income tax returns which include Sybron and the Subsidiary will be prepared by Sybron and the income tax liabilities of each Subsidiary covered by such returns will be determined and paid by Sybron and rebilled to the Subsidiary for settlement.

Now, therefore, Sybron and each Subsidiary agree as follows:

1. Preparation and Filing of Tax Returns by Sybron. Sybron shall prepare and timely file, or shall cause the preparation and timely filing of all appropriate consolidated federal and any combined or consolidated state and local income tax returns which include Sybron and the Subsidiary.

2. Payment of Taxes. Sybron shall pay or cause to be paid all income taxes, interest and penalties due with respect to federal, state or local income tax returns relating to income covered by the returns for which Sybron has filing responsibility pursuant to paragraph 1 hereof.

3. Billing of Taxes by Sybron to the Subsidiaries. Sybron shall determine the income taxes, interest and penalties to be billed to each Subsidiary as if each Subsidiary and its subsidiaries were a separate and independent taxpayer. Each Subsidiary will settle the liability to Sybron for the amount of taxes, interest and penalties so determined by means of the intercompany loan account between the Subsidiary and Sybron.

4. Conduct of Audits and Disputes. Sybron and its duly appointed representatives shall have the sole right to supervise or otherwise coordinate any examination process and to negotiate, resolve, settle and contest and tax deficiencies or assert and prosecute any claim for refund relating to returns for which Sybron has filing responsibility pursuant to paragraph 1 hereof.

5. Adjustments and Refunds. Any additional tax liability arising from adjustments relating to returns covered by this agreement and any refunds of taxes relating to such returns shall be billed to or credited, as the case may be, to the account of the Subsidiary to which the adjustment relates.

6. Effective Date. This agreement shall be effective with respect to taxable years ending on or after December 31, 1986.

SYBRON CORPORATION

By: _____

Title: VP

Exhibit A

CASTLE COMPANY

By:_____
Title: Vice President

NALGE COMPANY

By:_____
Title: Vice President

ERIE SCIENTIFIC COMPANY

By:_____
Title: Vice President

BARNSTEAD COMPANY

By:_____
Title: Vice President

SERVOMEX COMPANY

By:_____
Title: Vice President

KERR MANUFACTURING COMPANY

By:_____
Title: Vice President

ORMCO CORPORATION

By:_____
Title: Vice President

SYBRON COMMONWEALTH HOLDINGS, INC.

By: _____

Title: Vice President

SYBRON CHEMICAL HOLDINGS, INC.

By: _____

Title: Vice President

THERMOLYNE HOLDINGS, INC.

By: _____

Title: Vice President

SYBRON TRANSITION CORP.

By: _____

Title: Vice President

SC ACQUISITION CORP. NOS. 16-19

By: Steven B. Klinsky

Title: President

MINUTES OF A MEETING
OF THE BOARD OF DIRECTORS
OF SC ACQUISITION CORP. NO. 15

July 22, 1986

A meeting of the Board was held on July 22, 1986 at the offices of the Corporation, with all directors present. Mr. Klinsky was appointed to serve as secretary for the meeting. After full discussion and upon motion duly made and seconded, the following resolutions were unanimously approved.

> RESOLVED, that the Credit Agreement dated as of July 23, 1986 (the "Credit Agreement"), among SC Acquisition Corp., the Corporation, the banks party thereto (the "Banks") and Manufacturers Hanover Trust Company, as agent for the Banks (the "Agent"), the Subsidiary Guarantee, dated as of July 23, 1986, made by the Corporation in favor of the Agent, as agent for the Banks, and the Subco Pledge Agreement dated as of July 23, 1986 (the "Pledge Agreement"), made by the Corporation in favor of the Agent, as agent for the Banks, (collectively, the "Agreements"), all of the foregoing in the forms presented to the Board of Directors, and all of the transactions contemplated by the Agreements, including without limitation the borrowings by SC Acquisition Corp. contemplated by the Credit Agreement, and the pledge contemplated by the Pledge Agreement, be, and they hereby are, approved; and that all of the officers of the Corporation be, and each of them individually hereby is, authorized and directed to execute and deliver the Agreements, substantially in the form attached hereto, with such changes and additions thereto as the officer executing the Agreements shall approve and such

execution of the Agreements by such officer shall be conclusive evidence of such approval;

RESOLVED, that in addition to the specific authorizations heretofore conferred upon the proper officers of the Corporation, these officers are hereby authorized and empowered to do or cause to be done any and all such further acts and things, including the execution and delivery of any and all such further papers, documents and instruments as they may deem necessary or appropriate in order to carry out the intent and to accomplish the purposes of the foregoing resolutions.

Steven B. Klinsky

Steven B. Klinsky

UNANIMOUS WRITTEN CONSENT

OF DIRECTORS

of

SC ACQUISITION CORP. NO. 15

Pursuant to Section 141(f) of the
General Corporation Law of Delaware

The undersigned, being all of the directors of SC Acquisition Corp. No. 15 (the "Corporation"), hereby consent to the adoption of the following resolutions:

RESOLVED, that, as the Board of Directors finds the following amendment to the Corporation's Certificate of Incorporation to be advisable, such amendment be proposed to the sole stockholder of the Corporation for its consent pursuant to Section 228(a) of the General Corporation Law of Delaware:

> RESOLVED, that the Certificate of Incorporation of the Corporation be amended by changing Article 1 thereof so that, as amended, said Article shall be and read as follows:
>
> "The name of the Corporation is Sybron Transition Corp."

RESOLVED, that subject to the giving of consent to such amendment by the stockholder of the Corporation, the appropriate officers of the Corporation be, and they hereby are, authorized and directed to file a Certificate of Amendment

of the Certificate of Incorporation of the Corporation with the Secretary of State of Delaware setting forth such amendment in accordance with the provisions of Section 242 of the General Corporation Law of Delaware.

This Unanimous Written Consent may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

Dated: July 25, 1986

Theodore J. Forstmann

John A. Sprague

Steven B. Klinsky

WRITTEN CONSENT IN LIEU OF MEETING

OF SOLE STOCKHOLDER

of

SC AcQUISITION CORP. NO. 15

Pursuant to Section 228 of the
General Corporation Law of Delaware

The undersigned, being the sole stockholder of SC Acquisition Corp. No. 15, a Delaware corporation (the "Corporation"), hereby consents to the adoption of the following resolution:

> RESOLVED, that the Certificate of Incorporation of the Corporation be amended by changing Article 1 thereof so that, as amended, said Article shall be and read as follows:
>
> "The name of the Corporation is Sybron Transition Corp."

Dated: July 25, 1986

SC Acquisition Corp.

By: _____
John A. Sprague
Vice President

# State of Delaware

## Office of Secretary of State

I, MICHAEL RATCHFORD, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF OWNERSHIP OF SYBRON TRANSITION CORP., A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, MERGING SYBRON CORPORATION A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF NEW YORK, PURSUANT TO SECTION 253 OF THE GENERAL CORPORATION LAW OF THE STATE OF DELAWARE, AS RECEIVED AND FILED IN THIS OFFICE THE SIXTH DAY OF AUGUST, A.D. 1986, AT 10 O'CLOCK A.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CORPORATION SHALL BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE.

* * * * * * * * * * *

922805175

SECRETARY OF STATE

AUTHENTICATION: *3616931

DATE: 10/07/1992

3602180183

FILED 10 AM

AUG 6 1986

SECRETARY OF STATE

CERTIFICATE OF OWNERSHIP AND MERGER

MERGING

SYBRON CORPORATION

INTO

SYBRON TRANSITION CORP.

UNDER SECTION 253 OF THE DELAWARE GENERAL CORPORATION LAW

The undersigned, a Delaware corporation

DOES HEREBY CERTIFY

First: The name and state of incorporation of each of the constituent corporations is as follows:

| Name | State of Incorporation | Date of Incorporation |
|---|---|---|
| Sybron Transition Corp. | Delaware | February 6, 1986 |
| Sybron Corporation | New York | November 1, 1965 |

Second: Sybron Transition Corp. ("Sybron Transition") owns all of the issued and outstanding shares of common stock of Sybron Corporation.

Third: On July 11, 1986, the Board of Directors of Sybron Transition adopted, by the unanimous written consent of its members, the resolutions attached hereto as Exhibit A which are incorporated herein by reference.

Fourth: The Merger contemplated herein was approved by SC Acquisition Corp., a Delaware corporation and the sole stockholder of Sybron Transition, by written consent dated July 11, 1986, pursuant to Section 228(a) of the Delaware General Corporation Law.

Fifth: The Certificate of Incorporation of Sybron Transition shall constitute the Certificate of Incorporation of the surviving corporation.

Sixth: This Certificate of Ownership and Merger shall be effective upon its filing date.

Dated: July 31st, 1986

SYBRON TRANSITION CORP.

By: Steven B. Klinsky
Steven B. Klinsky
President

Attest:

By: Winston W. Hutchins
Winston W. Hutchins
Assistant Secretary



60093

EXHIBIT A

UNANIMOUS WRITTEN CONSENT OF THE BOARD OF DIRECTORS OF SYBRON TRANSITION CORP.

Pursuant to Section 141(f) of the General Corporation Law of the State of Delaware

The UNDERSIGNED, being all the members of the Board of Directors of Sybron Transition Corp., a Delaware corporation (the "Company"), do hereby unanimously consent to the adoption of the following resolutions:

RESOLVED, that, pursuant to Section 251 of the General Corporation Law of Delaware, Sybron Corporation ("Sybron") be merged into the Company in accordance with the terms of the Agreement and Plan of Merger attached hereto as Exhibit A (the "Merger Agreement").

RESOLVED, that the officers of the Company be, and they hereby are authorized and directed to execute, verify or acknowledge and file on behalf of the Company with respect to the Merger the Merger Agreement in accordance with Section 251 of the General Corporation Law of Delaware.

RESOLVED, that any one or more of the officers of the Company be, and each of them individually hereby is, directed and authorized, in the name and on behalf of the Company, to take or cause to be taken any and all such action, to execute and deliver any and all agreements, instruments and other documents, in the name and on behalf of the Company or

documents, in the name and on behalf of the Company or otherwise, and to submit such other matters to the stockholders of the Company, as such officer, in his sole discretion, deems necessary or desirable to effectuate the purpose and intent of the foregoing resolutions, the authority for the taking of such action to be conclusively evidenced by the execution and delivery of any such agreement or document.

IN WITNESS WHEREOF, the undersigned have executed these Resolutions this 31st day of July, 1986.

DIRECTORS

Theodore J. Forstmann

John A. Sprague

Steven B. Klinsky



0005

# Apostille

*(Convention de La Haye du 5 octobre 1961)*

1. *Country: United States of America*

2. *This public document has been signed by* Michael Ratchford

3. *acting in the capacity of* Secretary of State of Delawaware

4. *bears the seal/stamp of* Office of Secretary of State

## Certified

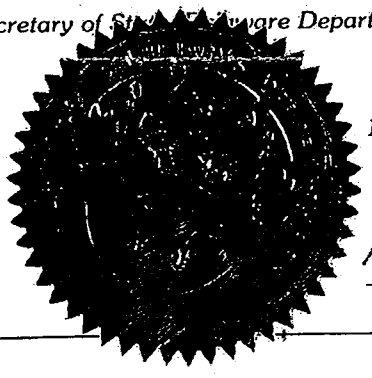
5. *at Dover, Delaware*

6. *the* seventh day of October, A.D. 1992.

7. *by (~~Acting~~) Secretary of State of Delaware Department of State*

8. *No.* 19991

9. *Seal/Stamp:*



10. *Signature:*

Michael Ratchford

Exhibit 8

Skill Dex
RECYCLED

14304

State of Delaware

# Office of Secretary of State

I, MICHAEL HARKINS, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF SC ACQUISITION CORP. FILED IN THIS OFFICE ON THE TWELFTH DAY OF AUGUST, A.D. 1986, AT 10 O'CLOCK A.M.

Michael Harkins, Secretary of State

AUTHENTICATION: 0912122

DATE: 08/12/1986

736220011

7362200 11

BOOK 402 PAGE 68

FILED

AUG 12 1986

10 AM

SECRETARY OF STATE

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

OF

SC ACQUISITION CORP.

SC Acquisition Corp. the ("Corporation"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "GCL"), does hereby certify that:

FIRST. The Board of Directors of the Corporation by the unanimous written consent of its members, filed with the minutes of the Board, adopted a resolution proposing and declaring advisable the following amendment to the Certificate of Incorporation of the Corporation:

> RESOLVED, that the Certificate of Incorporation of the Corporation be amended by changing Article 1 thereof so that, as amended, said Article shall be and read as follows:
>
> "The name of the Corporation is Sybron Corporation."

SECOND. In lieu of a meeting and vote of stockholders, the sole stockholder has given written consent to such amendment in accordance with the provisions of Section 228(a) of the GCL.

THIRD. Such amendment was duly adopted in accordance with the applicable provisions of Section 242 of the GCL.

IN WITNESS WHEREOF, the Corporation has caused this certificate to be executed on this 8th day of August, 1986.

By: Steven B. Klinsky
Steven B. Klinsky
President

ATTEST:

John A. Sprague
Secretary

RECEIVED FOR RECORD
AUG 15 1986
LEO J. DUGAN, Jr., Recorder

Exhibit 9

Smith Dex
RECYCLED

Deloitte
Haskins+Sells

# SYBRON

PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
AS OF MAY 31, 1987
AND AUDITORS' REPORT

* * * * *

CONSOLIDATED FINANCIAL STATEMENTS FOR THE
FIVE-MONTH PERIOD ENDED MAY 31, 1987
AND AUDITORS' OPINION

SYBRON CORPORATION

Pro Forma Condensed Consolidated
Balance Sheet as of May 31, 1987
and Auditors' Report

Deloitte
Haskins+Sells

411 Hackensack Avenue
Hackensack, New Jersey 07601-6367
(201) 342-9300
ITT Telex: 4995616

AUDITORS' REPORT

Sybron Corporation:

We have examined the consolidated financial statements of Sybron Corporation for the five-month period ended May 31, 1987 and have issued our opinion thereon dated July 10, 1987 (included elsewhere herein). We have also reviewed the pro forma adjustments reflected in the accompanying pro forma condensed consolidated balance sheet of Sybron Corporation as of May 31, 1987 and, in our opinion, such adjustments have been properly applied in the pro forma condensed consolidated balance sheet.

Deloitte Haskins + Sells

July 10, 1987

SYBRON CORPORATION

PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
MAY 31, 1987
(In thousands)

| | Actual | Pro Forma Adjustments | Pro Forma |
|---|---|---|---|
| ASSETS: | | | |
| Cash | $ 8,810 | $ (8,810)(a) | $ - |
| Other current assets | 88,303 | - | 88,303 |
| Property, plant and equipment, net | 72,627 | - | 72,627 |
| Deferred financing costs | 4,396 | (4,396)(b) | - |
| Other | 20,590 | - | 20,590 |
| Net assets of operations held for disposition | 102,899 | (102,899)(c) | - |
| Total | $297,625 | $(116,105) | $181,520 |
| LIABILITIES AND STOCKHOLDERS' EQUITY: | | | |
| Current liabilities | $ 61,599 | $ (2,147)(b) | $ 59,452 |
| Long-term debt | 171,160 | (165,132)(b) | 6,028 |
| Other liabilities | 19,816 | - | 19,816 |
| Stockholders' equity | 45,050 | 51,174 | 96,224 |
| Total | $297,625 | $(116,105) | $181,520 |

See notes to pro forma condensed consolidated balance sheet.

SYBRON CORPORATION

NOTES TO PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

1. BASIS OF PRESENTATION

On June 1, 1987, the Company's shareholders announced their intention to sell all of the issued and outstanding shares of capital stock of the Company. The pro forma condensed consolidated balance sheet reflects the assets and liabilities, as of May 31, 1987, to be sold under the terms of sale being proposed by the Company's shareholders.

2. PRO FORMA ADJUSTMENTS

The following pro forma adjustments are made to eliminate the assets not being sold and liabilities not being transferred pursuant to the terms of sale being proposed by the Company's shareholders:

(a) Elimination of cash.

(b) Elimination of debt under the Bank Credit Agreement with a group of financial institutions for which Manufacturers Hanover Trust Company serves as Administrative Agent, and related deferred financing costs of $4,396,000 and accrued interest of $2,147,000.

(c) Elimination of net assets of operations held for disposition.

# SYBRON CORPORATION

Consolidated Financial Statements for the
Five-Month Period Ended May 31, 1987
and Auditors' Opinion

Deloitte
Haskins+Sells

411 Hackensack Avenue
Hackensack, New Jersey 07601-6367
(201) 342-9300
ITT Telex: 4995616

AUDITORS' OPINION

Sybron Corporation:

We have examined the consolidated balance sheet of Sybron Corporation and subsidiaries as of May 31, 1987 and the related consolidated statements of income and retained earnings and of changes in financial position for the five-month period then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, such consolidated financial statements present fairly the financial position of Sybron Corporation and subsidiaries at May 31, 1987 and the results of their operations and the changes in their financial position for the five-month period then ended, in conformity with generally accepted accounting principles which, except for the change, with which we concur, in the method of accounting for pensions as described in Note 8, have been applied on a basis consistent with that of the preceding period.

Our examination was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplemental consolidating information is presented for purposes of additional analysis of the basic consolidated statement of income rather than to present the results of operations of the individual operating units. Such supplemental consolidating information has been subjected to the auditing procedures applied in the examination of the basic consolidated financial statements and, in our opinion is fairly stated in all material respects when considered in relation to the consolidated financial statements taken as a whole.

Deloitte Haskins & Sells

July 10, 1987

SYBRON CORPORATION

CONSOLIDATED BALANCE SHEET
MAY 31, 1987
(In thousands)

| ASSETS | Notes | | LIABILITIES AND STOCKHOLDERS' EQUITY | Notes | |
|---|---|---|---|---|---|
| CURRENT ASSETS: | | | CURRENT LIABILITIES: | | |
| Cash | | $ 8,810 | Accounts payable | | $ 10,160 |
| Accounts receivable (less allowance for doubtful accounts of $1,719) | | 43,236 | Accrued payroll and employee benefits | | 15,915 |
| Inventories - net | 1,3 | 39,683 | Other accrued liabilities | | 19,595 |
| Prepaid and other current assets | | 5,384 | Income taxes payable | 1 | 15,929 |
| Total current assets | | 97,113 | Total current liabilities | | 61,599 |
| PROPERTY, PLANT AND EQUIPMENT - net | 1,4 | 72,627 | LONG-TERM DEBT | 6 | 171,160 |
| | | | OTHER LIABILITIES | 7,8 | 19,816 |
| OTHER ASSETS: | | | STOCKHOLDERS' EQUITY: | | |
| Intangible assets | 1,5 | 18,926 | Common stock, $.01 par value: | 10 | |
| Deferred financing costs | | 4,396 | Class A, authorized, issued and outstanding, 202,000 shares | | 2 |
| Other noncurrent assets | | 1,664 | Class B, authorized, 48,000 shares; issued and outstanding, 40,940 shares | | - |
| Total other assets | | 24,986 | Additional paid-in capital | | 24,877 |
| | | | Retained earnings | | 11,791 |
| NET ASSETS OF OPERATIONS HELD FOR DISPOSITION | 2 | 102,899 | Cumulative translation adjustment | 1,9 | 8,380 |
| | | | Total stockholders' equity | | 45,050 |
| TOTAL ASSETS | | $297,625 | TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | | $297,625 |

See notes to consolidated financial statements.

SYBRON CORPORATION

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE FIVE-MONTH PERIOD ENDED MAY 31, 1987
(In thousands)

| | Notes | |
|---|---|---|
| NET SALES | | $103,320 |
| COST OF SALES | | 56,497 |
| GROSS PROFIT | | 46,823 |
| SELLING, GENERAL AND ADMINISTRATIVE EXPENSES | | 30,941 |
| OPERATING INCOME | | 15,882 |
| OTHER INCOME (EXPENSE): | | |
| Interest income (expense) - net | | (4,087) |
| Other - net | | (461) |
| INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES | | 11,334 |
| INCOME TAXES | 1,11 | 5,818 |
| INCOME FROM CONTINUING OPERATIONS | | 5,516 |
| INCOME FROM DISCONTINUED OPERATIONS (net of applicable taxes of $197) | 2 | 241 |
| NET INCOME | | 5,757 |
| RETAINED EARNINGS AT BEGINNING OF PERIOD | | 6,034 |
| RETAINED EARNINGS AT END OF PERIOD | | $ 11,791 |

See notes to consolidated financial statements.

SYBRON CORPORATION

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE FIVE-MONTH PERIOD ENDED MAY 31, 1987
(In thousands)

| | |
|---|---|
| CASH PROVIDED (USED) BY CONTINUING OPERATIONS: | |
| Income from continuing operations | $ 5,516 |
| Items not providing cash: | |
| Depreciation | 4,096 |
| Amortization | 1,255 |
| Total | 10,867 |
| Changes in operating working capital: | |
| Accounts receivable | (7,850) |
| Inventories | 4,483 |
| Prepaid and other current assets | 5,728 |
| Accounts payable | (1,262) |
| Accrued payroll and employee benefits | (4,158) |
| Other accrued liabilities | (8,520) |
| Income taxes payable | 4,880 |
| Net cash provided by continuing operations | 4,168 |
| FINANCING ACTIVITIES: | |
| Retirement of common stock | (52) |
| Reduction of long-term debt | (52,616) |
| Total | (52,668) |
| INVESTING ACTIVITIES: | |
| Additions to property, plant and equipment | (3,034) |
| Dispositions of property, plant and equipment | 1,907 |
| Operations held for disposition: | |
| Proceeds of sales | 34,900 |
| Income and other changes in net assets | 17,301 |
| Other, net | (5,035) |
| Total | 46,039 |
| DECREASE IN CASH | $ 2,461 |

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Effective February 27, 1986, SC Transco Corp. ("Transco"), an indirect wholly-owned subsidiary of SC Acquisition Corp. ("SC Acquisition"), acquired substantially all of the outstanding publicly held common and preferred shares of Sybron Corporation ("Old Sybron") in a leveraged buyout transaction undertaken by Forstmann Little & Co. (the "Acquisition"). The Acquisition was made in exchange for cash consideration of $26.25 per share of common stock and $42.00 per share of $2.40 convertible preferred stock. The total cost of the Acquisition, including related fees and expenses of $25,939,000 and repayments/assumptions of certain existing indebtedness of Old Sybron aggregating $97,531,000, amounted to $367,802,000.

On May 6, 1986, Transco was merged into Old Sybron and, during July 1986, such merged company was liquidated into wholly-owned subsidiaries of SC Acquisition. The name of SC Acquisition was then changed to Sybron Corporation ("Sybron" or the "Company").

The Acquisition was accounted for under the purchase method of accounting. The total purchase price was allocated to the assets acquired and liabilities assumed of Old Sybron in accordance with generally accepted accounting principles as required by Accounting Principles Board Opinion No. 16. Adjustments to the carrying value of Old Sybron's net assets to record them at their fair value at the date of the Acquisition are summarized below:

| | (in thousands) |
|---|---|
| Net assets of Old Sybron at date of Acquisition (after debt repayments/ assumptions) | $ 220,122 |
| Adjustments of assets and liabilities to fair value: | |
| Inventories | 12,292 |
| Property, plant and equipment | 28,036 |
| Intangibles | 17,004 |
| Net assets of operations held for sale | 52,845 |
| Pension reversion receivable, net of tax | 20,236 |
| Litigation settlement receivable, net of tax | 7,000 |
| Other-net | 10,267 |
| Total | $ 367,802 |

For Federal income tax purposes, Sybron elected under Internal Revenue Code Section 338 not to increase the historical tax basis of Old Sybron's assets and liabilities. Accordingly, increased expenses resulting from fair value adjustments made for accounting purposes as described previously will generally not provide a corresponding reduction in the provision for income taxes.

Principles of Consolidation - The financial statements reflect the accounts of the Company and its subsidiaries. All significant intercompany balances and activity have been eliminated.

Inventories are stated at the lower of cost or market. Substantially all domestic inventories are valued on the last-in, first-out method. Other inventories are valued at approximate current costs.

Property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of depreciable assets (5 to 50 years for buildings and building improvements and 3 to 12 years for machinery and equipment) using the straight-line method.

Intangibles are recorded at cost and are being amortized over their estimated useful lives ranging from 5 to 20 years.

Income taxes for financial statement reporting purposes are provided on pre-tax financial statement income adjusted for permanent differences and include a provision for incremental income taxes for foreign subsidiaries' earnings that are expected to be repatriated.

Research and development costs are charged to expense in the period they are incurred. Such costs amounted to $2,453,000 for the five-month period ended May 31, 1987.

Foreign Currency Translation - The Company complies with Statement of Financial Accounting Standards No. 52 "Foreign Currency Translation" for translating foreign currency financial statements. The assets and liabilities of foreign operations are translated at the current exchange rate at the balance sheet date with the related translation adjustment reported as a separate component of stockholders' equity.

2. NET ASSETS OF OPERATIONS HELD FOR DISPOSITION

Concurrent with the decision to acquire the stock of Sybron Corporation as described in Note 1, the Company adopted a plan to dispose of ten of its operating units and certain real estate of the remaining units. Through May 31, 1987, substantially all of the real estate and seven of the operating units were sold. In February 1987, management decided to dispose of an eleventh operating unit and sold it effective March 31, 1987. With respect to the three remaining units held for disposition as of May 31, 1987, one has since been sold, and sales agreements have been executed for the other two units. See Note 6 regarding required application of sales proceeds against Term Loans.

The assets and liabilities of the operating units to be sold have been segregated in the consolidated balance sheet and are recorded at the estimated net proceeds to be realized from their disposition. In the accompanying statement of income, the results of operations of all discontinued operating units sold or held for sale are shown as income from discontinued operations. Changes in estimates arising during 1987 have been accounted for as adjustments to the original purchase price allocation (see Note 1) and, accordingly, resulted in adjustments to intangible assets.

In addition, certain other assets that management anticipates disposing of prior to the ultimate sale of the Company (see Note 13) have been reclassified to net assets of operations held for disposition in the accompanying consolidated balance sheet.

3. INVENTORIES

Inventories at May 31, 1987 consist of the following:

| | (in thousands) |
|---|---|
| Raw materials | $13,002 |
| Work-in-process | 8,963 |
| Finished goods | 21,319 |
| LIFO reserves | (2,571) |
| Other reserves | (1,030) |
| Total | $39,683 |

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at May 31, 1987 consists of the following:

| | (in thousands) |
|---|---|
| Land | $ 3,125 |
| Buildings and building improvements | 21,516 |
| Machinery and equipment | 56,728 |
| Construction in process | 813 |
| | 82,182 |
| Less accumulated depreciation | (9,555) |
| Property, plant and equipment - net | $72,627 |

Included in machinery and equipment are net assets held under capital leases of $658,000.

5. INTANGIBLE ASSETS

Intangible assets net of accumulated amortization at May 31, 1987 consist of the following:

| | (in thousands) |
|---|---|
| Proprietary technology | $ 7,447 |
| Trademarks | 4,145 |
| License agreements | 3,090 |
| Patents | 999 |
| Customer lists | 2,800 |
| Other | 445 |
| Total | $18,926 |

6. LONG-TERM DEBT

Long-term debt at May 31, 1987 consists of the following:

| | (in thousands) |
|---|---|
| Bank Credit Agreement: | |
| Term Loans | $155,525 |
| Revolving Credit | 9,607 |
| Other debt | 6,028 |
| Total | $171,160 |

Bank Credit Agreement - In connection with financing the Acquisition and the repayment of certain existing indebtedness, the Company borrowed $190 million ("Term Loans") under a Bank Credit Agreement (the "Agreement") and then loaned these funds to Old Sybron in consideration for intercompany notes. In April 1987, the Company borrowed an additional $100 million ("Term Loans") under the Agreement to refinance the Company's 10.5% subordinated debentures that had been financed by an affiliate of Forstmann Little & Co. as part of the Acquisition. As of May 31, 1987, $134.5 million of the Term Loans has been repaid.

The Term Loans are in U.S. dollars, with interest based on the prime rate plus 1-1/2%. Alternatively, the Term Loans may be converted to Eurodollars, with interest based on the lending banks' cost of funds plus 2-1/2%. If at any time the total debt outstanding under the Agreement is less than or equal to $100 million, then the interest rate on U.S. dollar Term Loans is the prime rate and the interest rate on Eurodollar Term Loans is based on the lending banks' cost of funds plus 1-1/4%. The Term Loans are payable in full on November 1, 1988 (the "termination date"). In addition, outstanding borrowings must be reduced by specific proceeds from any sale of assets by the Company or any of its subsidiaries.

The Agreement contains provisions, among others, prohibiting the payment of dividends, limiting the amount of capital expenditures and limiting additional borrowings.

Management does not believe these limitations will restrict the ongoing operation of the businesses. The Company has the right, upon not less than five business days notice to the administrative agent, to terminate the Agreement prior to the termination date without penalty.

As security for payment of the Term Loans, the Company has pledged substantially all of the common stock of its U.S. subsidiaries.

Also available under the Agreement is a revolving credit facility that provides credit aggregating $45 million, and is payable in full on November 1, 1988. As of May 31, 1987, $9.6 million is outstanding under the facility. The loans bear interest at the prime rate plus 1-1/2%; however, if the total debt outstanding under the Agreement is less than or equal to $100 million, the loans bear interest at the prime rate. The interest rate on the unused commitment is 1/2 of 1% per annum.

Maturities of long-term debt are as follows:

| December 31 | (in thousands) |
|---|---|
| 1987 (seven months) | $ 87 |
| 1988 | 170,773 |
| 1989 | 120 |
| 1990 | 96 |
| 1991 | 84 |
| | $171,160 |

7. LEASE COMMITMENTS

As of May 31, 1987, minimum rentals under capital and noncancellable operating leases are:

| December 31 | (in thousands) Capital | Operating |
|---|---|---|
| 1987 (seven months) | $ 262 | $ 487 |
| 1988 | 391 | 547 |
| 1989 | 380 | 377 |
| 1990 | 180 | 261 |
| 1991 | 75 | 170 |
| Thereafter | - | 1,124 |
| | 1,288 | $2,966 |
| Less amounts representing interest | 183 | |
| Present value of net minimum lease payments | 1,105 | |
| Less current portion | 223 | |
| Long-term obligations at May 31, 1987 | $ 882 | |

For the five-month period ended May 31, 1987 rental expense relating to operating leases amounted to $356,000.

8. EMPLOYEE BENEFIT PLANS

In 1987, the Company changed its method of accounting for pensions in accordance with Statement of Financial Accounting Standards No. 87. Under the new standard, a minimum liability is recognized in the financial statements when the accumulated benefit obligation exceeds the fair value of plan assets. The application of the new standard did not have a material effect on net income for the five-month period ended May 31, 1987.

The Company has defined benefit pension plans covering substantially all of its employees. The benefits are generally based on various formulas, the principal factors of which are years of service and compensation. The Company's funding policy for these plans is to make the minimum annual contributions as required by either applicable regulations or plan requirements.

The following table sets forth the plans' funded status and amounts recognized in the Company's consolidated balance sheet at May 31, 1987 for the U.S. and Canadian pension plans of its continuing operations:

| | Assets Exceed Accumulated Benefits | Accumulated Benefits Exceed Assets |
|---|---|---|
| | (in thousands) | |
| Actuarial present value of benefit obligations: | | |
| Vested benefit obligation | $13,801 | $19,153 |
| Accumulated benefit obligation | $15,037 | $21,388 |
| Projected benefit obligation | $15,939 | $24,393 |
| Plan assets at fair market value | 24,341 | 17,731 |
| Projected benefit obligation (in excess of) or less than plan assets | 8,402 | (6,662) |
| Unrecognized net obligation or (net asset) at January 1, 1987 | (2,180) | (1,403) |
| Prior service cost not yet recognized in net periodic pension cost | 3 | (4,294) |
| Unrecognized net (gain) or loss | (7,909) | 5,348 |
| Prepaid pension cost (pension liability) recognized in the consolidated balance sheet | $(1,684) | $(7,011) |

Net periodic pension cost for the five-month period ended May 31, 1987 included the following components:

| | (in thousands) |
|---|---|
| Service cost - benefits earned during the period | $ 1,215 |
| Interest cost on projected benefit obligation | 1,355 |
| Actual return on assets | (5,164) |
| Net amortization and deferral | 3,569 |
| Net periodic pension cost | $ 975 |

Assumptions used in the accounting were:

| | |
|---|---|
| Discount rate | 6.5% |
| Rate of increase in compensation levels | 4.5% |
| Expected long-term rate of return on assets | 6.5% |

The Company has commenced the termination of several pension plans covering employees of certain former operations. Participants under the plans are being notified of their accrued benefits and are being given the option of either (a) receiving a lump-sum cash payment in exchange for their right to receive specified pension benefits, or (b) having the Company purchase nonparticipating annuity contracts to cover vested benefits. At May 31, 1987, the fair market value of the assets in these plans exceeded the vested benefit obligations by approximately $2.5 million.

Effective April 1, 1987, the Company converted all its non-union plans to a new career average plan. As a result, no contributions are expected to be required for the period April 1, 1987 to December 31, 1988.

In addition to providing pension benefits, the Company provides certain health care and life insurance benefits for eligible retired employees. Substantially all of the Company's employees may become eligible for these benefits if they reach retirement age while working for the Company.

Generally, the costs of life insurance benefits are recognized in accordance with actuarial determinations and health care costs are recognized as incurred. The costs of these benefits for current retirees totaled $78,560 for the five-month period ended May 31, 1987. Included in other liabilities is $12,363,483 relating to post-retirement health care and life insurance benefits for employees who had retired prior to the Acquisition described in Note 1.

The Company's employees are eligible to participate in a contributory savings plan maintained by the Company under Section 401(K) of the Internal Revenue Code. The Company's contributions under the plan of $128,447 for the five-month period ended May 31, 1987 were substantially covered by forfeitures.

## 9. FOREIGN OPERATIONS AND CURRENCY TRANSLATION

Net income and total assets of continuing foreign operations included in the accompanying consolidated financial statements aggregated approximately $4,527,000 and $34,235,000, respectively.

Net foreign currency exchange losses were $443,000 for the five-month period ended May 31, 1987. Foreign currency translation adjustments included in stockholders' equity at May 31, 1987, which include the changes during the five-month period of $3,753,000, were $8,380,000.

10. COMMON STOCK AND STOCK OPTIONS

At May 31, 1987, 202,000 shares of Class A common stock were authorized and issued at $.01 par value, all of which were outstanding during the five-month period ended May 31, 1987. Also at May 31, 1987, 48,000 shares of Class B common stock, $.01 par value, were authorized to be issued to selected employees of the Company; 40,940 shares of Class B common stock were outstanding at May 31, 1987.

The changes in Class B common stock and additional paid-in capital during the five-month period ended May 31, 1987 are summarized as follows (dollars in thousands):

| | Number of Shares | Par Value | Additional Paid-in Capital |
|---|---|---|---|
| Balance at January 1, 1987 | 40,940 | $ - | $24,929 |
| Issued during period | 1,200 | - | 40 |
| Cancelled in connection with the sale of an operating unit | (1,200) | - | (92) |
| Balance at May 31, 1987 | 40,940 | $ - | $24,877 |

During 1986, the Company established a Stock Option Plan that provides for granting of options for up to 10,000 shares of Class B common stock. Each option extends for a period not to exceed ten years, at a purchase price not less than the estimated fair value per share on the date the option was granted. As of May 31, 1987, options for 3,500 shares of Class B common stock at a purchase price of $100 per share are outstanding under this plan. The outstanding options expire June 10, 1996. No options were exercised during the five-month period ended May 31, 1987.

The Company has also established a plan granting 2,360 stock appreciation rights with respect to shares of Class B common stock to selected employees. The benefit related to the rights is due upon most instances of termination of employment or upon sale of all outstanding Class A common shares by the present shareholders.

The Company has agreed to indemnify participants in the Stock Option Plan and the Stock Appreciation Rights Plan for the tax differential between ordinary income tax rates imposed on them and capital gains tax rates. The Company expects to receive a tax benefit in excess of the cost of indemnification.

## 11. INCOME TAXES

For the five-month period ended May 31, 1987, the tax expense consisted of the following:

| | (in thousands) |
|---|---|
| United States: | |
| Current | $3,329 |
| Deferred | (10) |
| Foreign | 2,499 |
| Total tax expense | $5,818 |

The reconciliation of the United States Federal statutory income tax rate of 40% (average rate for calendar 1987) with the effective income tax rate reflected in the financial statements is as follows:

| | |
|---|---|
| Tax at federal rate | 40.0% |
| State income taxes | 3.2 |
| Foreign operations | (2.7) |
| Purchase accounting | 11.6 |
| Other permanent differences | (0.8) |
| Total | 51.3% |

## 12. COMMITMENTS AND CONTINGENT LIABILITIES

In March 1987, the Company established a Corporate Office Employee Special Retention Incentive Program. Under this program, all current corporate staff employees who are not stockholders become eligible for a lump-sum payment based on salary at either the time the Company is sold (see Note 13), or March 31, 1988, whichever is earlier. The cost of this program is estimated to be approximately $100,000, of which $40,000 has been accrued through May 31, 1987.

Additionally, the Company has adopted a policy for salaried employees at Corporate Office providing severance, paid as salary continuance, upon involuntary termination of employment. Such policy specifies the minimum and maximum amounts payable to the employee. Based on service rendered through May 31, 1987, the maximum amount payable would aggregate approximately $400,000.

Various lawsuits and claims are pending or have been asserted against the Company. Although the outcome of such matters cannot be predicted with certainty, management believes their disposition will not have a material adverse effect on the financial position of the Company. Management has reserved $2,800,000 for the estimated liability that may result from these claims and an additional $1,200,000 for unasserted claims.

## 13. SUBSEQUENT EVENTS

On June 1, 1987 Forstmann Little & Co. announced its intention to sell the Company. See Note 2 regarding sales of net assets held for disposition.

SYBRON CORPORATION

SUPPLEMENTAL CONSOLIDATING SCHEDULE OF INCOME
FOR THE FIVE-MONTH PERIOD ENDED MAY 31, 1987
(In thousands)

| | BARNSTEAD | ERIE | NALGE | THERMOLYNE | KERR | ORMCO | SYBRON ASIA | CORPORATE | PURCHASE ACCOUNTING ADJUSTMENTS* | CONSOLIDATED |
|---|---|---|---|---|---|---|---|---|---|---|
| NET SALES | $ 6,009 | $ 18,204 | $ 21,440 | $ 5,374 | $ 34,694 | $ 16,485 | $ 1,114 | $ - | $ - | $ 103,320 |
| COST OF SALES | 3,826 | 12,524 | 9,691 | 2,259 | 17,560 | 6,717 | 992 | - | 2,928 | 56,497 |
| GROSS PROFIT | 2,183 | 5,680 | 11,749 | 3,115 | 17,134 | 9,768 | 122 | - | (2,928) | 46,823 |
| SELLING, GENERAL AND ADMINISTRATIVE EXPENSES | 1,374 | 2,470 | 5,925 | 1,519 | 9,644 | 5,751 | 201 | 3,701 | 356 | 30,941 |
| OPERATING INCOME | 809 | 3,210 | 5,824 | 1,596 | 7,490 | 4,017 | (79) | (3,701) | (3,284) | 15,882 |
| OTHER INCOME (EXPENSE): | | | | | | | | | | |
| Interest income (expense) - net | - | 31 | (6) | (10) | 148 | 26 | (1) | (4,275) | - | (4,087) |
| Other - net | 10 | (266) | 35 | 25 | 284 | 61 | 89 | (699) | - | (461) |
| INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES | 819 | 2,975 | 5,853 | 1,611 | 7,922 | 4,104 | 9 | (8,675) | (3,284) | 11,334 |
| INCOME TAXES | 369 | 878 | 2,634 | 725 | 3,249 | 1,777 | 4 | (3,818) | - | 5,818 |
| INCOME FROM CONTINUING OPERATIONS | $ 450 | $ 2,097 | $ 3,219 | $ 886 | $ 4,673 | $ 2,327 | $ 5 | $ (4,857) | $ (3,284) | 5,516 |
| INCOME FROM DISCONTINUED OPERATIONS (net of applicable taxes of $197) | | | | | | | | | | 241 |
| NET INCOME | | | | | | | | | | $ 5,757 |

* Represents purchase accounting adjustments made in connection with the Acquisition described in Note 1.

Note - Intercompany transactions have been excluded.

**STANDARD CHLORINE SUPERFUND SITE**

**THERMO FISHER SCIENTIFIC INC.**

**EXHIBITS TO RESPONSE TO SUPPLEMENTAL §104(e) INFORMATION REQUEST**

VOLUME 3 OF 4

| Exhibit No. | Description |
|---|---|
| 10 | Certificate of Incorporation of S.C. Acquisition Corp. No. 13 (Feb. 5, 1986) |
| 11 | Certificate of Amendment changing name of S.C. Acquisition Corp. No. 13 to Sybron Chemicals Holdings, Inc. (Jul. 25, 1986) |
| 12 | Agreement of Purchase and Sale [for stock of Sybron Chemicals Holdings] between Sybron-DE-1986 (and others) and Sybrac Corp. (May 26, 1987) |

Exhibit 10

Staff Dex
RECYCLED

BOOK 333 PAGE 0538

# State of Delaware

## Office of Secretary of State

I, MICHAEL HARKINS, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF SC ACQUISITION CORP. NO. 13 FILED IN THIS OFFICE ON THE SIXTH DAY OF FEBRUARY, A.D. 1986, AT 10 O'CLOCK A.M.

Michael Harkins, Secretary of State

AUTHENTICATION: 10733894

DATE: 02/06/1986

726037017

726037017 FILED

BOOK 333 PAGE 0539

FEB 6 1986 10 AM

SECRETARY OF STATE

# CERTIFICATE OF INCORPORATION OF SC ACQUISITION CORP. No. 13

Pursuant to § 102 of the General Corporation Law of the State of Delaware

The undersigned, in order to form a corporation pursuant to Section 102 of the General Corporation Law of the State of Delaware, does hereby certify:

FIRST: The name of the Corporation is SC Acquisition Corp. No. 13.

SECOND: The address of the Corporation's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street in the City of Wilmington, County of New Castle, Delaware 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH: The total number of shares which the Corporation shall have authority to issue is 1000 shares of Common Stock, par value one cent ($.01) per share.

FIFTH: The name and mailing address of the Incorporator is as follows:

| Name | Mailing Address |
|---|---|
| Jon Filderman | Room 2605<br>One New York Plaza<br>New York, New York 10004 |

SIXTH: The Board of Directors is expressly authorized to adopt, amend or repeal the by-laws of the Corporation.

SEVENTH: Elections of directors need not be by written ballot unless the by-laws of the Corporation shall otherwise provide.

EIGHTH: Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 5th day of February, 1986 and I affirm that the foregoing certificate is my act and deed and that the facts stated therein are true.

Jon Filderman

Jon Filderman, Incorporator

RECEIVED FOR RECORD

FEB 6 1986

LEO J. DUGAN, Jr., Recorder

Exhibit 11

Skill Dex
RECYCLED

# State of Delaware

## Office of Secretary of State

I, MICHAEL HARKINS, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF SC ACQUISITION CORP. NO. 13 FILED IN THIS OFFICE ON THE TWENTY-EIGHTH DAY OF JULY, A.D. 1986, AT 10 O'CLOCK A.M.

Michael Harkins, Secretary of State

AUTHENTICATION: 0897137

DATE: 07/28/1986

726209060

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

OF

SC ACQUISITION CORP. NO. 13

SC Acquisition Corp. No. 13 the ("Corporation"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "GCL"), does hereby certify that:

FIRST. The Board of Directors of the Corporation by the unanimous written consent of its members, filed with the minutes of the Board, adopted a resolution proposing and declaring advisable the following amendment to the Certificate of Incorporation of the Corporation:

> RESOLVED, that the Certificate of Incorporation of the Corporation be amended by changing Article 1 thereof so that, as amended, said Article shall be and read as follows:
>
> "The name of the Corporation is Sybron Chemicals Holdings, Inc."

SECOND. In lieu of a meeting and vote of stockholders, the sole stockholder has given written consent to such amendment in accordance with the provisions of Section 228(a) of the GCL.

THIRD. Such amendment was duly adopted in accordance with the applicable provisions of Section 242 of the GCL.

IN WITNESS WHEREOF, the Corporation has caused this certificate to be executed on this 25th day of July, 1986.

By: Steven B. Klinsky
Steven B. Klinsky
President

ATTEST:

Secretary

Exhibit 12

PRIVILEGED & CONFIDENTIAL

---

AGREEMENT OF PURCHASE AND SALE

Dated as of May 26, 1987

among

SYBRAC CORP.,

a Dutch corporation to be acquired by Sybrac Corp.,

SYBRON CORPORATION,

SYBRON COMMONWEALTH HOLDINGS, INC.,

SYBRON ITALIA S.p.A.,

SYBRON CHEMICALS, INC.

AND

SYBRON LTD.

---

TABLE OF CONTENTS


| | | Page |
|---|---|---|
| ARTICLE I | CERTAIN DEFINITIONS ..... | 2 |
| ARTICLE II | TERMS OF PURCHASES AND SALES ..... | 5 |
| Section 2.01 | Purchase and Sale ..... | 5 |
| Section 2.02 | The Closing ..... | 5 |
| Section 2.03 | Purchase Prices; Payment; Italian Note ..... | 5 |
| Section 2.04 | Adjustments to Purchase Prices..... | 6 |
| Section 2.05 | Dispute Resolution ..... | 7 |
| Section 2.06 | Instruments of Transfer ..... | 7 |
| Section 2.07 | Closing Certificates ..... | 8 |
| Section 2.08 | Default by any of the Sellers or Chemicals ..... | 8 |
| ARTICLE III | REPRESENTATIONS AND WARRANTIES OF SELLERS ..... | 9 |
| Section 3.01 | Ownership of Stock and BV Stock ... | 9 |
| Section 3.02 | Capital Stock of the Purchased Companies ..... | 10 |
| Section 3.03 | Subsidiaries ..... | 10 |
| Section 3.04 | Organization ..... | 11 |
| Section 3.05 | Financial Statements ..... | 11 |
| Section 3.06 | No Undisclosed Liabilities ..... | 12 |
| Section 3.07 | Absence of Certain Changes or Events ..... | 12 |
| Section 3.08 | Physical Properties ..... | 13 |
| Section 3.09 | Patents, Trademarks, Etc. ..... | 13 |
| Section 3.10 | Commitments ..... | 13 |
| Section 3.11 | Litigation ..... | 14 |
| Section 3.12 | Compliance with Laws ..... | 14 |
| Section 3.13 | Corporate Power and Authority; Effect of Agreement ..... | 14 |
| Section 3.14 | Tax Matters ..... | 15 |
| Section 3.15 | Employee Benefit Plans ..... | 17 |
| | (a) United States Plans ..... | 17 |
| | (b) Foreign Plans ..... | 19 |
| Section 3.16 | Consents ..... | 20 |
| Section 3.17 | [Intentionally Left Blank] ..... | 20 |
| Section 3.18 | Insurance ..... | 20 |
| Section 3.19 | Brokerage ..... | 22 |
| Section 3.20 | All Assets ..... | 22 |

| | | Page |
|---|---|---|
| Section 3.21 | Sybron Consolidated Tangible Net Worth ..... | 23 |
| ARTICLE IV | REPRESENTATIONS AND WARRANTIES OF BUYER AND BUYER AFFILIATE ..... | 24 |
| Section 4.01 | Organization ..... | 24 |
| Section 4.02 | Corporate Power and Authority; Effect of Agreement ..... | 24 |
| Section 4.03 | Consents ..... | 25 |
| Section 4.04 | Litigation ..... | 26 |
| Section 4.05 | Purchase for Investment ..... | 26 |
| Section 4.06 | Brokerage ..... | 26 |
| ARTICLE V | CERTAIN OBLIGATIONS AND COVENANTS OF THE SELLERS ..... | 27 |
| Section 5.01 | Cooperation and Assignments ..... | 27 |
| Section 5.02 | Conduct of Business ..... | 27 |
| Section 5.03 | Access ..... | 28 |
| Section 5.04 | Material Transactions ..... | 28 |
| Section 5.05 | Fulfillment of Agreements ..... | 30 |
| Section 5.06 | Further Assurance and Transfer .... | 30 |
| Section 5.07 | Use of Sybron Name ..... | 30 |
| Section 5.08 | Collection of Receivables ..... | 30 |
| Section 5.09 | Assignment of Brazilian Licenses .. | 31 |
| Section 5.10 | Debt for Money Borrowed ..... | 31 |
| ARTICLE VI | COVENANTS OF BUYER AND BUYER AFFILIATE ..... | 32 |
| Section 6.01 | Cooperation and Assumption ..... | 32 |
| Section 6.02 | Conduct of Business ..... | 32 |
| Section 6.03 | Books and Records; Personnel ..... | 32 |
| Section 6.04 | Confidentiality ..... | 33 |
| Section 6.05 | Institutional Financing Commitments ..... | 34 |
| Section 6.06 | Further Assurances ..... | 34 |
| Section 6.07 | Offering Documents ..... | 34 |
| Section 6.08 | Certain ECRA Responsibilities ..... | 35 |
| Section 6.09 | Obligations of the Buyer and Buyer Affiliate for Business Liabilities ..... | 36 |

| | | Page |
|---|---|---|
| ARTICLE VII | INCOME TAXES, BROKERS AND INDEMNIFICATION ..... | 37 |
| Section 7.01 | Income Taxes ..... | 37 |
| Section 7.02 | Transfer Taxes ..... | 42 |
| Section 7.03 | Obligations of the Sellers for Non-Business Liabilities ..... | 42 |
| Section 7.04 | Indemnification by the Sellers .... | 43 |
| Section 7.05 | Security for Sellers' Obligations.. | 44 |
| Section 7.06 | Indemnification by Buyer Group .... | 47 |
| Section 7.07 | Indemnification Procedures ..... | 48 |
| Section 7.08 | Survival of Covenants, Representations and Warranties .. | 50 |
| Section 7.09 | Indemnification on After-Tax Basis ..... | 50 |
| ARTICLE VIII | CONDITIONS TO BUYER'S AND THE BUYER AFFILIATE'S OBLIGATIONS ..... | 52 |
| Section 8.01 | Representations, Warranties and Covenants of Sellers ..... | 52 |
| Section 8.02 | Institutional Financing ..... | 52 |
| Section 8.03 | Opinion of Counsel ..... | 52 |
| Section 8.04 | Satisfactory Instruments ..... | 52 |
| Section 8.05 | No Prohibition ..... | 52 |
| Section 8.06 | Further Action ..... | 53 |
| Section 8.07 | Regulatory Approval ..... | 53 |
| Section 8.08 | Related Party Indebtedness ..... | 53 |
| Section 8.09 | Resignations ..... | 54 |
| Section 8.10 | Italian Companies..... | 54 |
| ARTICLE IX | CONDITIONS TO OBLIGATIONS OF SELLERS ..... | 55 |
| Section 9.01 | Representations, Warranties and Covenants of Buyer and the Buyer Affiliate ..... | 55 |
| Section 9.02 | Satisfactory Instruments ..... | 55 |
| Section 9.03 | No Prohibition ..... | 55 |
| Section 9.04 | Opinion of Counsel ..... | 56 |
| Section 9.05 | Further Action ..... | 56 |
| Section 9.06 | Release ..... | 56 |
| ARTICLE X | ARRANGEMENTS ..... | 57 |

| | | Page |
|---|---|---|
| Section 10.01 | Pension and Other Plans ..... | 57 |
| Section 10.02 | Workers' Compensation ..... | 58 |
| Section 10.03 | Welfare and Other Benefit Plans ... | 59 |
| Section 10.04 | Construction ..... | 59 |
| Section 10.05 | Indemnification ..... | 59 |
| Section 10.06 | U.K. Pension Plan ..... | 59 |
| ARTICLE XI | TERMINATION PRIOR TO CLOSING ..... | 61 |
| Section 11.01 | Termination ..... | 61 |
| Section 11.02 | Effect on Obligations ..... | 61 |
| ARTICLE XII | RESPECTING THE GAMLEN BUSINESS .... | 62 |
| Section 12.01 | Prepayment of Gamlen Note ..... | 62 |
| Section 12.02 | Additional Gamlen Consideration ... | 62 |
| Section 12.03 | Operation of the Gamlen Business .. | 62 |
| Section 12.04 | Further Action ..... | 63 |
| Section 12.05 | U.K. Pension Plan ..... | 63 |
| ARTICLE XIII | MISCELLANEOUS ..... | 64 |
| Section 13.01 | Reporting Allocation of Purchase Price ..... | 64 |
| Section 13.02 | Entire Agreement ..... | 64 |
| Section 13.03 | Successors and Assigns ..... | 64 |
| Section 13.04 | Counterparts ..... | 64 |
| Section 13.05 | Headings ..... | 65 |
| Section 13.06 | Modification and Waiver ..... | 65 |
| Section 13.07 | Expenses ..... | 65 |
| Section 13.08 | Broker's Fees ..... | 65 |
| Section 13.09 | Notices ..... | 65 |
| Section 13.10 | Governing Law ..... | 66 |
| Section 13.11 | Judicial Proceedings ..... | 66 |
| Section 13.12 | Severability ..... | 66 |
| Section 13.13 | Public Announcements ..... | 67 |
| Section 13.14 | Buyer Affiliate to Join ..... | 67 |
| Section 13.15 | Third Parties ..... | 67 |

SCHEDULES AND EXHIBITS

| | |
|---|---|
| SCHEDULE 2.01(A) | Purchased Companies |
| SCHEDULE 2.01(B) | Locations of the Business |
| SCHEDULE 2.01(C) | Sybron Note |
| SCHEDULE 2.03(a) | Gamlen Note |
| SCHEDULE 2.04(A) | Adjustments to Purchase Prices and Treatment of Cash Items |
| SCHEDULE 3.03 | Subsidiaries |
| SCHEDULE 3.05 | Financial Statements |
| SCHEDULE 3.06 | Liabilities Not Disclosed Elsewhere |
| SCHEDULE 3.07 | Absence of Certain Changes or Events |
| SCHEDULE 3.08 | Physical Properties |
| SCHEDULE 3.09 | Patents and Trademarks |
| SCHEDULE 3.10 | Commitments |
| SCHEDULE 3.11 | Litigation |
| SCHEDULE 3.12 | Compliance with Laws |
| SCHEDULE 3.14(A) | Tax Matters |
| SCHEDULE 3.15(A) | Employee Benefit Plans and Arrangements: Domestic Operations |
| SCHEDULE 3.15(B) | Employee Benefit Plans and Arrangements: Foreign Operations |
| SCHEDULE 3.16 | Consents and Filings |
| SCHEDULE 3.18 | Insurance |
| SCHEDULE 3.19 | Brokerage |

| | |
|---|---|
| SCHEDULE 7.01 | Income Taxes |
| SCHEDULE 7.01(J) | Tax Sharing Agreement |
| SCHEDULE 7.03 | Obligations of Sellers for Certain Liabilities |
| SCHEDULE 7.08(a) | Survival of Buyer's and Buyer Affiliate's Covenants, Representations, Warranties and Certificates |
| SCHEDULE 7.08(b) | Survival of Sellers' Covenants, Representations, Warranties and Certificates |
| SCHEDULE 7.08(c)(1) | Sellers' Representations and Warranties which Survive Without Limitation To Knowledge |
| SCHEDULE 7.08(c)(2) | Persons with Knowledge as to Representations and Warranties |
| SCHEDULE 9.06 | Foreign Bank Guarantees |
| SCHEDULE 10.01 | Savings and Profit-Sharing Plans Account Balances |
| EXHIBIT A | Opinion of Counsel from Uldis Kordons to Buyer and Buyer Affiliate |
| EXHIBIT B | Opinion of Counsel from Dechert Price & Rhoads to Sellers |

# AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT, made and entered into this 26th day of May, 1987, is by and among SYBRAC CORP., a Delaware corporation ("Buyer"), SYBRON CORPORATION, a Delaware corporation ("Sybron"), SYBRON COMMONWEALTH HOLDINGS, INC. ("Commonwealth"), SYBRON ITALIA S.p.A. ("Italian Holdings"), SYBRON CHEMICALS INC. ("Chemicals"), SYBRON LTD. ("UK Holdings") and a Dutch holding company to become bound by joinder hereto on or before the Closing Date. Certain terms used herein have the meanings ascribed to such terms in Article I hereto.

W I T N E S S E T H :

WHEREAS, each of the Sellers and Chemicals, through the ownership of the issued and outstanding shares of capital stock listed on Schedule 2.01(A) of each of the Purchased Companies listed on Schedule 2.01(A) is engaged in the businesses of manufacturing and supplying specialty chemicals, ion exchange resins, textile chemicals, industrial chemicals, marine chemicals, organics and specialty polymers and biochemicals and tank cleaning equipment at the locations listed in Schedule 2.01(B). Such businesses which are conducted or have been conducted at such locations and only at such locations are hereinafter collectively referred to as the "Business";

WHEREAS, the Buyer proposes to purchase a Dutch holding company (the "Buyer Affiliate"), that will be a wholly-owned subsidiary of the Buyer, to purchase the BV Stock and to become bound to this Agreement by joinder on or prior to the Closing Date (as defined in Section 2.02) and Chemicals desires to sell to the Buyer Affiliate, the BV Stock;

WHEREAS, the Buyer desires to purchase the Stock and the Sybron Note from the Sellers and the Sellers desire to sell to the Buyer the Stock and the Sybron Note;

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants and agreements, and upon the terms and subject to the conditions hereinafter set forth, the parties do hereby agree as follows:

ARTICLE I

CERTAIN DEFINITIONS

"Buyer" has the meaning ascribed to such term in the preamble hereto.

"Buyer Affiliate" has the meaning ascribed to such term in the preamble hereto.

"BV Netherlands" means Sybron Chemicals Holdings B.V., a Netherlands corporation, a wholly-owned subsidiary of Chemicals.

"BV Stock" means all of the issued and outstanding capital stock of BV Netherlands.

"Chemicals" has the meaning ascribed to such term in the preamble.

"Commonwealth" has the meaning ascribed to such term in the preamble hereto.

"Commonwealth Companies" means the entities listed on Schedule 2.01(A) owned by Commonwealth.

"Commonwealth Stock" means the issued and outstanding shares of capital stock of the Commonwealth Companies owned by Commonwealth.

"Company" means Sybron Chemicals Holdings, Inc., a Delaware corporation.

"Encumbrances" means any lien, security interest, restriction, encumbrance or claim except such as individually or in the aggregate do not detract from the value or impair the operations of any Purchased Company or any Subsidiary and except for such created by the Insider.

"Gamlen Business" means the business of the Gamlen Companies and the assets and liabilities of any other Purchased Company or any Subsidiary used exclusively in the marine or industrial chemical businesses.

"Gamlen Buyer" has the meaning ascribed to such term in the Gamlen Note.

"Gamlen Companies" means Gamlen (Australasia) Pty. Ltd., an Australian corporation, Gamlen (Japan) Limited, a

Japanese corporation, Gamlen Chemie (Nederland) B.V., a Netherlands corporation, and Gamlen Chemical Company (U.K.) Ltd., a P.L.C.

"Gamlen Note" has the meaning ascribed to such term in Section 2.03(a).

"Income Taxes" means all United States federal, state and local and all foreign income, franchise and capital gains taxes and all interest and penalties thereon and all estimated taxes and withholding taxes in respect of the foregoing taxes.

"Insider" means Dr. Richard M. Klein.

"Interest" means simple interest from the date a payment is required to be made hereunder until the date such payment is made, at an annual rate equal to the rate announced from time to time by First National Bank of Boston as its prime lending rate.

"Italian Companies" means the entities listed on Schedule 2.01(A) owned by Italian Holdings.

"Italian Holdings" has the meaning ascribed to such term in the preamble hereto.

"Italian Note" means the intercompany indebtedness of Sybron Chimica Italia, S.r.l. to Italian Holdings for 4,077,384,689 Lira relating to the transfer of assets from Italian Holdings to Sybron Chimica Italia, S.r.l.

"Italian Stock" means all of the issued and outstanding shares of the capital stock of Sybron Chimica Italia, S.r.l.

"Ministerial Taxes" means sales and use taxes but only with respect to periods ending on or before December 31, 1985.

"Net Proceeds" has the meaning ascribed to such term in the Gamlen Note.

"Old Sybron" means Sybron corporation, a New York corporation, which was liquidated into various subsidiaries of Sybron in July 1986.

"Other Taxes" means all Taxes other than Income Taxes.

"Purchased Companies" means the Company, the Commonwealth Companies, the Italian Companies, BV Netherlands and the U.K. Companies.

"Sale Date" means any date of any transfer of all or any part of the Gamlen Business pursuant to Article XII.

"Sellers" means Sybron, Italian Holdings, U.K. Holdings and Commonwealth.

"Stock" means the Italian Stock, the Commonwealth Stock, the U.K. Stock and the Sybron Stock.

"Subsidiaries" means the corporations and entities listed on Schedule 3.03 as owned, directly or indirectly, by each of the Purchased Companies.

"Sybron Note" has the meaning ascribed to such term in Section 2.01.

"Sybron Stock" means all of the issued and outstanding shares of capital stock of the Company.

"Taxes" means all United States federal, state and local and all foreign income, capital gains, property transfer, payroll, withholding, excise, sales, use, use and occupancy, business and occupation, mercantile, real estate, personal property, value added, capital stock and franchise and all other taxes and all interest and penalties thereon and all estimated taxes in respect of the foregoing taxes.

"UK Companies" means the entities listed on Schedule 2.01(A) owned by UK Holdings.

"UK Holdings" has the meaning ascribed to such term in the preamble hereto.

"UK Stock" means all of the issued and outstanding shares of capital stock of Gamlen Chemical Company (U.K.) Ltd., a P.L.C.

"Warranted Taxes" means (i) Income Taxes, (ii) payroll taxes for periods ending on or before October 31, 1985, (iii) sales and use taxes for periods ending on or before December 31, 1985, and (iv) transfer tax on the sale not in the ordinary course of business of property by Gamlen (Japan) Limited or any directly or indirectly owned subsidiary of such corporation.

## ARTICLE II

## TERMS OF PURCHASES AND SALES

2.01. Purchase and Sale. On the Closing Date (as defined in Section 2.02), for the consideration specified herein, Chemicals shall sell, transfer, assign and deliver to the Buyer Affiliate and the Buyer shall cause the Buyer Affiliate to purchase and acquire from Chemicals, the BV Stock (the "BV Purchase"). On such Closing Date but after the consummation of the BV Purchase, for the consideration specified herein, (a) the Sellers shall sell, transfer, assign and deliver to the Buyer and the Buyer shall purchase and acquire from the Sellers, the Stock listed on Schedule 2.01(A) (not including the BV Stock) and (b) Sybron shall sell, transfer, assign and deliver to Buyer and the Buyer shall purchase and acquire from Sybron, the promissory note, dated as of July 11, 1986, issued by the Company to Sybron in the principal amount of $32,207,000, a copy of which is attached hereto as Schedule 2.01(C), (the "Sybron Note") (the sales referred to in clauses (a) and (b) are hereinafter referred to as the "Sybrac Purchase"). The number, percentage, ownership and type of the shares of the Stock and the BV Stock to be purchased by the Buyer and the Buyer Affiliate, respectively, is set forth on Schedule 2.01(A) hereto.

2.02. The Closing. The closing of the transactions contemplated hereby (the "Closing") shall take place at the offices of Dechert Price & Rhoads, 477 Madison Avenue, New York, New York, on the fifth business day after all consents and authorizations by third parties referred to in Section 3.16 have been obtained and after all conditions to the Closing have been met or waived, or at such other place and/or on such other date as the parties hereto may mutually agree (the "Closing Date").

2.03. Purchase Prices; Payment; Italian Note.

(a) Amounts. The aggregate purchase price to be paid by the Buyer Affiliate for the BV Stock shall be $15,000,000 (the "BV Purchase Price"). The aggregate purchase price to be paid by the Buyer for the Stock and the Sybron Note (the "Sybrac Purchase Price") shall be (i) $40,000,000, as adjusted pursuant to Section 2.04, less the amount in U.S. dollars required (after conversion into Lira on the Closing Date) to pay the Italian Note and accrued interest thereon pursuant to Section 2.03(c), (ii) the Gamlen Note in the form of Schedule 2.03(a) hereto, and (iii) Additional Gamlen Consideration, as and to the extent required by Section 12.02 hereof. The BV Purchase Price and the Sybrac Purchase Price are referred to as the "Purchase Prices".

(b) Payment on the Closing Date; Allocation. Payment of the BV Purchase Price shall be in U.S. dollars and shall be made on the Closing Date by wire transfer of immediately available funds to an account or accounts of Chemicals or by federal funds check payable to the order of Chemicals. Payment of the Sybrac Purchase Price (other than the Gamlen Note and the Additional Gamlen Consideration) shall be in U.S. dollars and shall be made on the Closing Date by wire transfer of immediately available funds to an account or accounts at a bank or banks specified by Sybron. The Sybrac Purchase Price, including any payment to Sybron pursuant to the terms of the Gamlen Note and any Additional Gamlen Consideration payable pursuant to Section 12.02, shall be allocated as follows: (i) the principal amount of the Sybron Note outstanding on and accrued interest thereon through the Closing Date shall be allocated to the Sybron Note; (ii) $650,000 shall be allocated to the Italian Stock; (iii) $5,000,000 plus any Additional Gamlen Consideration payable pursuant to Section 12.02 shall be allocated to the Sybron Stock, Italian Stock, Commonwealth Stock and U.K. Stock, respectively, to the extent attributable to the transfer of the Gamlen Business conducted by the Company, the Italian Companies, the Commonwealth Companies and the U.K. Companies; and (iv) the remainder of the Sybrac Purchase Price shall be allocated to the Sybron Stock.

(c) Italian Indebtedness. On the Closing Date, the Buyer shall loan sufficient funds to Sybron Chimica Italia, S.r.l. to pay, and Sybron Chimica Italia, S.r.l. shall pay at Closing, to Italian Holdings the principal amount of the Italian Note and accrued interest to the Closing Date in retirement of the Italian Note and Italian Holdings shall surrender the Italian Note which shall be cancelled.

2.04. Adjustments to Purchase Prices.

(a) Purchase Price Adjustment. The Sybrac Purchase Price payable by the Buyer, and the BV Purchase Price payable by the Buyer Affiliate, shall, at Closing, be adjusted in the manner set forth in Schedule 2.04(A) and the calculation of all amounts to be determined in calculating such adjustment shall be done in accordance with such Schedule 2.04(A) (the "Applicable Principles").

(b) Initial Estimate. At least 10 business days prior to the Closing Date, the Buyer and Sybron shall prepare a calculation of the Purchase Prices payable at Closing based on a good faith estimate thereof as of the Closing Date, utilizing the most recent financial information available and applying the Applicable Principles (the "Estimated Amount"). The Estimated Amount shall be deemed to be the Sybrac Purchase Price and the BV

Purchase Price payable at Closing until finally determined in accordance with Section 2.04(c).

(c) Final Determination of Purchase Prices. The amount of the Sybrac Purchase Price and the BV Purchase Price payable at Closing shall be finally determined by the Buyer and Sybron within 45 days after the Closing Date based upon a balance sheet prepared as of the Closing Date in accordance with the Applicable Principles (the "Closing Balance Sheet"). The parties will allow each other full and complete access to all work papers, books and records and all additional information relevant to the preparation of the Closing Balance Sheet and will make their respective officers, employees and independent accountants available to discuss such papers, books and records and information.

2.05. Dispute Resolution.

(a) In the event that the parties cannot agree on the amount of the Sybrac Purchase Price or the BV Purchase Price payable at Closing, on any adjustments to the Purchase Prices to be made pursuant to Section 2.04, or on the amount payable under the Gamlen Note or pursuant to Section 12.02 from time to time thereafter, all amounts not in dispute shall be paid or refunded on an interim basis and the dispute as to the balance shall be resolved by Deloitte Haskins & Sells and a nationally recognized firm of independent accountants selected by the Buyer, or, if such firms cannot agree, by such other nationally recognized comparable firm (the "Arbitrator") as shall be selected by such accounting firms. The fees and expenses of the Arbitrator shall be borne by the party whose position with respect to the matter under dispute deviates by the greater amount from the ultimate resolution thereof by the Arbitrator. The resolution of the Arbitrator shall be final and binding on the parties.

(b) Sybron or the Buyer, as the case may be, shall pay to the other within ten (10) days after resolution any amounts finally agreed or determined hereunder to be payable with Interest from the Closing Date or applicable Sale Date, as the case may be.

2.06. Instruments of Transfer. On the Closing Date, Chemicals shall deliver to the Buyer Affiliate certificates representing the BV Stock, duly endorsed in blank or, if appropriate, evidence of transfer on the stock ledger of BV Netherlands. After the BV Purchase on the Closing Date, (a) the Sellers shall deliver to the Buyer certificates representing the Stock that is to be delivered by each of the Sellers, duly endorsed in blank for transfer or accompanied by duly executed

stock powers assigning the Stock in blank or, where appropriate and in the case of the transfer of Stock governed by foreign law, evidence of transfer on the stock ledger of the Purchased Company, (b) Sybron shall deliver to the Buyer the original executed Sybron Note accompanied by instruments of transfer duly executed in blank, and (c) the Buyer shall deliver to Sybron the duly executed Gamlen Note.

2.07. Closing Certificates. The closing certificates, opinions of counsel and other documents required to be delivered pursuant to this Agreement will be exchanged at the Closing.

2.08. Default by any of the Sellers or Chemicals. If Chemicals fails to deliver the BV Stock to the Buyer Affiliate at the Closing or any of the Sellers fails to deliver at the Closing to the Buyer any of the Stock to be sold by such Seller hereunder, such failure will not relieve Chemicals or any other Seller of any obligation hereunder, and the Buyer or the Buyer Affiliate, as the case may be, may (a) acquire the remaining shares of the BV Stock or the Stock, as the case may be, or (b) refuse to make such acquisition and thereby terminate all of their obligations hereunder, in either case without prejudice to their rights against such defaulting Seller or Chemicals, provided that if any Seller fails to deliver at Closing the capital stock of any Gamlen Company (the "Delayed Stock") or where appropriate, fails to provide appropriate evidence of transfer on the stock ledger of such company, Sellers shall deliver the Delayed Stock as soon thereafter as may be reasonably practicable. Notwithstanding such late delivery of the Delayed Stock, the Buyer or the appropriate Buyer Affiliate shall be deemed to have beneficially owned the Delayed Stock from and after the Closing Date.

## ARTICLE III

## REPRESENTATIONS AND WARRANTIES OF SELLERS

Sellers hereby jointly and severally represent and warrant to the Buyer and to the Buyer Affiliate that the statements set forth in this Article III are true and correct in all material respects. For purposes of this Agreement, the Sellers' representations and warranties contained in this Article III and all certificates delivered by the Sellers at the Closing in respect thereof shall be true and correct in all material respects if (a) they are true and correct in all respects material to the combined businesses, financial position and results of operations of the Purchased Companies and the Subsidiaries, taken as a whole, and (b) no deviation from the truth or correctness of any such statement, either individually or when aggregated with other deviations (from the same or other statements herein), materially and adversely affects the combined businesses, financial position and results of operations of the Purchased Companies and the Subsidiaries, taken as a whole, provided that, for purposes of aggregation under this clause (b), (i) no individual deviation from the truth or correctness of any such statement which results in an adverse impact on the combined businesses, financial position or results of operations of the Purchased Companies and the Subsidiaries, taken as a whole, of $5,000 or less shall be considered to be a "deviation" but multiple deviations arising out of the same or substantially identical facts or circumstances shall be taken together and treated as an "individual deviation" hereunder, and (ii) a deviation, individually or when aggregated with other deviations, that results in an adverse impact on the combined businesses, financial position or results of operations of the Purchased Companies and the Subsidiaries, taken as a whole, of $250,000 or more shall be considered materially and adversely to affect such combined businesses, financial position or results of operations.

3.01. Ownership of Stock and BV Stock. Except as set forth on Schedule 2.01(A), Sybron is the record and beneficial owner of the Sybron Stock and the Sybron Note, Commonwealth is the record and beneficial owner of the Commonwealth Stock, Italian Holdings is the record and beneficial owner of the Italian Stock, and Chemicals is the record and beneficial owner of the BV Stock, in the case of all such Stock and BV Stock, free and clear of any Encumbrances (other than restrictions on sales under applicable securities laws). Except as set forth on Schedule 3.16, each Seller has the full legal right, power and authority to transfer the Stock owned by such Seller as listed on Schedule 2.01(A) to the Buyer and Chemicals has the full legal right, power and authority to transfer the BV Stock to the Buyer

Affiliate in accordance with this Agreement, without the need for the consent of any other person or entity. The sale and delivery of the Stock and the Sybron Note to the Buyer and of the BV Stock to the Buyer Affiliate pursuant to Article II will vest in the Buyer and the Buyer Affiliate legal and valid title to, in the case of the Buyer, the Stock and the Sybron Note, and, in the case of the Buyer Affiliate, the BV Stock, in all cases, free and clear of any Encumbrances (other than Encumbrances created or suffered by the Buyer or the Buyer Affiliate and restrictions on sales of the Stock, the Sybron Note and the BV Stock under applicable securities laws).

3.02. Capital Stock of the Purchased Companies. The authorized capital stock of each Purchased Company consists solely of the shares of capital stock listed on Schedule 2.01(A). The par value of such capital stock, the presently authorized, issued and outstanding shares of capital stock of each Purchased Company and the record holders of such shares are set forth on Schedule 2.01(A). All of such shares are validly issued, fully paid and non-assessable. None of such shares were issued in violation of the terms of any agreement or other understanding binding upon any Purchased Company, Chemicals or any Seller. There are outstanding no securities convertible into, exchangeable for, or carrying the right to acquire, equity securities of any Purchased Company, or subscriptions, warrants, options, calls, demands, agreements, rights or other arrangements or commitments obligating any Purchased Company to issue or dispose of any of its equity securities or any ownership interest therein.

3.03. Subsidiaries. Schedule 3.03 hereto, which sets forth the authorized capital stock of each of the Subsidiaries, the par value of such capital stock, the presently issued and outstanding shares of capital stock of each Subsidiary and the record holder of such shares, is correct. Except as set forth on Schedule 3.03 and for the Subsidiaries, no Purchased Company has any equity ownership interest in any person, corporation or other entity. The shares of capital stock of the Subsidiaries owned by each Purchased Company or any other Subsidiary are owned free and clear of any Encumbrance (other than restrictions on sales of such shares under applicable securities laws and Encumbrances created or suffered by the Buyer or the Buyer Affiliate). All of such shares are validly issued, fully paid and non-assessable. None of such shares were issued in violation of the terms of any agreements or other understanding binding upon any Subsidiary, any Purchased Company, Chemicals or any Seller. There are outstanding no securities convertible into, exchangeable for, or carrying the right to acquire, equity securities of any Subsidiary, or subscriptions, warrants, options, calls, demands,

agreements, rights or other arrangements or commitments obligating any Subsidiary to issue or dispose of any of its equity securities or any ownership interest therein.

3.04. Organization. On the Closing Date, each Purchased Company and each Subsidiary will be corporations duly organized, validly existing and in good standing under the laws of the jurisdictions of their respective incorporation and will have all requisite corporate power and authority to own or lease their respective properties and assets as then owned or leased and to carry on their respective businesses as and where then being conducted. The copies of the articles of incorporation and bylaws, as amended to date, of each Seller, each Purchased Company and each Subsidiary, which will be delivered to the Buyer at least five (5) days prior to the Closing Date, will be correct and complete and in full force and effect.

3.05. Financial Statements. The books of account and related records of each Seller, each Purchased Company and each Subsidiary fairly reflect in reasonable detail its assets, liabilities and transactions in accordance with generally accepted accounting principles applied on a consistent basis except that purchase accounting adjustments required by APB #16 and related capitalization with respect to the acquisition of Sybron Corporation in February, 1986 are not reflected. Sellers have delivered to the Buyer and the Buyer Affiliate the combined balance sheet and related combined statements of income, equity and statement of changes in financial position of the Purchased Companies and the Subsidiaries for the ten month period ended December 31, 1986 (the "Financial Statements"). The Financial Statements are attached hereto as Schedule 3.05. The Financial Statements (a) are in accordance with the books of account and related records of the Purchased Companies and the Subsidiaries, (b) fairly present the financial condition, assets and liabilities of the Purchased Companies and the Subsidiaries on a combined basis as at December 31, 1986 and the results of their operations and changes in financial position for the 10 month period then ended and (c) have been prepared in accordance with generally accepted accounting principles consistently applied, except as set forth therein or in Schedule 3.05. The Financial Statements have been audited and reported on by Deloitte Haskins & Sells, the independent certified public accountants for the Purchased Companies and the Subsidiaries. All references in this Agreement to the "Balance Sheet" shall mean the Combined Balance Sheet of the Purchased Companies and the Subsidiaries as at December 31, 1986 included in the Financial Statements and all references to the "Balance Sheet Date" shall mean December 31, 1986.

3.06. No Undisclosed Liabilities. None of the Purchased Companies or the Subsidiaries has any liability or obligation (including a "Loss Contingency," as defined below) of any nature, whether due or to become due, absolute, contingent or otherwise, relating thereto, except for liabilities or obligations that are (a) properly accrued on the Balance Sheet or (b) not of a nature required to be accrued on the Balance Sheet but are disclosed in the footnotes to the Balance Sheet in accordance with generally accepted accounting principles consistently applied or (c) incurred in the ordinary course of business but not of a character required under generally accepted accounting principles to be reflected on a balance sheet or disclosed in the notes thereto or (d) disclosed on Schedule 3.06 or (e) incurred in the ordinary course of business since the Balance Sheet Date. A "Loss Contingency" has the meaning as defined and described in FASB No. 5, but is to be determined without regard to any materiality limitation that might otherwise apply to such definition or description, it being understood that nothing herein contained shall limit the application of the term "true and correct in all material respects" to the statements made in this Article III.

3.07. Absence of Certain Changes or Events. Except as set forth in Schedule 3.07, since the Balance Sheet Date, there has not occurred (a) any material adverse change in the businesses, financial position or results of operation of any Purchased Company or any Subsidiary, (b) any sale, transfer or other disposition of any assets of any Purchased Company or any Subsidiary, except sales of assets in the ordinary course of business and (c) any payment, loan, dividend or advance of any amount (except to the extent of Excess Cash (as defined in Schedule 2.04(A)) to or in respect of, or the sale, transfer or lease of any properties or assets (whether real, personal or mixed, tangible or intangible) to, or entering into of any agreement, arrangement or transaction with, any Related Party (as hereinafter defined), except for (i) directors' fees, (ii) compensation to the officers and employees of the Purchased Companies and the Subsidiaries consistent with prior practice, and (iii) the purchase or sale of goods in the ordinary course of business. As used herein, a "Related Party" means any Seller, any of the officers or directors of any Seller, and any person controlling, controlled by, or under common control with any of the foregoing entities (other than the Purchased Companies and the Subsidiaries) and any associate or relative of any of the foregoing entities.

3.08. Physical Properties. Each Purchased Company and each Subsidiary has good and marketable title to all of the assets and properties reflected on the Balance Sheet or acquired

after the Balance Sheet Date (except for assets and properties sold, consumed or otherwise disposed of in the ordinary course of business since the Balance Sheet Date), free and clear of all Encumbrances, except (a) as set forth on Schedule 3.08, and (b) liens of current taxes not yet due or being contested in good faith by appropriate proceedings as set forth on Schedule 3.08. Schedule 3.08 contains a correct list of all real properties owned (beneficially or of record) or leased by each Purchased Company and each Subsidiary.

3.09. Patents, Trademarks, Etc. Schedule 3.09 sets forth a correct list of all United States and foreign patents, trademarks, trade names, copyrights, service marks, logos and the like and applications therefor, presently held, owned or used by any Purchased Company and any Subsidiary in the conduct of the Business (the "Patent and Trademark Rights"). Except as disclosed in Schedule 3.09, (i) each Purchased Company and each Subsidiary owns or possesses adequate licenses or other valid rights to use all Patent and Trademark Rights necessary to the conduct of the Business as now being conducted, and (ii) the conduct of the Business as now being conducted does not conflict with (nor has any claim been made that any such conduct infringes) any valid patents, trademarks, trade names or copyrights of others.

3.10. Commitments. Schedule 3.10 sets forth a correct list of the contracts, agreements and understandings, whether formal or informal, written or oral (including without limitation mortgages, security agreements, agreements relating to the borrowing of money, employment agreements, collective bargaining agreements, powers of attorney, distribution arrangements, patent license agreements, contracts or orders for future purchase or delivery of goods or rendition of services, bonus, deferred compensation, pension or retirement plans, accrued vacation pay and group insurance and welfare agreements and any and all amendments thereto), to which any Purchased Company or any Subsidiary is a party or by which any Purchased Company or any Subsidiary or any of their respective properties or assets may be bound or affected and that are material to the respective businesses of any Purchased Company or any Subsidiary, as the case may be (collectively, the "Commitments"). Except as described on Schedule 3.10, (i) each such Commitment is in full force and effect, (ii) each party to such Commitment has complied in all material respects with the provisions thereof, (iii) no party to any such Commitment is in default under any of the terms thereof, and (iv) no event has occurred that with the passage of time or the giving of notice or both would constitute a default by any party under any provision of any such Commitment.

3.11. Litigation. Except as set forth on Schedule 3.11, there are no actions, suits, investigations or proceedings pending or overtly threatened against or affecting any Purchased Company or any Subsidiary or any of their assets or affecting the Stock or the respective rights of the Sellers thereto, at law or in equity, by or before any court or governmental authority ("Litigation") which, if adversely determined could result in a judgment in excess of $50,000 or an injunction or other similar remedy which could have an adverse effect on the businesses, financial position, or results of operations of any Seller, Chemicals, any Purchased Company or any Subsidiary. There are presently no outstanding judgments, decrees or orders of any court or any governmental or administrative agency against or adversely affecting any Seller, Chemicals, any Purchased Company or any Subsidiary, or any of their assets or businesses or adversely affecting the Stock, the respective rights of the Sellers in the ownership or transfer of the Stock, the BV Stock or the right of Chemicals in the ownership or transfer of the BV Stock.

3.12. Compliance with Laws. Except as set forth in Schedule 3.12, the Business and the businesses of each Purchased Company and each Subsidiary have been operated in compliance with all applicable laws, rules, regulations and orders, the violation of which would have an adverse effect on the business of any Purchased Company or any Subsidiary.

3.13. Corporate Power and Authority; Effect of Agreement. Each of the Sellers and Chemicals is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and has all requisite power and authority to execute, deliver and perform the Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance by each Seller and Chemicals of this Agreement and the consummation by each Seller and Chemicals of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of each Seller and Chemicals. This Agreement has been duly and validly executed and delivered by each Seller and Chemicals and constitutes the valid and binding obligation of each Seller and Chemicals enforceable in accordance with its terms, except to the extent that such enforceability (a) may be limited by bankruptcy, insolvency or other similar laws relating to creditors' rights generally, and (b) is subject to general principles of equity. The execution, delivery and performance by each Seller and Chemicals of this Agreement and the consummation by each Seller and Chemicals of the transactions contemplated hereby will not, with or without the giving of notice or the lapse of time, or both, and subject to obtaining the consents, approvals,

authorizations, exemptions or waivers set forth in Schedule 3.16 or required under the Commitments, (a) violate any provision of law, rule or regulation to which any Seller, Chemicals, any Purchased Company or any Subsidiary is subject; (b) violate any order, judgment or decree applicable to any Seller, Chemicals, any Purchased Company or any Subsidiary; (c) conflict with, or result in a breach or default under, any term or condition of the certificate of incorporation, the by-laws, other similar charter documents of any Seller, Chemicals, any Purchased Company or any Subsidiary; (d) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the respective assets of any Seller, Chemicals, any Purchased Company or any Subsidiary or give to others any interests or rights therein; (e) result in the maturation or acceleration of any liability or obligation of any Seller, Chemicals, any Purchased Company or any Subsidiary (or give others the right to cause such a maturation or acceleration); or (f) result in the termination of or loss of any right (or give others the right to cause such a termination or loss) under any agreement or contract to which any Seller, Chemicals, any Purchased Company or any Subsidiary is a party or by which any of them may be bound; except, in each case, for violations, conflicts, breaches or defaults which in the aggregate would not hinder or impair the consummation of the transactions contemplated hereby.

3.14. Tax Matters. Except as set forth in Schedule 3.14(A), each Seller, each Purchased Company and each Subsidiary has (a) timely filed (taking into account all extensions) all returns required to be filed by them with respect to all Taxes, (b) paid all Taxes shown to have become due pursuant to such returns, and (c) paid all other Taxes for which a notice of or assessment or demand for payment has been received or which are otherwise due and payable. The accruals for Other Taxes contained in the Balance Sheet are adequate to cover all liabilities for Other Taxes of each Purchased Company and each Subsidiary for all periods ending on or before the Balance Sheet Date and nothing has occurred subsequent to that date to make any of such accruals inadequate. All Other Taxes as to which any Purchased Company or any Subsidiary may be liable for periods beginning after the Balance Sheet Date through the Closing have been paid or are adequately reserved against on the books of each Purchased Company and each Subsidiary. True copies of (a) the portion of the United States federal consolidated income tax returns of Old Sybron relating solely to the Company and its subsidiaries for the fiscal years ended December 31, 1984 and 1985, and (b) state income tax returns of each Purchased Company and each Subsidiary required to file such returns for each of the fiscal years ended December 31, 1984 through December 31, 1985 have been delivered or made available to the Buyer. Except as disclosed on

Schedule 3.14(A), there are no proposed assessments of Tax against any Purchased Company or any Subsidiary or proposed adjustments to any Tax returns filed pending against any Purchased Company or any Subsidiary. Except as set forth in Schedule 3.14(A), neither any Purchased Company nor any Subsidiary has received a Tax Ruling or entered into a Closing Agreement with any taxing authority which (i) imposes a legally binding restriction with respect to Taxes on any Purchased Company or any Subsidiary with respect to periods after the Closing, which would not otherwise apply, taking into account prior practice with respect to the Purchased Companies and Subsidiaries or (ii) imposes or includes restrictions, covenants, representations or conditions which, if violated or fulfilled, would result in liability for Taxes (which but for such Tax Ruling or Closing Agreement would not otherwise be imposed or accelerated) for periods after the Closing. For purposes of the preceding sentence the term "Tax Ruling" shall mean only written rulings of a taxing authority relating to Taxes and the term "Closing Agreement" shall mean only written and legally binding agreements with a taxing authority relating to Taxes. Except as set forth in Schedule 3.14(A), neither any Purchased Company nor any Subsidiary has (a) filed any consent agreement under Section 341(f) of the Internal Revenue Code of 1986, or any predecessor Code (the "Code"), (b) executed a waiver or consent extending any statute of limitation for any Taxes which remains in effect, (c) joined in or been required to join in filing a consolidated or combined federal or state tax return for any period beginning on or after January 1, 1975, except with respect to federal consolidated income tax returns for an affiliated group (within the meaning of Section 1504 of the Code) of which Sybron or Old Sybron was the parent corporation, or (d) filed an election under Section 338(g) or Section 338(h)(10) of the Code or caused a deemed election under Section 338(e) thereof with respect to any subsidiary or former subsidiary of such entity.

For purposes of this Section 3.14 (other than clause (d) of the preceding sentence), the terms "Purchased Company", "Subsidiary" or "Subsidiaries", shall include each predecessor entity, the Tax attributes or Tax liabilities of which have become those of any Purchased Company or any Subsidiary, as the case may be.

The adjusted bases for federal income tax purposes as of December 31, 1986 of the stock of Tanatex Mexicana S.A. de C.V. and Sybron Chemie France, S.A. shall not have been less than $120,000 and $1,000,000, respectively.

3.15. Employee Benefit Plans.

(a) United States Plans.

(i) The only employee pension benefit plans (as defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), welfare benefit plans (as defined in Section 3(1) of ERISA), bonus, stock purchase, stock ownership, stock option, deferred compensation, incentive or other compensation plan or arrangement, and other employee fringe benefit plans presently maintained by, or contributed to by, the Purchased Companies and the Subsidiaries, or which provides employee benefits to employees, former employees or retired employees of the Business engaged in or formerly engaged in by the Purchased Companies and the Subsidiaries (the "Employees"), other than a multiemployer plan as defined in Section 3(37) of ERISA, subject to the laws of the United States, are those listed on Schedule 3.15(A) (the "Benefit Plans"). A true and complete copy of each Benefit Plan and each amendment thereto since such Benefit Plan was most recently restated has been furnished to the Buyer.

(ii) The Purchased Companies and the Subsidiaries, and each of the Benefit Plans, are in compliance in all respects with the applicable provisions of ERISA, and those provisions of the Code applicable to the Benefit Plans.

(iii) Except as may be disclosed on Schedule 3.15(A), all contributions to, and payments from, the Benefit Plans which may have been required to be made in accordance with the Benefit Plans and, when applicable, Section 302 of ERISA or section 412 of the Code, have been timely made. All such contributions to the Benefit Plans, and all payments under the Benefit Plans, except those to be made from a trust qualified under section 401(a) of the Code, for any period ending before the Closing Date that are not yet, but will be, required to be made are properly accrued in accordance with generally accepted accounting principles.

(iv) Except as indicated on Schedule 3.15(A), all reports, returns and similar documents with respect to the Benefit Plans required to be filed with any government agency have been duly and timely filed.

(v) Except as indicated on Schedule 3.15(A), all of the Benefit Plans have been amended as, when and to the extent necessary to comply with the applicable provisions of the Tax Equity and Fiscal Responsibility Act of 1982, the Deficit Reduction Act of 1984 and the Retirement Equity Act of 1984.

Except as indicated on Schedule 3.15(A), the Benefit Plans which are pension benefit plans (other than the Pension Plan of Sybron Chemicals, Inc. for Salaried Employees (the "Specified Plan")) have received determination letters from the Internal Revenue Service ("IRS") to the effect that such plans are qualified and exempt from federal income taxes under sections 401(a) and 501(a), respectively, of the Code, as amended through December 31, 1984; and no determination letter with respect to any Benefit Plan has been revoked.

(vi) Each of the Benefit Plans has been administered at all times, and in all respects, in accordance with its terms. Except as indicated on Schedule 3.15(A), there are no pending investigations by any governmental agency involving the Benefit Plans, no termination proceedings involving the Benefit Plans, and no threatened or pending claims (except for claims for benefits payable in the normal operation of the Benefit Plans), suits or proceedings against any Benefit Plan or asserting any rights or claims to benefits under any Benefit Plan which could give rise to any liability to the Buyer, the Buyer Affiliate, any Purchased Company or any Subsidiary.

(vii) Except for the spin-off of the Specified Plan and except as indicated on Schedule 3.15(A), neither the Benefit Plans nor any such trust has been terminated nor have there been any "reportable events" (as defined in Section 4043 of ERISA and the regulations thereunder) with respect to either thereof, not including any such events for which the requirement of notice has been waived by the Pension Benefit Guaranty Corporation.

(viii) No Benefit Plan subject to Title IV of ERISA has incurred any liability to the Pension Benefit Guaranty Corporation ("PBGC") other than for the payment of premiums, all of which have been paid when due. No Benefit Plan has applied for or received a waiver of the minimum funding standards imposed by section 412 of the Code. The Sellers have furnished to the Buyer the most recent actuarial report with respect to each Benefit Plan that is a defined benefit pension plan, as defined by Section 3(35) of ERISA. Any information used in preparing such reports provided by Sybron (other than information that was obtained from any employee of a Purchased Company or Subsidiary) was complete and accurate.

(ix) At no time since September 2, 1974, had (i) any Seller or (ii) any other employer (an "Affiliate") that is, together with the Purchased Companies and the Subsidiaries, treated as a single employer under section 414(b), 414(c) or 414(m) of the Code or (iii) any employer which was at any time

after September 2, 1974, an Affiliate of any Seller (a "Former Affiliate"), incurred any liability which could subject the Buyer or the Buyer Affiliate to liability under Section 4062 of ERISA.

(x) Except as indicated on Schedule 3.15(A), at no time since September 26, 1980, has any Seller or any Affiliate or Former Affiliate, been required to contribute to, or incurred any withdrawal liability, within the meaning of Section 4201 of ERISA to any multiemployer pension plan, within the meaning of Section 3(37) of ERISA, which liability has not been fully paid as of the date hereof, nor has any such employer announced an intention to withdraw, but not yet completed such withdrawal, from any multiemployer plan.

(b) Foreign Plans

(i) The only pension, welfare, bonus, stock purchase, stock ownership, stock option, deferred compensation, incentive or other compensation plan or arrangement, or other employee fringe benefit plan presently maintained by, or contributed to by any Purchased Company and any Subsidiary, including any such plan required to be maintained or contributed to by the law of the relevant jurisdiction, which would be listed on Schedule 3.15(A), but for the fact that such plans are maintained outside the jurisdiction of the United States are those listed on Schedule 3.15(B) (the "Foreign Plans"), a true and complete copy of each of which has been furnished to the Buyer.

(ii) Each Purchased Company and each Subsidiary and each of the Foreign Plans are in compliance in all respects with the provisions of the laws of each jurisdiction in which any of the Foreign Plans are maintained, to the extent those laws are applicable to the Foreign Plans.

(iii) Except as may be disclosed in Schedule 3.15(B), all contributions to, and payments from, the Foreign Plans which may have been required to be made in accordance with the terms of any such Foreign Plan, and, when applicable, the law of the jurisdiction in which such Foreign Plan is maintained, have been timely made. All such contributions to the Foreign Plans, and all payments under the Foreign Plans, for any period ending before the Closing Date that are not yet, but will be, required to be made have been accrued in accordance with generally accepted accounting principles.

(iv) Except as indicated on Schedule 3.15(B), all reports, returns and similar documents with respect

to any Foreign Plan required to be filed with any government agency have been duly and timely filed.

(v) Except as indicated on Schedule 3.15(B), all of the Foreign Plans have obtained from the government or governments having jurisdiction with respect to such plans any required determinations that such Foreign Plans are in compliance with the laws and regulations of any government.

(vi) Each of the Foreign Plans has been administered at all times, and in all respects, in accordance with its terms. Except as indicated on Schedule 3.15(B), there are no pending investigations by any governmental agency involving the Foreign Plans, no threatened or pending claims (except for claims for benefits payable in the normal operation of the Foreign Plans) suits or proceedings against any Foreign Plan or asserting any rights or claims to benefits under any Foreign Plan which could give rise to any liability.

(vii) Except as indicated on Schedule 3.15(B), none of the Foreign Plans has been directly maintained at any time by Sybron nor has Sybron substantially directed the manner in which any such Foreign Plan was to be maintained or administered.

3.16. Consents. Except as set forth in Schedule 3.16 and as may be required under the Commitments and except for the consents, approvals, authorizations, exemptions, or filings required by the provisions of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (together with the rules and regulations promulgated thereunder, the "HSR Act") as to which Sellers rely upon Buyer's and the Buyer Affiliate's representations and warranties in Section 4.03, no consent, approval or authorization of, or exemption by, or filing with, any governmental or regulatory authority is required in connection with the execution, delivery and performance of this Agreement by any Seller or Chemicals (excluding, however, any consent, approval, exemption or filing which the Buyer or the Buyer Affiliate is required to make).

3.17. [Intentionally left blank]

3.18. Insurance.

(a) Not less than 10 days prior to the Closing Date, Sybron will deliver to the Buyer copies of all policies of insurance certified by Sybron as complete and correct, indemnifying or otherwise providing coverage to Sybron and its subsidiaries with respect to risks occurring within the last five

years (the "Recent Policies"), of product liability, environmental liability, or other liability, to third parties involving the activities of any Purchased Company or Subsidiary (other than insurance involving solely non-United States Purchased Companies or Subsidiaries). In addition, not less than 10 days prior to the Closing Date, Sybron will deliver to the Buyer copies of all policies of insurance with respect to risks occurring within the twelve years (the "Old Policies") prior to such five year period of product liability, environmental liability or other liability to third parties involving the activities of any Purchased Company or any Subsidiary (other than insurance involving solely non-United States Purchased Companies or Subsidiaries). Except as set forth on Schedule 3.18, all such Recent Policies are or were outstanding and in effect for the applicable periods as set forth in such Recent Policies; there has been no failure to pay any premiums in a timely fashion as required by such Recent Policies; and no written notice of cancellation or non-renewal with respect to, or disallowance of any claim under any such Recent Policy, has been received by Sybron. Schedule 3.18 also sets forth (i) the aggregate amount paid by the insurance carrier in respect of claims, (ii) the aggregate amount representing pending claims where the claimant has specified the monetary amount of the claim and (iii) a list of currently pending claims where the claimant has not specified the monetary amount of the claim, by all beneficiaries under each of the Recent Policies;

(b) Except as set forth on Schedule 3.18, there has been no default (other than by or resulting from an act or an omission of the Insider) with respect to any provision contained in any Recent Policy, nor has there been any failure to give any notice, present any claim, or take any other action required under any Recent Policy in a timely fashion or in the manner or detail required by the Recent Policy. Schedule 3.18 correctly summarizes any pending dispute or pending reservations made by the insurance carrier issuing any Recent Policy under which coverage is claimed. Except as set forth in Schedule 3.18, neither any Purchased Company nor any Subsidiary has been refused insurance against risks of the type covered by the Recent Policies during the last five years, nor has its coverage under a policy insuring against risks of a type covered by the Recent Policies been limited by any insurance carrier with which it has carried insurance during the last five years;

(c) From and after the Closing Date, subject to the deductible amounts, maximum amounts and the other terms, conditions and limitations set forth in the Recent Policies and the Old Policies, Sybron will use reasonable efforts, at Buyer's expense, to assert on behalf of the Buyer, the Buyer Affiliate,

the Purchased Companies and the Subsidiaries (the "Buyer Group") any claims which any member of the Buyer Group may have in respect of losses or liabilities suffered by any member of the Buyer Group against which losses or liabilities Sybron may be indemnified or otherwise covered under the Recent Policies and the Old Policies. Sybron will remit to the Buyer Group within two business days after receipt thereof any payments Sybron may receive in respect of such claims under such Recent Policies and Old Policies. Nothing herein shall limit the right of any member of the Buyer Group to have direct access against any issuer of any Recent Policy and Old Policy, to the extent that such Recent Policy or Old Policy so permits;

(d) Schedule 3.18 sets forth with respect to each Recent Policy the percentage of the total premiums paid thereunder during such five-year period that were charged or allocated to, or paid by, the Purchased Companies and the Subsidiaries ("Buyer's Share"). In administering any claims made by any member of the Buyer Group under a Recent Policy or an Old Policy after the Closing, Sybron and Buyer shall make appropriate arrangements (including cash settlements, if necessary) to ensure that (a) the Buyer Group bears no more than the Buyer's Share of any deductible or co-insurance requirement under any Recent Policy or 20% thereof with respect to any Old Policy and (b) the Buyer Group has available to it the Buyer's Share of the maximum amounts of coverage afforded by any Recent Policy or 20% thereof with respect to any Old Policy.

(e) The Sellers make no representation or warranty under clauses (a) and (b) of this Section 3.18 (or any certificate delivered with respect thereto) concerning the Old Policies, and the Sellers make no representation or warranty under this Agreement (or any certificate delivered with respect to this Agreement) as to the accuracy or completeness of the Old Policies delivered to the Buyer and the Buyer Affiliate hereunder.

3.19. Brokerage. Except as described on Schedule 3.19, none of any Seller, Chemicals, any Purchased Company or any Subsidiary has made any agreement or taken any other action which might cause any person or entity to become entitled to a broker's fee or commission as a result of the transactions contemplated hereunder.

3.20. All Assets. Any asset or right which has been, is or is expected to be used in the Business (including any rights to royalties or insurance premium rebates or refunds or the proceeds of any settlement, judgment or other disposition of any litigation related to the Business) that is held in or by any

Seller, Chemicals or any subsidiary or affiliate of any Seller prior to the Closing Date will, on or before the Closing Date, be transferred to a Purchased Company or a Subsidiary except for (i) any refunds of Income Taxes payable to Sybron pursuant to Section 7.01(c); (ii) the judgment debt assigned to Sybron by Deed of Assignment dated March 31, 1987 by Sybron Transition Corp., Gamlen Chemical Company (U.K.) Limited and Sybron; and (iii) those premises and facilities in Italy currently occupied and in common use as administrative facilities by a subsidiary of Sybron and Italian Companies.

3.21 Sybron Consolidated Tangible Net Worth. As of the Closing Date, and after giving effect to the transactions contemplated by this Agreement, the Net Worth of Sybron, calculated in accordance with Section 7.05, shall be not less than $25 million.

## ARTICLE IV

## REPRESENTATIONS AND WARRANTIES OF BUYER AND BUYER AFFILIATE

Buyer and the Buyer Affiliate hereby jointly and severally represent and warrant to each Seller as follows:

4.01. Organization. The Buyer is and, on the Closing Date, the Buyer Affiliate will be, a corporation duly organized, validly existing and in good standing under the laws of Delaware and the Netherlands, respectively, and Buyer has and, on the Closing Date, the Buyer Affiliate will have all requisite power and authority to carry on its business as it is now being conducted, and to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby.

4.02. Corporate Power and Authority; Effect of Agreement. (a) The execution, delivery and performance by the Buyer and the Buyer Affiliate, respectively, of this Agreement and the consummation by the Buyer and the Buyer Affiliate, respectively, of the transactions contemplated hereby have been or, on or before the Closing Date, will have been duly authorized by all necessary corporate action on the part of Buyer and the Buyer Affiliate. This Agreement has been or, on or before the Closing Date, will have been, duly and validly executed and delivered by the Buyer and the Buyer Affiliate, respectively, and constitutes or, on or before the Closing Date, will constitute the valid and binding obligation of Buyer and the Buyer Affiliate, respectively, enforceable in accordance with its terms, except to the extent that such enforceability (i) may be limited by bankruptcy, insolvency or other similar laws relating to creditors' rights generally, and (ii) is subject to general principles of equity. The execution, delivery and performance by the Buyer and the Buyer Affiliate of this Agreement and the consummation by Buyer and the Buyer Affiliate of the transactions contemplated hereby will not, with or without the giving of notice or the lapse of time, or both, subject to obtaining any required consents, approvals, authorizations or exemptions, (i) violate any provision of law, rule or regulation to which Buyer or the Buyer Affiliate, respectively, is or, on or before the Closing Date, will be subject, (ii) violate any order, judgment or decree which is or, on or before the Closing Date, will be applicable to Buyer or the Buyer Affiliate, respectively, or (iii) conflict with, or result in a breach or default under, any term or condition of the certificate of incorporation, by-laws or other similar charter documents which govern or, on or before the Closing Date, will govern the Buyer or the Buyer Affiliate, respectively, or any agreement or other instrument to which the Buyer or the Buyer Affiliate, respectively, or any of their respective subsidiaries

is or, on or before the Closing Date, will be a party or by which any of them may be or, on or before the Closing Date, may become bound; except, in each case, for violations, conflicts, breaches or defaults which in the aggregate would not materially hinder or impair the consummation of the transactions contemplated hereby.

(b) The issuance, execution, delivery and performance by the Buyer of the Gamlen Note has been or, on or before the Closing Date, will have been duly authorized by all necessary corporate action on the part of the Buyer. The Gamlen Note on the Closing Date, will have been duly and validly issued, executed and delivered by the Buyer and will constitute the valid and binding obligation of the Buyer, enforceable in accordance with its terms, except to the extent that such enforceability (i) may be limited by bankruptcy, insolvency or other similar laws relating to creditors' rights generally, and (ii) is subject to general principles of equity. The issuance, execution, delivery and performance by the Buyer of the Gamlen Note will not, with or without the giving of notice or the lapse of time, or both, subject to obtaining any required consents, approvals, authorizations or exemptions, (i) violate any provision of law, rule or regulation to which Buyer is or, on or before the Closing Date, will be subject, (ii) violate any order, judgment or decree which is or, on or before the Closing Date will be, applicable to Buyer or (iii) conflict with, or result in a breach or default under, any term or condition of the certificate of incorporation, by-laws, or other similar charter documents which govern or, on or before the Closing Date, will govern the Buyer or any agreement or other instrument to which the Buyer or any of its subsidiaries is or, on or before the Closing Date, will be a party or by which any of them may be or, on or before the Closing Date, may become bound; except in each case, for violations, conflicts, breaches or defaults which in the aggregate would not materially hinder or impair the consummation of transactions contemplated by Article XII hereof or the Gamlen Note.

(c) Upon delivery of the collateral (as defined in the Gamlen Note) to Sybron pursuant to the Gamlen Note, the collateral (as defined in the Gamlen Note) will not be subject to any prior lien created by the Buyer or the Buyer Affiliate.

4.03. Consents. No consent, approval or authorization of, or exemption by, or filing with, any governmental or regulatory authority or any other third party, including but not limited to, any consent, approval, authorization or filing required by the HSR Act, is required in connection with the execution, delivery and performance by the Buyer and the Buyer Affiliate of this Agreement, or the taking of any other actions contemplated hereby, excluding, however, the matters referred to

in Section 3.16 or any schedule thereto, if any, which the Sellers are required to obtain or make.

4.04. Litigation. There is no action, suit, investigation or proceeding pending or overtly threatened against or affecting the Buyer or the Buyer Affiliate or any of their respective assets, at law or in equity, by or before any court or governmental authority. There are presently no outstanding judgments, decrees or orders of any court or any governmental or administrative agency against or affecting the Buyer or the Buyer Affiliate or their respective assets or businesses.

4.05. Purchase for Investment. The Buyer is purchasing the Stock and the Sybron Note and the Buyer Affiliate is purchasing the BV Stock, for investment and not with a view to any public resale or other distribution thereof. The Buyer and the Buyer Affiliate acknowledge that they have received, or have had access to, all information which they consider necessary or advisable to enable them to make a decision concerning their purchase of the Stock, the Sybron Note, and the BV Stock.

4.06. Brokerage. Neither the Buyer nor the Buyer Affiliate has made any agreement or taken any other action which might cause any person or entity to become entitled to a broker's fee or commission as a result of the transactions contemplated hereunder.

ARTICLE V

CERTAIN OBLIGATIONS AND COVENANTS OF THE SELLERS

The Sellers hereby jointly and severally covenant and agree with the Buyer and the Buyer Affiliate as follows:

5.01. Cooperation and Assignments. (a) Each Seller will use its best efforts, and will cooperate with the Buyer and the Buyer Affiliate, to secure all necessary consents, approvals, authorizations, exemptions and waivers from third parties as shall be required in order to enable each Seller and Chemicals to effect the transactions contemplated hereby, and will otherwise use its best efforts to cause the consummation of such transactions in accordance with the terms and conditions hereof and thereof.

(b) Notwithstanding anything herein to the contrary, to the extent the assignment of any right under any Commitment to be assigned to Buyer or the Buyer Affiliate which would be deemed to be assigned by virtue of the transactions contemplated hereby shall require the consent of any other party, this Agreement shall not constitute a breach thereof or create rights in others not desired by the Buyer or such Buyer Affiliate. If any such consent is not obtained, each Seller shall, at such Seller's expense, cooperate with the Buyer or the Buyer Affiliate in any reasonable arrangement designed to provide for the Buyer or the Buyer Affiliate the benefit of any such right, including enforcement of any and all rights of any Seller against any party (other than any Purchased Company or any Subsidiary) to any Commitment arising out of the breach or cancellation thereof by such party or otherwise.

5.02. Conduct of Business. Except as may be otherwise contemplated by this Agreement or except as the Buyer or the Buyer Affiliate may otherwise consent to in writing (which consent shall not be unreasonably withheld and which shall be deemed to have been given if the particular action is taken by or at the direction of the Insider) between the date hereof and the Closing Date, each Seller will use its best efforts to cause each Purchased Company and each Subsidiary to (i) in all material respects, operate their respective businesses only in the ordinary course and consistent with past practice, including billing, shipping and collection practices, inventory transactions and payment of accounts payable; (ii) use their best efforts to preserve the business organization of each Purchased Company and each Subsidiary and the sales forces of each Purchased Company and each Subsidiary as a whole intact except as contemplated hereby; (iii) maintain the properties, machinery and

equipment of each Purchased Company and each Subsidiary in sufficient operating condition and repair to enable each Purchased Company and each Subsidiary to operate their respective businesses in all material respects in the manner in which it was operated during the twelve-month period immediately prior to the date hereof, except for maintenance required by reason of fire, flood or other acts of God; (iv) continue all Recent Policies and Old Policies that are currently in full force and effect (or, if any Recent Policies or any Old Policies shall terminate or be terminated, obtain, if reasonably available, prior to the lapse of any such policy, substantially similar coverage with insurers of recognized standing and forward copies of such policies to the Buyer) and the Sellers shall promptly advise the Buyer in writing of any lapse of any Recent Policy or any Old Policy, any failure to obtain substantially similar coverage, any change of insurer or type of coverage in respect of the Recent Policies or the Old Policies; (v) use their best efforts to keep available the services of the present officers, employees and agents (as a group) of each Purchased Company and each Subsidiary; and (vi) use their best efforts to preserve the present relationships with the material suppliers, customers, licensors and licensees and others having material business dealings with any Purchased Company and any Subsidiary such that none of the businesses of any Purchased Company and any Subsidiary will be substantially impaired.

5.03. Access. Each Seller and Chemicals shall provide the Buyer with such information as the Buyer may from time to time reasonably request with respect to the respective businesses of each Purchased Company and each Subsidiary and the transactions contemplated by this Agreement, and shall provide the Buyer and the Buyer Affiliate and their representatives reasonable access during regular business hours and upon reasonable notice to the properties, books and records of the Purchased Companies and the Subsidiaries, as the Buyer or the Buyer Affiliate may from time to time reasonably request, provided that the Sellers and Chemicals shall not be obligated to provide the Buyer or the Buyer Affiliate with any information relating to trade secrets. Any disclosure whatsoever during such investigation by the Buyer or Chemicals shall not constitute an enlargement of or additional warranties or representations of the Sellers beyond those specifically set forth in this Agreement. Any and all information furnished to the Buyer or the Buyer Affiliate in connection with the transactions contemplated by this Agreement shall be governed by the provisions of Section 6.04.

5.04. Material Transactions. Except as the Buyer or the Buyer Affiliate may consent in writing (which consent shall

not be unreasonably withheld and shall be deemed to be given if the particular action is taken by or at the direction of the Insider), Sellers will use their best efforts to prevent any Purchased Company or any Subsidiary from (a) amending its articles of incorporation or bylaws; (b) changing its authorized or issued capital stock or issuing any rights or options to acquire shares of its capital stock; (c) entering into any material contract or commitment, the performance of which may extend beyond the Closing, except those made in the ordinary course of business, the terms of which are consistent with past practice and reasonable in light of current conditions; (d) entering into any employment or consulting contract or arrangement with any person which is not terminable at will, without penalty or continuing obligation; (e) selling, transferring, leasing or otherwise disposing of any of its assets other than in the ordinary course of business and consistent with past practice; (f) incurring, creating, assuming or suffering to exist any Encumbrance on any of its assets or other property, except as specifically permitted hereunder or in the ordinary course of business consistent with past practices; (g) increasing or otherwise changing the compensation payable or to become payable to any officer, employee or agent except (A) in the ordinary course of business consistent with past practice or (B) pursuant to the terms of this Agreement; (h) making or authorizing the making of any capital expenditure in excess of $50,000; (i) incurring any debt or other obligation for borrowed money or incurring any other obligation or liability, absolute or contingent, except in the ordinary course of business and consistent with past practice; (j) waiving or permitting the loss of any right, the waiver or loss of which would have a material adverse effect on the combined businesses, financial position or results of operation of the Purchased Companies and the Subsidiaries, taken as a whole; (k) guaranteeing or becoming a co-maker or accommodation maker or otherwise becoming or remaining contingently liable in connection with any liability or obligation for borrowed money of any person; (l) loaning, advancing funds or making an investment in or capital contribution to any person (other than loans to employees in the ordinary course of business consistent with past practices and Excess Cash (as defined in Schedule 2.04(A) that Sybron is entitled to withdraw pursuant to Schedule 2.04(A)); (m) taking any action or permitting to occur any event which would cause Section 3.07 hereof not to be true and correct in any material respect; or (n) taking any action or omitting to take any action which will result in a violation of any applicable law or cause a breach of any agreements, contracts or commitments which violation or breach would have a material adverse effect on the combined businesses, financial position or results of operations

of the Purchased Companies and the Subsidiaries, taken as a whole.

5.05. Fulfillment of Agreements. Each Seller and Chemicals shall use its best efforts to cause all of the conditions to the obligations of the Buyer and the Buyer Affiliate under Article VIII of this Agreement to be satisfied on or prior to the Closing.

5.06. Further Assurance and Transfer. At any time or from time to time after the Closing Date, each Seller and Chemicals shall, at the request of Buyer or the Buyer Affiliate, and at such Seller's expense, execute and deliver any further instruments or documents and take all such further action as Buyer or such Buyer Affiliate may reasonably request in order to consummate and make effective the sale of the Stock, the Sybron Note and the BV Stock and the transfer of the Business pursuant to this Agreement.

5.07. Use of Sybron Name. In furtherance of the effective transfer of the Stock and the BV Stock to the Buyer and the Buyer Affiliate, respectively, Sellers agree that from and after the Closing Date the Buyer, the Buyer Affiliate, the Purchased Companies and the Subsidiaries shall have the exclusive right to the use of the name "Sybron" in connection with the Business and other businesses directly arising out of or related thereto and of any logo with respect to such name and that Sellers will not use such name or such logo for any such purpose, and each party hereto agrees that it shall and shall cause its subsidiaries to maintain such standards of quality for products manufactured or sold in connection with its use of the name "Sybron" and any such logo as will not materially detract from the value of the name "Sybron" or any such logo. The Buyer, the Buyer Affiliate, the Purchased Companies and the Subsidiaries shall not use the name "Sybron" or any such logo in connection with any business except as permitted in this Section 5.07, and shall not conduct any business other than the Business and any business directly arising out of or related to the Business through any entity whose name includes the name "Sybron."

5.08. Collection of Receivables. Sellers agree to cause all lock boxes or accounts maintained by the Sellers for the purpose of collecting payments of accounts receivable owed to any Purchased Company or any Subsidiary to be transferred to control of the Buyer on or prior to the Closing Date and to grant full right of access to the Buyer and the Buyer Affiliate to any lock boxes or accounts maintained by the Sellers and not so transferred on or before the Closing Date for the purpose of collecting payments of accounts receivable owed to any Purchased

Company or any Subsidiary and Sellers agree to deliver to the Buyer and the Buyer Affiliate within ten (10) business days after receipt all payments received in respect of all receivables or other amounts owed to the Purchased Companies or the Subsidiaries which may come into the possession of Sellers from and after the Closing Date. Any amounts collected which are not so delivered to the Buyer or the Buyer Affiliate shall be accompanied by payment of Interest.

5.09. Assignment of Brazilian Licenses. On the Closing Date or as soon thereafter as may be reasonably practicable, Sellers will cause to be transferred in Brazil to Buyer or a subsidiary designated by Buyer the Commercial Assistance Agreements each effective July 1, 1983 between Grupo Seibron Quimica Ltda. and Gamlen Quimica Ltda. and between Sybron Kerr Industria e Commercio Ltda. and Inpal S.A. Industrias Quimicas, and the Sales Assistance Agreements each dated June 5, 1978 between Inpal S.A. Industrias Quimicas and Tantextil Industrias Quimicas Ltda. and between Grupo Seibron Quimica Ltda. and Gamlen Quimica Ltda. In the event such transfers are not effected on the Closing Date, Sellers will cause to be delivered to Buyer in Brazil or its designated subsidiary all royalties and other payments under such agreements as and when received, together with Interest to the extent not so delivered.

5.10. Debt for Money Borrowed. Sellers agree to cause the Purchased Companies and the Subsidiaries to be released from all liabilities and obligations pursuant to all indebtedness for money borrowed not assumed by Buyer pursuant to Schedule 2.04(A), and to provide evidence to the Buyer of such releases on or before the Closing Date, and Sellers will indemnify and hold harmless the Buyer, the Buyer Affiliate, the Purchased Companies and the Subsidiaries from any and all losses, claims, liabilities, obligations and damages of any nature arising out of or in connection with or related to the failure of Sellers to cause such release.

ARTICLE VI

COVENANTS OF BUYER AND BUYER AFFILIATE

The Buyer and the Buyer Affiliate hereby jointly and severally covenant and agree with each Seller as follows:

6.01. Cooperation and Assumption. Buyer and the Buyer Affiliate will use their best efforts, and will cooperate with each Seller to secure all necessary consents, approvals, authorizations, exemptions and waivers from third parties as shall be required in order to enable Buyer and the Buyer Affiliate to effect the transactions contemplated hereby, and will otherwise use their respective best efforts to cause the consummation of such transactions in accordance with the terms and conditions hereof.

6.02. Conduct of Business. Except as may be otherwise contemplated by this Agreement, between the date hereof and the Closing Date, Buyer shall not take any action to cause the Insider to cause any Purchased Company or Subsidiary to violate the provisions of Section 5.01, 5.02, 5.03, 5.04 and 5.05.

6.03. Books and Records; Personnel. For a period of seven years from the Closing Date:

(a) Buyer and the Buyer Affiliate shall not, and shall cause the Purchased Companies and the Subsidiaries not to, dispose of nor destroy any of the business records and files of any of the Purchased Companies, the Subsidiaries or otherwise relating to the Business without first offering to turn over possession thereof to Sybron by written notice to Sybron at least thirty days prior to the proposed date of such disposition or destruction.

(b) Buyer and the Buyer Affiliate shall and shall cause the Purchased Companies and the Subsidiaries to allow Sybron and its agents access to all business records and files of the Business which are transferred to Buyer or the Buyer Affiliate in connection herewith, during normal working hours at Buyer's or the Buyer Affiliate's principal places of business or at any location where such records are stored, and Sybron and its agents shall have the right, at its own expense, to make copies of any such records and files, provided that any such access or copying shall be had or done in such a manner so as not to interfere with the normal conduct of Buyer's or the Buyer Affiliate's business.

(c) Buyer and the Buyer Affiliate shall, and shall cause the Purchased Companies and the Subsidiaries to, make available to Sybron and its agents upon written request and at Sybron's expense, but consistent with Buyer's or the Buyer Affiliate's business requirements, (i) Buyer's and the Buyer Affiliate's personnel to assist Sybron in locating and obtaining records and files maintained by Buyer or the Buyer Affiliate, the Purchased Company or the Subsidiaries and (ii) any of Buyer's or the Buyer Affiliate's, the Purchased Companies' or the Subsidiaries' personnel in their employ whose assistance or participation is reasonably required by Sybron, in anticipation of, or preparation for, existing or future litigation, tax returns or other matters, in which Sybron is involved and which relates to any Seller, any Purchased Company, any Subsidiary or the Business.

(d) The foregoing provisions of this Section 6.03 shall be in addition to the obligation of the Buyer under Section 7.01 hereof.

6.04. Confidentiality.

(a) Unless and until the Closing is consummated, the Buyer and the Buyer Affiliate shall keep confidential any information which has been furnished to any of them by or on behalf of Sellers in connection with the transactions contemplated by this Agreement ("Confidential Information"), and shall use the Confidential Information solely in connection with the transactions contemplated by this Agreement. In the event this Agreement is terminated, the Buyer or the Buyer Affiliate shall return all Confidential Information, together with any writings prepared by or on behalf of the Buyer and the Buyer Affiliate based on Confidential Information, to Sybron. Confidential Information includes information concerning the Business but does not include information which (i) is or becomes (but only when it becomes) generally available to the public other than as a result of disclosure in violation of this Section 6.04, or (ii) is or becomes (but only when it becomes) available to Buyer or the Buyer Affiliate on a non-confidential basis from a source other than Sellers or its agents or advisors, provided that such source is not, to the knowledge of the Buyer or the Buyer Affiliate, bound by a confidentiality agreement with Sellers in respect thereof.

(b) The Buyer and the Buyer Affiliate may disclose Confidential Information to any of their directors, officers, employees, agents and advisors and prospective lenders who need to know such Confidential Information in connection with the transactions contemplated by this Agreement, provided that,

prior to making such disclosure, the Buyer or the Buyer Affiliate shall inform all such persons and entities of the confidential nature of such Confidential Information and such persons and entities shall agree, for the benefit of Sellers, to be bound by the terms and conditions of this Section 6.04. In any event, the Buyer and the Buyer Affiliate shall use their best efforts to prevent any breach of this Section 6.04 by any person or entity to whom Confidential Information shall have been furnished. The Buyer and the Buyer Affiliate may disclose Confidential Information if so required by legal process or by operation of applicable law (but only to the extent so required), provided that the Buyer or the Buyer Affiliate shall first promptly notify Sellers thereof so that Sellers may seek an appropriate protective order and/or waive compliance by the Buyer and the Buyer Affiliate with the provisions of this Section 6.04.

(c) Without intending to limit the remedies available to Sellers, the Buyer and the Buyer Affiliate agree that damages at law would be an insufficient remedy to Sellers in the event of any breach by the Buyer and the Buyer Affiliate of this Section 6.04 and that Sellers shall be entitled to injunctive relief or other equitable remedies in the event of any such breach.

6.05. Institutional Financing Commitments. The Buyer and the Buyer Affiliate shall use their best efforts to secure from institutions on or before the Closing Date financing commitments for funds sufficient to enable the Buyer and the Buyer Affiliate to consummate the transactions contemplated by this Agreement, provided that the representations and warranties of Sellers under Article III hereof are true and correct in all material respects.

6.06. Further Assurances. At any time or from time to time after the Closing Date, the Buyer and the Buyer Affiliate shall, at the request of the Sellers, and at their respective expense, execute and deliver any further instruments or documents and take all such further action as the Sellers may reasonably request in order to consummate and make effective the sale of the Stock, the Sybron Note, the BV Stock and the transfer of the Business pursuant to this Agreement.

6.07 Offering Documents. The Buyer and the Buyer Affiliate shall include or cause to be included a prominent, bold-faced statement in every offering document used directly or indirectly by either of them to raise funds for the purchase of the Stock, the BV Stock and the Sybron Note, or otherwise to raise funds prior to the Closing Date (or thereafter, if the proceeds therefrom are to be used to pay or discharge obligations

incurred in connection with this transaction), whether by private or public sales of securities (collectively, "Offering Documents"), in substantially the following form:

> "SYBRON CORPORATION AND ITS AFFILIATES (EXCLUDING [PURCHASED COMPANIES]) (COLLECTIVELY, THE "SYBRON COMPANIES") HAVE NEITHER ASSUMED NOR UNDERTAKEN ANY RESPONSIBILITY TO THE BUYER OR ITS SUBSIDIARIES OR ANY OF THEIR RESPECTIVE INVESTORS OR SECURITY HOLDERS IN CONNECTION WITH THIS OFFERING. ALL INFORMATION SET FORTH HEREIN WITH RESPECT TO [INSERT PURCHASED COMPANIES] AND THEIR SUBSIDIARIES HAS BEEN PREPARED BY THE BUYER BASED UPON ITS INDEPENDENT ANALYSIS AND REVIEW OF SUCH CORPORATIONS. EXCEPT WITH RESPECT TO THE DESCRIPTION OF THE SYBRON COMPANIES, NONE OF THE SYBRON COMPANIES HAS REVIEWED OR COMMENTED ON THE OFFERING BEING MADE HEREBY OR THE INFORMATION SET FORTH IN THIS DOCUMENT. NONE OF THE SYBRON COMPANIES, THEIR MANAGEMENT, EMPLOYEES, AGENTS OR REPRESENTATIVES ARE RESPONSIBLE FOR ANY OF THE INFORMATION HEREIN SET FORTH."

The Buyer and the Buyer Affiliate further agree that while they may make any disclosure they feel is appropriate under applicable law with respect to this Agreement, they shall describe the businesses of the Sellers and any of their affiliates (other than the Business) in any Offering Documents only with the prior approval of Sybron as to such description. If Buyer requests the approval of Sybron pursuant hereto, Sybron shall respond to such request in an expeditious manner.

6.08 Certain ECRA Responsibilities. The Buyer agrees to indemnify, defend and hold harmless the Sellers with respect to all claims, liabilities and obligations, of whatever nature, including without limitation, the obligation to respond to any New Jersey Department of Environmental Protection directive or order, arising out of or pursuant to the New Jersey Environmental Clean-Up Responsibility Act ("ECRA") as it pertains to this transaction and as specified in the Administrative Consent Order in the matter of Sybron Chemicals, Incorporated, ECRA Case No. 85202, 86097 and 86098, dated May 13, 1986 as amended. These ECRA responsibilities relate to the Sybron Chemicals, Inc. facilities at 355 Belmont Avenue, Haledon, Passaic County, New Jersey; Birmingham Road, Pemberton, Burlington County, New Jersey; Lee Avenue, Haledon, Passaic County, New Jersey; and 375 Allwood Road, Clifton, Passaic County, New Jersey. The parties

agree and acknowledge that, as between the Buyer and the Buyer Affiliate, on the one hand, and Sellers, on the other hand, the Buyer and the Buyer Affiliate shall be liable for all obligations under Administrative Consent Order entered into under ECRA in connection with the transactions contemplated hereby.

6.09 Obligations of the Buyer and Buyer Affiliate for Business Liabilities. From and after the Closing Date, Buyer and Buyer Affiliate shall assume, pay and discharge for the account of Buyer and Buyer Affiliate, as and when due and payble, and shall indemnify and hold Sellers harmless from and against any and all losses, liabilities, claims, obligations, or damages relating to (a) the items referred to in Section I of Schedule 2.04(A) and/or (b) environmental liability matters and/or products liability matters arising out of or in connection with or related to the Business, whether such matters took place or existed prior to, on or after the Closing Date, provided that Buyer and Buyer Affiliate shall have no liability with respect to any products liability matter under this Section 6.09 if any of the individuals listed in Schedule 7.08(c)(2) had actual knowledge of such matter on or prior to the Closing Date unless the Insider had actual knowledge of such matter on or prior to the Closing Date.

ARTICLE VII

INCOME TAXES, BROKERS AND INDEMNIFICATION

7.01. Income Taxes

(a) Returns and Tax Responsibility

(1) Each Seller shall cause each Purchased Company and each Subsidiary, and each such Purchased Company and each such Subsidiary or Subsidiaries shall consent, to join for all of their respective taxable periods ending on or before the Closing Date for which they are eligible to so join in Sybron's consolidated federal income tax return and in any required consolidated or combined state, local or foreign tax returns that include Sybron and any such Purchased Company and/or any such Subsidiary. Sybron shall timely prepare and file all such consolidated or combined returns. Buyer agrees to cooperate with Sybron in the preparation of the portions of such returns pertaining to any such Purchased Company and any includable Subsidiary. Sybron shall be liable for and shall pay for its own account all Income Taxes to which such returns relate for all periods covered by such returns including: (i) Income Taxes relating to each Purchased Company and each Subsidiary for their respective taxable periods ending on or before the Closing Date; (ii) Income Taxes resulting from the sales hereunder; and (iii) Income Taxes resulting from any Purchased Company or any such Subsidiary ceasing to be a member of a consolidated or combined group. At least 15 days prior to the filing of the returns to be filed by Sybron pursuant to Section 7.01(a) with respect to Sybron's 1986 and 1987 taxable years, Sellers shall provide to Buyer copies of the portions of such returns relating to the Purchased Companies and Subsidiaries for Buyer's examination and comment, provided, however, that in the event of a dispute, Sybron shall determine the final form of such returns. Such returns as they relate to the Purchased Companies and Subsidiaries shall, to the extent permitted by law, be prepared in a manner generally consistent with prior practice with respect to the relevant entity. Sybron agrees that in the federal income tax returns for its 1986 and 1987 taxable years, it will not cause to be claimed any unusual or extraordinary write-off, retirement or other reduction to the tax basis of any asset or group of assets owned by the Company or Chemicals except as described on Schedule 7.01, it being understood that the claiming of the maximum allowable depreciation deductions shall not be considered an unusual or extraordinary basis reduction.

(2) Buyer shall timely prepare and file or cause to be timely prepared and filed all returns for Income

Taxes of each Purchased Company and each Subsidiary required to be filed from and after the Closing Date, other than those to be filed by Sybron pursuant to Section 7.01(a)(1). At least 15 days prior to the filing of any such returns for any period which includes the Closing Date, Buyer shall submit copies of such returns to Sybron for Sybron's approval, which approval shall not be unreasonably withheld. In the event of a dispute, Buyer shall determine the final form of such returns without prejudice to Sybron's right to maintain that any such return must be adjusted to determine the amount of "Pre-Closing Taxes" (as defined in Section 7.01(a)(3)). All such returns shall be prepared and all elections with respect to such returns shall be made, to the extent permitted by law, in a manner consistent with prior practice with respect to the relevant entity.

(3) Buyer shall timely pay or cause to be paid all Income Taxes with respect to returns prepared or caused to be prepared by Buyer pursuant to Section 7.01(a)(2). Sybron will pay to Buyer an amount equal to the Income Taxes due with respect to any such returns filed or caused to be filed by Buyer for any period which includes the Closing Date, attributable to the portion of such period through and including the Closing Date (the "Pre-Closing Taxes"). Buyer shall calculate Pre-Closing Taxes on the basis of the taxable income of the Purchased Companies and the Subsidiaries and tax rates applicable thereto as though the taxable year of such companies terminated at the close of business on the Closing Date, excluding any taxable income from sales, other than of inventory in the ordinary course of business, which occur after the Closing but on the Closing Date. Sybron shall pay the Pre-Closing Taxes to Buyer not later than the date on which Buyer is required to pay or cause to be paid the related tax liability. If such amounts are not so paid by Sybron, Interest will accrue on the amounts unpaid from the date due until the date paid.

(b) Indemnification. Sybron will indemnify and hold harmless the Buyer and the Buyer Affiliate, each Purchased Company and each Subsidiary against (i) any and all liability for the breach of any covenant of Sybron under Section 7.01; (ii) any other liability for Income Taxes assessed against a Purchased Company or Subsidiary for any period ending on or before the Closing Date ; and (iii) any and all liability for Income Taxes of Sybron or any member of any affiliated or combined group of Sybron (other than the Purchased Companies and the Subsidiaries) assessed against any Purchased Company or any Subsidiary for any period (whether or not a taxable year) ending on or before December 31, 1987 by reason of such Purchased Company or such Subsidiary being liable for all or part of the tax of any such affiliated or combined group pursuant to Treasury Reg. Section

1.1502-6 or any analogous state, local or foreign tax provision. Any indemnity payable by Sybron pursuant to this paragraph (b) shall be paid within the later of ten days after Buyer's request therefor or ten days prior to the date on which the liability upon which the indemnity is based is required to be satisfied by the Buyer or the Buyer Affiliate or any Purchased Company or any Subsidiary.

(c) Refunds. Except as otherwise provided in Section 7.01(i), any refunds of Income Taxes received by any Purchased Company or any Subsidiary attributable to Income Taxes paid by Sybron pursuant to Section 7.01 shall be for the benefit of Sybron, and Buyer and the Buyer Affiliate shall cause the Purchased Company or Subsidiary receiving any such refund to pay over to Sybron any such refund immediately upon receipt.

(d) Cooperation. After the Closing Date, Buyer and the Buyer Affiliate and Sybron shall make available to the other, as reasonably requested, and to any taxing authority, all information, records or documents relating to tax liabilities or potential tax liabilities of the Purchased Companies and the Subsidiaries for all periods prior to or including the Closing Date and shall preserve all such information, records and documents until the expiration of any applicable statute of limitations including extensions thereof, provided that notice of any such extension is given to the party which did not grant the extension.

(e) Audits. Buyer shall promptly notify Sybron in writing upon receipt by Buyer, any affiliate of Buyer, any Purchased Company or any Subsidiary of notice of any Income Tax audits or any pending or threatened Income Tax assessments relating to taxable periods of the Purchased Companies and the Subsidiaries for which any Seller has liability for Income Taxes pursuant to Section 7.01. Sellers shall have the right to contest any assessment or assertion of liability with respect to such Income Taxes. Sybron shall have the sole right to represent the Purchased Companies' and any of the Subsidiaries' interests in any Income Tax audit or administrative or court proceeding relating to taxable periods of the Purchased Companies and the Subsidiaries ending on or prior to the Closing Date, and to employ counsel of its choice at its expense, provided that the Buyer has received assurance acceptable to the Buyer that Sybron will pay any liability resulting therefrom.

(f) Buyer's Taxes. Buyer shall pay, or cause to be paid, and shall indemnify Seller against and hold it harmless from any tax liability arising from any actions taken by any Purchased Company or any Subsidiary or by Buyer or the Buyer

Affiliate from and after the Closing (but excluding the sale of the BV Stock), including without limitation, an election or deemed election under Section 338 of the Code and any sale of assets by any Purchased Company or any Subsidiary after the Closing on the Closing Date. No election shall be made under Section 338(h)(10) with respect to any Purchased Company or any Subsidiary in connection with the purchase and sale of the Stock and the Sybron Note pursuant to this Agreement.

(g) Allocation of Benefits. If any adjustment is made to any Income Tax return and if such adjustment results in an increase in any Income Tax liability borne by any Seller hereunder, and a decrease in Income Tax liability borne by any Purchased Company, Subsidiary, Buyer or Buyer Affiliate hereunder with respect to any period after the Closing, or if such an adjustment results in any increase in any Income Tax liability borne by any Purchased Company, any Subsidiary, Buyer, Buyer Affiliate or any affiliate of Buyer hereunder with respect to any period after the Closing, and a decrease to any Income Tax liability borne by any Seller hereunder, then the party that realizes a tax benefit (including without limitation, any benefit attributable to a decrease in income, increase in deduction or credit, or increase in basis) shall pay to the party that realizes a tax detriment the amount of such tax benefit at such time or times and to the extent that such party realizes such benefits through a refund of Income Tax or reduction in the amount of Income Tax such party would otherwise have had to pay (taking into account any loss or credit carryover from a prior year) if such adjustment had not been made; provided that the amount payable by the party realizing the benefit shall not exceed the detriment arising from such adjustment.

(h) Deemed Dividend Election. Upon the Buyer's written request made at least thirty days prior to the deadline for filing Sybron's consolidated federal income tax return for its current taxable year (including any extension), Sybron shall cause a deemed dividend election to be made for federal income tax purposes in accordance with Treasury Reg. Section 1.1502-32(f)(2) (the "Election") for Chemicals. Sybron shall give Buyer reasonable time to review and comment on the statement by which the Election is to be made prior to the due date for filing. Sybron shall provide the Buyer with a true copy of such statement as filed with the IRS and Sybron and shall certify that such statement has been properly and timely filed with the IRS. The Buyer agrees to indemnify and hold Sybron harmless from all Taxes, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from the Election.

(i) Carrybacks. For U.S. federal income tax purposes, Buyer, the Purchased Companies or the Subsidiaries may elect, in their sole discretion, to carry back a loss or credit of the Purchased Companies or the Subsidiaries arising in any period ending after the Closing Date that is available as a carryback to periods ending on or before the Closing Date by filing an application for a tentative carryback adjustment. Any refund or credit (including statutory interest thereon) attributable to the filing of such application, based upon the carryback absorption rules of Treasury Reg. Section 1.1502-21(b)(3), shall be paid by Sybron to Buyer within ten days after Sybron receives such refund or actually realizes the benefit of such credit. Sybron shall not be required to pay any amount under this Section 7.01(i) except to the extent that it actually receives such refund or actually realizes the benefit of such credit. For purposes of this Section 7.01(i), Sybron shall be considered to have actually realized the benefit of a credit only to the extent that a tax liability of Sybron would have been greater without such credit. In the event such refund or credit is later reduced, Buyer shall pay Sybron the amount of such reduction (including statutory interest thereon) by the due date for any resulting tax payment by Sybron or within two days after Sybron's written request therefor, whichever is later. Sybron shall make available to Buyer information useful to Buyer for the purpose of determining whether to apply for a tentative carryback adjustment to the extent such information is reasonably available to Sybron when requested by Buyer.

(j) Tax Sharing Agreements. All tax sharing agreements between any Purchased Company or any Subsidiary and any Seller shall be terminated as of the Closing Date. A copy of each such tax sharing agreement is attached hereto as Schedule 7.01(J).

(k) Consistency. For purposes of any Income Tax returns for periods ending after the Closing Date, Buyer and the Buyer Affiliate shall determine the basis of each asset of the Purchased Companies and Subsidiaries (including those assets referred to in the last paragraph of Section 3.14) to the extent permitted by law in a manner consistent with Sellers' returns. Sellers will cooperate with Buyer and the Buyer Affiliate and provide them in a timely fashion with sufficient information to determine the basis of each such asset.

(l) Meaning of Certain Terms. For purpose of this Section 7.01 (other than Sections 7.01(a) and (b) thereof) the terms "Purchased Company" and "Subsidiary" or "Subsidiaries" and "Buyer" or "Buyer Affiliate" shall include each predecessor or successor entity, the Tax attributes or Tax liabilities of

which have become or include those of any Purchased Company or any Subsidiary, as the case may be.

(m) Indemnification Regarding Sale of BV Netherlands. Buyer will indemnify and hold harmless Sellers against Income Taxes imposed on gain treated as a dividend under Section 1248 of the Code with respect to the sale of the BV Stock hereunder, (the "1248 dividend"), subject to the following conditions and limitations. Buyer shall have no indemnification obligation unless during the period beginning immediately after the Closing and ending December 31, 1987, Buyer, Buyer Affiliate, BV Netherlands or its directly or indirectly owned subsidiaries engage in one or more transactions not in the ordinary course of business (the "Extraordinary Transactions"), which Extraordinary Transactions result in an increase to the 1248 dividend or a decrease in the amount of foreign tax credit available with respect to the 1248 dividend. The amount of Buyer's indemnification obligation shall be equal to the difference between Sybron's consolidated federal income tax liability for the year in which the 1248 dividend is recognized and the amount such liability would have been, determined as if the Extraordinary Transactions had not occurred. For purposes of this Section 7.01(m), any sale or transfer of assets (including shares of stock) reasonably required as part of or incident to the disposition of the Gamlen Business (including transfers of non-Gamlen assets to facilitate the disposition of any part of the Gamlen Business) shall not be considered Extraordinary Transactions, and any actual or deemed election under Section 338 of the Code (other than a protective carryover election) which is effective during the period beginning immediately after the Closing and ending December 31, 1987 with respect to BV Netherlands or any of its directly or indirectly owned subsidiaries shall be considered Extraordinary Transactions.

7.02. Transfer Taxes. Sellers will pay all transfer, documentary, stamp and similar taxes or duties ("Transfer Taxes") in connection with the delivery of the BV Stock, the Commonwealth Stock, Italian Stock and U.K. Stock to be made hereunder. Buyer will pay all Transfer Taxes in connection with the delivery of the Sybron Stock and Sybron Note to be made hereunder.

7.03. Obligations of the Sellers for Non-Business Liabilities. From and after the Closing Date, the Sellers shall jointly and severally assume, pay and discharge for the account of Sellers, as and when due and payable, and shall indemnify and hold harmless the Buyer, the Buyer Affiliate, each Purchased Company and each Subsidiary from and against any and all losses, liabilities, claims, obligations or damages of any nature arising out of or in connection with or related to any occurrence or

matter not related to the Business but arising out of or in connection with or related to any occurrence or matter related to any other business or other activity in which any of Sellers or any of their subsidiaries has been, is, or (except for the Purchased Companies and the Subsidiaries) may become engaged, whether or not reflected at any time in the books of account or financial statements of any Purchased Company or any Subsidiary or assumed by or transferred to any such Purchased Company or Subsidiary by contract, by operation of law or otherwise, including without limitation any such losses, liabilities, claims, obligations or damages retained by Sybron or its subsidiaries under the Asset Purchase and Sale Agreement dated as of September 30, 1983 by Sybron Corporation, Sybron Western Hemisphere, Inc., Sybron Canada Limited, Taylor Instrumentos Ltda., Taylor Instrument Limited, Sybron Italia S.p.A. and Combustion Engineering, Inc. and the Asset Purchase Agreement Pfaudler dated as of October 1, 1982 by Sybron Corporation, The Pfaudler Co. Inc., Henry Balfour and Company, Limited and Sohio Industrial Products Company and further, including without limitation, any such losses, liabilities, claims, obligations or damages related to the matters listed on Schedule 7.03.

7.04. Indemnification by the Sellers.

From and after the Closing Date, the Sellers jointly and severally agree to indemnify and hold harmless the Buyer, the Buyer Affiliate, each Purchased Company and each Subsidiary from and against any and all losses, liabilities, claims, obligations or damages of any nature arising out of or in connection with or related to any breach of any covenant or agreement contained herein, any misrepresentation or breach of warranty contained in this Agreement (only if and to the extent that such misrepresentation or breach causes the Sellers' representations and warranties not to be true and correct in all material respects as defined in Article III) or in any certificate delivered at Closing in respect thereof (but, insofar as such certificate relates to representations and warranties contained in Article III of this Agreement, only if and to the extent that such misrepresentation or breach causes the Sellers' representations and warranties not to be true and correct in all material respects as defined in Article III) and any actions, judgments, costs and expenses (including reasonable attorneys' fees and all other expenses incurred in investigating, preparing or defending any litigation or proceeding, commenced or threatened) incident to any of the foregoing or the enforcement of this Section, provided that, Sellers shall be responsible or liable for any breach of the representations and warranties of Section 3.14 with respect to Ministerial Taxes, only to the extent that such breach is the result of the failure of the

employees of Old Sybron who had ministerial responsibility for the preparation of the returns relating to such Taxes and the payment of such Taxes properly to prepare such returns or pay over such Taxes based on the information submitted to them.

7.05. Security for Sellers' Obligations.

(a) For purposes of this Section 7.05, the following terms shall have the meanings indicated below:

(i) "Net Worth" shall mean, at any time, the stockholders' equity of Sybron and its consolidated subsidiaries as set forth in Sybron's most recent consolidated balance sheet delivered to Buyer pursuant to this Section 7.05, (i) as increased on a pro forma basis by the net amount received by Sybron from the sale of Sybron's equity securities and any capital contributions to Sybron subsequent to the date of such balance sheet and (ii) as decreased on a pro forma basis by the amount of any dividends or other distributions to shareholders made by Sybron subsequent to the date of such balance sheet. The net amount received by Sybron in connection with any sale of Sybron's equity securities or capital contributions to Sybron shall equal the aggregate proceeds received by Sybron, after payment of expenses, commissions and the like incurred in connection therewith, whether such proceeds are in cash or in property (valued at the fair market value thereof, as determined in good faith by Sybron's Board of Directors at the time of receipt).

(ii) "Requisite Amount" shall mean $3 million; provided however, that if Sybron's Net Worth shall be less than $25 million, the Requisite Amount shall be equal to $3 million plus the amount by which Sybron's Net Worth is less than $25 million, but in no event shall the Requisite Amount be more than $10 million.

(iii) "Sybron" shall mean Sybron Corporation, or any successor thereto in a merger, consolidation, reorganization, recapitalization or any similar transaction (including the purchase of all or substantially all of Sybron's assets), provided that such successor shall have expressly assumed Sybron's obligations hereunder.

(b) Subject to Section 7.05(c), from the Closing Date until the tenth anniversary of the Closing Date, Sybron shall establish and maintain an irrevocable letter of credit, escrow fund or other comparable security, in form and substance reasonably satisfactory to Buyer (the "Collateral"), as security

for Sybron's obligations under this Agreement in an amount at any time equal to not less than the Requisite Amount.

(c) On June 30, 1989 and on each succeeding June 30, Sybron shall be entitled to reduce the Collateral by $500,000 if Sybron's Net Worth (as reflected on the most recent balance sheet delivered to Buyer pursuant to this Section 7.05) is equal to at least $40 million and Sybron's consolidated net income before taxes and before any extraordinary gain on the sale of capital assets or of other assets outside the ordinary course of business, including dispositions of any business or material portion thereof (as reflected on its most recent audited consolidated income statement delivered to the Buyer pursuant to this Section 7.05 ("Income") is equal to at least $10 million; provided however, Sybron shall re-establish and maintain Collateral in an amount equal to the Requisite Amount if either Sybron's Net Worth shall subsequently be less than $40 million or Sybron's Income shall subsequently be less than $10 million in any 12 month period. In the event the amount of Collateral is greater than the Requisite Amount, Buyer shall release Collateral designated by Sybron in an amount equal to such excess. Buyer shall at any time or from time to time permit Sybron to substitute one form of Collateral for another form of Collateral and shall permit Sybron to substitute for any letter of credit included in the Collateral a new letter of credit, in form and substance reasonably satisfactory to Buyer, provided the amount of Collateral after such substitution is at least equal to the Requisite Amount.

(d) Buyer shall not make any drawing against the Collateral (i) without giving Sybron 14 days prior written notice of its intention to draw on the Collateral and (ii) unless (A) Sybron agrees to such drawing or (B) Buyer shall certify that such drawing is being used solely to satisfy (in whole or in part) any liability or obligation of any Seller to the Buyer, the Buyer Affiliate, any Purchased Company or any Subsidiary under this Agreement (including without limitation, this Section 7.05) which Buyer reasonably believes to be due. Promptly after any such drawing, Sybron shall increase the Collateral so that the Collateral shall at all times be equal to not less than the Requisite Amount. If Sybron fails to so increase the Collateral within two business days after the first drawing, the "Requisite Amount" shall at all times thereafter be increased to $4 million and for each subsequent failure to so increase the Collateral within two business days after any subsequent drawing the "Requisite Amount" shall at all times thereafter be increased an additional $1 million for each such failure. If Sybron fails to replace a letter of credit included within the Collateral within 30 days prior to the expiration date thereof with Collateral in

an amount equal to the amount available under such letter of credit or the Requisite Amount, whichever is less, Buyer may draw down such letter of credit at any time after such 30th day prior to the expiration date thereof (and hold the proceeds of such drawing as Collateral hereunder) and the "Requisite Amount" shall at all times thereafter be increased to $4 million. Buyer shall promptly reimburse Sybron for any drawing made by Buyer on the Collateral if and to the extent such drawing was used to pay an amount which was not a liability or obligation of any Seller to the Buyer, the Buyer Affiliate, any Purchased Company or any Subsidiary hereunder. Such reimbursement shall be paid with Interest from the date of the applicable drawing.

(e) Until the tenth anniversary hereof:

(i) Sybron shall furnish to Buyer (A) within 60 days after the end of each fiscal quarter, an unaudited consolidated balance sheet, prepared in accordance with generally accepted accounting principles consistently applied, as at the end of such quarter and an unaudited consolidated income statement which income statement shall cover the twelve (12) month period then ended and shall be accompanied by a calculation of Sybron's Income for such period and (B) within 90 days after the end of each fiscal year, an audited consolidated balance sheet and an audited consolidated income statement, prepared in accordance with generally accepted accounting principles consistently applied, as of the end of such fiscal year;

(ii) Sybron (A) shall not declare or pay any dividend or make any other distribution to its shareholders or merge or consolidate with any other person if, after giving effect thereto, Sybron's Net Worth would be less than $25 million, unless prior thereto the amount of the Collateral shall be equal to not less than the Requisite Amount after giving effect to such dividend, distribution, merger or consolidation, and (B) shall give Buyer at least 10 days written notice prior to any dividend or other distribution to its shareholders or any merger or consolidation involving Sybron, which notice shall be accompanied by a certificate of the Chief Financial Officer of Sybron demonstrating in reasonable detail the Net Worth of Sybron;

(iii) Sybron shall furnish Buyer with an officer's certificate executed by the Chief Financial Officer of Sybron setting forth the net amount received by Sybron in connection with any sales of Sybron's equity securities and any capital contributions to Sybron, if the amount thereof would reduce the Requisite Amount pursuant to the proviso set forth in Section 7.05(a)(ii).

(f) Sybron's obligation pursuant to this Section 7.05 shall be terminated from and after the date that Sybron provides to the Buyer an irrevocable unconditional guarantee of Sybron's obligations under this Agreement in form and substance acceptable to the Buyer, executed by a corporation having outstanding debt securities rated "A" or better by Standard & Poor or an equivalent rating of any other nationally recognized rating agency.

7.06. Indemnification by Buyer Group.

(a) From and after the Closing Date, the Buyer, the Buyer Affiliate, the companies executing this Agreement as a "Purchased Company" and a "Subsidiary" jointly and severally agree to indemnify and hold harmless the Sellers from and against any and all loss, liability, claim, obligation or damage arising out of or resulting from any breach by the Buyer or the Buyer Affiliate of any covenant or agreement contained herein or any misrepresentation or breach of warranty contained in this Agreement, to the extent that such losses, liabilities, claims, obligations and damages arising out of a misrepresentation or breach of warranty contained in Article IV exceed $250,000, or in any certificate delivered at Closing in respect thereof and any actions, judgments, costs and expenses (including reasonable attorneys' fees and all other expenses incurred in investigating, preparing or defending any litigation or proceeding, commenced or threatened) incident to any of the foregoing or the enforcement of this Section.

(b) The Buyer, the Buyer Affiliate, the Purchased Companies and the Subsidiaries (other than the Gamlen Companies), jointly and severally, agree to indemnify and hold harmless the Sellers against any claim, liability, loss, damage or expense, including reasonable attorneys' fees, incurred by any Seller under the Securities Act of 1933, the Securities Exchange Act of 1934 or other federal or state securities law or regulation, insofar as such claim, damage, liability, loss or expense (or actions in respect thereof) arises out of or is based upon any untrue statement or alleged untrue statement of a material fact or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, contained in any Offering Documents of Buyer or any affiliate, and to reimburse Sellers, as incurred, for any legal or other expenses reasonably incurred in connection with investigating or defending any such claim, liability, loss damage, or action.

7.07. Indemnification Procedures.

(a) The provisions of this Section 7.07 shall govern any claim ("Claim") pursuant to Sections 5.10, 6.08, 6.09, 7.01, 7.03, 7.04, 7.06, 9.06 and 10.05 by a party seeking indemnification (the "Indemnitee") against a party agreeing to provide indemnification thereunder (the "Indemnitor").

(b) Indemnitee will give notice ("Notice") to Indemnitor, in the manner set forth in Section 13.09, of any Claim as promptly as reasonably practicable and in any case not more than 30 days after receipt by Indemnitee of written notice by a third party asserting any loss, liability, claim, obligation or damage (collectively, an "Asserted Loss") against Indemnitee on the basis of a which Claim is, in Indemnitee's reasonable judgment, likely to be asserted by Indemnitee. Each Notice shall set forth the nature of the Claim, in such reasonable detail as is then known to Indemnitee, and shall be accompanied by copies of any written correspondence from third persons to Indemnitee asserting any Asserted Loss. If Indemnitee does not give Notice as promptly as reasonably practicable, Indemnitor's obligations to indemnify and hold harmless Indemnitee with respect to a Claim based upon an Asserted Loss by a third party as to which such Notice was not provided will be reduced to the extent that Indemnitor would have been able to reduce the amount of such Asserted Loss upon which such Claim was based had Indemnitor received such Notice in such manner and time as herein provided. Except as expressly set forth herein, Indemnitee's failure to give Notice shall not affect Indemnitor's obligations under Sections 5.10, 6.08, 6.09, 7.01, 7.03, 7.04, 7.06, 9.06 or 10.05.

(c) Within 30 days after Notice of any Claim is given, Indemnitor shall have the right, exercisable by notice to Indemnitee within such period, to assume the defense of any Asserted Loss by a third party which involves (and continues to involve) solely monetary damages, provided that:

(i) Indemnitor expressly agrees in such notice that, as between Indemnitor and Indemnitee, Indemnitor shall be solely obligated to satisfy and discharge the Asserted Loss; and

(ii) Indemnitor demonstrates to the reasonable satisfaction of Indemnitee, that Indemnitor has (and will continue to have) adequate financial resources to satisfy and discharge the Asserted Loss.

As promptly as reasonably practicable after Indemnitor has given notice to Indemnitee of its intended exercise of its

right to defend an Asserted Loss, Indemnitee shall give notice to Indemnitor of any objection thereto based upon the conditions set forth in clauses (i) and (ii) herein. If Indemnitee reasonably objects, Indemnitee shall continue to defend the Asserted Loss until such time as such objection is withdrawn. If no such notice is given, or if any such objection is withdrawn, Indemnitor shall be entitled to assume and conduct such defense, with counsel selected by Indemnitor and reasonably acceptable to Indemnitee. Indemnitee shall in good faith defend any Asserted Loss with counsel selected by Indemnitee and reasonably acceptable to Indemnitor.

(d) Indemnitor or Indemnitee, as the case may be, shall have the right to participate, at its own expense, in the defense of any Asserted Loss which the other is defending.

(e) Indemnitee shall have the sole and exclusive right to settle, in good faith, any Asserted Loss, on such terms and conditions as it deems reasonably appropriate, to the extent such Asserted Loss involves either (i) equitable or other non-monetary relief, or (ii) monetary damages, provided that Indemnitee may not settle an Asserted Loss involving solely monetary relief (A) unless it gives Indemnitor at least ten (10) business days notice of such settlement or (B) if Indemnitor shall object to such proposed settlement provided Indemnitor demonstrates to the reasonable satisfaction of Indemnitee that Indemnitor has (and will continue to have) adequate financial resources to satisfy and discharge the Asserted Loss in the amount asserted (or, if independent counsel for Indemnitor shall have expressed the opinion that the likelihood of recovery of such amount is remote, the maximum amount the likelihood of recovery of which is in such counsel's opinion not remote). Notwithstanding the foregoing, Indemnitor shall have the right to require the Indemnitee to settle any Asserted Loss which involves solely monetary relief if the Indemnitor pays the full amount of such settlement.

(f) Both Indemnitor and Indemnitee shall cooperate fully with one another in connection with the defense, compromise or settlement of any Asserted Loss, including without limitation, by making available to the other all pertinent information and witnesses within its control.

(g) If Indemnitee shall realize a monetary benefit as a result of a judgment, compromise or settlement of any claim for which indemnification was provided under Sections 5.10, 6.08, 6.09, 7.01, 7.03, 7.04, 7.06, 9.06 and 10.05 of this Agreement, Indemnitee shall pay such monetary benefit, including interest received by such party attributable thereto, to

Indemnitor to the extent that Indemnitor has previously paid the amount sought to Indemnitee.

(h) No failure by the Buyer, the Buyer Affiliate, any Purchased Company or any Subsidiary to comply with the procedures set forth in this Section 7.07 shall prevent any of them from proceeding against the Collateral (as defined in Section 7.05) in respect of any claim based on liabilities described in Section 7.03 and in Schedule 7.03 to satisfy such claims upon compliance with the conditions set forth in Section 7.05(d).

7.08. Survival of Covenants, Representations and Warranties.

(a) Buyer's and the Buyer Affiliate's covenants, representations and warranties and certificates delivered at Closing in respect thereof shall survive the Closing for the periods set forth in Schedule 7.08(a) and shall thereafter expire and be of no force or effect.

(b) Sellers' covenants, representations and warranties and certificates delivered at Closing in respect thereof shall survive the Closing for the periods set forth in Schedule 7.08(b) and shall thereafter expire and be of no force or effect.

(c) No party shall have any liability or obligation in respect of any breach of any representation or warranty contained in Articles III or IV if the transactions contemplated hereby shall fail to be consummated for any reason. From and after the Closing Date, except for the representations and warranties set forth in Article III that are listed in Schedule 7.08(c)(1), the representations and warranties of Sellers set forth in Article III and in any certificate delivered at Closing in respect thereof shall be deemed to have been made solely on the basis of the actual knowledge of the persons listed in Schedule 7.08(c)(2) and shall be deemed to have been modified to the extent that the Insider had actual knowledge on or before the Closing Date that such representations, warranties and certificates were incorrect. In addition, from and after the Closing Date, the Sellers shall have no liability for any breach of Sections 5.02 or 5.05 if (i) none of the individuals listed in Schedule 7.08(c)(2) had actual knowledge of such breach on or before the Closing Date or (ii) if the Insider had actual knowledge of such breach on or before the Closing Date.

7.09. Indemnification on After-Tax Basis. Amounts payable in respect of indemnification obligations of the parties

hereto shall be treated as adjustments to the Purchase Prices hereunder for the Stock and the BV Stock with respect to which indemnification claims are paid. The amount for which indemnification payments are made hereunder shall be calculated after taking into account any realized tax effects attributable to the loss, liability, claim, obligation or damage giving rise to the indemnification obligation or attributable to the receipt (or right to receive) an indemnification payment (including any realized tax effects resulting from basis adjustments other than adjustments to the basis of stock). If any such tax effects are realized after an indemnification payment is made hereunder, an adjustment payment reflecting such tax effects shall be made when and if such tax effects are realized.

ARTICLE VIII

CONDITIONS TO BUYER'S AND THE BUYER AFFILIATE'S OBLIGATIONS

The obligations of Buyer and the Buyer Affiliate to purchase the Stock, the Sybron Note and the BV Stock shall be subject to the satisfaction on or prior to the Closing Date of all of the following conditions (any one or more of which may be waived in whole or in part by the Buyer or the Buyer's Affiliate at their option):

8.01. Representations, Warranties and Covenants of Sellers. Each Seller shall have complied in all material respects with all of its agreements and covenants contained herein to be performed at or prior to the Closing Date, and all the representations and warranties of each Seller contained herein shall be true and correct in all material respects (as defined in Article III) on and as of the Closing Date with the same force and effect as though such representations and warranties had been made on, as of and with reference to the Closing Date. Buyer and the Buyer Affiliate shall have received a certificate of each Seller and Chemicals dated as of the Closing Date and signed by a duly authorized executive officer of each Seller, as applicable, certifying as to the fulfillment of the condition set forth in this Section 8.01.

8.02. Institutional Financing. The Buyer and the Buyer Affiliate shall have secured financing acceptable to the Buyer and the Buyer Affiliate from institutions for funds sufficient to enable the Buyer and the Buyer Affiliate to consummate the transactions contemplated by this Agreement (the "Institutional Financing") and the Buyer and the Buyer Affiliate shall have received the proceeds of such Institutional Financing.

8.03. Opinion of Counsel. The Buyer and the Buyer Affiliate shall have received from Uldis Kordons, Esquire, general counsel for Sybron, an opinion dated the Closing Date, in form and substance satisfactory to the Buyer, to the effects set forth in Exhibit A hereto.

8.04. Satisfactory Instruments. All instruments and documents required on the part of the Sellers and Chemicals to effectuate and consummate the transactions contemplated hereby shall be delivered to the Buyer and the Buyer Affiliate and shall be in form and substance reasonably satisfactory to the Buyer and its counsel.

8.05. No Prohibition. No statute, rule or regulation or order of any court or administrative agency shall be in effect

which restrains or prohibits the Buyer or the Buyer Affiliate from consummating the transactions contemplated hereby or which would materially limit or materially adversely affect the Buyer's or the Buyer Affiliate's ownership or control of any Purchased Company or any Subsidiary or the Business, and there shall not have been threatened, nor shall there be pending, any action or proceeding by or before any court or governmental agency or other regulatory or administrative agency or commission, (a) challenging any of the transactions contemplated by this Agreement or seeking material monetary relief by reason of the consummation of such transactions or (b) by any present or former owner of any capital stock or equity interest in any Purchased Company or any Subsidiary (whether through a derivative action or otherwise) against any Purchased Company or any Subsidiary or any officer, director or shareholder of any Purchased Company or any Subsidiary in his capacity as such (in each case, other than the Insider) or (c) which might have a material adverse effect on the combined businesses, or financial condition or results of operations of the Purchased Companies and the Subsidiaries, taken as a whole, or on the Business.

8.06. Further Action. All consents, approvals, authorizations, exemptions and waivers from third parties that shall be required in order to enable Buyer and the Buyer Affiliate to consummate the transactions contemplated hereby shall have been duly obtained, including without limitation, consents that may be required in Australia, the Netherlands and Italy, (except for such consents, approvals, authorizations, exemptions and waivers, the absence of which would not have a material adverse effect on the combined businesses, or financial condition or results of operations of the Purchased Companies and the Subsidiaries, taken as a whole, or on the Business).

8.07. Regulatory Approval. The New Jersey Department of Environmental Protection ("NJDEP") shall have issued a Consent Order approving the transactions contemplated by the Agreement that is not different in any material respect from the Administrative Consent Order in the matter of Sybron Chemicals, Incorporated, ECRA Case No. 85202, 86097 and 86098, dated May 13, 1986, as amended prior to March 31, 1987, true and complete copies of which have been delivered to the Buyer by the Sellers, and NJDEP shall not have required the posting of letters of credit in excess of $9,000,000.

8.08. Related Party Indebtedness. All indebtedness of any Purchased Company or any Subsidiary to Related Parties and all indebtedness of Related Parties to any Purchased Company or any Subsidiary (other than the Sybron Note and the Gamlen Note

and the Italian Note) shall have been forgiven effective the Closing Date.

8.09. Resignations. To the extent requested by the Buyer or the Buyer Affiliate, each Seller shall have delivered written resignations of directors and officers of each Purchased Company and each Subsidiary who are directors, officers or employees of any Seller, effective on the acceptance by such Buyer or such Buyer Affiliate, and shall have caused all qualifying shares of such directors and officers to be assigned to such Buyer or Buyer Affiliate.

8.10 Italian Companies. The obligations of Sybron set forth in clause (a) of Schedule 3.07 with respect to the Italian Companies shall have been fulfilled and the conditions set forth in such Schedule 3.07 shall have been met.

ARTICLE IX

CONDITIONS TO OBLIGATIONS OF SELLERS

The obligations of Chemicals to sell the BV Stock and of the Sellers to sell the Stock and the Sybron Note shall be subject to the satisfaction on or prior to the Closing Date of all of the following conditions (any one or more of which may be waived in whole or in part by Sybron or Chemicals at their option):

9.01. Representations, Warranties and Covenants of Buyer and the Buyer Affiliate. Buyer and the Buyer Affiliate shall have complied in all material respects with all of its agreements and covenants contained herein to be performed at or prior to the Closing Date, and all of the representations and warranties of Buyer contained herein shall be true in all material respects on and as of the Closing Date with the same force and effect as though such representations and warranties had been made on, as of and with reference to the Closing Date. The Sellers shall have received a certificate of Buyer and the Buyer Affiliate, dated as of the Closing Date and signed by duly authorized executive officers of Buyer and the Buyer Affiliate certifying as to the fulfillment of the condition set forth in this Section 9.01.

9.02. Satisfactory Instruments. All instruments and documents required on the part of Buyer and the Buyer Affiliate to effectuate and consummate the transactions contemplated hereby shall be delivered to the Sellers and shall be in form and substance reasonably satisfactory to the Sellers and its counsel.

9.03. No Prohibition. No statute, rule or regulation or order of any court or administrative agency shall be in effect which restrains or prohibits any Seller from consummating the transactions contemplated hereby or which would limit or materially adversely affect the Buyer's or the Buyer Affiliate's ownership or control of any Purchased Company or any Subsidiary or the Business, and there shall not have been threatened, nor shall there be pending, any action or proceeding by or before any court or governmental agency or other regulatory or administrative agency or commission (a) challenging any of the transactions contemplated by this Agreement or seeking material monetary relief by reason of the consummation of such transactions or (b) by any present or former owner of any capital stock or equity interest in any Purchased Company or any Subsidiary (whether through a derivative action or otherwise) against any Purchased Company or any Subsidiary or any officer, director or shareholder of any Purchased Company or any

Subsidiary in his capacity as such (in each case, other than the Insider) or (c) which might have a material adverse effect on the combined business, financial condition or results of operation of the Purchased Companies and the Subsidiaries, taken as a whole, or on the Business.

9.04. Opinion of Counsel. Sellers shall have received from Dechert Price and Rhoads, counsel for Buyer and the Buyer Affiliate, an opinion dated the Closing Date, in form and substance satisfactory to Sellers, to the effects set forth in Exhibit B. Dechert Price & Rhoads may rely on such opinions of foreign counsel as it shall deem appropriate.

9.05. Further Action. All consents, approvals, authorizations, exemptions and waivers from third parties that shall be required in order to enable the Sellers to consummate the transactions contemplated hereby shall have been duly obtained, including without limitation, consents that may be required in Australia, the Netherlands and Italy (except for such consents, approvals, authorizations, exemptions and waivers, the absence of which would not have a material adverse effect on the combined businesses, financial condition or results of operation of the Sellers and their subsidiaries, taken as a whole, or on the Business).

9.06. Release. Except as otherwise agreed with respect to the overdraft facilities on Schedule 2.04(A), Sellers shall have been released from liability under the bank guarantees listed in Schedule 9.06 and the Buyer shall have provided evidence to the Sellers of such release. The Buyer and the Buyer Affiliate will indemnify and hold harmless the Sellers from any and all losses, claims, liabilities, obligations and damages of any nature arising out of or in connection with or related to the failure of the Buyer or the Buyer Affiliate to cause such release.

ARTICLE X

ARRANGEMENTS

10.01. Pension and Other Plans.

(a) (1) Buyer shall, as soon as practicable after the Closing Date, establish one or more defined contribution plans ("Buyer's Savings Plan(s)") substantially comparable in form to the Sybron Corporation Savings and Thrift Plan for Salaried Employees (the "Sybron Salaried Savings Plan") and the Sybron Corporation Savings and Thrift Plan for Hourly-Rated Employees (the "Sybron Hourly Savings Plan"). The Buyer's Savings Plan(s) shall be qualified under sections 401(a) and 401(k) of the Code.

(2) As soon as practicable after the later of (i) thirty days following the filing of Form 5310 by Buyer in respect of the Buyer's Savings Plan and by Sybron in respect of the Sybron Salaried Savings Plan or the Sybron Hourly Savings Plan, as the case may be, or (ii) either the issuance of a favorable determination letter in respect of the applicable Buyer's Savings Plan, or the receipt by Sybron of an opinion of Buyer's counsel satisfactory to Sybron that the Buyer's Savings Plan is qualified under the applicable provisions of the Internal Revenue Code, Sybron shall (i) cause the trustee of the Sybron Salaried Savings Plan to transfer, in cash, to the trust forming a part of the Buyer's Savings Plan which is the successor thereto, the account balances (whether or not vested) of the employees of the Purchased Companies and Subsidiaries participating in the Sybron Salaried Savings Plan, (ii) cause the trustee of the Sybron Hourly Savings Plan to transfer, in cash, to the trust forming a part of the Buyer's Savings Plan which is the successor thereto, the account balances (whether or not vested) of the employees of the Purchased Companies and Subsidiaries participating in the Sybron Hourly Savings Plan, and (iii) cause the trustee of the Sybron Corporation Consolidated Profit Sharing Plan (the "Sybron Profit Sharing Plan") to transfer, in cash, the account balance of each employee who is a participant therein to the Buyer's Savings Plan in which the employee becomes a participant, in each case determined within the 90 days immediately preceding such transfer. After the transfer of account balances to Buyer's Savings Plan(s), neither Sybron nor any of its affiliates nor the Sybron Salaried Savings Plan nor the Sybron Hourly Savings Plan nor the Sybron Profit Sharing Plan shall have any liability to the employees with respect to the Sybron Salaried Savings Plan, the Sybron Hourly Savings Plan or the Sybron Profit Sharing Plan with respect to occurrences after the Closing Date. The account balances, as of December 31, 1986,

for each of the above-mentioned savings plans are as set forth on Schedule 10.01.

(b) Sybron shall retain all liabilities for benefits accrued under the Pension Plan of Sybron Corporation for Salaried Employees, the Pension Plan of Sybron Chemicals Inc. for Salaried Employees or any other defined benefit pension plan, as defined by Section 3(35) of ERISA, maintained by Sybron or any of its affiliates, not specifically assumed by Buyer pursuant to 10.01(c) below, and there shall be no transfer of assets or liabilities from any such plans to any plan maintained by Buyer.

(c) On the Closing Date, Buyer shall become the sponsoring employer of (i) the Retirement Plan of Sybron Chemicals Inc. for Hourly-Rated Employees of its Wellford Plant, (ii) the Retirement Plan of Sybron Chemicals Inc. for employees of the Birmingham Facility represented for Collective Bargaining by United Steelworkers of America (AFL-CIO), Local Union No. 12238 and Local Union No. 13939, and (iii) the Retirement Plan of Sybron Chemicals Inc. for Employees of its Haledon Plant covered by a Collective Bargaining Agreement (each a "Retirement Plan"). Sybron shall cause the trustee of the master trust which forms a part of each Retirement Plan (the "Master Trust"), as of the Master Trust's valuation date next following the Closing Date (the "Valuation Date"), to value, in a manner consistent with its prior practice and acceptable to the Buyer, each Retirement Plan's allocable share of the assets of the Master Trust (the sum of such amounts being hereinafter referred to as the "Retirement Plans' Asset Value"). As soon as practicable after the determination of the Retirement Plans' Asset Value, Sybron shall cause the trustee of the Master Trust to transfer to a successor trustee designated by Buyer an amount equal to the Retirement Plans' Asset Value, reduced by any benefit payments made between the Valuation Date and the date of transfer of assets, and an allocable share of plan expenses for such period.

10.02. Workers' Compensation. The Sellers shall retain all liability for Workers' Compensation claims made prior to the Closing Date, whether the related expenses and liabilities are incurred before, on or after the Closing Date. Buyer shall assume all liability for Workers' Compensation claims made and related expenses and liabilities incurred on or after the Closing Date and shall make appropriate arrangements for its own Workers' Compensation coverage.

10.03 Welfare and Other Benefit Plans.

Buyer and the Buyer Affiliate agree to assume the liabilities and obligations of the Sellers and their affiliates to Employees, as defined in Section 3.15(a)(i), under those of the Benefit Plans or the Foreign Plans considered welfare benefit plans or fringe benefit plans under Section 3.15(a)(i) or 3.15(b)(i) hereof (including specifically and without limiting the generality of the foregoing, liabilities and obligations for retiree health, medical and life insurance benefits and severance pay and severance benefits relating to Employees terminated on or after the Closing Date) (the "Assumed Benefit Obligations"), except to the extent such liabilities are expressly retained by the Sellers or its Affiliates under any other provision of this Agreement.

10.04 Construction. Nothing in this Article X shall be deemed to prohibit the amendment or termination by the Buyer or the Buyer Affiliate of any plan referred to herein. The rights and obligations set forth in this Agreement are not intended to create in any third party or organization any rights or benefits, including without limitation, the rights of a third party beneficiary or to be enforceable by any such third party or organization.

10.05 Indemnification. Buyer and the Buyer Affiliate shall indemnify and hold Sellers and their affiliates harmless for any liability, loss, damage or expense any of them may incur from and after the Closing Date as a result of (i) a failure by the Buyer, the Buyer Affiliate, the Purchased Companies and the Subsidiaries to (A) continue to provide after the Closing Date benefits for Employees comparable to those provided for them under the Benefit Plans or the Foreign Plans immediately prior to the Closing Date or (B) pay or cause to be paid to Employees or their dependents any of the Assumed Benefit Obligations or any benefits or compensation provided for under the Benefit Plans or the Foreign Plans (including specifically but without limiting the generality of the foregoing, retiree health, medical and life insurance benefits) or (ii) the termination of any Employee's employment or the failure by the Buyer, the Buyer Affiliate, a Purchased Company or a Subsidiary to hire any Employee, excluding for this purpose any Employee who is not actively employed in the business engaged in by a Purchased Company or a Subsidiary on the Closing Date, whether for severance pay, severance benefits or otherwise.

10.06 U.K. Pension Plan. The Buyer and the Sellers acknowledge that the U.K. Pension Plan (as defined in the Gamlen Note) covers employees (the "Kerr Employees") of Kerr U.K.

Limited ("Kerr"). As soon as practicable following the Closing Date, the Sellers shall cause to be established a new U.K. pension plan to cover the Kerr Employees, and Buyer, at Sellers' expense, shall cause to be transferred to such new plan the assets of the U.K. Pension Plan allocable to the Kerr Employees (including, to the extent legally transferable, any overfunding). Prior to such transfer, Kerr and the Kerr Employees may continue to participate in the U.K. Pension Plan in respect of the Kerr Employees, and Sellers shall cause to be paid promptly to the U.K. Pension Plan the contributions payable in respect of the Kerr Employees. Sellers shall indemnify Buyer from all claims, liabilities and expenses (including Taxes) in respect of such continued coverage and such transfer of assets. On or prior to the Closing, the Buyer and the Sellers shall enter into definitive agreements with respect to the U.K. Pension Plan.

## ARTICLE XI

## TERMINATION PRIOR TO CLOSING

11.01. Termination. This Agreement may be terminated at any time prior to the Closing:

(a) By the mutual written consent of the parties hereto; or

(b) By any of the parties hereto, in writing, without liability, if the Closing shall not have occurred on or before June 30, 1987; or

(c) By either Buyer and the Buyer Affiliate on the one hand, or the Sellers and Chemicals on the other hand, in writing, without liability, if the other shall (i) fail to perform in any material respect its or their, as the case may be, agreements contained herein required to be performed prior to the Closing Date, or (ii) materially breach any of its or their, as the case may be, representations, warranties or covenants contained herein.

11.02. Effect on Obligations. Termination of this Agreement pursuant to this Article shall terminate all obligations of the parties hereunder, except for the obligations under Sections 6.04, 13.07 and 13.08 and the last two sentences of Section 5.03; provided however, that where any party hereto has defaulted in the performance of its agreements or covenants contained herein, termination pursuant to clause (b) or (c) of Section 11.01 shall not relieve such defaulting party from any liability to the other parties hereto.

ARTICLE XII

RESPECTING THE GAMLEN BUSINESS

12.01. Prepayment of Gamlen Note. Buyer agrees to use its best efforts to prepay the Gamlen Note (as provided in the Gamlen Note) in full on or before the third anniversary of the Closing Date and to that end will cooperate with Sybron and Goldman, Sachs & Co. in attempting to sell the Gamlen Business to produce Net Proceeds sufficient to prepay such Gamlen Note.

12.02. Additional Gamlen Consideration. In the event that the aggregate Net Proceeds received by the Buyer on or prior to the third anniversary of the Closing Date exceed $5,000,000, the Buyer shall pay additional consideration (the "Additional Gamlen Consideration") for the Sybrac Purchase to Sybron equal to the amount by which (i) 50% of the amount by which the aggregate Net Proceeds are greater than $5,000,000 exceeds (ii) the total amount of interest paid or accrued on the Gamlen Note. The Buyer shall pay to Sybron any Additional Gamlen Consideration within ten (10) days of Buyer's receipt thereof. Thereafter, any Additional Gamlen Consideration not so paid shall bear Interest until paid.

12.03. Operation of the Gamlen Business. Until the third anniversary of the Closing Date, the Buyer and the Buyer Affiliate (a) shall cause the Gamlen Business to be conducted in the ordinary course in all material respects and (b) shall act in good faith in operating and managing the Gamlen Business in light of its commitments pursuant to Section 12.01 of this Agreement and the Gamlen Note. Without limiting the generality of the foregoing, until the third anniversary of the Closing Date, except as Sybron may consent in writing (which consent shall not be unreasonably withheld), (a) the Buyer and the Buyer Affiliate will use their best efforts to prevent any Gamlen Company from (i) entering into any material contract or commitment except those made in the ordinary course of business or the terms of which are reasonable in light of current conditions; (ii) incurring, creating, assuming or suffering to exist any Encumbrance on any of its assets or other property, except in the ordinary course of business; (iii) incurring any debt or other obligation for borrowed money, except in the ordinary course of business; (iv) guaranteeing or becoming a co-maker or accommodation maker or otherwise becoming or remaining contingently liable in connection with any liability or obligation for borrowed money of any person; or (v) entering into any transaction with the Buyer or any of its subsidiaries on terms and conditions less favorable to such Gamlen Company than would apply in an arm's length transaction with an unaffiliated third-party; and (b) the Buyer

and the Buyer Affiliate will use their best efforts (i) to prevent any Purchased Company or any Subsidiary from incurring, creating, assuming or suffering to exist any Encumbrance on the Gamlen facility located in Vernon, France (the "Gamlen Plant") and (ii) to cause the Vernon Plant to be sold and the Net Proceeds (as defined in the Gamlen Note) thereof to be remitted to Sybron upon any foreclosure upon the Collateral pursuant to the Gamlen Note.

12.04. Further Action. Buyer and Sybron agree to take such actions and to execute and deliver such documents as may be reasonably necessary, at any time and from time to time, to carry out the purposes of this Article XII. To the extent deemed necessary or desirable by Buyer, Buyer may cause each Gamlen Company to join in a protective carryover election under Treasury Reg. Section 1.338-4T(f)(6).

12.05. U.K. Pension Plan. In the event of the sale of the assets of Gamlen Chemical Company (U.K.) Ltd., Buyer agrees to use its best efforts to cause the benefit of any U.K. Pension Plan overfunding to be transferred to Sybron pursuant to the terms of the Gamlen Note.

ARTICLE XIII

MISCELLANEOUS

13.01. Reporting Allocation of Purchase Price. Buyer, the Buyer Affiliate, each Seller and Chemicals shall report the sale and purchase of the Stock, the BV Stock and the Sybron Note for all federal, state, local and foreign tax purposes in a manner consistent with the allocation set forth in Section 2.03~~(d)~~.

13.02. Entire Agreement. This Agreement (including all Schedules and Exhibits hereto) constitutes the sole understanding of the parties with respect to the subject matter hereof. Matters disclosed by the Sellers to Buyer and the Buyer Affiliate pursuant to any Section of this Agreement shall be deemed to be disclosed with respect to all Sections of this Agreement. No amendment, modification or alteration of the terms or provisions of this Agreement shall be binding unless the same shall be in writing and duly executed by the parties hereto.

13.03. Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors of the parties hereto, provided however that this Agreement may not be assigned by any party without the prior written consent of the other party hereto, except that Buyer or any Buyer Affiliate may, at its election, assign this Agreement, in whole or in part, to any direct or indirect wholly owned subsidiary, to any bank lender or to any Gamlen Buyer, provided that such assignee shall succeed to no greater rights than, and shall be subject to the same defenses which could be asserted by Sellers against, Buyer, the Buyer Affiliate, any Purchased Company or any Subsidiary and Sellers may, at their election, assign Article XII of this Agreement, in whole or in part, to any direct or indirect wholly owned Subsidiary or to any transferee of the Gamlen Note, provided that such assignee shall succeed to no greater rights than, and shall be subject to the same defenses which could be asserted by the Buyer and the Buyer Affiliate against any Seller. If this Agreement is assigned with such consent or pursuant to such exceptions, the terms and conditions hereof shall be binding upon and shall inure to the benefit of the parties hereto and their respective assigns, provided however that no assignment of this Agreement or any of the rights or obligations hereof shall relieve any party of its obligations under this Agreement.

13.04. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes

be deemed to be an original and all of which shall constitute the same instrument.

13.05. Headings. The headings of the Sections and paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction hereof.

13.06. Modification and Waiver. Any of the terms or conditions of this Agreement may be waived in writing at any time by the party which is entitled to the benefits thereof. No waiver of any of the provisions of this Agreement shall be deemed to or shall constitute a waiver of any other provisions hereof (whether or not similar).

13.07. Expenses. Buyer, the Buyer Affiliate and Sellers shall each pay all costs and expenses incurred by it in connection with this Agreement and the transactions contemplated hereby, including without limitation the fees and expenses of its own financial consultants, accountants and counsel.

13.08. Broker's Fees. Each of the parties hereto (i) represents and warrants that it has not taken and will not take any action that would cause the other party hereto to have any obligation or liability to any person for a finder's or broker's fee, and (ii) agrees to indemnify the other party hereto for breach of the foregoing representation and warranty, whether or not the Closing occurs.

13.09. Notices. Any notice, request instruction or other document to be given hereunder by any party hereto to any other party shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid,

if to the Sellers or Chemicals to:

Sybron Corporation
Park 80 West
Plaza One
Saddle Brook, New Jersey 07662
Attn: Mr. Howard Leach and
Uldis Kordons, Esq.

with a copy to:

Fried, Frank, Harris, Shriver & Jacobson
One New York Plaza
New York, New York 10004
Attn: Joseph A. Stern, Esquire

if to Buyer or the Buyer Affiliate to:

Sybrac Corp.
c/o Citicorp Venture Capital Ltd.
153 East 53rd Street
New York, New York 10043
Attention: Richard M. Cashin, Jr.

with a copy to:

Dechert Price & Rhoads
1500 Market Street
3400 Centre Square West
Philadelphia, PA 19102
Attention: Barton J. Winokur, Esquire

or at such other address for a party as shall be specified by like notice. Any notice which is delivered personally in the manner provided herein 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). Any notice which is addressed and mailed in the manner herein provided shall be conclusively presumed to have been duly given to the party to which it is addressed at the close of business, local time of the recipient, on the third day after the day it is so placed in the mail.

13.10. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

13.11. Judicial Proceedings. Any judicial proceeding brought against any party hereto with respect to this Agreement must be brought in a court of competent jurisdiction in the State of New York, United States of America, and, by execution and delivery of this Agreement, each Seller and Chemicals hereby accepts for itself and in connection with its properties, generally and unconditionally, the exclusive jurisdiction of the aforesaid courts, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. Each party hereto agrees that service of process shall be effective and binding service if given in accordance with the provisions of Section 13.09 of this Agreement.

13.12. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the

remaining provisions hereof or affecting the validity and enforceability of such provision in any other jurisdiction.

13.13. Public Announcements. Each Seller and Chemicals and Buyer shall consult with one other before issuing any press releases or otherwise making any public statements with respect to this Agreement and the transactions contemplated hereby and shall not issue any such press release or make any public statement prior to such consultation, except as may be required by law.

13.14. Buyer Affiliate to Join. On or before the Closing Date, Buyer shall cause the Buyer Affiliate to become bound by this Agreement.

13.15 Third Parties. This Agreement constitutes an agreement solely among the parties hereto, and is not intended to and shall not confer any rights, remedies, obligations or liabilities, legal or equitable, on any person other than the parties hereto and their respective successors or assigns, or otherwise constitute any person a third party beneficiary under or by reason of this Agreement.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf as of the date first above written.

SYBRAC CORP.

By: _____
Title: Pres.

SYBRON CORPORATION

By: _____
Title:

SYBRON COMMONWEALTH HOLDINGS, INC.

By: _____
Title:

remaining provisions hereof or affecting the validity and enforceability of such provision in any other jurisdiction.

13.13. Public Announcements. Each Seller and Chemicals and Buyer shall consult with one other before issuing any press releases or otherwise making any public statements with respect to this Agreement and the transactions contemplated hereby and shall not issue any such press release or make any public statement prior to such consultation, except as may be required by law.

13.14. Buyer Affiliate to Join. On or before the Closing Date, Buyer shall cause the Buyer Affiliate to become bound by this Agreement.

13.15 Third Parties. This Agreement constitutes an agreement solely among the parties hereto, and is not intended to and shall not confer any rights, remedies, obligations or liabilities, legal or equitable, on any person other than the parties hereto and their respective successors or assigns, or otherwise constitute any person a third party beneficiary under or by reason of this Agreement.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf as of the date first above written.

SYBRAC CORP.

By: _____
Title:

SYBRON CORPORATION

By: _____
Title: Uldis Kordons
Vice President

SYBRON COMMONWEALTH HOLDINGS, INC.

By: _____
Title: Uldis Kordons
Vice President

SYBRON LTD.

By: _____
Title: Uldis Kordons
Director

SYBRON ITALIA, S.p.A.

By: _____
Title: Uldis Kordons
Authorized Agent

SYBRON CHEMICALS, INC.

By: _____
Title: Uldis Kordons
Secretary

ACCEPTED AND AGREED solely
for purposes of Section 7.06:

SYBRON CHEMICALS HOLDINGS, INC.

By: _____
Title: Uldis Kordons
Vice President

SYBRON CHIMICA ITALIA S.r.l.

By: _____
Title: Uldis Kordons
Authorized Agent

SYBRON CHEMICALS HOLDINGS B.V.

By: _____
Title: Uldis Kordons
Director

SYBRON CHEMICALS INC.

By: _____
Title: Uldis Kordons
Secretary

SYBRON CHEMICALS CANADA LTD.

By: _____
Title: Uldis Kordons
Vice President

SYBRON QUIMICA IBERICA, S.A.

By: _____
Title: Uldis Kordons
Authorized Agent

SYBRON CHEMIE NEDERLAND B.V.

By: _____
Title: Uldis Kordons
Director

SYBRON CHEMICALS EUROPE SARL

By: _____
Title: Uldis Kordons
Authorized Agent

SYBRON CHEMIE DEUTSCHLAND GmbH

By: _____
Title: Uldis Kordons
Authorized Agent

SYBRON CHEMICALS
HANDELSGESELLSCHAFT m.b.H.

By: _____
Title: Uldis Kordons
Authorized Agent

TANTATEX CHEMICAL SUDOST
HANDELSGESELLSCHAFT m.b.H.

By:_____
Title: Uldis Kordons
Authorized Agent

TANTATEX CHEMICAL
COMPANY LIMITED

By:_____
Title: Uldis Kordons
Director

The undersigned agrees to be bound by joinder to this Agreement as the "Buyer Affiliate."

By:_____
Title:

#0011T
052187

# DISCLOSURE SCHEDULES
TO
AGREEMENT OF PURCHASE AND SALE
DATED AS OF MAY 26 , 1987
AMONG SYBRAC CORP., A DUTCH CORPORATION
TO BE ACQUIRED BY SYBRAC CORP., SYBRON CORPORATION,
SYBRON COMMONWEALTH HOLDINGS, INC., SYBRON ITALIA S.p.A.,
SYBRON CHEMICALS INC., AND SYBRON LTD.
PERTAINING TO THE SALE OF STOCK
RELATED TO THE SYBRON CHEMICAL BUSINESS (the "Agreement")

Unless otherwise defined in the annexed Disclosure Schedules, all capitalized terms used herein shall have the meanings ascribed to them in the Agreement.

Matters reflected in the Disclosure Schedules are not necessarily limited to matters required by the Agreement to be reflected in the Disclosure Schedules. Such additional matters are set forth for informational purposes and do not necessarily include other matters of a similar nature.

For purposes of the Agreement, any matter that is disclosed in a Schedule to the Agreement in such a way that its relevance to the information called for by another Schedule of the Agreement is apparent shall be deemed to have been included in such other Schedule, notwithstanding the omission of an appropriate cross-reference thereto.

0022J

Schedule 2.01(A) Purchased Companies

1. Closing Number One - Sale of Sybron Chemicals Holdings B.V. by Sybron Chemicals Inc. to Buyer Affiliate

| Purchased Company | Jurisdiction of Organization | Authorized Capital Stock | Par Value | Issued Stock | Record Holders | Percentage Ownership |
|---|---|---|---|---|---|---|
| Sybron Chemicals Holdings B.V. | The Netherlands | Capital: Dfl. 175,000 divided into 175 shares of Dfl. 1000 each | Dfl. 1000 | 113 | Sybron Chemicals Inc. | 100% |

Schedule 2.01(A) Purchased Companies (cont.)

2. Closing Number Two - Purchase and Sale of the Business

| Purchased Company | Jurisdiction of Organization | Authorized Capital Stock | Par Value | Issued Stock | Record Holders | Percentage Ownership |
|---|---|---|---|---|---|---|
| Sybron Chemicals Holdings, Inc. | Delaware | 1000 shares of Common Stock | $.01 per share | 100 shares | Sybron Corporation | 100% |
| Liens or Security Interests: All 100 shares are pledged to Manufacturers Hanover Trust Company.[1] | | | | | | |
| Gamlen (Australasia) Pty. Ltd. | Australia | 25,000 ordinary shares | Aus. Dlrs. 2.00 | 24,999 | Sybron Commonwealth Holdings, Inc. | 100% |
| | | | | 1 | A.G. Whitfield as nominee | |
| | | | | 25,000 | NOTE: A.G. Witfield is a party to Shareholder Trust Agreement. | |
| Gamlen (Japan) Limited | Japan | ¥384,000,000 | ¥500 | 378,240 | Sybron Commonwealth Holdings, Inc. | 98.5% |
| | | | | 2,880 | R. Nohara [unrelated to Sybron Chemicals] | .75% |
| | | | | 2,880 | K. Kawabe [unrelated to Sybron Chemicals] | .75% |
| | | | | 384,000 | | |
| Gamlen Chemie (Nederland) B.V. | Holland | Dfl. 25,000 | Dfl. 1000 | 5 | Sybron Commonwealth Holdings, Inc. | 100% |

[1] Seller shall cause to be released and discharged prior to Closing.

Schedule 2.01(A) Purchased Companies (cont.)

2. Closing Number Two - Purchase and Sale of the Business (cont.)

| Purchased Company | Jurisdiction of Organization | Authorized Capital Stock | Par Value | Issued Stock | Record Holders | Percentage Ownership |
|---|---|---|---|---|---|---|
| Gamlen Chemical Company (UK) Ltd. | England | 10,000 shares authorized | L1 | 999 | Sybron Limited | 99.99% |
| | | | | 1 | jointly by J. Rowson & D. Natali | .1% |
| | | | | 1,000 | | |
| Sybron Chimica Italia S.r.l. | Italy | Lire 99,000,000 | Lire 1,000 | 99,000 Quotas | Sybron Italia S.p.A. and its nominee | 100% |

#0105J

Schedule 2.01(B) Locations of the Businesses

Sybron Chemicals Inc. (headquarters)
P.O. Box 66
Birmingham Road
Birmingham, New Jersey 08011

Sybron Chemicals Inc.
Pemberton Road
Pemberton Township, New Jersey

Sybron Chemicals Inc.
121 South Maple Avenue, No. 16
So. San Francisco, California 94080

Sybron Chemicals Inc.
375 Allwood Drive
Clifton, New Jersey 07013

Sybron Chemicals Inc.
59 Lee Avenue
Haledon, New Jersey 07508

Sybron Chemicals Inc.
P.O. Box 125
Highway 29A
Wellford, South Carolina 29385

Sybron Chemicals Inc.
Biochemical Plant
P.O. Box 808
Salem, Virginia 24153

Sybron Chemicals Inc.
221 Threadmill Road
Dalton, Georgia

Sybron Chemicals Inc.
One Park 10 Place, Unit 103
Houston, Texas 77011

Gamlen Chemical Company
870 South Peter Street
New Orleans, Louisiana 70115

Gamlen Chemical Company
c/o Tropic Oil Co.
10002 NW 89th Avenue
Miami, Florida 33178

Tanatex Canada Company
Unit 1
120 Norfinch Drive
Downsview, Ontario M3N 1X3, Canada

Tanatex Mexicana S.A. de C.V.
Apartado Postal 344
Calle de la Amistad No. 3
Centro Ind. Puente de Vigas
54070 Tlalnepantla, Edo. de Mexico

Sybron Quimica Iberica S.A.
Avda. Meridiana, 354 Plta. 11 Pta. 3
08027 Barcelona, Spain

Sybron Quimica Iberica
Puente de Duesto No. 7
48014 Bilbao, Spain

Sybron Chemie Deutschland GmbH
Postfach 2807 (Cracauerstrasse 73)
D-4150 Krefeld, West Germany

Sybron Chemie Handelsgesellschaft GmbH
Sellenhafenstrasse 16
1020 Vienna, Austria

Sybron Chemie Nederland B.V.
Sibus 46 (Einsteinstraat 11)
NL-6710 BA EDE, Holland

Tanatex Chemical Company Limited
Cavendish House
216-220 Katherine Street
Ashton-Under-Lyne Lancs, OL6 7AC

Sybron Chemicals South Aftica (Pty) Ltd.
Private Bag Z2022
112 Crompton Street
Pinetown 3600, Natal, South Africa

Gamlen Chemical Co. (UK) Limited
Wallingford Road
Uxbridge, Middlesex U88 2 TD, England

Gamlen Chemie (Nederland) B.V.
P.O. Box 1503 Rontgenstraat 6
3260 BA Oud-Beijerland, Holland

Gamlen Chemicals (Belgium)
(Branch Office Gamlen Chemie
(Nederland) B.V.)
Leopoldsplaats 10. Bus 7
B - 2000 Antwerp, Belgium

Gamlen (Japan) Ltd.
303, No. 1 Iwata Building
10-18 Higashi Gotanda 5-Chome
Shinagawa-Ku, Tokyo 141, Japan

Gamlen (Australasia) Pty. Ltd.
25 Sirius Road, P.O. Box 441
Lane Cove N.S.W. 2066, Australia

Sybron Chemicals Europe S.A.R.L.
62-70 Rue Yvan Tourgueneff
78380 Bougival, France

Sybron Chimie France S.A.
Route de Rouen
B.P. 405
27960 St-Marcel, Vernon, France

Sybron Chimie France S.A.
Zone Industrielle de la Pilaterie
3, Rue du Chateau
59290 Wasquehal, France

Interplast France
19 Rue du Grand Marche
78300 Poissy, France

Sybron Chimie France S.A.
136 Chemin Moulin Carron
69130 Ecully, France

Sybron Chimica Italia
Div. della Sybron Italia S.p.A.
Via Santa Valeria 3
20123 Milan, Italy

Sybron Chimica Italia
Genoa, Rivarolo, Via
Vezzani 74

Resindion Plant
Via Roma
20082 Binasco (Milan), Italy

Sybron Chimica Italia
Div. della Sybron Italia S.p.A.
Via Luigi Rizzo A.
20151 Milan, Italy

Sybron Chimica Italia
Div. della Sybron Italia, S.p.A.
Via Smirna 1/12
Scala 9N
1-16129 Genoa, Italy

Gamlen (Australasia) Pty Ltd.
55 Ayer Bajan Crescent, #01-15/16
Singapore 0513

Gamlen India
(Branch Office of Gamlen
(Australasia) Pty. Ltd.)
Suite 10, 5th Floor, Commerce House
2, Ganesh Chandra Avenue
700 013. Calcutta 13, India

Gamlen Chemical Co. (NZ) Ltd.
P.O. Box 14258, Panmure
54-58 Leonard Road, Mt. Wellington
Auckland 6, New Zealand

Gamlen Hong Kong
Middle Ground Floor, No. 9
Goldfield Industrial Center
1 Sui Wo Road
Fo Tan, Shatin
New Territory, Hong Kong

#0093J

Schedule 2.01(C) Sybron Note

#0145C

SUBCO INTERCOMPANY NOTE

New York, New York
July 11, 1986

FOR VALUE RECEIVED, the undersigned, Sybron Chemicals Holdings, Inc., formerly known as S.C. Acquisition Corp. No. 13, a Delaware corporation (the "Borrower"), promises to pay to the order of SYBRON CORPORATION, formerly known as SC ACQUISITION CORP., a Delaware corporation ("SYBRON"), on December 31, 1989, at the office of Sybron, Park 80 West, Plaza One, Saddle Brook, New Jersey 07670, in lawful money of the United States of America and in immediately available funds, the aggregate principal amount of all loans made by Sybron to the Borrower from time to time. The undersigned further agrees to pay interest in like money at such office on the unpaid principal amount hereof from time ot time from the date hereof at either (i) the rate of interest publicly announced by Manufacturers Hanover Trust Company in New York, New York from time to time as its reference rate ("MHT Rate") plus the Applicable Margin (as such term is defined in the Credit Agreement dated as of July 23, 1986 (as it may be amended, modified or supplemented from time to time, the "Credit Agreement") among Sybron, SC Acquisition Corp. Nos. 1 through 19, certain banks and Manufacturers Hanover Trust Company, as agent for such banks) or (ii) for any Interest Period (as defined in the Credit Agreement) with respect to any Eurodollar Loans (as defined in the Credit Agreement) outstanding at the time of determination, the Eurodollar Rate plus the Applicable Margin (as such terms are defined in the Credit Agreement) determined with respect to such Interest Period pursuant to the Credit Agreement. For purposes of this Note all defined terms used herein which are not defined herein and are defined in the Credit Agreement shall have the respective meanings such terms have in the Credit Agreement. The applicable rate shall be chosen solely at the Borrower's option. The Borrower may also determine that a portion of the principal amount owed by the Borrower to Sybron shall bear interest at the MHT Rate plus the Applicable Margin while another portion bears interest at the Eurodollar Rate plus the Applicable Margin. Interest shall be payable in arrears on each Interest Payment Date.

The holder of this Note is authorized to record the date and amount of each additional Intercompany Loan made by Sybron and the date and amount of each payment or prepayment of principal hereof on the schedule annexed hereto and made a part hereof and any such recordation shall constitute prima facie evidence of the accuracy of the information so recorded.

This Note may, at the option of the Borrower, be prepaid at any time in whole or in part, without premium or

penalty. In addition, upon the occurrence of any Event of Default (as defined in the Credit Agreement), the holder of this Note may, by notice to the Borrower, declare all or a portion of the amounts owing under this Note to be due and payable forthwith, whereupon the same shall immediately become due and payable.

No failure or delay on the part of the holder of this Note in exercising any of its rights, powers or privileges hereunder shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The remedies provided herein are cumulative and are not exclusive of any remedies provided by law. The Borrower hereby waives presentment, demand for payment, notice of default, dishonor or nonpayment, protest and notice of protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note.

This Note shall be construed (both as to validity and performance) and enforced in accordance with and governed by, the laws of the State of New York, applicable to agreements to be performed wholly within such jurisdiction.

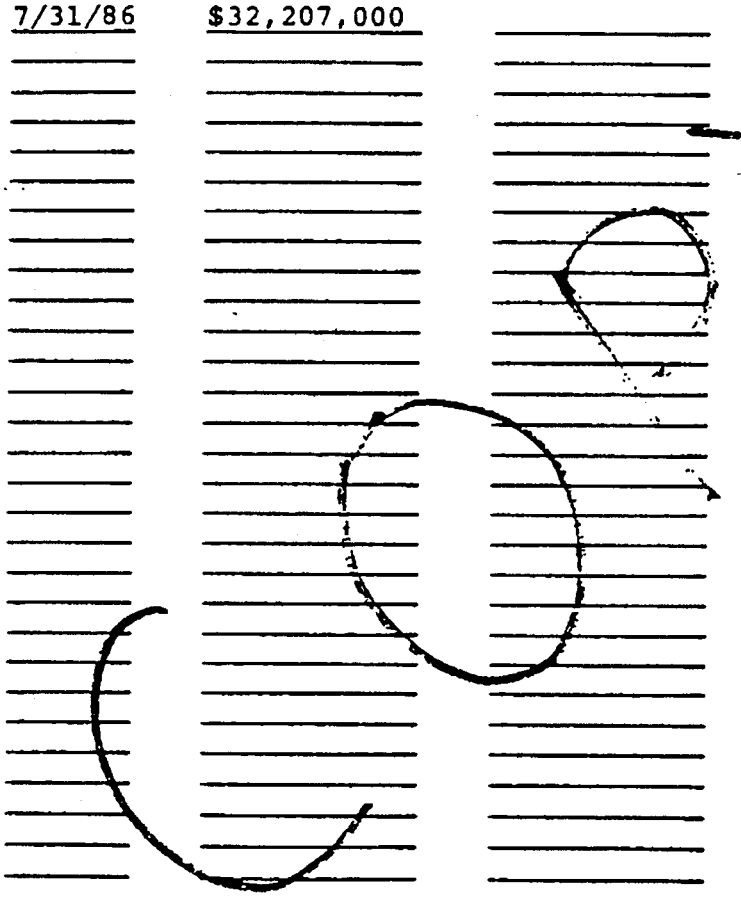
SYBRON CHEMICALS HOLDINGS, INC.

By: _____
James C. McCulloch
Vice President and Treasurer

Schedule to
Intercompany Note

INTERCOMPANY LOANS AND
PAYMENTS OF PRINCIPAL

| Date | Amount of Intercompany Loan | Amount of Principal Paid | Unpaid Notation Balance | Notation made by |
|---|---|---|---|---|
| 7/31/86 | $32,207,000 | | | |



Schedule 2.03(a)

LIMITED RECOURSE

SECURED SUBORDINATED PROMISSORY NOTE

$5,000,000.00 _____, 1987

Section 1. Principal of Note.

(a) Payment Obligation. FOR VALUE RECEIVED, the undersigned, Sybrac Corp., a Delaware corporation and its successors and assigns (the "Company"), hereby promises to pay to Sybron Corporation, a Delaware corporation, or its permitted assigns (referred to herein as the "Payee"), the principal amount of FIVE MILLION DOLLARS ($5,000,000.00).

(b) Payment of Principal.

(i) Maturity. The principal amount of this Note, together with accrued and unpaid interest thereon, if not sooner paid, shall be due and payable on the Maturity Date.

(ii) Required Prepayments.

(A) If the Company shall, at any time or times prior to the third anniversary of this Note, receive Net Proceeds it shall apply such Net Proceeds to prepay, in whole or in part, the outstanding principal amount of this Note, together with accrued and unpaid interest thereon, within 10 days of such receipt.

(B) In addition and whether or not the Company shall have received Net Proceeds sufficient for the purpose, the Company shall be required to prepay the entire outstanding principal balance of this Note on the third anniversary hereof; provided, however, that notwithstanding any other provisions of this Note, the Payee's sole recourse in the event that the Company shall fail to make such prepayment shall be to proceed against the Collateral, subject to Section 5(b), and the Payee agrees that it will not resort to any other remedy therefor.

(C) Subsequent to the third anniversary of this Note, if the Company shall in any calendar year have Excess Cash Flow and to the extent that such application is permitted by the holders of the Senior

Indebtedness one-half of the amount of Excess Cash Flow not restricted in its application by the holders of the Senior Indebtedness, Excess Cash Flow shall be applied to the prepayment of the outstanding principal amount of this Note together with accrued and unpaid interest thereon.

(iii) Optional Prepayments. The Company may prepay this Note in whole at any time or in part from time to time, without premium or penalty, but with accrued interest, if any, to the date of such prepayment on the principal portion so prepaid.

(iv) Application of Non-cash Net Proceeds. If the Company shall remit to Payee any Net Proceeds received in the form of property other than cash, the outstanding principal amount of this Note together with accrued interest thereon shall be reduced by an amount equal to the fair market value of such property, which shall be determined by agreement between the Company and the Payee or, in the absence of such agreement, pursuant to the procedures set forth in Section 2.05 of the Purchase Agreement.

Section 2. Interest. This Note shall bear no interest for the period from the date hereof through the first anniversary of the date hereof. Thereafter, this Note shall bear interest at a rate of 8% per annum until the outstanding principal amount of this Note shall be paid in full. Interest for the period from the first anniversary of the date hereof through the third anniversary of the date hereof shall be (i) paid at the time of the payment of any Net Proceeds out of such payment of Net Proceeds (to the extent sufficient to pay such interest) and (ii) to the extent unpaid out of such payment of Net Proceeds shall, on the third anniversary of the date hereof, be added to the principal amount of this Note outstanding on such third anniversary. Interest for the period from the third anniversary of the date hereof through the Maturity Date shall be compounded annually on each anniversary date after the third anniversary and shall accrue and shall be payable on the Maturity Date. Interest shall be calculated on the basis of a year of 365 or 366 days, as the case may be, and the actual number of days elapsed. Any payments (including any prepayments) on this Note shall be applied first to the payment of accrued but unpaid interest, if any, and then to the payment of the outstanding principal amount hereof.

Section 3. Collateral Security.

(a) Grant of Security Interest. As security for the Company's obligations to make required prepayments on this Note (the "Obligations"), the Company hereby assigns, transfers, pledges and sets over to the Payee all of its respective right, title and interest in and to, and hereby grants to the Payee a continuing lien on and security interest in, all of the Gamlen Stock and all Distributions (as defined in Section 3(d)) with respect to such securities and (ii) all proceeds of any of the foregoing to the extent that such proceeds constitute Net Proceeds (such items of collateral referred to in clauses (i) and (ii) are collectively referred to as the "Collateral"). The Company is delivering to the Payee simultaneously with the execution and delivery hereof, certificates representing the Gamlen Stock, in suitable form for transfer or assignment in blank, accompanied by any items or documents required to effect the transfer thereof. The Payee shall, no later than the applicable Sale Date, upon the written request of the Company, release any part of the Collateral to be sold to a Gamlen Buyer.

The Payee agrees that it shall subordinate its interest in the Collateral to that of any bank lender to the Company, but only to the extent of any net investment made by the Company, the Company Affiliate or any other affiliate of the Company in the Gamlen Business subsequent to the date hereof.

(b) Foreclosure. Upon any failure by the Company to perform the Obligations, the Payee may exercise the rights and remedies against the Collateral set forth in Section 5; provided, however, that any proceeds realized upon the sale, transfer or other disposition of such Collateral shall be paid to Payee only to the extent that Net Proceeds are realized.

(c) Filings. The Company will, at its expense and in such manner and form as the Payee may require, execute, deliver, file and record any statement, specific assignment or other paper and take any other action that may be necessary or desirable, or that the Payee may request, in order to create, preserve, perfect or validate any security interest of the Payee hereunder or to enable the Payee to exercise and enforce its rights hereunder with respect to any of the Collateral. The Company hereby authorizes the Payee, and gives the Payee its power of attorney, to execute and file, in the name of the Company or otherwise, any financing statement, specific assignment or other paper and to take any other action which the Payee in its sole discretion may deem necessary or appropriate to further perfect the security interests created hereunder.

(d) Distributions. Until the end of the first fiscal quarter following the third anniversary of the date hereof, the Payee shall have the right to receive and retain as Collateral hereunder at the end of each fiscal quarter an amount equal to the excess of (i) all dividends, interest and other payments and distributions (less any Taxes) made to the Company, any Company Affiliate or any other affiliate of the Company upon, with respect to, in redemption of, in exchange for or upon conversion of, any of the Collateral over (ii) the amount of any and all additional investments, made by the Company, the Company Affiliate or any other affiliate of the Company in the Gamlen Business (such excess is referred to herein as the "Distributions"). At the end of each fiscal quarter, the Company shall take all such action as the Payee may deem necessary or appropriate to give effect to such right. All Distributions on the Collateral (as determined at the end of each fiscal quarter) which are received by the Company shall be received in trust for the benefit of the Payee and shall forthwith be paid over to an escrow agent as Collateral for the benefit of the Payee in the same form as received (with any necessary endorsement) within ten days of the end of each quarter. Payments not made within such ten (10) day period shall bear Interest from such date until paid. Interest on Distributions held by the escrow agent shall be held by the escrow agent as Collateral under this Section 3(d). Subsequent to any transfer of Distributions to the escrow agent, in the event that any additional investment is made in the Gamlen Business, upon certification by the Buyer of such additional investment, the escrow agent will transfer an amount equal to such additional investment to the Buyer and the Payee shall agree to such transfer.

Section 4. Subordination.

(a) Subordination of Note. By acceptance of this Note and notwithstanding Section 5 of this Note, the Payee (including for purposes of this Section 4 any successor or assign) agrees that the Company's obligations to it hereunder shall be junior to the Senior Indebtedness (as hereinafter defined) in the manner and to the extent hereinafter provided:

(i) The Payee agrees that, except as otherwise provided in Section 4(a)(ii), it will not ask, demand, sue for, take or receive from the Company, by set-off or in any other manner, payment of the whole or any part of this Note, or any security therefor, except for the Collateral and except for payments pursuant to Section 1(b)(i), Section 1(b)(ii)(A) and Section 1(b)(ii)(C), unless and until either (i) all of the Senior Indebtedness shall have been fully paid or (ii) it shall have received the

written consent of all of the holders of the Senior Indebtedness, their successors in interest in case of merger, or their assigns, to receive such payment or security.

(ii) Anything in this Note to the contrary notwithstanding (x) the Payee may from time to time receive from the Company payments, as and when due, as provided in Section 1(b)(i), Section 1(b)(ii)(A) and Section 1(b)(ii)(C) and (y), so long as no "Default" or "Event of Default" pursuant to the terms of the instruments evidencing the Senior Indebtedness shall have occurred and be continuing or would result from the making of such payment, the Payee may from time to time receive, and only receive, from the Company payments, as and when due, as provided in Section 1 (b)(ii)(B) of this Note.

(iii) In furtherance of, and to make effective the foregoing provisions, the Payee further agrees as follows:

(A) In the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization or other similar proceedings in connection therewith, relative to the Company or to its creditors, as such, or to its property, or in the event of any proceedings for voluntary liquidation, dissolution or other winding up of the Company whether or not involving insolvency or bankruptcy, or in the event of any assignment for the benefit of creditors of the Company, then in any such event, any payment or distribution of any kind or character, whether in cash, securities or any other property (except for the Collateral and except for payments pursuant to Section 1(b)(ii)(A) and Section 1(b)(ii)(B)) which but for this Section 4 would be payable with respect to this Note, shall instead be paid or delivered directly to the holders of the Senior Indebtedness (or their successors and assigns), whether then due or not due, until all Senior Indebtedness shall have been fully paid and satisfied.

(B) Should any payment or distribution of security or proceeds of any security be received by the Payee upon or in respect of this Note prior to the payment in full of all Senior Indebtedness (excluding, however, any payments permitted under Section 4(a)(ii) hereof), the Payee will forthwith deliver the same to the holders of the Senior Indebtedness or any

subsequent holders of the Senior Indebtedness in precisely the form received (together with the endorsement or assignment of the Payee when necessary) for application to the Senior Indebtedness, whether then due or not due, and until so delivered, the same shall be held in trust by the Payee as property of the holders of the Senior Indebtedness.

(C) The Payee agrees that it will not transfer, assign, pledge or encumber this Note or any part thereof or any instrument evidencing the same unless the respective instrument of assignment or transfer provides that the assignee takes the assignment or transfer subject to the subordination provisions of this Note.

(iv) The holders of the Senior Indebtedness shall not be prejudiced in any way in the right to enforce the subordination of this Note by any act or failure to act on the part of the Company. The provisions of this Section 4 are solely for the purpose of defining the relative rights of the holders of Senior Indebtedness, on the one hand, and the Payee, on the other hand, against the Company and its respective assets, and nothing contained in this Section 4 shall impair, as between the Company and its respective creditors other than the holder of Senior Indebtedness, and the Payee, the obligations of the Company to the Payee or prevent the Payee, upon default in the payment of principal and interest hereon, from exercising all rights, powers and remedies otherwise provided herein, or by application of law, all subject to Section 4(a)(i), and the rights of the holders of Senior Indebtedness to receive cash, property or securities otherwise payable or deliverable to the Payee, or otherwise, in connection with this Note. Subject to the prior payment in full of all Senior Indebtedness, the Payee shall, to the extent of any payment or distribution to the holders of Senior Indebtedness which would, except for the provisions hereof, have been made to the holder of this Note, be subrogated to the rights of the holders of Senior Indebtedness to receive payments or distributions of assets of the Company applicable to the Senior Indebtedness until this Note shall be paid in full, and no such payments or distributions to the holders of Senior Indebtedness shall, as between the Company, its creditors other than the holders of Senior Indebtedness, and the Payee, be deemed to be a payment by the Company to Payee on account of this Note.

(v) No change in the manner, terms or place of payment of, or change in or extension of the time of

payment of, or renewal or alteration of the Senior Indebtedness, or change in, or addition of, security securing the payment of the Senior Indebtedness, nor any amendment of or supplement to any instrument evidencing, securing or relating thereto, nor any exercise or non-exercise of any rights against the Company or other persons by the holders of the Senior Indebtedness or any subsequent holder of Senior Indebtedness, shall affect or impair the subordination of this Note to the Senior Indebtedness.

(vi) Such subordination shall be binding upon the successors and assigns of the Payee and shall inure to the benefit of the successors and assigns of the holders of the Senior Indebtedness.

(b) Definition. "Senior Indebtedness" shall mean any and all indebtedness (including, but not limited to, principal, interest, premium, penalty, expenses and fees) from time to time due or to become due, matured or contingent, now or hereafter incurred in connection with (a) the financing of the acquisition of shares of stock and related expenses pursuant to the Purchase Agreement or the provision of working capital in amount not in excess of $5.5 million, including without limitation, indebtedness to The First National Bank of Boston and the holders of notes issued by the Company in connection with financing arranged by Drexel Burnham & Lambert, Inc., (b) any additional indebtedness for borrowed money in an amount not to exceed $20,000,000, or (c) any refinancing or refunding of any of the foregoing; provided however that, the Payee's rights to receive, demand, sue for and take payments on this Note shall not be subordinated to the indebtedness described in clause (b) or to a refinancing of such indebtedness from and after the Maturity Date.

Section 5. Default.

(a) Events of Default. Each of the following events shall constitute an Event of Default and the Payee shall thereupon have the option to declare the Company in default under this Note and to declare this Note immediately due and payable without demand, notice, presentment or further action of any kind:

(i) If the Company fails to pay any installment of principal or interest under this Note when due (subject, in the case of any failure to make any prepayment required by the second sentence of Section 1(b)(ii) of this Note, to the limitations set forth in such sentence, and in Section 3(b) of this Note).

(ii) If the Company admits in writing its inability to pay its debts as they become due or makes a general assignment for the benefit of any of its creditors.

(iii) If the Company applies for, consents to, or acquiesces in the appointment of, a trustee, receiver or other custodian for the Company or any of the property of the Company or, in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian is appointed for the Company or for a substantial part of the property of the Company and is not discharged within thirty (30) days.

(iv) If any bankruptcy, reorganization, liquidation, dissolution or other case or proceeding under any bankruptcy or insolvency law is commenced in respect of the Company, and if such case or proceeding is not commenced by the Company, it is consented to or acquiesced in by the Company or remains for thirty (30) days undismissed.

(v) If the maturity of any Senior Indebtedness having a principal amount in excess of $100,000 shall be accelerated before the scheduled maturity thereof.

(b) Remedies. Subject to Section 4, after any acceleration hereunder, the Payee shall have in addition to the rights and remedies given it by this Note all those allowed by all applicable laws, including, without limitation, the Uniform Commercial Code as enacted in any jurisdiction in which any Collateral may be located, except that the Payee shall be entitled only to the receipt of Net Proceeds realized, to the extent provided pursuant to this Note and in Section 12.02 of the Purchase Agreement, from the sale or other disposition of the Collateral. Without limiting the generality of the foregoing, the Payee may, upon notice to the Company (as described below), sell at public or private sale or otherwise realize upon, the whole or, from time to time, any part of the Collateral to the extent of Net Proceeds payable pursuant to this Note and Section 12.02 of the Purchase Agreement. Any Net Proceeds realized from the sale or other disposition of the Collateral shall be applied as follows:

first, to payment of the expenses of such sale or other realization, including reasonable compensation to the Payee's agents and counsel, and all expenses, liabilities, advances and Taxes incurred or made by the Payee in connection therewith;

second, to satisfaction of the Obligations;

finally, to payment to the Company or its successors or assigns or as a court of competent jurisdiction may direct, of any surplus then remaining from such proceeds in cash or in kind or in any combination thereof. If the Net Proceeds realized from the sale or disposition of the Collateral are insufficient to satisfy the Obligations in full after application thereof in accordance with the provisions set forth above, the amount of any deficiency shall remain due and payable by the Company to the Payee hereunder, it being agreed that such amount shall constitute the principal amount hereof from and after the date of acceleration hereunder.

Notice of any sale or other disposition shall be given to the Company at least twenty (20) days before the time of any intended private sale or other disposition of the Collateral is to be made, which the Company hereby agrees shall be reasonable notice of such sale or other disposition.

Section 6. Definitions, as used herein:

"Benefit Plan" shall have the meaning ascribed to such term in the Purchase Agreement.

"Buyer Affiliate" shall have the meaning ascribed to such term in the Purchase Agreement.

"Closing Date" shall have the meaning ascribed to such term in the Purchase Agreement.

"Collateral" shall have the meaning ascribed to such term in Section 3.

"Company Affiliate" shall mean any Gamlen Company, the Buyer Affiliate, any Purchased Company and any Subsidiary.

"Event of Default" shall mean an event specified in Section 5 hereof.

"Excess Cash Flow" means in any fiscal year the sum of (a) the Company's consolidated net income plus (b) amortization, depreciation and other non-cash charges less the sum of of (a) capital expenditures plus (b) principal and, to the extent not taken into account in determination of net income, interest payments made on account of Senior Indebtedness.

"Foreign Plan" shall have the meaning ascribed to such term in the Purchase Agreement.

"Gamlen Business" shall mean the business of the Gamlen Companies and the assets and liabilities of any other Purchased Company or any Subsidiary used exclusively in the marine or industrial chemical businesses.

"Gamlen Buyer" shall have the meaning ascribed to such term in the definition of "Net Proceeds."

"Gamlen Stock" shall mean the capital stock of the Gamlen Companies. "Gamlen Companies" shall mean Gamlen Australasia Pty. Ltd. (Australia), Gamlen (Japan) Limited (Japan), Gamlen Chemie (Nederland) B.V. (Netherlands), and Gamlen Chemical Company (U.K.) Ltd. (U.K.).

"Interest" shall have the meaning ascribed to such term in the Purchase Agreement.

"Maturity Date" shall mean the thirteenth anniversary of the date hereof, without giving effect to any acceleration hereunder.

"Net Proceeds" shall mean the proceeds realized (not including the assumption of any liabilities) by the Company from any sale or other transfer of all or any part of the Gamlen Business to a third party ("Gamlen Buyer") outside of the ordinary course of business less (without duplication) (a) any increase in the assets or stock transferred to a Gamlen Buyer between the Closing Date and the applicable Sale Date resulting from additional investment in the Gamlen Business, (b) any liabilities (including any liabilities for employee benefits under any Benefit Plan or Foreign Plan maintained or contributed to at any time by any employer engaged in the Gamlen Business), specific to the Gamlen Business (whether or not related to the portion of the Gamlen Business transferred on the applicable Sale Date) not assumed by a Gamlen Buyer, (c) the sum of $1,123,000 (the sum agreed to be the amount intended to cover liabilities net of assets which are not specific to the Gamlen Business but which would have been allocated to the Gamlen Business in accordance with past practice), as such amount may be reduced to the extent that such liabilities are assumed by a Gamlen Buyer, (d) the sum of $2,000,000 which is intended to compensate the Company for costs anticipated in connection with the disengagement from the Gamlen Business, (e) any liability of the Company or any Company Affiliate for Taxes arising out of the transfer of the Gamlen Business (including any transfer of the Gamlen Business or the transfer of other assets reasonably required to facilitate sale of the Gamlen Business between the Company and any Company Affiliate or among the Company Affiliates incident to the transfer and except to the extent such liability

for Taxes has been assumed by a Gamlen Buyer) or any liability for Taxes resulting from any dividend or distribution of proceeds of any such transfer to the Company or any Company Affiliate from any Gamlen Company or any Purchased Company or any Subsidiary selling or transferring all or any portion of the Gamlen Business, and (f) the costs and expenses incurred by the Company, or any Company Affiliate, in connection with the transfer of the Gamlen Business (including broker, finder, legal, accounting and appraisal fees and expenses) except to the extent assumed by a Gamlen Buyer; provided however, that (i) any proceeds received at any time (whether before, on or after the Closing Date) in connection with the claim Sybron Chimie France, S.A. Produits Lescot S.A.v. and Jeane de Vienne, S.A., France shall be treated as Net Proceeds without reduction for any of the foregoing items except for Taxes and any profit sharing deductions payments required by oral or written agreements in effect on March 31, 1987 resulting from the receipt thereof and (ii) any proceeds received by the Company upon the reversion of surplus funds from the U.K. Pension Plan shall be treated as Net Proceeds subject to reduction for all of the foregoing items.

"Purchase Agreement" shall mean the Agreement of Purchase and Sale dated as of May 26, 1987 among the Company, the Payee, a Dutch holding company to be formed by the Company, Sybron Commonwealth Holdings, Inc., Sybron Italia S.p.A. and Sybron Ltd.

"Purchased Company" shall have the meaning ascribed to such term in the Purchase Agreement.

"Sale Date" shall mean the date of transfer of all or any part of the Gamlen Business pursuant to the Purchase Agreement.

"Subsidiary" shall have the meaning ascribed to such term in the Purchase Agreement.

"Taxes" shall mean all United States federal, state and local and all foreign income, capital gains, property, transfer, payroll, withholding, excise, sales, use, use and occupancy, business and occupation, mercantile, real estate, personal property, value added, capital stock and franchise taxes and all other taxes and all interest and penalties thereon and all estimated taxes in respect of the foregoing taxes.

"U.K. Pension Plan" shall mean_____.

7. Miscellaneous.

(a) Construction. The provisions of this Note shall be in addition to those of any guaranty, pledge or security agreement, note or other evidence of liability held by the Payee, all of which shall be construed as integrated and complementary to each other. Nothing herein contained shall prevent the Payee from enforcing any or all other notes, guaranty, pledge or security agraements in accordance with their respective terms.

(b) Notices. Any notices or consents required or permitted by this Note shall be in writing and shall be deemed delivered if delivered in person, or by commercial courier against receipt or if sent by certified mail, postage prepaid, return receipt requested, or telegraph, as follows, unless such address is changed by written notice hereunder:

If to the Company:

Sybrac Corp.

Attention:

With a copy to:

If to the Payee:

Sybron Corporation
Park 80 West
Plaza I
Saddle Brook, NJ 07662-5808

With a copy to:

(c) Binding Effect, Assignment and Entire Agreement. This Note and the provisions of Article XII of the Purchase Agreement shall inure to the benefit of, and shall be

binding upon, the respective successors and permitted assigns of the parties hereto; provided, however, that any successor of Sybron Corporation and any assignee of this Note and such provisions shall succeed to no greater rights than, and shall be subject to the same defenses which could be asserted by the Company against, Sybron Corporation. This Note and the Purchase Agreement and the documents executed and delivered pursuant hereto and thereto, constitute the entire agreement among the parties.

(d) Severability. If any provision of this Note is held invalid under any applicable Laws, such invalidity will not affect any other provision of this Note that can be given effect without the invalid provision, and, to this end, the provisions hereof are severable.

(e) Headings. The headings of any paragraph or section of this Note are for convenience only and shall not be used to interpret any provision of this Agreement.

(f) Modification. No modification or amendment hereof or of any agreement referred to herein shall be binding or enforceable unless in writing and signed on behalf of the party against whom enforcement is sought.

(g) Third Parties. No rights are intended to be created hereunder, or related agreements and documents for the benefit of any third party donee, creditor or incidental beneficiary of the Company.

(h) Governing Law. This Note shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

(i) Seal. This Note is intended to take effect as an instrument under seal.

SYBRAC CORP.

By:_____
Title:

AGREED AND ACCEPTED:

SYBRON CORPORATION

By:_____
Title:

ADJUSTMENTS TO PURCHASE PRICES
AND TREATMENT OF CASH ITEMS

The following adjustments to the Sybrac Purchase Price and the BV Purchase Price shall be made as indicated.

I. Adjustments Related to Certain Liabilities to be Assumed if not Paid Prior to Closing

(i) Procedure

The Purchase Prices will be reduced by the amounts indicated below to the extent not paid prior to the Closing. Such amounts shall be included in the calculation of the "Estimated Amount" to be determined 10 days prior to the Closing Date in accordance with Section 2.04(b).

| | Description of Item | Amount |
|---|---|---|
| 1. | Payment to Mr. Sein in Holland pursuant to court award (reduction to BV Purchase Price) | $52,000 |
| 2. | Payments to French employees in satisfaction of termination disputes (reduction to Sybrac Purchase Price) | 31,000 |
| 3. | German pension payments (reduction to ~~Sybrac~~ BV Purchase Price) | 129,000 |
| 4. | Manager bonuses--bonuses or payments to be paid to Thomas Reardon, John Schroeder, Frank Zunino, C. Charles Ciesla and Jose Rodriguez pursuant to oral or written agreements with any Seller, Chemicals, any Purchased Company or any Subsidiary ("Manager Bonuses") (reduction to Sybrac Purchase Price) | 412,000* |

---

* Estimated. The reduction for Manager Bonuses shall be the actual amount accrued on the Closing Balance Sheet.

5. Compensation accrued for the account of Bart Anchetta ("Anchetta Payments") (reduction to Sybrac Purchase Price) 192,000

Total Reduction to Purchase Prices $_____

(ii) Delayed Payment and Tax Benefits

As between Sybron and the Buyer Group, Sybron will be entitled to any tax benefits resulting from the payment of the Manager Bonuses or the Anchetta Payments. To the extent that any such payments are not made by Sybron prior to the Closing (whether at the request of the Buyer Group or otherwise) the parties will, at the Closing, enter into supplemental agreements to ensure (A) that the funds necessary to make such payments will be available to the payor, and (B) that Sybron will be entitled to any tax benefits resulting from such payments that are made on the Closing Date and with respect to any amount in respect of payments made after the Closing Date, the payment on account of the Manager Bonuses at the Closing shall be reduced to reflect 50% of any tax benefit that would have accrued to Sybron if such payment had been made by Sybron on the Closing Date.

II. Cash and Overdrafts

(i) Purchase Price Adjustments

At the Closing, (A) the Purchased Companies and the Subsidiaries shall retain certain postal check accounts, non-interest bearing accounts, impressed accounts and petty cash balances which according to general business practices are denominated as working and operating cash balances (the "Petty Cash Accounts") (which, at March 31, 1987, were approximately $180,000 in the aggregate) on hand on the Closing Date and the Sybrac Purchase Price or the BV Purchase Price, as applicable, shall be increased by the amount of such balances and (B) the Purchased Companies and Subsidiaries shall retain liability for their respective short term overdraft positions (which, at March 31, 1987, were approximately $2.1 million and included two accounts in Holland ($423,000), eight accounts in France ($927,000), one account in Austria and three accounts in Italy ($555,000), one account in Australia ($93,000), and one account in Mexico ($9,000)) on the Closing Date, the Sybrac Purchase Price or the BV Purchase Price, as applicable, shall be reduced by the amount of such overdraft liabilities, and the Buyer Group

shall, to the extent that Sybron is liable on any of such overdraft liabilities, provide Sybron with a letter of credit or other collateral, reasonably satisfactory to Sybron, securing the Buyer Group's obligation to satisfy such overdraft liabilities. The balances set forth in clauses (A) and (B) are to be mutually agreed by the Buyer and Sybron and shall be estimated 10 days prior to the Closing Date in accordance with Section 2.04(b) of the Agreement. The balances that are in foreign currencies will be converted to dollar amounts based on the exchange rates in effect on the Closing Date. The Buyer and the Buyer Affiliate will indemnify the Sellers for any liability incurred as a result of the failure of the Buyer and/or the Buyer Affiliate to satisfy such overdraft liabilities. Such overdraft liabilities will be paid by Buyer or the Buyer Affiliate, as the case may be, and such overdraft facilities will be terminated or Sellers shall be released from all liability under such overdraft facilities within 6 months following the Closing Date. Sybron Chimie France S.A. shall assume the two credit facilities with Credit National in the aggregate amount of 1,100,000 francs and the Sybrac Purchase Price shall be reduced by the amount of such credit facilities, provided however that, notwithstanding such assumption, if the holders of Senior Indebtedness (as defined in the Gamlen Note) require the prepayment of such facilities on or within the six month period after the Closing Date, Sybron shall pay any prepayment penalties arising from such prepayment. The Buyer and the Buyer Affiliate will indemnify the Sellers for any liability incurred as a result of the failure of the Buyer and/or the Buyer Affiliate to so assume the two credit facilities. Amounts of such credit facilities that are in foreign currencies will be converted to dollar amounts based on exchange rates in effect on the Closing Date.

(ii) Other Cash Items

Sybron will be entitled to withdraw, by dividend or otherwise, and retain (without adjustment to the Sybrac Purchase Price) all cash and cash equivalents (other than the Petty Cash Accounts as defined in Section II, clause (i)) held by the Purchased Companies and the Subsidiaries prior to or on the Closing Date except for any cash or cash equivalent that represents proceeds in respect of the matter Sybrac Chimie France, S.A. v. Produits Lescot S. A. and Jeane de Vienne, S. A., France, but including in any event, the payment of the BV Purchase Price under Section 2.03 of the Agreement ("Excess Cash"). Sybron shall be responsible for and shall pay when due all costs (including, without limitation, Taxes and exchange control costs) and liabilities resulting from the withdrawal of Excess Cash. To the extent that Excess Cash is held by the Purchased Companies and Subsidiaries at the Closing Date the

parties shall, at the Closing, enter into supplemental agreements to ensure (A) that such Excess Cash remains available for withdrawal by Sybron after the Closing Date and (B) that Sybron shall be responsible for and shall pay when due all costs (including, without limitation, Taxes and exchange control costs) resulting from any such withdrawal.

III. Conduct of Normal Operations

(i) The Sybrac Purchase Price shall be increased if and to the extent that any Purchased Company or Subsidiary after March 31, 1987, except in the ordinary course of business consistent with past practices: (a) pays any non-current liabilities not assumed by Sellers or required to be paid by Sellers, (b) purchases any assets other than current assets, (c) purchases services or supplies or incurs expenses in excess of those necessary for the normal operating cycle and (d) makes any repairs other than (A) normal maintenance or (B) reasonable maintenance required in connection with normal operations of the Business.

(ii) Except to the extent covered in an increase to the Sybrac Purchase Price pursuant to clause (i) of this Section III, the Sybrac Purchase Price shall be increased if and to the extent that, after March 31, 1987, any Purchased Company or Subsidiary pays (a) any amount with respect to the so-called "Italian leaving indemnities", (b) any amount with respect to the so-called "Far Eastern severance payments to employees" and /or (c) any amount with respect to any liability described in items 2 and 5 of Section I of this Schedule 2.04(A) in excess of the March 31, 1987 balance of such liability under such Section I, but only to the extent such amounts are paid prior to the Closing and less any tax benefit reasonably estimated to be realized in connection with any tax deduction taken or to be taken by any Seller. The BV Purchase Price shall be increased if and to the extent that, after March 31, 1987, any Purchased Company or any Subsidiary pays any amount with respect to any liability described in item 1 of Section I of this Schedule 2.04(A) in excess of the March 31, 1987 balance of such liability under Section I, but only to the extent such amounts are paid prior to the Closing and less any tax benefit reasonably estimated to be realized in connection with any tax deduction taken or to be taken by any Seller.

and 3

IV. Adjusted Actual Net Working Capital Adjustment To Sybrac Purchase Price

(i) General

The Sybrac Purchase Price payable at Closing (A) shall be increased by the amount, if any, by which Adjusted Actual Net Working Capital on the Closing Date exceeds $21,797,000 and (B) shall be decreased by the amount, if any, by which Adjusted Actual Net Working Capital on the Closing Date is less than $21,497,000. An estimate of Adjusted Actual Net Working Capital on the Closing Date shall be included in the calculation of the "Estimated Amount" to be determined 10 days prior to the Closing Date in accordance with Section 2.04(b).

(ii) Determination of Adjusted Actual Net Working Capital

Attached as Exhibit A is a balance sheet of the Purchased Companies and Subsidiaries as at March 31, 1987 (the "March 31 Balance Sheet"). The Closing Balance Sheet and the determination of the amounts necessary to calculate Adjusted Actual Net Working Capital shall be prepared consistent with the March 31 Balance Sheet and the same classifications, captions and format shall be used.

"Adjusted Actual Net Working Capital" of the Purchased Companies and Subsidiaries on the Closing Date shall be equal to the amount by which Total Adjusted Current Assets exceed Total Adjusted Current Liabilities of the Purchased Companies and Subsidiaries on such date.

"Total Adjusted Current Assets" shall be calculated by subtracting from Total Current Assets (line 13 on the March 31 Balance Sheet), to the extent included therein, the sum of the following items: (A) cash (line 1), (B) time deposits and marketable securities (line 2), (C) all amounts receivable (including accounts receivable, notes receivable and other accounts receivable) that have been sold or factored prior to the Closing Date and (D) any value assigned to any claim or proceeds in respect of the matter captioned Sybrac Chimie France, S.A. v. Produits Lescot S. A. and Jeane de Vienne, S. A., France.

"Total Adjusted Current Liabilities" shall be calculated by subtracting from Total Current Liabilities (line 35), to the extent included therein, the sum of the following items: (A) short term debt (line 26), (B) current portion - long term debt (line 27), (C) dividends payable (line 32), (D) income taxes payable (line 33), (E) deferred taxes - current (line 34), (F) any current portion of liabilities for "Italian leaving

indemnities" or "Far Eastern severance payments to employees", and (G) any current portion of the liabilities described in items 1 through 5, inclusive, under Section I - "Adjustments Related to Certain Liabilities to be Assumed if Not Paid Prior to Closing", above.

The foregoing items shall be determined on the basis of generally accepted accounting principles applied on a basis consistent with that reflected in the March 31 Balance Sheet, subject, however, to the following:

1. To the extent that the accounting principles and practices reflected in the March 31 Balance Sheet conflict with generally accepted accounting principles, the principles and practices reflected in the March 31 Balance Sheet shall prevail.

2. All calculations with respect to foreign currencies shall be made using the same exchange rates as were used in converting the books of account of the Purchased Companies and Subsidiaries to dollar amounts as of March 31, 1987, as reflected in the March 31 Balance Sheet.

ACTUAL
(000's)

CONSOLIDATED - 1987

Sch 13.6A - CON
14-Apr-87

EXHIBIT A

| | ASSETS | 1986 DEC | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEPT |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | CASH | 610 | 554 | 540 | 480 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | TIME DEP/MARK SEC | 9,393 | 7,121 | 6,338 | 3,785 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 | ACCTS REC | 20,878 | 22,530 | 23,464 | 24,747 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | DBTFL ACCTS | (1,446) | (1,459) | (1,429) | (1,522) | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 | NOTES REC | 241 | 357 | 395 | 356 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 | OTHER ACCTS REC | 821 | 382 | 625 | 710 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7 | NET RECVBLS | 20,294 | 22,010 | 23,055 | 24,301 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 | GROSS INVENT | 15,389 | 15,198 | 16,087 | 15,905 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | RESERVES | (286) | (293) | (279) | (263) | 0 | 0 | 0 | 0 | 0 | 0 |
| 10 | LIFO | (3,210) | (3,212) | (3,214) | (3,217) | 0 | 0 | 0 | 0 | 0 | 0 |
| 11 | NET INVENT | 11,893 | 11,693 | 12,594 | 12,425 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 | OTHR CURR ASSETS | 596 | 670 | 702 | 597 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13 | TOT CURR ASSETS | 42,786 | 42,048 | 43,249 | 41,388 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 | G/W & INTANGBLS | 1,748 | 1,743 | 1,738 | 1,732 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15 | NON-CURR ASSETS | 249 | 248 | 250 | 249 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16 | INVEST-SUBS/DIVS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17 | PP&E -LAND | 418 | 424 | 431 | 429 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18 | -BLD & IMP | 7,465 | 7,338 | 7,408 | 7,391 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19 | LESS: DEPR | (3,649) | (3,518) | (3,586) | (3,613) | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 | -MACH & EQP | 27,479 | 26,267 | 26,487 | 26,442 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21 | LESS: DEPR | (16,927) | (15,446) | (15,751) | (15,897) | 0 | 0 | 0 | 0 | 0 | 0 |
| 22 | -CONST IN PROG | 270 | 403 | 467 | 544 | 0 | 0 | 0 | 0 | 0 | 0 |
| 23 | PP&E NET | 15,056 | 15,468 | 15,456 | 15,296 | 0 | 0 | 0 | 0 | 0 | 0 |
| 24 | TOTAL ASSETS | 59,839 | 59,507 | 60,693 | 58,665 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 | LIABILITIES | | | | | | | | | | |
| 26 | SHRT-TERM DEBT | 1,196 | 2,120 | 2,024 | 2,753 | 0 | 0 | 0 | 0 | 0 | 0 |
| 27 | CUR PORT LT DEBT | 0 | 29 | 30 | 30 | 0 | 0 | 0 | 0 | 0 | 0 |
| 28 | ACCTS PAYABLE | 13,185 | 12,775 | 12,775 | 12,091 | 0 | 0 | 0 | 0 | 0 | 0 |
| 29 | ACCR LIAB | 5,753 | 5,402 | 5,703 | 5,777 | 0 | 0 | 0 | 0 | 0 | 0 |
| 30 | DEFER INC | 0 | 0 | 0 | 0 | | | | | | |
| 31 | CUST ADVANCE | 52 | 78 | 32 | 51 | | | | | | |
| 32 | DIVIDENDS PAY | 0 | 0 | 0 | 0 | | | | | | |
| 33 | INC TAX PAYABLE | 8,325 | 8,470 | 8,563 | 5,944 | | | | | | |
| 34 | DEFER TAX-CUR | (355) | (361) | (366) | (367) | | | | | | |
| 35 | TOTAL CUR LIAB | 28,156 | 28,513 | 28,781 | 26,279 | | | | | | |
| 36 | LONG TERM DEBT | 164 | 138 | 142 | 141 | | | | | | |
| 37 | DEFER TAX NON-CUR | 126 | 131 | 136 | 134 | | | | | | |
| 38 | NON-CUR OTHR LIAB | 1,324 | 1,146 | 1,112 | 1,160 | | | | | | |
| 39 | TOTAL LIABILITIES | 29,770 | 29,928 | 30,171 | 27,714 | 0 | 0 | 0 | 0 | 0 | 0 |
| 40 | | | | | | | | | | | |
| 41 | CAPITAL STOCK | 1,570 | 1,644 | 1,644 | 1,644 | 0 | 0 | 0 | 0 | 0 | 0 |
| 42 | CAPITAL SURPLUS | 9,796 | 9,796 | 9,796 | 9,796 | 0 | 0 | 0 | 0 | 0 | 0 |
| 43 | RETAINED EARNGS | 25,307 | 23,427 | 24,663 | 25,385 | 0 | 0 | 0 | 0 | 0 | 0 |
| 44 | DIV EQUITY | 2,748 | 1,791 | 641 | 642 | 0 | 0 | 0 | 0 | 0 | 0 |
| 45 | CUR TRANSL ADJ | (3,251) | (2,270) | (1,917) | (1,837) | 0 | 0 | 0 | 0 | 0 | 0 |
| 46 | INTERCO ACCTS | (5,274) | (4,439) | (3,704) | (4,012) | 0 | 0 | 0 | 0 | 0 | 0 |
| 47 | INTRA P/C ACCTS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 48 | INTERCO LOANS | (827) | (370) | (601) | (667) | 0 | 0 | 0 | 0 | 0 | 0 |
| 49 | INTRA P/C LOANS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | TOT EQUITY/INVEST | 30,069 | 29,579 | 30,522 | 31,151 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1 | | | | | | | | | | | |
| 2 | TOT LIAB & EQUITY | 59,839 | 59,507 | 60,693 | 58,865 | 0 | 0 | 0 | 0 | 0 | 0 |

NOTE: Does not include elimination ent
Worldwide SCI inter-company ac

Line 29 Accr. Liab. 10
Line 46 Inter-Co. Accts. (10

Schedule 3.03

Subsidiaries

| Subsidiary | Jurisdiction of Organization | Authorized Capital Stock | Par Value | Issued Stock | Record Holders |
|---|---|---|---|---|---|
| Tanatex Mexicana, S.A. de C.V. | Mexico | Fixed Portion: $26,029,000 Mex. Cy. represented by Class I shares; 260,290 such shares authorized | $100.00 Mex. Cy. | 260,290 Class I Shares | Sybron Chemicals Holdings, Inc. 260,082<br>K.F.Yontz 52<br>J.McCulloch 52<br>R. Klein 52<br>U. Kordons 52 |
| | | Variable Portion: Unlimited (presently $53,050,000 Mex. Cy.) | $100.00 Mex. Cy. | 530,500 Class II Shares | Sybron Chemicals Holdings, Inc. 529,316<br>K.F. Yontz 296<br>J.McCulloch 296<br>R. Klein 296<br>U. Kordons 296 |

Schedule 3.03 Subsidiaries (cont.)

| Subsidiary | Jurisdiction of Organization | Authorized Capital Stock | Par Value | Issued Stock | Record Holders |
|---|---|---|---|---|---|
| Sybron Chemicals Inc. | Delaware | 100,000 shares of Common Stock | $1.00 per share | 100,000 shares | Sybron Chemicals Holdings, Inc. |
| | Liens or Security Interests: All 100,000 shares are pledged to Manufacturers Hanover Trust Company.[1] | | | | |
| Sybron Chimie France S.A. | France | Authorized capital of F 1,632,000 | F 100 | 16,320 shares | Sybron Chemicals Holdings, Inc. 16,313<br>K.F. Yontz 2 (Party to Option Agreement)<br>B. DuBois 1<br>R. Klein 1<br>T. Overeinder 1<br>J. Rodriguez 1<br>Sybron Chemicals Holdings B.V. 1 |

[1] Sellers shall cause to be released and discharged prior to the Closing.

0023J



Schedule 3.03 Subsidiaries (cont.)

| Subsidiary | Jurisdiction of Organization | Authorized Capital Stock | Par Value | Issued Stock | Record Holders |
|---|---|---|---|---|---|
| Sybron Chemicals Canada Ltd. | Canada (Under Canada Business Corporations Act) | Unlimited | - | 1 | Sybron Chemicals Inc. |
| Sybron Quimica Iberica, S.A. | Spain | 39,862,000 pts. | 1,000 pesetas | 39,852 | Sybron Chemicals Holdings B.V. |
| Sybron Chemie Nederland B.V. | The Netherlands | Capital: Authorized: Dfl. 500,000 Issued: Dfl. 100,000 | Dfl. 1000 | 100 | Sybron Chemicals Holdings B.V. |
| Sybron Chemicals Europe SARL | France | Capital: F 50,000, divided into 500 parts of F 100 each | F 100 | 499 Parts<br>1 Part | Sybron Chemicals Holdings, B.V.<br>K.F. Yontz |
| Interplast B.V. | The Netherlands | Dfl. 200,000 | Dfl. 1000 | 120 | Sybron Chemicals Holdings B.V. |

Schedule 3.03 Subsidiaries (cont.)

| Subsidiary | Jurisdiction of Organization | Authorized Capital Stock | Par Value | Issued Stock | Record Holder |
|---|---|---|---|---|---|
| Sybron Chemie Deutschland GmbH | West Germany | Capital: DM 50,000 | DM 30,000<br>DM 19,000<br>DM 1,000 | 3 shares | Sybron Chemicals Holdings B.V. |
| Sybron Chemicals (SA) (PTY) Ltd. | South Africa | 25,000 Ordinary Shares | Value R 14.00 (no par value) | 24,999 shares<br>1 share | Sybron Chemicals Holdings B.V. |
| Sybron Chemicals Handelsgesellschaft m.b.H. | Austria | oS 500,000 | | oS 500,000 | Sybron Chemicals Holdings B.V. |
| Tanatex Chemical Sudost Handelsgesellschaft m.b.H. | Austria | oS 400,000 | | oS 200,000<br>oS 200,000 | Sybron Chemie Nederland B.V.<br>Bencolor Farben Gesellschaft m.b.H. |

Schedule 3.03 Subsidiaries (cont.)

| Subsidiary | Jurisdiction of Organization | Authorized Capital Stock | Par Value | Issued Stock | Record Holders |
|---|---|---|---|---|---|
| Tanatex Chemical Company Limited | England | L 10,000 ordinary shares | L 1 | 9,999 ordinary shares | Sybron Chemie Nederland B.V. |
| | | | | 1 ordinary share | Jointly by Sybron Chemie Nederland B.V. and T. Overeinder |
| Gamlen (South Africa) (Pty.) Ltd. | South Africa | 25,000 ordinary shares | R 2.00 | 25,000 ordinary shares | Sybron Chemicals (SA) (PTY) Ltd. |
| Tanatex South Africa (Proprietary) Limited | South Africa | 2,000 ordinary shares | R 2.00 | 2,000 ordinary shares | Sybron Chemicals (SA) (PTY) Ltd. |
| Gamlen Chemical Co. (N.Z.) Ltd. | New Zealand | Authorized Capital $10,000 | $2.00 | 4,999 | Gamlen (Australasia) Pty. Ltd. |
| | | | | 1 | D.L.I. MacGregor |
| | | | | 5,000 | |

Schedule 3.03 Subsidiaries (cont.)

| Subsidiary | Jurisdiction of Organization | Authorized Capital Stock | Par Value | Issued Stock | Record Holders |
|---|---|---|---|---|---|
| Steam and Water Services Ltd. | New Zealand | Authorized Capital $3,000 | $2.00 | 1,499 | Gamlen Chemical Co. (N.Z.) Ltd. |
| | | | | 1 | D.L.I. MacGregor |
| | | | | 1,500 | |
| Scientific Descaling Co. Limited | New Zealand | Authorized Capital $4,000 | $2.00 | 1,999 | Steam and Water Services Ltd. |
| | | | | 1 | D.L.I. MacGregor |
| | | | | 2,000 | |
| Gamlen Machinery Manufacturing Co., Ltd. | Japan | ¥4,000,000 (authorized shares: 8,000) | ¥500 | 2,000 | Gamlen (Japan) Limited |
| Sybron (Australia)* Pty. Limited | Australia | 25,000 ordinary shares | $2.00 per share | 5,000* | Sybron Chemicals Holdings, Inc. |
| | | | | 1 | Alphington Pty. Ltd. |
| | | | | 1 | Loftus Pty. Ltd. |

* All of the stock of Sybron (Australia) Pty. Limited owned by Sybron Chemicals Holdings, Inc. shall be transferred by Sybron Chemicals Holdings, Inc. to Sybron Corporation as soon as practicable after the execution of this Agreement and, if such transfer has not taken place before the Closing, as soon as practicable thereafter.

Schedule 3.05

SYBRON CHEMICALS HOLDINGS, INC.

Combined Financial Statements as of and for
the Ten-Month Period Ended December 31, 1986
and Auditors' Opinion

Deloitte
Haskins+Sells

2500 Three Mellon Bank Center
Philadelphia, Pennsylvania 19102-2425
(215) 299-4500
Telex: 757720

AUDITORS' OPINION

Sybron Chemicals Holdings, Inc.:

We have examined the combined balance sheet of Sybron Chemicals Holdings, Inc. and subsidiaries and certain affiliates (see Note 1) as of December 31, 1986 and the related combined statements of income, equity and changes in financial position for the ten-month period then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, such combined financial statements present fairly the financial position of the companies at December 31, 1986 and the results of their operations and the changes in their financial position for the ten-month period then ended (period after the change in control referred to in Note 1 to the financial statements), in conformity with generally accepted accounting principles.

Deloitte Haskins & Sells

March 6, 1987

SYBRON CHEMICALS HOLDINGS, INC.

COMBINED BALANCE SHEET
DECEMBER 31, 1986 (In Thousands)

| ASSETS | NOTES | | LIABILITIES AND STOCKHOLDERS' EQUITY | NOTES | |
|---|---|---|---|---|---|
| CURRENT ASSETS: | | | CURRENT LIABILITIES: | | |
| Cash and marketable securities | | $ 8,141 | Accounts payable | | $13,966 |
| Accounts receivable (less allowance for doubtful accounts of $1,446) | | 21,238 | Accrued liabilities | 6,7 | 8,050 |
| Inventories | 1,2 | 15,400 | Customer advances and deferred revenue | | 52 |
| Prepaid and other current assets | | 958 | Income taxes payable | | 5,162 |
| Total current assets | | 45,737 | Total current liabilities | | 27,230 |
| PROPERTY, PLANT AND EQUIPMENT - Net | 1,3 | 28,501 | LONG-TERM DEBT | 6 | 32,342 |
| GOODWILL AND OTHER INTANGIBLE ASSETS | 1,5 | 21,029 | OTHER NONCURRENT LIABILITIES | 7 | 1,324 |
| OTHER NONCURRENT ASSETS | | 420 | STOCKHOLDERS' EQUITY: | | |
| | | | Common stock | | 604 |
| | | | Additional paid-in capital | | 32,242 |
| | | | Retained earnings | | 2,262 |
| | | | Cumulative translation adjustment | | (337) |
| | | | Total stockholders' equity | | 34,791 |
| TOTAL ASSETS | 10 | $95,687 | TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | | $95,687 |

See notes to combined financial statements.

SYBRON CHEMICALS HOLDINGS, INC.

COMBINED STATEMENT OF INCOME
FOR THE TEN-MONTH PERIOD ENDED DECEMBER 31, 1986 (In Thousands)

| | NOTES | |
|---|---|---|
| NET SALES | | $93,502 |
| COST OF SALES | | 56,785 |
| GROSS MARGIN | | 36,717 |
| OPERATING EXPENSES: | | |
| Selling | | 19,209 |
| General and administrative | 4 | 8,184 |
| Research and development | 1 | 2,334 |
| Total | | 29,727 |
| OPERATING INCOME | | 6,990 |
| OTHER INCOME (EXPENSE): | | |
| Interest income | | 348 |
| Interest expense | | (2,163) |
| Other income - net | | 120 |
| INCOME BEFORE INCOME TAXES | | 5,295 |
| INCOME TAXES | 1,8 | 3,013 |
| NET INCOME | 10 | $ 2,282 |

See notes to combined financial statements.

SYBRON CHEMICALS HOLDINGS, INC.

COMBINED STATEMENT OF EQUITY
FOR THE TEN-MONTH PERIOD ENDED DECEMBER 31, 1986 (In Thousands)

| | NOTES | |
|---|---|---|
| Balance, beginning of period | | $26,107 |
| Fair value adjustments | 1 | 42,402 |
| Less liabilities assumed in connection with Section 332 liquidation | 1 | (58,392) |
| Total | | 10,117 |
| Net Income | | 2,282 |
| Transfers to Sybron Corporation - net | | (5,326) |
| Contribution to capital of indebtedness payable to Sybron Corporation | | 26,180 |
| Change in cumulative translation adjustment account | | 1,538 |
| Balance, end of period | | $34,791 |

See notes to combined financial statements.

SYBRON CHEMICALS HOLDINGS, INC.

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE TEN-MONTH PERIOD ENDED DECEMBER 31, 1986 (In Thousands)

| | |
|---|---|
| FUNDS PROVIDED BY: | |
| Net income | $ 2,282 |
| Items not requiring cash: | |
| Depreciation | 3,317 |
| Amortization | 1,113 |
| Total from operations | 6,712 |
| Capital contributions from Sybron Corporation | 26,180 |
| Change in cumulative translation adjustment | 1,538 |
| Proceeds on disposals of property, plant and equipment | 2,488 |
| (Increase) decrease in current assets: | |
| Accounts receivable | 90 |
| Inventories | (1,548) |
| Increase (decrease) in current liabilities: | |
| Accounts payable | 162 |
| Accrued liabilities | (13,241) |
| Income taxes payable | 5,056 |
| Other - net | (89) |
| Total funds provided | 27,348 |
| FUNDS USED BY: | |
| Additions to property, plant and equipment | 2,005 |
| Reduction of long-term debt | 13,370 |
| Transfers to Sybron Corporation - net | 5,326 |
| Other - net | 618 |
| Total funds used | 21,319 |
| INCREASE IN CASH AND MARKETABLE SECURITIES | $ 6,029 |

See notes to combined financial statements.

SYBRON CHEMICALS HOLDINGS, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE TEN-MONTH PERIOD ENDED DECEMBER 31, 1986

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying combined financial statements include the accounts of Sybron Chemicals Holdings, Inc., its wholly-owned subsidiaries and the following affiliates included in the chemicals sector of Sybron Corporation: Sybron Chemical Italia Division of Sybron Italia S.P.A., Gamlen (Australasia) Pty. Ltd., Gamlen (Japan) Limited, Gamlen Chemie (Nederland) B.V. and Gamlen Norway A/S (collectively, the "Company"). All significant intercompany activity has been eliminated.

On February 27, 1986, substantially all of the stock of the former Sybron Corporation was purchased by an affiliate of Forstmann Little & Co. ("Forstmann Little"). The accompanying combined financial statements reflect the cost basis determined at the date of acquisition of Sybron Corporation by Forstmann Little. The cost in excess of the fair value of net assets acquired has been recorded in the accompanying balance sheet as an intangible asset, "Goodwill".

On July 11, 1986, the former Sybron Corporation was liquidated under Section 332 of the United States Internal Revenue Code. Pursuant to the plan of liquidation, the assets of the U.S. Chemical Division of the former Sybron Corporation were transferred to Sybron Chemicals Holdings, Inc. for the assumption of certain liabilities and in cancellation of its investment in the stock of the former Sybron Corporation. The ultimate parent of the companies included in these combined financial statements is a corporation, the name of which was changed, after such liquidation, to Sybron Corporation.

Inventories - Inventories are valued at the lower of cost or market. For the U.S. operations, cost is determined utilizing the last-in, first-out (LIFO) method. For foreign operations, cost is determined utilizing the first-in, first-out (FIFO) method.

Property, Plant and Equipment - Property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of depreciable assets (generally 10-40 years for buildings and 3-20 years for machinery and equipment) using the straight-line method.

Intangibles - Intangibles are recorded at fair value at date of acquisition by an affiliate of Forstmann Little and are being amortized over their estimated useful lives. Amortization of $1,113,000 was charged against operating income for the ten-month period ended December 31, 1986.

Research and Development Costs - Research and development costs are charged to expense in the year they are incurred.

Income Taxes - The Company is included in the U.S. Federal income tax returns of Sybron Corporation. The Company's share of U.S. Federal and state income taxes are allocated based on rates determined by Sybron Corporation (see Note 8) and are payable to Sybron Corporation.

2. INVENTORIES

The components of inventories, net of LIFO reserves of $15 thousand, at December 31, 1986 were:

| | Amount (In Thousands) |
|---|---|
| Raw materials | $ 5,000 |
| Work-in-process | 220 |
| Finished goods | 10,180 |
| Total | $15,400 |

3. PROPERTY, PLANT AND EQUIPMENT

The components of property, plant and equipment at December 31, 1986 were:

| | Amount (In Thousands) |
|---|---|
| Land | $ 377 |
| Buildings | 6,567 |
| Machinery and equipment | 24,695 |
| Construction in process | 255 |
| Total | 31,894 |
| Less accumulated depreciation | 3,393 |
| Property, plant and equipment - net | $28,501 |

These amounts include assets under capital leases. See Note 7 for a summary of lease commitments.

4. RELATED PARTY TRANSACTION

Included in administrative expenses are charges by Sybron Corporation of $1,047,000 for the period March 1, 1986 to December 31, 1986. These charges were computed at amounts that are intended to reimburse Sybron Corporation for costs incurred on behalf of the Company relating primarily to the Company's share of pension expense and other employee benefits.

5. GOODWILL AND OTHER INTANGIBLE ASSETS

The components of goodwill and other intangible assets net of accumulated amortization at December 31, 1986 were:

| | Amount (In Thousands) | Amortization Period (Years) |
|---|---|---|
| Goodwill | $10,124 | 40 |
| Trademarks | 2,179 | 20 |
| License agreements | 1,123 | 5 |
| Other | 7,603 | 12 |
| Total | $21,029 | |

6. LONG-TERM DEBT

Long-term debt at December 31, 1986 consisted of the following:

| | Amount (In Thousands) |
|---|---|
| Note payable to Sybron Corporation, unsecured, interest payable at either the prime rate plus 1.5% or the Euro-dollar rate plus 2.5%, due on December 31, 1989 | $32,207 |
| Subordinated notes payable, interest payable at 13.3%, due in annual instalments through December 29, 1992 | 164 |
| Total | 32,371 |
| Less current portion | 29 |
| Total long-term debt | $32,342 |

7. LEASE COMMITMENTS

As of December 31, 1986, minimum rentals under capital and noncancellable operating leases were:

| | Capital | Operating |
|---|---|---|
| | (In Thousands) | |
| December 31: | | |
| 1987 | $ 96 | $ 800 |
| 1988 | 85 | 619 |
| 1989 | 64 | 382 |
| 1990 | 49 | 294 |
| 1991 | 34 | 234 |
| Thereafter | 118 | 240 |
| Total | 446 | $2,569 |
| Less amounts representing interest | 34 | |
| Present value of net minimum lease payments | 412 | |
| Less current amount | 96 | |
| Long-term obligations at December 31, 1986 | $316 | |

For the ten-month period ended December 31, 1986, rental expense relating to operating leases amounted to approximately $829,000.

8. INCOME TAXES

Income tax expense includes provisions for U.S. Federal and state income taxes that are based on an allocation determined by Sybron Corporation. The allocation is computed using rates (46% for Federal income taxes and 4%, net of Federal income tax benefits, for state and local taxes) applied to pre-tax financial statement income of domestic operations adjusted for permanent differences. Such differences result primarily from depreciation and amortization of fair value adjustments (see Note 1).

For the ten-month period ended December 31, 1986, the income tax expense consisted of the following:

| | Amount |
|---|---|
| | (In Thousands) |
| United States | $1,359 |
| Foreign | 1,654 |
| Total | $3,013 |

9. EMPLOYEE PENSION PLANS

Employee retirement benefits are provided through various pension plans maintained by Sybron Corporation covering substantially all employees. Pension costs allocated to the Company totaled $717,000 for the ten-month period ended December 31, 1986. There is no separate determination made of the actuarial present value of accumulated plan benefits and the net assets available for benefits for employees of the Company who are included in the pension plans of Sybron Corporation.

10. FOREIGN OPERATIONS

Net income and total assets of foreign operations included in the accompanying combined financial statements aggregated $2,322,000 and $35,959,000, respectively. Losses on foreign currency transactions were $368,000.

11. CONTINGENCY

The New Jersey Environmental Clean-Up and Responsibility Act (ECRA) requires a comprehensive environmental review of all industrial facilities sold in New Jersey. Due to the acquisition of Sybron Corporation by Forstmann Little, which constituted a sale for purposes of ECRA, Sybron Corporation has letters of credit totaling $6,169,000 which are available to secure the cost, if any, of environmental clean-up as may be required by the New Jersey Department of Environmental Protection.

12. SUBSEQUENT EVENT

On February 19, 1987, Sybron Corporation and Sybrac Corporation reached an agreement in principle which provides for the Company to be acquired by Sybrac Corporation. The agreement provides for the transfer of ownership through a stock sale. The aggregate purchase price to be paid will be approximately $70 million, less the outstanding principal of the note dated July 11, 1986 plus all accrued and unpaid interest as of the closing date. The balance of the principal outstanding on the note was approximately $32 million as of December 31, 1986.

In connection with the pending sale, Sybrac Corporation will be required to replace the letters of credit (which may differe in amount) that Sybron Corporation has made available to the New Jersey Department of Environmental Protection (see Note 11).

#0106J

Schedule 3.06

1. Any and all liabilities, obligations and claims specifically referred to in any Schedule to the Purchase Agreement, including but not limited to, Schedules 3.10, 3.11, 3.12 and 3.15.

2. Any and all environmental matters relating to or arising out of the Business.

3. Any and all liabilities with respect to the so-called "Italian leaving indemnities."

4. Any and all liabilities with respect to the so-called Far Eastern severance payments to employees.

SCHEDULE 3.07

ABSENCE OF CERTAIN CHANGES OR EVENTS

(a) Adverse Changes

(i) The Bank of Is. Sao Paolo has frozen the Credit Line of the Italian Companies. Sellers shall use their best efforts to cause the Credit Line to be restored or replaced with a comparable credit line as promptly as practicable. Sybron shall in any event cause the Italian Companies to be funded through the Closing Date in such manner as to preserve the normal operations of the Italian Companies. The obligations of Buyer and the Buyer Affiliate to purchase the Stock, the Sybron Note and the BV Stock shall be subject to the fulfillment by Sellers of their obligations under the preceding two sentences and to the further condition that the suspension of the Credit Line shall not have produced any material adverse effect on the Italian Companies.

(ii) The matters listed under "Cancellation or Non-Renewal of any Policy, or Dissallowance of any Claim" in Schedule 3.18 are incorporated herein by reference.

(b) Sales or transfers other than in Ordinary Course

No exception

(c) Transactions with Related Parties

(i) Loan by Sybron to Gamlen U.K. of £ 125,000 (See Schedule 3.10, "Credit Facilities").

(ii) Loan by Sybron Chemie (Nederland) B.V. to Sybron for DG 2,800,000, for a term of six months with interest rate of 6%.

(iii) As part of Sybron's foreign cash management program, Sybron Limited and Sybron Italia S.p.A. manage overdraft facilities pursuant to which funds are borrowed from or lent to certain

Purchased Companies or Subsidiaries depending upon the cash positions of those companies.

(iv) As part of Sybron's domestic cash management program, Sybron regularly withdraws the funds in Chemicals' bank accounts, and, conversely funds the cash needs of Chemicals.

(d) Sale of BV Netherlands

Upon consummation of the BV Purchase, but prior to the Sybrac Purchase, the consideration paid by the Buyer Affiliate to Chemicals for the BV Stock shall be transferred to the Company, and in turn to Sybron.

Schedule 3.08 Physical Properties

1. Owned Real Properties

A. Properties

(a) Property located at Birmingham Road, Birmingham, New Jersey (the "New Jersey Property").

(b) Property located at Highway 29A, Welford, South Carolina (the "South Carolina Property").

(c) Property located at 111 Kesler Mill Road, Salem, Virginia (the "Virginia Property").

(d) Property located Via Roma, 20082, Binasco (Milan), Italy.

(e) Property located at Route de Rouen, B.P.N. 405, 27950 St-Marcel, Vernon, France.

(f) Property located at Postbus 46 (Einsteinstraat 11), NL-6710 BA, Ede, Holland.

B. Encumbrances

(a) Relating to all properties:

Any easements, agreements, covenants or other matters which an accurate search of the records affecting the premises would disclose other than mortgages or deeds of trust.

Any state of facts which an accurate survey of the premises would show.

(b) Relating to the New Jersey Property:

Facts, conditions and notes as shown on "Plan of Survey, Broad Street & Birmingham Road, pemberton Township, Burlington County, New Jersey", prepared for Sybron Corporation by Atkinson and Walton, Charles F. Walton, Jr., N.J.P.E. & L.S. No. 15800, dated December 10, 1984, revised February 22, 1985 and March 8, 1985, Job No. 84372, file no. 84-c.

Terms, conditions, easements, etc., contained in Deed from George W. Betz, Jr., Trustee of Penndel Company, debtor, to Consolidated Rail Corporation, dated March 29, 1976, recorded April 9, 1979 in Book 2199 of Deeds, page 1 etc., (Document #PDEL-CRC-PP-22), re-recorded November 16, 1979 in Book 2293 of Deeds, page 168 etc.

Rights of the Delaware & Atlantic Telegraph and Telephone Company and to rights of others in and to right-of-way as cited in Deed from T. Munroe Dobbins and Laura E. Dobbins, both unmarried to The Permutit Company, dated and recorded February 15, 1926 in Deed Book 666 page 183 + c..

(i) Right of way in, over, upon and across the premises, as reserved by the "Company for the improvements of the navigation of the north branch of Rancocas Creek" under grant by said company to Joseph Roberts, et al, dated April 17, 1801, recorded in the Burlington County Clerk's Office in Book "1" of Deeds, page 622, etc. conveying a tract of one hundred and fifty acres (inter alia) and reserving to the said company therein its right of way from the present dam and gates of a certain canal through said tract to any

part of the premises thereby conveyed (the premises described in said deed being a tract of one hundred and fifty acres, including premises above described) a canal having been established running Eastward and Westward from the point at what is approximately the Bridge over the Mill Race in the Buddtown Road where said Mill Race enters Southeastwardly into the Rancocas Creek, and said Canal ran thence in a Westerly direction and generally paralleling the Burlington County Railway Company, touching the Rancocas Creek in its curve or loop Southwardly until said Canal again entered the Rancocas Creek at or near the point of contact between said Rancocas Creek and said Railroad in the Westerly grounds of the Burmingham Tract.
(ii) Right of way in and through the Canal above located as a free, clear and common highway, as granted and reserved under deed to Samuel Kemble, dated October 6, 1803, recorded in said Office of Book "X" of Deeds, page 497, etc.
(iii) Flooding, drowning and draining rights as excepted and reserved under deed from Charles K. Chambers to the Birmingham Company, dated March 31, 1980, recorded in said Clerk's Office in Book No. 285 of Deeds, page 216, wherein there is reserved unto Charles K. Chambers, his heirs and assigns, the right and privilege to keep and hold the water in Rancocas Creek at Smithville as high as the top of the iron gates attached to the stone walls of the forebays in front of the most Northerly well-house erected on H.B. Smith's property in 1873, said gate irons being six inches higher than the present stone wall surrounding the forebays.
(iv) Flooding, drowning and drainage rights in Rancocas Creek, the Mill Race, and any other tributaries and streams crossing, bounding or flooding any part of the premises.
(v) All rights, public and private, in that party of the premises lying within the liens of the Buddtown Road and the Evansville Road, and right and privilege, public and private, as user of certain bridges and traverses through, upon and across the premises as now or formerly located over said Mill Race, Canal and Rancocas Creek."

Rights reserved in Deed from Theron C. Foote, etux, to the Permutit Company, dated and recorded June 17, 1925 in Deed Book 651 page 206.

Rights reserved in deed from Anne H. Gledhill, unmarried, James M. Harper and Beatrice H. Harper, his wife to The Permutit Company, dated and recorded June 17, 1925 in Deed Book 651 page 209.

Permit to lay cable granted by Permutit Company to N.J. Bell Telephone Co., under Agreement dated January 14, 1952, recorded February 1, 1952 in Book 1118 of Deeds, page 114.

Easement granted by Ionac Chemical Company Division of Ritter Pfaudler Corporation to The American Telephone and Telegraph Company of New Jersey dated August 17, 1966, recorded January 25, 1968 in Book 1661 of Deeds, page 509 and as corrected by Correctional Easement granted by Ritter Pfaudler Corporation to The American Telephone and Telegraph Company of New Jersey, dated October 1, 1968, recorded October 4, 1968 in Book 1684 of Deeds, page 337.

Utility right-of-way granted by Ritter Pfaudler Corporation to Public Service Electric and Gas Company,

dated July 28, 1966, recorded January 4, 1967 in Book 1633 of Deeds, page 5.

Utility right-of-way granted by Sybron Corporation to public Service Electric and Gas Company and New Jersey Bell Telephone Company, dated August 24, 1979, recorded February 8, 1980 in Book 2324 of Deeds, page 326.

Reservation contained in Deed from H.B. Smith Machine Company, a N.J. Corporation to Charles K. Chambers, dated March 31, 1890, recorded April 11, 1890 in Book 285 of Deeds, page 220, which reads as follows: "Excepting and reserving unto said party of the first part, its successors and assigns, the right and privilege to keep and hold the water in the Rancocas Creek at Smithville as high as the top of the gate irons attached to the stone wall of the forebays in front of the most northerly wheel house erected by H.B. Smith in 1873; said gate irons being six inches higher than the present stone wall surrounding the forebays.".

Condition contained in Deed from John Lacy, President, Samuel Hough, Treasurer of the Company to improve the North Branch of Rancocas Creek to Samuel Kimble, dated October 6, 1803, recorded May 26, 1812 in Book X of Deeds, page 497 which reads as follows: "And that the land on the North said from the center of said canal where the water issues out of the creek heretofore conveyed, and also the land on the Southerly side of said canal from the center where the water issues out of said creek unto the said canal to a stone on the same side of the said canal standing 3 perches (49.5 feet) from the center of said canal being the fourth corner of the above mentioned, shall be and remain and kept open free and clear as a common highway as in the above cited conveyance as by reference to the map of the whole premises on the back of the above deed will appear."

Public and private rights in and to that portion of the premises affected by Birmingham - Budtown Road; Birmingham Road; Birmingham - Arney Mount Road; Center Street; Purdy Boulevard formerly known as Main Street; Meadow Alley; New Road, also known as Broad Street; Mount Meeting House to Birmingham Road, now known as Birmingham - Arney Mount Road; North Road from Birmingham to North Pemberton Road, now known as North Pemberton Road; New Public Road from Birmingham to North Pemberton, now known as Birmingham Road; Evansville Road also known as Road to Penninsular or any other road, street, lane, alley, path, walkway, trail, bridges, etc. which may bound or traverse the premises.

The paramount rights of the United States of America over commerce and/or navigations including the right to fix and alter harbor bulkhead and pierhead lines from time to time and to take land or an interest therein or remove any fill or improvement thereon or thereunder at any point below the ordinary high water mark of Rancocas Creek, Indian Run and Powell's Run or their respective tributaries, all without compensation therefor pursuant to Article I, Section 8, of the Federal Constitution and Title 33, U.S. Code, Section 404.

The rights of the State of New Jersey in and to any part of the insured premises which is or may be claimed and/or determined to be saltmarsh or meadowland.

Rights of the State of New Jersey by the Division of Navigation in the Department of Environmental Protection to supervise plans for any building or other improvement or development to be erected or made on the waterfront and to abate as a public nuisance any improvements thereon made since April 18, 1914, pursuant to P.L. 1914, Chapter 123, Section 4 as amended and supplemented. (N.J.S.A. 12:5-6)

The rights of others in and to the waters of Rancocas Creek, Indian Run and Powell's Run and their respective tributaries.

120 feet wide easement to P.S.E. & G. Co. as shown on the Tax Map of the Township of Pemberton and affecting Lot 5.01 in Block 778 and Lot 5 in Block 780 as shown on said Tax Map.

Liability for possible additional assessment for taxes under Farm Land Assessment Act of 1964 effective May 11, 1964 (N.J.S.A. 54: 4-23.1) if the premises in question or any part thereof has been assessed as land adopted for agricultural or horticultural use.

(c) Relating to the South Carolina Property:

Any general utility rights of ways.

Public or private road rights of ways.

(d) Relating to the Virginia Property:

Easement granted to Appalachian Electric Power Company by instrument dated January 6, 1940 and recorded in Deed Book 272, page 75.

Easements or claims of easements not shown by the public records, boundary line disputes, overlaps, encroachments, and any matters not of record which would be disclosed by an accurate survey and inspection of the premises.

2. Leases

The list of real estate leases set forth in Schedule 3.10, item VIII, is incorporated herein by this reference.

Schedule 3.09 Patents and Trademarks

I. PATENTS

Legal Entity: Sybron Chemicals Inc.

U.S.A. PATENTS

| Patent Number | Issue Date Yr.Mo.Day | Serial Number | Filing Date Yr.Mo.Day |
|---|---|---|---|
| 3642663 | 72-02-15 | 797256 | 69-02-06 |
| 3607694 | 71-09-21 | 719361 | 68-04-08 |
| 3627708 | 71-12-14 | 750254 | 68-08-05 |
| 3654221 | 72-04-04 | 788059 | 68-12-30 |
| 3598756 | 71-08-10 | 757454 | 68-09-04 |
| 3625870 | 71-12-07 | 804288 | 69-03-04 |
| 3849307 | 74-11-19 | 250832 | 72-05-05 |
| 3748238 | 73-07-24 | 251293 | 72-05-08 |
| 3779883 | 73-12-18 | 303383 | 72-11-03 |
| 3637138 | 72-01-25 | 38256 | 70-05-18 |
| 3667899 | 72-06-06 | 25578 | 70-04-03 |
| 3887484 | 75-06-03 | 307021 | 72-11-16 |
| 3758269 | 73-09-11 | 188559 | 71-10-12 |
| 3755236 | 73-08-28 | 206858 | 71-12-10 |
| 3800466 | 74-04-02 | 207270 | 71-12-13 |
| 3817772 | 74-06-18 | 169488 | 71-08-05 |
| 3773463 | 73-11-20 | 245281 | 72-04-18 |
| 3874914 | 75-04-01 | 281789 | 72-08-18 |
| 3836327 | 74-09-17 | 273516 | 72-07-20 |
| 3974131 | 76-08-10 | 550166 | 75-02-14 |
| 3985920 | 76-10-12 | 496649 | 74-08-12 |
| 4096089 | 78-06-20 | 775564 | 77-03-08 |
| 4104209 | 78-08-01 | 703067 | 76-07-06 |
| 4074970 | 78-02-21 | 741703 | 76-11-15 |
| 4131585 | 78-12-26 | 898859 | 78-04-21 |
| 4288545 | 81-09-08 | 4241 | 79-01-17 |
| 4199444 | 80-04-22 | 8215 | 79-01-31 |
| 4266035 | 81-05-05 | 51296 | 79-06-22 |
| 4274954 | 81-06-23 | 35045 | 79-05-01 |
| 4317885 | 82-03-02 | 158758 | 80-06-12 |
| 4444888 | 84-04-24 | 205022 | 80-11-07 |
| 4352886 | 82-10-05 | 229025 | 81-01-27 |
| 4350770 | 82-09-21 | 261394 | 81-05-07 |
| 4397908 | 83-08-09 | 299574 | 81-09-04 |
| 4435262 | 84-03-06 | 453225 | 82-12-27 |
| 4483923 | 84-11-20 | 329859 | 81-12-11 |
| 4482632 | 84-11-13 | 371169 | 82-04-23 |
| 4447539 | 84-05-08 | 372775 | 82-04-29 |
| 4473664 | 84-09-25 | 515709 | 83-07-20 |
| 4555348 | 85-11-26 | 625755 | 84-06-28 |
| 4556638 | 85-12-03 | 524631 | 83-08-19 |

U.S.A. APPLICATIONS

| Docket Number | Filing Date |
|---|---|
| 043748 | 87-04-29 |

FOREIGN PATENT AND PATENT APPLICATIONS

BOPHUTHA

| Serial Number | Filing Date |
|---|---|
| 85/0076 | 85-06-12 |

CANADA

| Serial Number | Filing Date |
|---|---|
| 485611 | 85-06-27 |

EGYPT

| Serial Number | Filing Date |
|---|---|
| 376/85 | 85-06-26 |

EUROPE

| Serial Number | Filing Date |
|---|---|
| 85304487.3 | 85-06-24 |

FINLAND

| Serial Number | Filing Date |
|---|---|
| 852339 | 85-06-12 |

JAPAN

| Serial Number | Filing Date |
|---|---|
| 139205/85 | 85-06-27 |

MEXICO

| Serial Number | Filing Date |
|---|---|
| 205807 | 85-06-27 |

PORTUGAL

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 80722 | 86-12-11 | 80772 | 85-06-27 |

SOUTH AFRICA

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 85/4258 | 85-06-05 | 85/4258 | 85-06-05 |

SOUTH KOREA

| Serial Number | Filing Date |
|---|---|
| 85-4571 | 85-06-27 |

SPAIN

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 544613 | 86-06-02 | 544613 | 85-06-27 |

TAIWAN

| Serial Number | Filing Date |
|---|---|
| 74102759 | 85-06-27 |

Legal Entity: Sybron Chemicals Holdings Inc.

AUSTRALIA

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 436748 | 73-10-16 | 24622/71 | 71-01-25 |
| | | 66406/86 | 86-12-10 |

CANADA

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 842780 | 70-05-26 | 974758 | 66-11-03 |
| 879889 | 71-08-31 | 47170 | 69-03-28 |
| 859787. | 70-12-29 | 58530 | 69-08-01 |
| 868423 | 71-04-13 | 58529 | 69-08-01 |
| 900082 | 72-05-09 | 66739 | 69-11-05 |
| 904004 | 72-07-04 | 59923 | 69-08-19 |
| 954263 | 74-09-10 | 73218 | 70-01-27 |
| 943698 | 74-03-12 | 75081 | 70-02-17 |
| 855752 | 70-11-10 | 893140 | 64-01-13 |
| 936632 | 73-11-06 | 95625 | 70-10-15 |
| 1020902 | 77-11-15 | 167781 | 73-04-03 |
| 977898 | 75-11-15 | 158440 | 72-12-01 |
| 962059 | 75-02-04 | 155842 | 72-11-07 |
| 1012669 | 77-06-21 | 187786 | 73-12-10 |
| 1091849 | 80-12-16 | 281205 | 77-06-23 |

CANADA APPLICATIONS

| Serial Number | Filing Date |
|---|---|
| 527059 | 87-01-09 |

DENMARK

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 139130 | 79-05-28 | 2368/71 | 71-05-17 |
| | | 6059/86 | 86-12-10 |

EPO

| Serial Number | Filing Date |
|---|---|
| 86309599.8 | 86-12-10 |

## FRANCE

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 7007016 | 71-02-22 | 7007016 | 70-02-26 |
| 6945830 | 70-11-23 | 69/45830 | 69-12-31 |
| 7113942 | 71-12-13 | 7113942 | 71-04-20 |
| 7243862 | 73-07-23 | 7243862 | 72-12-08 |

## GREAT BRITAIN

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 1329507 | 73-09-12 | 20207/71 | 71-04-19 |
| 2065706 | 80-11-17 | 8036818 | 80-11-17 |

## ISRAEL

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 34510 | 73-05-29 | 34510 | 70-05-12 |

## ITALY

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 890843 | 71-09-15 | 19070A/69 | 69-07-02 |
| 919498 | 72-05-02 | 47974-A/71 | 71-01-26 |
| 1079730 | 85-05-13 | 50073-A/77 | 77-06-30 |

## JAPAN

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 774094 | 75-06-30 | 1615370 | 70-02-25 |
| 1008143 | 80-07-31 | 57348/70 | 70-07-02 |
| * | | 169716/80 | 80-12-03 |

## JAPAN APPLICATIONS

| Serial Number | Filing Date |
|---|---|
| 304029/86 | 86-12-22 |

## NORWAY

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 131802 | 75-08-06 | 311/71 | 71-01-29 |

## NORWAY APPLICATIONS

| Serial Number | Filing Date |
|---|---|
| 864970 | 86-12-10 |

NEW ZEALAND

| Serial Number | Filing Date |
|---|---|
| 218608 | 86-12-12 |

SOUTH KOREA APPLICATIONS

| Serial Number | Filing Date |
|---|---|
| 87-932 | 87-02-04 |

SWITZERLAND

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 562164 | 75-04-15 | 364/70 | 70-01-12 |
| 557783 | 74-11-30 | 3329/70 | 70-03-16 |

U.S.A.

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 3618589 | 71-11-09 | 20143 | 70-03-16 |
| 4655794 | 87-04-07 | 841926 | 86-03-20 |

TAIWAN APPLICATIONS

Pending Application filed which corresponds to U.S. Patent Number 4566794.

Legal Entity: Gamlen Chemical Company (U.K.) Ltd.

CANADA

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 923259 | 73-03-27 | 89495 | 70-07-29 |

U.S.A.

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 3625234 | 71-12-07 | 58599 | 70-07-27 |

Legal Entity: Sybron Chimie France S.A.

CANADA

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 964871 | 75-03-25 | 156635 | 72-11-16 |
| 1168253 | 84-05-29 | 380892 | 81-06-30 |

AUSTRALIA

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 457645 | 75-06-05 | 48719/72 | 72-11-10 |
| 518590 | 82-02-24 | 26951/77 | 77-07-12 |

AUSTRIA

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 323080 | 75-06-25 | A90703/72 | 72-11-15 |

BELGIUM

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 791004 | 72-11-30 | 123851 | 72-11-30 |
| 856974 | 77-08-12 | 179482 | 77-07-20 |

FINLAND

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 59961 | 81-11-10 | 3239/72 | 72-11-17 |

FRANCE

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 1540340 | 68-08-19 | 99503 | 67-03-20 |
| 1534735 | 68-06-24 | 102966 | 67-04-17 |
| 1531648 | 68-05-27 | 107719 | 67-05-24 |
| 7141322 | 73-06-12 | 7141322 | 71-11-18 |
| 7622426 | 81-10-19 | 7622426 | 76-07-22 |
| 7622425 | 76-07-22 | 7622425 | - |

GERMANY

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 2253884 | 77-03-24 | P2253884.7 | 72-11-03 |

GREAT BRITAIN

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 1403202 | 75-12-16 | 50826/72 | 72-11-03 |
| 1571210 | 77-06-23 | | 77-06-23 |

ISRAEL

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 40596 | 75-10-29 | 40596 | 72-10-17 |

ITALY

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 974825 | 74-07-10 | 54010-A/72 | 72-11-14 |

JAPAN

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 1082185 | 82-01-29 | 115507/72 | 72-11-17 |
| pending | pending | 86153/77 | 77-07-20 |

NORWAY

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 142921 | 80-12-22 | 4170/72 | 72-11-16 |

PORTUGAL

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 58807 | 74-07-23 | 58807 | 72-11-10 |

SPAIN

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 408710 | 75-07-10 | 408710 | 72-11-17 |

SWEDEN

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 405382 | 78-09-13 | 14874/72 | 72-11-16 |

U.S.A.

| Patent Number | Issue Date | Serial Number | Filing Date |
|---|---|---|---|
| 3798913 | 74-03-26 | 303348 | 72-11-03 |
| 4497743 | 85-02-05 | 278304 | 81-06-29 |

II. TRADEMARKS

Legal Entity: Gamlen Chemical Company (U.K.) Ltd.

BENELUX (Belgium, The Netherlands, Luxembourg)

| Registered Trademarks Trademark | Reg. No. | Reg. Date |
|---|---|---|
| GAMLENITE | 12881 | 71-03-09 |
| GANLENOL | 12880 | 71-03-09 |

GERMANY

| Registered Trademarks Trademark | Reg. No. | Reg. Date |
|---|---|---|
| GAMLENITE | 633922 | 51-08-08 |
| GAMLENOL | 636813 | 51-08-08 |

GREAT BRITAIN

| Registered Trademarks Trademark | Reg. No. | Reg. Date |
|---|---|---|
| SUPERFECT | B1064891 | 76-06-25 |
| SUPERFECT | 1064891 | 76-06-25 |
| DYFRIZ | 1245613 | 85-07-08 |

ITALY

| Registered Trademarks Trademark | Reg. No. | Reg. Date |
|---|---|---|
| GAMLEN SEA SUDS | 150270 | 69-07-19 |
| GAMLEN SEACLEAN | 150269 | 69-07-19 |
| GAMLENITE | 275218 | 51-08-09 |
| GAMLENOL | 275217 | 51-08-09 |

NORWAY

| Registered Trademarks Trademark | Reg. No. | Reg. Date |
|---|---|---|
| GAMLENITE | 40460 | 51-08-21 |
| GAMLENOL | 40461 | 51-08-02 |

SPAIN

| Registered Trademarks Trademark | Reg. No. | Reg. Date |
|---|---|---|
| GAMLEN SEACLEAN | 297207 | 56-12-12 |
| GAMLEN SEA SUDS | 297210 | 56-04-03 |
| GAMLENITE | 297209 | 55-12-22 |
| GAMLENOL | 297208 | 54-02-22 |

SWEDEN

| Registered Trademarks Trademark | Reg. No. | Reg. Date |
|---|---|---|
| GAMLENITE | 71621 | 52-03-07 |
| GAMLENOL | 71067 | 71-11-15 |
| SYBRON/GAMLEN | 187674 | 83-08-12 |

## SWITZERLAND

Registered Trademarks

| Trademark | Reg. No. | Reg. Date |
|---|---|---|
| GAMLENITE | 253910 | 51-08-13 |
| GAMLENOL | 253911 | 51-08-13 |

## YUGOSLAVIA

Registered Trademarks

| Trademark | Reg. No. | Reg. Date |
|---|---|---|
| GAMLEN | 15417 | 62-03-26 |
| GAMLENITE | 15418 | 62-03-26 |
| GAMLENOL | 15419 | 62-03-26 |

## IRELAND

Registered Trademarks

| Trademark | Reg. No. | Reg. Date |
|---|---|---|
| DYRFRIZ | 115910 | 82-07-15 |
| FUELCAT | 115911 | 82-07-15 |

Legal Entity: Sybron Chimie France S.A.

## FRANCE

Registered Trademarks

| Trademark | Reg. No. | Reg. Date |
|---|---|---|
| ALKCLEAN | 531668 | 65-05-21 |
| BOILER CONCENTRATE | 535071 | 66-07-09 |
| C/A#1 | 531670 | 66-05-21 |
| CHIM SOOT REMOVER | 531850 | 65-05-28 |
| COLD WASH | 531666 | 65-05-21 |
| DISPERSANT 1200 | 535073 | 65-07-09 |
| FIREMASTER | 531672 | 65-05-21 |
| GAMACTDE | 535070 | 65-07-09 |
| GAMAKOTE | 535075 | 65-07-09 |
| GAMAPOL | 875977 | 73-04-16 |
| GAMLEN | 531859 | 65-05-28 |
| GAMLEN CARBON SOLVENT | 531855 | 65-05-28 |
| GAMLEN CLEANALL | 1048568 | 78-04-27 |
| GAMLEN COMPOUND | 531853 | 65-05-28 |
| GAMLEN DIESELOL | 531856 | 65-05-28 |
| GAMLEN DIESELOL 231 | 750330 | 68-03-08 |
| GAMLEN DIESELOL NS | 750167 | 68-03-04 |
| GAMLEN EMULSION BREAKER | 531852 | 65-05-28 |
| GAMLEN G2 COLD CLEAN | 967384 | 76-09-30 |
| GAMLEN G2 TANK CLEAN | 967383 | 76-09-30 |
| GAMLEN HAND CLEANER | 750166 | 68-03-04 |
| GAMLEN METAL BRIGHTNER (6) | 531851 | 65-05-28 |
| GAMLEN MINIJET | 737606 | 67-07-24 |
| GAMLEN PLANE CLEAN | 535074 | 65-07-09 |
| GAMLEN PRINTREMOVER | 535069 | 65-07-09 |
| GAMLEN SEASUDS | 535072 | 65-07-09 |
| GAMLEN SOLVENT 28 | 531854 | 65-05-28 |
| GAMLEN SPEEDY STRIP | 535068 | 65-07-09 |
| GAMLEN VAP 130 | 918507 | 75-02-24 |
| GAMLEN WAX DISPERSANT | 531857 | 65-05-28 |
| GAMLEN XD COMPUND | 531849 | 65-05-28 |
| GAMLENITE | 531671 | 65-05-21 |
| GAMLENOL DP 231 | 531860 | 65-05-28 |
| GAMLENOL NS (NO SMOKE) | 750168 | 68-03-04 |
| GAMLIC | 931794 | 75-07-24 |
| GAMOSOL | 79891 | 63-05-17 |
| GAMLEN PARAFFIN DISPERSAN | 531858 | 65-05-28 |
| SEACLEAN | 531670 | 65-05-21 |
| SOLVENT 25 | 531667 | 65-05-21 |

## SPAIN

Registered Trademarks

| Trademark | Reg. No. | Reg. Date |
|---|---|---|
| GAMLEN | 670743 | 70-03-05 |
| GAMLEN | 638027 | 69-08-22 |

Applications

| Trademark | Serial No. | Filing Date |
|---|---|---|
| GAMLEN | 658109 | 71-10-11 |
| GAMLEN | 658110 | 71-10-11 |

Legal Entity: Sybron Chemicals Inc. (USA)

Registered U.S.

| Trademarks | Reg. No. | Reg. Date |
|---|---|---|
| ACRIBINDER | 721489 | 61-09-19 |
| ALKAFLO | 1358695 | 85-09-10 |
| APELAN | 886972 | 70-03-03 |
| BI-CHEM | 1126980 | 79-11-27 |
| BIOLAC | 1133945 | 80-04-29 |
| CAREFREE SS | 1092039 | 78-05-30 |
| CAROLID | 661253 | 58-05-06 |
| CATOMER | 1088436 | 78-04-04 |
| CELLOLUBE | 576194 | 53-06-23 |
| CHEMOCARRIER | 995743 | 74-10-15 |
| CLEAN BREAK | 989742 | 74-07-30 |
| COMBUSTION PLUS | 1311775 | 85-01-01 |
| CRILICON | 1088437 | 78-04-04 |
| CRILIPRINT | 1088439 | 78-04-04 |
| CRILITEX | 1093036 | 78-06-13 |
| DYESET | 1088438 | 78-04-04 |
| DYEWELD | 958377 | 73-05-08 |
| FABSTICK | 1088442 | 78-04-04 |
| FIBERMATE | 983652 | 74-05-14 |
| GAMAJET | 804205 | 66-02-22 |
| GAMAPOL | 1267524 | 84-02-21 |
| GAMAZYME | 1234258 | 83-04-12 |
| GAMCLEAN | 1073412 | 77-09-20 |
| GAMCOR | 994503 | 74-10-01 |
| GAMLEN | 1061931 | 77-03-29 |
| GAMLENITE | 337116 | 36-07-28 |
| GAMLENOL | 405502 | 44-02-01 |
| GAMLENOL DP 231 | 797431 | 65-10-12 |
| GAMOSOL | 745971 | 63-02-26 |
| HI-SEA GUARD | 1049044 | 76-09-28 |
| IONAC | 416849 | 45-10-02 |
| IONAC | 578462 | 53-08-11 |
| LUBIT | 958378 | 73-05-08 |
| MACEGARD | 960703 | 73-06-12 |
| MIGRASSIST | 784241 | 65-02-02 |
| NAPSCROOP | 1088441 | 78-04-04 |
| NOBABENE | 945551 | 72-10-24 |
| NYLBRITE | 958376 | 73-05-08 |
| PELOSOFT | 949629 | 73-01-02 |
| PILLMASTER | 1088440 | 78-04-04 |
| PLEXENE | 588242 | 54-04-13 |
| SEA SUDS | 417282 | 45-10-23 |
| SEACLEAN | 796900 | 65-09-28 |
| SILKSOFT | 1091205 | 78-05-16 |
| SILO-ZYME | 716582 | 61-06-06 |
| SPALL-GARD | 756227 | 63-09-03 |
| SPEEDY-STRIP | 566772 | 52-11-11 |
| TANACOL | 1179660 | 81-12-01 |
| TANADEL | 950622 | 73-01-16 |
| TANADUR | 958379 | 73-05-08 |

| | | |
|---|---|---|
| TANADYE | 1123535 | 79-08-07 |
| TANAFRESH | 953406 | 73-02-20 |
| TANALEV | 1200071 | 82-07-06 |
| TANALID | 694769 | 60-03-22 |
| TANALON | 603173 | 55-03-15 |
| TANALUBE | 576799 | 53-06-30 |
| TANAPAL | 956322 | 73-04-03 |
| TANAPON | 955541 | 73-03-20 |
| TANAPRESS | 950621 | 73-01-16 |
| TANAPRINT | 951649 | 73-01-30 |
| TANAQUAD | 950623 | 73-01-16 |
| TANATERGE | 616978 | 55-11-29 |
| TANATEX | 1367241 | 85-10-29 |
| TANAVOL | 644992 | 57-05-07 |
| TANAWET | 1377764 | 86-01-14 |
| TANEMUL | 960218 | 73-06-05 |
| TANNEX | 1377765 | 86-01-14 |
| VASCONITE | 773029 | 64-07-14 |
| VASCONOL | 773028 | 64-07-14 |
| X-TAN | 950607 | 73-01-16 |

Unregistered U.S. Trademarks

ALAKAFLO
ECOLID
MERSE
MERSE ASSIST
MIGRANIL
NOFOME
RETARDER
STABILIZER
TANABOND
TANACLEAN
TANASPAN
TANASSIST
TANASTAT
TANAWEIGHTER
TANZYME
TANEDE

FOREIGN REGISTRATIONS

| TRADEMARK | COUNTRY | REGISTRATION NUMBER | REGISTRATION DATE |
|---|---|---|---|
| GAMAJET | EAST GERMANY | 645449 | 860313 |
| GAMAJET | FRANCE | 1333145 | 851202 |
| GAMAJET | IRELAND | 1173369 | 851202 |
| GAMAJET | USSR | 79492 | 860306 |

FOREIGN APPLICATIONS

| TRADEMARK | COUNTRY | SERIAL NUMBER | FILING DATE |
|---|---|---|---|
| GAMAJET | BENELUX | 679718 | 851204 |
| GAMAJET | DENMARK | 6876/85 | 851203 |
| GAMAJET | GREECE | 82273 | 860407 |
| GAMAJET | ITALY | 36345C/85 | 851223 |
| GAMAJET | NORWAY | 845613 | 851202 |
| GAMAJET | SPAIN | 1128095 | 851211 |
| GAMAJET | SWEDEN | 85-8986 | 851204 |
| GAMAJET | YUGOSLAVIA | Z-901/85 | 851211 |

Applications in process in Venezuela: Alkaflo, Deyweld, Febermate, Lubit, Merse, Tanapal, Tanalube, Tanaterge, Tanavol

Applications in process in South Africa: Bold, Cellolube, Stabilen, Syblast, Sycat, Sychem, Syclean, Tanacid, Tanakill, Tanalube, Tanaprint, Tanasoft, Tanassist, Tanastab, Tannex, Washall

Legal Entity: Gamlen (Japan) Ltd.

| TRADEMARK | COUNTRY | REG./NO. | REG. DATE | |
|---|---|---|---|---|
| WASHALL | JAPAN | 569180 | 610401 | |
| --- | JAPAN | 676846 | 650527 | |
| DUAL PURPOSE | | JAPAN | 693807 | 651225 |
| SEACLEAN | JAPAN | 759075 | 671014 | |
| GAMAJET | JAPAN | 754900 | 670916 | |
| GAMACLEAN | JAPAN | 765794 | 671227 | |
| HYDROGAMOSOL | | JAPAN | 804341 | 690120 |

Legal Entity: Sybron Chemicals Holdings Inc.

REGISTERED TRADEMARKS

| TRADEMARK | COUNTRY | REG. NO. | REG. DATE |
|---|---|---|---|
| GAMADYNE | ARGENTNA | 1092551/9 | 840919 |
| GAMADYNE | ARGENTNA | 961003 | 690822 |
| GAMAJET | ARGENTNA | 913242-7 | 780619 |
| GAMAJET | ARGENTNA | 913243-4 | 780619 |
| GAMLEN | ARGENTNA | 961007 | 690822 |
| GAMLEN | ARGENTNA | 983578 | 700305 |
| GAMLEN | ARGENTNA | 961006 | 690822 |
| GAMLEN SEA SUDS | ARGENTNA | 961002 | 690822 |
| GAMLEN SEACLEAN | ARGENTNA | 961000 | 690822 |
| GAMLEN SEACLEAN | ARGENTNA | 975404 | 691210 |
| GAMLENITE | ARGENTNA | 974929 | 691125 |
| GAMLENITE | ARGENTNA | 974930 | 691125 |
| GAMLENOL | ARGENTNA | 961004 | 690822 |
| GAMLENOL | ARGENTNA | 961005 | 690822 |
| GAMOSOL | ARGENTNA | 999681 | 801007 |
| IONAC | ARGENTNA | 965408 | 690401 |
| IONAC | ARGENTNA | 1072195/7 | 620730 |
| VASCONITE | ARGENTNA | 913244-1 | 780619 |
| VASCONITE | ARGENTNA | 913245-8 | 780619 |
| VASCONOL | ARGENTNA | 932410 | 790323 |
| VASCONOL | ARGENTNA | 928393 | 790130 |
| IONAC | ARGENTNA | 761516 | 630513 |
| BI-CHEM | AUSTRALA | 387023 | 841114 |
| CAROLID | AUSTRALA | 182059 | 630805 |
| CLEANBREAK | AUSTRALA | A276457 | 740227 |
| GAMABREAK | AUSTRALA | A356359 | 830403 |
| GAMAJET | AUSTRALA | A210305 | 670516 |
| GAMLEN | AUSTRALA | A211396 | |
| GAMLEN | AUSTRALA | A211397 | |
| GAMLEN | AUSTRALA | A211398 | |
| GAMLEN SEACLEAN | AUSTRALA | A132653 | 570624 |
| GAMLEN SEASUDS | AUSTRALA | B132654 | 570624 |
| GAMLENITE | AUSTRALA | 107161 | 510814 |
| GAMLENOL | AUSTRALA | 107162 | 510814 |
| GAMOSOL | AUSTRALA | A180493 | 630522 |
| IONAC | AUSTRALA | 108868 | 520201 |
| IONAC | AUSTRALA | A111209 | 520902 |
| IONAC | AUSTRIA | 29332 | USD |
| BI-CHEM | BENELUX | 375871 | 820423 |
| IONAC | BENELUX | 77259 | USD |
| LUBIT | BOPHUTHA | 74/5391 | 841014 |
| MIGRASSIST | BOPHUTHA | 74/5392 | 841014 |
| CELLOLUBE | BRAZIL | 1232/0649755 | 770125 |
| CHEMOCARRIER | BRAZIL | 1232/0628532 | 760410 |
| CLEAN BREAK | BRAZIL | 706311 | 800210 |
| GAMADYNE | BRAZIL | 1232/0606422 | 750325 |
| GAMAPHOS | BRAZIL | 750290315 | 811215 |
| GAMAPOL | BRAZIL | 1232/0646889 | 761010 |
| GAMLEN | BRAZIL | 1231/0607461 | 750425 |

| | | | |
|---|---|---|---|
| GAMLEN SEA SUDS | BRAZIL | 1232/0606423 | 750325 |
| GAMLEN SEACLEAN | BRAZIL | 1232/0605437 | 750225 |
| GAMLENITE | BRAZIL | 1232/0607460 | 750425 |
| GAMLENOL | BRAZIL | 1232/0606424 | 750325 |
| GAMASOL | BRAZIL | 1232/0610261 | 750625 |
| IONAC | BRAZIL | 246200 | 691019 |
| MIGRASSIST | BRAZIL | 1272/02407414 | 701002 |
| TANADEL | BRAZIL | 1232/0628533 | 760410 |
| TANADYE | BRAZIL | 1232/0628531 | 760410 |
| TANALON | BRAZIL | 1272/0407413 | 701002 |
| TANALUBE | BRAZIL | 740089471 | 830131 |
| TANAPAL | BRAZIL | 1232/0669840 | 780610 |
| TANATERGE | BRAZIL | 1272/0407551 | 701013 |
| TANATERGE | BRAZIL | 1232/0628252 | 760410 |
| TANAVOL | BRAZIL | 1272/0406818 | 700902 |
| CAROLID | CANADA | 130965 | 630510 |
| GAMAJET | CANADA | 158657 | 681011 |
| GAMLENITE | CANADA | 41/11127 | 380826 |
| GAMLENOL | CANADA | 75/19553 | 440218 |
| GAMASOL | CANADA | 133504 | 631115 |
| TANALID | CANADA | 132706 | 630913 |
| TANALUBE | CANADA | 132707 | 630913 |
| TANATEX | CANADA | 159310 | 68115 |
| TANAVOL | CANADA | 132711 | 630913 |
| IONAC | CHILE | 221425 | 790504 |
| CAROLID | COLOMBIA | 63192 | 661214 |
| CELLOLUBE | COLOMBIA | 63193 | 661214 |
| MERSE | COLOMBIA | 63200 | 661214 |
| MIGRASSIST | COLOMBIA | 63199 | 661214 |
| PLEXENE | COLOMBIA | 63194 | 661214 |
| TANALID | COLOMBIA | 63773 | 670217 |
| TANALON | COLOMBIA | 63195 | 661214 |
| TANALUBE | COLOMBIA | 63196 | 661214 |
| TANATERGE | COLOMBIA | 63197 | 661214 |
| TANATEX | COLOMBIA | 63201 | 661214 |
| TANATEX | COLOMBIA | 63202 | 661214 |
| TANAVOL | COLOMBIA | 63198 | 661214 |
| BI-CHEM | DENMARK | 1810-1984 | 840511 |
| CHEMCAR | DENMARK | 804/66 | 660326 |
| GAMAPOL | DENMARK | 3905/1974 | 741129 |
| GAMLENITE | DENMARK | 1363/51 | 511006 |
| GAMLENOL | DENMARK | 1364/51 | 511006 |
| NOBARENE | DENMARK | 2074/66 | 660812 |
| TANNEX | DENMARK | 2075/66 | 660812 |
| CAROLID | ECUADOR | 263 | 780215 |
| CELLOLUBE | ECUADOR | 264 | 780215 |
| FIBERMATE | ECUADOR | 254 | 780214 |
| LUBIT | ECUADOR | 266 | 780215 |
| MERSE | ECUADOR | 256 | 780214 |
| MIGRASSIST | ECUADOR | 265 | 780215 |
| NOBARENE | ECUADOR | 267 | 780217 |
| PLEXENE | ECUADOR | 258 | 780215 |
| TANADYE | ECUADOR | 260 | 780215 |
| TANALUBE | ECUADOR | 261 | 780215 |
| TANAPAL | ECUADOR | 257 | 780214 |
| TANAPON | ECUADOR | 259 | 780215 |
| TANAVOL | ECUADOR | 262 | 780215 |
| X-TAN | ECUADOR | 255 | 780214 |
| IONAC | EGYPT | 24767 | 520217 |
| IONAC | EGYPT | 25866 | 520911 |
| BI-CHEM | FRANCE | 1179367 | 810814 |
| GAMLENOL DP | FRANCE | 531665 | 650521 |
| IONAC | FRANCE | 1007138 | 770125 |
| IONAC | FRANCE | 1077729 | 680711 |
| IONAC | GERMANY | 635475 | 520208 |
| BI-CHEM | GRBRITAN | 1189505 | 830128 |
| CLEANBREAK | GRBRITAN | 1020776 | 750819 |
| GAMAFOS | GRBRITAN | A780884 | 580815 |
| GAMAJET | GRBRITAN | 926046 | 680531 |

| | | | |
|---|---|---|---|
| GAMAKOTE | GRBRITAN | A780887 | 580815 |
| GAMAPOL | GRBRITAN | 1019953 | 801031 |
| GAMBREAK | GRBRITAN | 1020777 | 731115 |
| GAMLEN | GRBRITAN | B780880 | 580815 |
| GAMLEN | GRBRITAN | B780881 | 580815 |
| GAMLEN | GRBRITAN | B780882 | 580815 |
| GAMLEN SEA SUDS | GRBRITAN | B709220 | 520725 |
| GAMLEN SEACLEAN | GRBRITAN | B729997 | 540507 |
| GAMLENITE | GRBRITAN | A582292 | 371221 |
| GAMLENOL | GRBRITAN | A629357 | 440519 |
| IONAC | GRBRITAN | 706359 | 520409 |
| IONAC | GRBRITAN | 644804 | USD |
| PERMAJET | GRBRITAN | 962221 | 700709 |
| SYBROJET | GRBRITAN | 1004249 | 30104 |
| VAPJEL | GRBRITAN | A780883 | 580815 |
| VASCONITE | GRBRITAN | 800385 | 600114 |
| IONAC | GREECE | 14519 | 460503 |
| GAMAJET | INDIA | 244002 | 670901 |
| GAMASOL | INDIA | 244004 | |
| GAMLEN | INDIA | 244085 | |
| GAMLEN | INDIA | 244086 | 670901 |
| GAMLEN | INDIA | 244087 | 670906 |
| GAMLEN | INDIA | 244088 | |
| GAMLEN PLANE CLEAN | INDIA | 244007 | 670901 |
| GAMLEN SEACLEAN | INDIA | 244006 | 670901 |
| GAMLEN SEASUDS | INDIA | 248238 | |
| GAMLENITE | INDIA | A244003 | 670901 |
| GAMLENOL | INDIA | 244005 | |
| IONAC | INDIA | 152583 | |
| IONAC | INDIA | 152584 | |
| CLEANBREAK | INDNESIA | 148352 | 800815 |
| GAMAJET | INDNESIA | 148059 | 800731 |
| GAMLEN | INDNESIA | 161250 | 810824 |
| GAMLOTOX | INDNESIA | 166427 | 820903 |
| SEACLEAN | INDNESIA | 148351 | 800815 |
| CAROLID | ISRAEL | 24046 | 650112 |
| IONAC | ISRAEL | 12046 | 520129 |
| IONAC | ISRAEL | 12423 | 520919 |
| TANAVOL | ISRAEL | 24047 | 650112 |
| IONAC | ITALY | 210037 | 670601 |
| IONAC | ITALY | 284608 | 620124 |
| GAMOSOL | JAPAN | 471794 | 551000 |
| L EMBLEM | JAPAN | 677852 | 650608 |
| LANSING LANES | JAPAN | 677853 | 650608 |
| IONAC | JAPAN | 600414 | 621108 |
| GAMLEN | KOREA | 11228 | 660528 |
| GAMLENOL | KOREA | 10824 | 660112 |
| GAMOSOL | KOREA | 10783 | 660112 |
| SEACLEAN | KOREA | 11130 | 660517 |
| GAMLEN | MALAYSIA | 2795 | 590422 |
| GAMLEN | MALAYSIA | 2796 | 590422 |
| GAMLEN | MALAYSIA | 2797 | 590422 |
| CAROLID | MEXICO | 178558 | 720829 |
| CHEMOCARRIER | MEXICO | 176213 | 730125 |
| FIBERMATE | MEXICO | 176212 | 730125 |
| GAMLEN | MEXICO | 261673 | 800312 |
| GAMLEN | MEXICO | 246799 | 800312 |
| LUBIT | MEXICO | 192394 | 730125 |
| MERSE | MEXICO | 188967 | 750506 |
| NOFOME | MEXICO | 216993 | 780821 |
| PLEXENE | MEXICO | 202306 | 770428 |
| TANADYE | MEXICO | 174291 | 720829 |
| TANAFRESH | MEXICO | 271042 | 820216 |
| TANALON | MEXICO | 192068 | 720829 |
| TANALUBE | MEXICO | 203964 | 770701 |
| TANAPAL | MEXICO | 191955 | 730125 |
| TANAPON | MEXICO | 220197 | 781123 |
| TANAPRINT | MEXICO | 176312 | 730125 |
| TANATERGE | MEXICO | 175946 | 730125 |
| TANAVOL | MEXICO | 179598 | 720829 |

| | | | |
|---|---|---|---|
| IONAC | MOROCCO | 23183 | USD |
| GAMAPOL | NORWAY | 98617 | 770324 |
| IONAC | NORWAY | 34406 | USD |
| FIREMASTER | NZEALAND | 81939 | 671214 |
| GAMAJET | NZEALAND | 84109 | 680509 |
| GAMLEN | NZEALAND | B62704 | 581001 |
| GAMLEN | NZEALAND | B62705 | 581001 |
| GAMLEN | NZEALAND | B62706 | |
| GAMLEN PLANECLEAN | NZEALAND | 81940 | 680529 |
| GAMLEN SEACLEAN | NZEALAND | 81936 | |
| GAMLENITE | NZEALAND | 50850 | 510808 |
| GAMLENOL | NZEALAND | 50851 | 510808 |
| GAMOSOL | NZEALAND | 81937 | 670811 |
| IONAC | NZEALAND | 42629 | |
| IONAC | NZEALAND | 51581 | |
| IONAC | NZEALAND | 52440 | |
| SEASUDS | NZEALAND | 81938 | 660815 |
| IONAC | PAKISTAN | 17852 | |
| IONAC | PAKISTAN | 17860 | |
| IONAC | PERU | 12653 | |
| IONAC | PRTRICO | 21320 | 780217 |
| CLEANBREAK | SINGPORE | 80478 | 790523 |
| GAMAJET | SINGPORE | 8/80480 | 790523 |
| SEACLEAN | SINGPORE | B80477 | 790523 |
| APELAN | SOAFRICA | 74/5389 | 760504 |
| BI-CHEM | SOAFRICA | 81/4235 | 810618 |
| CAROLID | SOAFRICA | 74/5390 | 751103 |
| CLEANBREAK | SOAFRICA | 74/0030 | 740102 |
| IONAC | SOAFRICA | 1313/46 | 460101 |
| IONAC | SOAFRICA | 1314/46 | 460101 |
| LUBIT | SOAFRICA | 74/5391 | 760202 |
| MERSE | SOAFRICA | 74/5403 | 741014 |
| MIGRASSIST | SOAFRICA | 74/5392 | 760202 |
| NOBARENE | SOAFRICA | 74/5393 | 751103 |
| TANADEL | SOAFRICA | 74/5394 | 751103 |
| TANADYE | SOAFRICA | 74/5401 | USD |
| TANALON | SOAFRICA | 74/5395 | 751103 |
| TANAPAL | SOAFRICA | 74/5396 | 751103 |
| TANAPON | SOAFRICA | 74/5397 | 760105 |
| TANATERGE | SOAFRICA | 74/5398 | 760105 |
| TANATEX | SOAFRICA | 74/5402 | 760105 |
| TANAVOL | SOAFRICA | 74/5399 | 760105 |
| VASCONAL | SOAFRICA | 67/2258 | 670529 |
| X TAN | SOAFRICA | 74/5400 | 741014 |
| BI-CHEM | SPAIN | 981612 | 820420 |
| IONAC | SPAIN | 181471 | USD |
| BI-CHEM | SWEDEN | 198536 | 851108 |
| GAMAPOL | SWEDEN | 148613 | 740913 |
| IONAC | SWEDEN | 63080 | 570510 |
| IONAC | SWISS | 220622 | USD |
| GAMAJET | THAILAND | 68377 | 790320 |
| GAMLEN | THAILAND | 67810 | 791224 |
| IONAC | TURKEY | 54727 | USD |
| GAMLEN | URUGUAY | 139314 | 751120 |
| GAMLEN | URUGUAY | 119191 | 700923 |
| GAMLEN | URUGUAY | 168813 | 710813 |
| IONAC | URUGUAY | 175497 | 550530 |
| CAROLID | VENZUELA | 73.625-F | 730726 |
| CELLOLUBE | VENZUELA | 73626-F | 730726 |
| GAMLEN | VENZUELA | 40642-F | 611109 |
| IONAC | VENZUELA | 18978 | |
| MIGRASSIST | VENZUELA | 73.303-F | 730919 |
| TANADYE | VENZUELA | 73.627-F | 730726 |
| TANALON | VENZUELA | 73.365-F | 741121 |
| TANATEX | VENZUELA | 73.628-F | 730726 |

Unregistered Trademarks

ENERGAM

VANALEN

APPLICATIONS

| TRADEMARK | COUNTRY | SERIAL NO. | FILING DATE |
|---|---|---|---|
| FIREMASTER | BRAZIL | 896036 | 69-09-23 |
| TANATEX | ECUADOR | 141 | 77-09-16 |
| BI-CHEM | FINLAND | 844/83 | 83-02-08 |
| BI-CHEM | ITALY | 34582C/81 | 81-07-31 |
| GAMOSOL | JAPAN | 19574/63 | 63-05-15 |
| IONAC | JAPAN | 71670/82 | 82/08-13 |
| BI-CHEM | NEW ZEALAND | 145921 | 83-02-10 |
| BI-CHEM | NORWAY | 830389 | 83-02-08 |
| GAMLEN | SINGAPORE | 80476 | 79-05-23 |
| GAMLEN | SINGAPORE | 80475 | 79-05-23 |
| TANATERGE | VENEZUELA | 4254 | 76-06-15 |
| ALKAFLO | BOPHUTHA | 87/3044 | |
| ALKAFLO | SOUTH AFRICA | 87/1598 | |
| ALKAFLO | TRANSKEI | 87/0336 | |

| | | REG. NO |
|---|---|---|
| GAMLEN FUELCAT | GREAT BRITIAN | 1260988 |
| DIESELOL | GREAT BRITIAN | 1297703 |

(In the process of being re-assigned to Sybron Chemicals Holdings, Inc. from Sybron Corporation).

Division: Tanatex Holland

BENELUX (Belgium, The Netherlands, Luxembourg)

Registered Trademarks

| Trademark | Reg. No. | Reg. Date |
|---|---|---|
| CAROLID | 6955 | |
| CELLOLUBE | 345347 | |
| CHEMCAR | | |
| CHEMOCARRIER | 344848 | |
| DS-14 | | |
| EMBLEM MARK TANATEX-COLOR | | |
| EMBLEM MARK VIGNET T | | |
| LUBIT | 345348 | |
| MERGE | 345019 | |
| MIGRASSIST | | |
| NOBARENE | | |
| PLUSHAND | 344849 | |
| TANADEL | | |
| TANADYE | 344850 | 77-05-16 |
| TANALID | 345350 | |
| TANALUBE | 344778 | 77-05-16 |
| TANAPAL | 5882 | 77-02-19 |
| TANAPON | | |
| TANAPRINT | 345020 | |
| TANATERGE | 344780 | 77-05-16 |
| TANAUXIL | | |
| TANAVOL | 345349 | |
| TANEDE | 6954 | 77-01-01 |
| TANNEX SPECIAL | | |

DENMARK

| Trademark | Reg. No. | Reg. Date |
|---|---|---|
| CAROLID | 2172/66 | 33-08-02 |
| DS | 3204/66 | 67-01-20 |
| EMBLEM MARK TANATEX | 2073/66 | 66-08-12 |
| TANAPAL | 2975/66 | 66-11-11 |

## FINLAND

Registered Trademarks

| Trademark | Reg. No. | Reg. Date |
|---|---|---|
| MIGRASSIST | 47102 | 60-05-05 |
| NOBARENE | 50344 | 67-06-20 |
| TANADEL | 50343 | 67-06-20 |
| TANAPAL | 51552 | |
| TANAPON | 49619 | 67-02-20 |
| TANATEX (EMBLEM MARK) | 50342 | 67-06-20 |
| TANNEX | 50345 | 67-06-20 |

## GERMANY

Registered Trademarks

| Trademark | Reg. No. | Reg. Date |
|---|---|---|
| CELLOLUBE | 754170 | 61-01-07 |

## GREAT BRITAIN

Registered Trademarks

| Trademark | Reg. No. | Reg. Date |
|---|---|---|
| CAROLID | 852409 | 63-08-02 |
| CELLOLUBE | 815206 | 61-01-03 |
| DS | 901024 | 66-10-28 |
| EMBLEM MARK TANATEX | 892291 | 66-03-23 |
| MIGRASSIST | 875440 | 65-02-10 |
| TANADEL | 892296 | 66-03-23 |
| TANAPON | 892294 | 66-03-23 |
| TANNEX | 892293 | 66-03-23 |

Applications

| Trademark | Serial No. | Filing Date |
|---|---|---|
| TANADEX & DESIGN | B1078524 | 77-05-16 |

## GREECE

Registered Trademarks

| Trademark | Reg. No. | Reg. Date |
|---|---|---|
| CAROLID | 37137 | 67-03-22 |
| MIGRASSIST | 37138 | 67-03-22 |
| TANAPAL | 59100 | |

## INTERNATIONAL

Registered Trademarks

| Trademark | Reg. No. | Reg. Date |
|---|---|---|
| CAROLID | 294598 | 65-02-25 |

| | | |
|---|---|---|
| EMBLEM MARK TANATEX COLOR | 332321 | 67-02-01 |
| EMBLEM MARK VIGNET T | 317290 | 66-07-10 |
| MIGRASSIST | 294599 | 65-02-25 |
| NOBARENE | 319266 | 66-08-22 |
| TANADEL | 317291 | 66-07-18 |
| TANADYE | 432747 | 77-09-26 |
| TANALID | 433349 | 77-10-19 |
| TANALUBE | 432748 | 77-09-28 |
| TANAPAL | 430239 | 77-05-16 |
| TANAPON | 331275 | 66-12-14 |
| TANASPERSE | 432743 | 77-09-23 |
| TANATERGE | 432744 | 77-09-23 |
| TANAVOL | 433348 | 77-10-19 |
| TANEDE | 430240 | 77-05-16 |
| TANNEX SPECIAL | 319227 | 66-08-22 |

## ISRAEL

Registered Trademarks

| Trademark | Reg. No. | Reg. Date |
|---|---|---|
| EMBLEM MARK TANATEX | 27038 | 67-03-08 |
| MIGRASSIST | 27036 | 67-03-08 |
| TANEX SPECIAL | 27037 | 67-03-08 |

## NORWAY

Registered Trademarks

| Trademark | Reg. No. | Reg. Date |
|---|---|---|
| EMBLEM MARK TANATEX | 72952 | 67-11-23 |

## SPAIN

Registered Trademarks

| Trademark | Reg. No. | Reg. Date |
|---|---|---|
| CAROLID | 496758 | 73-04-09 |
| CAROLID ELF-C | 496760 | 73-04-09 |
| CHEMOCARRIER | 496765 | 69-05-08 |
| CHEMOCARRIER HT | 496763 | 73-11-04 |
| DS | 496834 | 68-12-05 |

## SWEDEN

Registered Trademarks

| Trademark | Reg. No. | Reg. Date |
|---|---|---|
| CAROLID | 113559 | 65-07-07 |
| DS | 118726 | 67-02-03 |
| EMBLEM MARK TANATEX | 118441 | 66-12-30 |
| MIGRASSIST | 113558 | 65-07-23 |
| TANADEL | 118548 | 67-01-13 |
| TANAPON | 119398 | 67-04-14 |

## SYRIA

Registered Trademarks

| Trademark | Reg. No. | Reg. Date |
|---|---|---|
| CAROLID | 18135 | 66-11-07 |
| EMBLEM MARK TANATEX | 18134 | 66-11-07 |

III. Licenses

The Licenses and License Agreements identified in Schedule 3.10, v. ("Lincenses and License Agreements") are incorporated herein by reference.

Schedule 3.10

COMMITMENTS

| | |
|---|---|
| I. | Purchase Contracts |
| II. | Sales Agreements |
| III. | Technology Development and Exchange Agreements |
| IV. | Distribution and Agency Agreements |
| V. | Licenses and License Agreements |
| VI. | Secrecy Agreements |
| VII. | Consulting Agreements |
| VIII. | Real Estate Leases |
| IX. | Equipment Leases |
| X. | Credit Facilities |
| XI. | Intercompany Agreements and Arrangements |
| XII. | Miscellaneous |

Schedule 3.10 Commitments

I. Purchase Contracts (Sybron entity as Purchaser)

| Other Party | Sybron Chemicals Contracting Party* | Date | Term | Comment |
|---|---|---|---|---|
| Mitsubishi Chem. Industries MCI 5-2 Manunouchi 2-Chome Chiyoda-Ku, Tokyo, Japan | Sybron Chemical Division [Sybron Chemicals Inc.] | 7/21/82 | Missing pages- appears to be open | Sale of ion exchange resins |
| Great Western Chemical Co. 860 Wharf Street Richmond, CA 94804 | Gamlen Chemical Company [Sybron Chemicals Inc.] | 4/14/77; modified 6/11/86 | No term - open | Production/blending contract for various solvents |
| Hall-Chem International, Inc. 11865-70 Ieme Avenue Montreal, Quebec, Canada | Sybron Chemicals Inc. | 10/9/85 | year to year | toll blending, storage of raw materials |
| Cloud Company | Sybron Corporation [Sybron Chemicals Inc.] | 3/31/83 | year to year | tank cleaning machines |
| Jon Rucker Co. | Sybron Chemicals Inc. | 9/17/84 | 10 years | design + mfr. of new tank cleaning machine |
| Tennessee Chem. Co. | Sybron Chemicals Inc. | 3/10/86 | 3 years, thereafter year to year | mfr. of sulfonated alkylate |
| Chevron Chem. Co. Gulf Tower Houston, Texas 77253 | Sybron Chemicals Inc. | 12/1/85 | 2 years, thereafter year to year | supply contract - polyethyl benzene |
| ARCO Chem. Co. 1500 Market Street Philadelphia, PA 19101 | Sybron Chemicals Inc. | 1/1/86 | 2 years, thereafter year to year | supply contract - styrene |
| Monsanto 800 N. Lindbergh Boulevard St. Louis, MO 63166 | Sybron Chemicals Inc. | 1/1/86 | 4 years | supply contract - biphenyl |

*Entries in this column indicate the Sybron Chemicals entity which entered into each agreement. Bracketed information indicates the current Sybron Chemicals entity which is the successor to the signing entity.

Purchase Contracts (Continued)

| Other Party | Sybron Chemicals Contracting Party | Date | Term | Comment |
|---|---|---|---|---|
| American Hoechst<br>11911 Scenic Highway<br>P.O. Box 73875<br>Baton Rouge, LA 70807 | Sybron Chemicals Inc. | 1/1/86 | 3 years, thereafter year to year | Toll conversion-divinyl benzene |
| E.I. DuPont, Inc. | Sybron Chemicals Inc. | 4/18/85; effective 6/1/85 | 2 years 1 yr. + 1 yr. renewal provision | supply contract-anhydrous hydrogen chloride |
| General Chemical (formerly Allied)<br>P.O. Box 1053 R<br>Morristown, NJ 07960-1053 | Sybron Chemicals Inc. | 10/1/83; modified 12/20/85 | Letter of Agreement dated 12/16/86 exists pending renewal of a formal contract effective 1/1/87 for one year | supply contract-sulfuric acid |
| Societe Francaise d'Organo Synthese (SFOS) | Sybron Chimie France, S.A. | 9/1/85 | 5 years | Supply agreement-mfr. of toner polymers |
| K.K. Asada Shokai | Gamlen (Japan) Ltd. | 9/86 | 2 years, automatic 2 year renewal periods | Toll/Mfg. agreement (Mfr. of cleaning and additive products.) |
| Duolite International S.A. | Resindion, a division of Sybron Italia, s.p.a. | 3/20/86 | expires 12/31/86 extended to 12/31/87 by ltr. dated 9/8/86 thereafter year to year | Italy; purchase by Resindion of anion exchange resins. |
| Fujikagaku Kogyo K.K. | Gamlen (Japan) Ltd. | 2/20/87 | 2 years automatic 2 year renewal periods | Toll/Mfg. agreement (Mfg. of industrial and marine cleaning and additive products) |

II. Sales Agreements (Sybron entity as Seller)

| Other Party | Sybron Chemicals Contracting Party | Date | Term | Comment |
|---|---|---|---|---|
| IBM<br>6300 Diagonal Highway<br>Boulder, Colorado | Sybron Corporation<br>[Sybron Chemicals Inc.] | 1/06/86 | monthly deliveries<br>3/2/87 | IBM standard form.<br>Ionac toner<br>(cation exchange resin) |
| Anheuser-Busch Companies, Inc.<br>c/o MK Ferguson Co.<br>3500 East County Rd. 52<br>Ft. Collins, CO 80524 | Sybron Chemicals Inc. | 8/27/86 | thru 8/1/87<br>Option to purchase additional units through 6/30/88 | nozzles for delivery |
| Westinghouse Electric Corp.<br>P.O. Box 341<br>Bloomington, IN 47401<br>(Supply Contract) | Sybron Chemicals Inc. | 8/1/86<br>(renewal) | expires 7/31/87 | supply agreement-isopropyl biphenyl |
| Hercules, Inc.<br>900 Greenbank Rd.<br>Wilmington, Delaware 19808<br>(Supply Contract - Gamlen Industrial) | Gamlen Chemical Company<br>[Sybron Chemicals Inc.] | 12/12/78 | year to year | supply agreement-fuel additives |
| Compania Sud Americana de Vapores (C.S.A.V.)<br>(Supply Contract - SCI) | Gamlen Chemical Company<br>[Sybron Chemicals Inc.] | 5/15/85 | 5/31/87, automatic 1 year renewal periods thereafter | supply agreement-Gamlen marine products |
| Culligan International Co.<br>One Culligan Parkway<br>Northbrook, Illinois 60062 | Sybron Chemicals Inc. | 6/1/85 | expires 5/31/88 automatic renewal for 1 yr. periods thereafter | cation exchange resins |
| The Lindsay Company<br>P.O. Box 43420<br>St. Paul, Minnesota 55164 | Sybron Chemicals Inc. | 1/1/86 | expired 12/31/86 | Verbal agreement to continue at same prices - SCI has increased prices and Lindsay has not agreed thereto - Iovac cation exchange resins |
| Culligan International Co.<br>One Culligan Parkway<br>Northbrook, IL 60062 | Sybron Chemicals Inc. | 6/1/85 | expires 5/31/88 automatic renewal for 1 yr. periods thereafter | Anion exchange resins |

Sales Agreements (Continued)

| Other Party | Sybron Chemicals Contracting Party | Date | Term | Comment |
|---|---|---|---|---|
| MidAmerica Water Treatment Co.<br>901 W. Lake Street<br>Addison, Illinois 60101 | Sybron Chemical Division [Sybron Chemicals Inc.] | 11/15/83 | year to year | cation exchange resins |
| Watercare Corp.<br>1524 N. 24th Street<br>Manitowac, WI 54220 | Sybron Chemcials Inc. | 12/2/85 | year to year | Supply contract. cation exchange resins |
| The Permutit Co.<br>E. 49 Midland Ave.<br>Paramus, NJ 07652 | Ionac Chemical Company [Sybron Chemicals Inc.] | 3/6/80 | year to year | Supply contract-cation exchange resins |
| McGraw Edison Co. | Sybron Chemicals Inc. | 1/1/86 | one year; extended through 12/31/87 | Supply contract-isopropyl biphenyl |
| Dow Chemical U.S.A. | Sybron Chemicals Inc. | 1/1/85 | one year; year to year thereafter | Supply contract-BTMAC-60 |
| Sealand | Sybron Chemicals Inc. | 1/28/85; effective 2/1/85 | Expires 4/30/87; Renewed for six months expiring 10/31/87, with option to renew for six month term | Supply contract-cleaning solvents |
| United States Lines<br>27 Commerce Drive<br>Cranford, New Jersey 07016 | Sybron Chemicals Inc. | 11/4/85; effective 2/15/86 | Expired 2/14/87; Renewed 2/15/87 for a term of one year | Supply contract-cleaning solvents |
| Daido Genryo Services K.K. | Gamlen (Japan) Ltd. | 6/24/85 | one year; renewable for additional one year periods | Japan; sale of refractory materials |
| Department of Defense, Australia | Gamlen (Australasia) Pty., Ltd. | 3/8/84;<br>3/1/84;<br>6/14/85; | to 1/31/87<br>to 2/28/87<br>to 5/31/87 | Australia; supply fuel addivites and detergents, and cleaning compounds. |

Sales Agreements (Continued)

| Other Party | Sybron Chemicals Contracting Party | Date | Term | Comment |
|---|---|---|---|---|
| Broken Hill Proprietary Co. Ltd. New South Wales | Gamlen (Australasia) Pty., Ltd. | 8/20/86 | 2 years | Australia; supply cleaning compounds. |
| Vsesojuznoje Objedinenije "Sojuzchimexport" Moscow (Polymerchim) | Sybron Italia s.p.a. | 3/20/86 | Delivery April-Sept.'86 | Italy; sale of Tulsion T-42. (cation exchange resin) |
| Irvin & Johnson Ltd. | Sybron Chemicals (SA) (Pty) Ltd. | | expires 6/30/87 | South Africa; sale of fuel additives |

III. Technology Development and Exchange Agreements

| Other Party | Sybron Chemicals Contracting Party | Type of Agreement | Effective Date | Expiration Date |
|---|---|---|---|---|
| Thermax Private Ltd.<br>Thermax House<br>4 Bombay-Pune Road<br>Shivajinagar, Pune 411 005, India | Sybron Chemicals Inc. | joint technology exchange agreement | 12/13/84 | 12/13/89 |
| Jon Rucker<br>P.O. Box 193<br>Avery, California 95224 | Sybron Chemicals Inc. | design and development contract | 12/13/84 | 12/13/94 |
| Compagnie Francaise de Raffinage | Gamlen Europe S.A. [Sybron Chimie France S.A.] | France; agreement for common product development | 8/28/81 | various expiration dates |
| Sato Laboratories | Gamlen (Japan) Ltd. | Japan; Gamlen to use Sato equipment and receive technical advice | 10/15/86 | 10/15/88; renewable for 1-year periods thereafter |

IV. Distribution and Agency Agreements

| Other Party | Sybron Chemicals Contracting Party | Date | Term | Comment |
|---|---|---|---|---|
| Sung A Chemical Co. LTC. (Korean Corp.) | Gamlen Chemical Company | 7/13/65 | 10 years; extended for one year by Amendment dated 11/1/85. Sung A can extend for another 1 year period expiring 11/1/87. | Distribution Manufacturing and Licensing Agreement for Gamlen products in Rep. of Korea; as of 11/86, distribution rights are nonexclusive. |
| MEMTEC Limited<br>5 Bearing Road<br>New South Wales, Australia | Gamlen Chemical Co. (N.Z.) Ltd. | 5/1/86 | 5 years | Distribution Agreement for Gamlen products in New Zealand and Fiji. |
| Spencer Clarke & Co. Ltd.<br>40-42 Railway Avenue<br>Lower Hutt, New Zealand | Gamlen Chemical Co. (N.Z.) Ltd. | 7/1/68 | Initial 5-year term; expires upon 6 mos' written notice | Distribution Agreement for Gamlen products in New Zealand. |
| R.B. Denniston & Co., Ltd.<br>31-35 Moray Place West<br>Dunedin, NZ | Gamlen Chemical Co. (N.Z.) Ltd. | 7/1/68 | Expires upon 6 mos' written notice | Distribution Agreement for Gamlen products in New Zealand. |
| Taylors Limited<br>360 Taum St.<br>Christchurch, NZ | Gamlen Chemical Co. (N.Z.) Ltd. | 7/1/68 | Expires upon 6 mos. written notice | Distribution Agreement for Gamlen products in New Zealand. |
| Bioquip Australia Pty. Limited | Gamlen Chemical Co. (N.Z.) Ltd. | [not yet signed] | 1 year; renewal for additional 1 year terms | Distribution Agreement for Gamlen products in Australia and Europe |
| Yamamizu Shoji KK<br>#6, Tori 2-chome<br>Nihonbash Chuo-ku<br>Tokyo, Japan | Gamlen (Japan) Ltd. | 6/59, modified 3/1/84 | Expires upon 6 mos. written notice | Sales Agency Agreement for Gamlen Products. |
| Yamamoto Shoji K.K. | Gamlen (Japan) Ltd. | 6/14/85 | 3 years, thereafter year to year | Distribution Agreement for Gamlen products |
| K.K. Matsui | Gamlen (Japan) Ltd. | 8/21/86 | 18 months, may be renewed for a term of one year | Distribution Agreement for Sybron BioChemical products |
| Okano Pharmaceutical K.K. | Gamlen (Japan) Ltd. | 5/21/86 | 18 months, may be renewed for a term of one year | Distribution Agreement for Sybron BioChemical products |
| Toa Environmental Services K.K. | Gamlen (Japan) Ltd. | 5/1/86 | 18 months, may be renewed for a term of one year | Distribution Agreement for Sybron BioChemical products |

Distribution and Agency Agreements (cont.)

| Other Party | Sybron Chemicals Contracting Party | Date | Term | Comment |
|---|---|---|---|---|
| Bairo Industries K.K. | Gamlen (Japan) Ltd. | 5/22/86 | 18 months, may be renewed for a term of one year | Distribution Agreement for Sybron BioChemical products |
| Teraki Sangyo K.K. | Gamlen (Japan) Ltd. | 6/2/86 | 18 months, may be renewed for a term of one year | Distribution Agreement for Sybron BioChemical products |
| Japan Engineering K.K. | Gamlen (Japan) Ltd. | 7/1/86 | 18 months, may be renewed for a term of one year | Distribution Agreement for Sybron BioChemical products |
| Maritama e Industrial del Golfo y Pacifico | Tanatex Mexicana, S.A. de C.V. | 6/12/85 | | Contract in Spanish |
| Total Compagnie Francaise Des Petroles | Sybron Chimie France and Sybron Chemicals Inc. | 10/9/85 | 5 years | France; cooperation agreement for marketing and distribution of marine oil supplies |
| Societe Francaise d'Organo Synthese | Sybron Chimie France S.A. | 9/1/85 | 5 years automatic 1-year renewals thereafter | France; SFOS manufactures toner polymers for distribution by SCF |
| Heinrich W. Starke | Tanatex Chemie GmbH | - | - | Germany |
| F. Dolezal | Interplast | 1/1/84 | - | Austria; agency agreement for Austria and Yugoslavia |
| Funman Nigeria Ltd. | Sybron Chimie France S.A. | 7/1/85 | 2 years; continues thereafter until one party gives 3 mos. notice | France; sale by Funman in Nigeria of SCF products |
| Societe Siff Chimie | Gamlen Europe S.A. [Sybron Chimie France S.A.] | 5/1/82 | - | France; sale by Siff of Gamlen products; contract in French |
| Chemo Service Srl. | Sybron Italia s.p.a. Divisione Resindion [Sybron Chimica Italia SRL] | 3/25/83 | - | Italy; contract in Italian |
| Amedeo Bocchese | Sybron Italia s.p.a. Divisione Tanatex [Sybron Chimica Italia SRL] | 9/1/8_ | - | Italy |

Distribution and Agency Agreements (cont.)

| Other Party | Sybron Chemicals Contracting Party | Date | Term | Comment |
|---|---|---|---|---|
| Saverio Del Vita | Sybron Italia s.p.a. Divisione Tanatex [Sybron Chimica Italia SRL] | 5/1/83 | - | Italy |
| Marine Suppliers | Sybron Italia s.p.a. [Sybron Chimica Italia SRL] | - | - | Italy |
| Total South Africa Ltd. | Sybron Chemicals S.A. (Pty.) Ltd. [Sybron Chimica Italia SRL] | 8/11/86 | 5 years | South Africa; Total supplies Sybron with marine oils for resale |
| M Lundy Agencies of Cape Town | Gamlen South Africa Pty. Limited | 3/29/79 | cancellable upon 1 month's written notice | |
| Stromme Ships Services A/S | Gamlen Chemical Co. (UK) Ltd. | 11/1/85 | 1 year; continues thereafter until one party gives 3 mos. notice | United Kingdom; Stromme distributes Gamlen products |
| Top Rank Technical Services mbH | Gamlen Chemical Co. (UK) Ltd. | 9/1/80 | at year end upon 180 days' written notice | United Kingdom; Top Rank distributes Gamlen products in Germany |
| D. Vanos Ltd. | Gamlen Chemical Co. (UK) Ltd. | 9/1/83 | 10 years | United Kingdom; Vanos distributes Gamlen products in Greece |
| 3C Chemicals | Tanatex Chemical Holland B.V. [Sybron Chemie Nederland B.V.] | 9/1/82 | 1 year; automatic renewal year to year unless 3 mos' notice | The Netherlands; 3C distributes Tanatex products |
| Slotboom Chemie B.V. | Sybron Chemie Nederland B.V. | 1/1/86 | - | The Netherlands; agency agreement |
| Saamir Engineering and Trading Office | Tanatex Chemical (Holland) B.V. | 1/1/77 | 1 year; automatic renewal year to year unless 6 mos' notice | The Netherlands; Saamir as agent/distributor of Tanatex products in Iran |

Distribution and Agency Agreements (cont.)

| Other Party | Sybron Chemicals Contracting Party | Date | Term | Comment |
|---|---|---|---|---|
| Denis Allan Randall | Gamlen (Australasia Pty. Limited | 12/16/86 | 1 year; continues thereafter by mutual agreement until one party gives 6 mos. notice | Australia; Randall is the exclusive distributor of Gamlen products in Indonesia |
| N.V. Dapemo | Gamlen Chemie (Nederland) B.V. | 11/1/81 | Upon 90 days' prior written notice | The Netherlands; Dapemo as agent for sale of Gamlen products in Belgium |
| F. Dolezal | Tanatex Chemical (Holland) B.V. | 1/1/85 | - | The Netherlands; agency agreement for sale of products in Hungary |
| Bodotox | | | | The Netherlands; Denmark |
| Urs Hofer | | | | The Netherlands; Finland |
| St. P. Batoulis | | | | The Netherlands; Greece |
| Peja Export BV, Holland<br>Peja Holding, Moscow | | | | The Netherlands; U.S.S.R. |
| Diplomatic Marine, Inc. (DMI) | Sybron Chemicals Inc. | 7/31/84 | Indefinite; SCI may cancel upon 90 days' written notice | SCI to distribute DMI products. |
| Wuensch Sales Co.<br>7370 Dillon<br>Houston, Texas 77061-2799 | Gamlen Chem. Co. [Sybron Chemicals Inc.] | 2/1/86 | Indefinite; SCI may terminate upon 60 days' written notice | Agency agreement for Houston, Galveston, Texas City and Freeport, Texas. |
| World Laboratories<br>P.O. Box 4846<br>Panorama City, CA 91403 | Sybron Chemicals Inc. | 2/1/86 | Continues indefinitely | Non-exclusive distribution agreement; territory is California. |
| Keystone-Ingham Corp.<br>13744 Melroy Pl.<br>Sante Fe Springs, CA 90670 | Sybron Chemicals Inc. | 10/20/84 | Continues indefinitely | Manufacturer's rep agreement. |
| Compton & Knowles of Canada, Ltd.<br>8770 Place Roy Lawson<br>Anjou, Quebec | Sybron Chemicals Canada Limited | 1/16/86; eff. 2/1/86 | 1 year, thereafter year to year | Distribution of C&K products in Ontario. |

Distribution and Agency Agreements (cont.)

| Other Party | Sybron Chemicals Contracting Party | Date | Term | Comment |
|---|---|---|---|---|
| Milliken Chemicals | Sybron Chemical Division, Tanatex [Sybron Chemicals Inc.] | 8/21/81 | automatic 1-year renewals | Co-manufacturer's discount agreement. |
| A.E. Fischer<br>Dr. Gemsch & Co.<br>Buhlstrasse 9<br>Kusnacht, Switzerland | Ionac Chemical Co. [Sybron Chemicals Inc.] | 12/17/83 | 5 years; automatic 1-year renewals thereafter | Manufacturer's rep. agreement between A.E. Fischer and Ionac; European territory. |
| Alcor Industries, Inc.<br>Belle Mead, N.J. 08502 | Sybron Chemicals Inc. | 10/23/84 | Continues indefinitely | Manufacturer's rep. agreement. |
| Ronald Litchfield<br>d.b.a. Aqua Care Services, Ltd. | Ionac Chemical Company [Sybron Chemicals Inc.] | 10/3/77, modified 4/1/81 | Continues indefinitely | Manufacturer's rep. agreement for Canada. |
| Harold F. Saufley, III, d/b/a Saufley and Associates | Sybron Chemical Division of Sybron Corporation [Sybron Chemicals Inc.] | 6/1/83 | terminable upon 30 days written notice | Promote and distribute products in Western U.S. and Canada |
| Coastal Distributors, Inc.<br>349 Lincoln St.<br>Hingham, Mass 02043 | Gamlen Marine Division of Sybron Chemicals Inc. | 2/1/84 | Continues indefinitely; either party may cancel upon 60 days' notice | Distributor agreement for New England. |
| Drago Supply Co. | Gamlen Chemical Company [Sybron Chemicals Inc.] | 6/1/71 | Continues indefinitely; either party may terminate upon 60 days' written notice | Distributor agreement for parts of Texas and Louisana. |
| F.P. Fensel | Gamlen Chemical Company [Sybron Chemicals Inc.] | 12/1/71 | Continues indefinitely; either party may terminate upon 60 days' written notice | Distributor agreement covering parts of North Carolina. |
| Foster Marine & Industrial<br>202 South 22nd Street<br>Tampa, Florida 33601-1162 | Gamlen Chemical Company [Sybron Chemicals Inc.] | 3/1/85 | Continues indefinitely; either party may terminate upon 60 days' written notice | Distributor agreement covering part of Florida. |
| In-Mar, Inc.<br>1522 N. Ainsworth<br>Portland, OR 97217 | Sybron Chemicals Inc. | 2/31/86 | Continues indefinitely; either party may terminate upon 60 days' written notice | Distributor agreement for Portland OR and Vancouver, WA. |

Distribution and Agency Agreements (cont.)

| Other Party | Sybron Chemicals Contracting Party | Date | Term | Comment |
|---|---|---|---|---|
| Marine Safety Equipment Services, Inc.<br>P.O. Box 1411<br>Old San Juan, P.R. 00903 | Gamlen Chemical Company, a Division of Sybron Corporation [Sybron Chemicals Inc.] | 8/1/78 | Continues indefinitely; either party may terminate upon 60 days' written notice | Distributor agreement for Puerto Rico. |
| Mid-Coast Supply Co.<br>Corpus Christi, TX 78403 | Gamlen Chemical Company [Sybron Chemicals Inc.] | 12/1/85 | Continues indefinitely; either party may terminate upon 60 days' written notice | Distributor agreement for Corpus Christi south to Brownsville TX, north to and including Port Lavaca, TX. |
| Mobile Ship Chandlery<br>Mobile, Alabama 35801 | Gamlen Chemical Company, a Division of Sybron Corporation [Sybron Chemicals Inc.] | 10/1/81 | Continues indefinitely; either party may terminate upon 60 days' written notice | Distributor agreement for Mobile, AL. |
| Port City Marine & Industrial Supply, Co.<br>1504 Louisville Rd.<br>Savannah, Georgia 31401 | Gamlen Chemical Company [Sybron Chemicals Inc.] | 12/1/85 | Continues indefinitely; either party may terminate upon 60 days' written notice | Distributor agreement for Savannah, GA. |
| Anthony Veder & Co.<br>Curacao, Netherland Antilles | Gamlen Chemical Company [Sybron Chemicals Inc.] | 11/1/86 | Continues indefinitely; either party may terminate upon 60 days' written notice | Distributor agreement to Curacao. |
| Kazuo Oi<br>157-54 25th Ave.<br>Whitestone, NY 11357 | Gamlen Chemical Company, a Division of Sybron Corporation [Sybron Chemicals Inc.] | 8/1/78 | Continues indefinitely; either party may terminate upon 60 days' written notice | Manufacturer's rep agreement. |
| Cavalier Marine Supply Co.<br>227 West Tazewell St.<br>Norfolk, VA 23510 | Gamlen Chemical Company, a Division of Sybron Corporation [Sybron Chemicals Inc.] | 5/1/74 | 1 year; from year to year thereafter | Manufacturer/agency agreement for Norfolk, VA. |
| James W. Weedon<br>6824 Altama Road<br>Jacksonville, FL | Gamlen Chemical Company [Sybron Chemicals Inc.] | 6/15/61 | 1 year; from year to year thereafter | Distributor agreement for Port of Jacksonville, FL. |
| The Vane Brothers<br>916 S. Broadway<br>Baltimore, MD | Gamlen Chemical Company, a Division of Sybron Corporation [Sybron Chemicals Inc.] | 6/17/74 | 1 year; from year to year thereafter | Agency/consignment agreement for Baltimore, MD. |

Distribution and Agency Agreements (cont.)

| Other Party | Sybron Chemicals Contracting Party | Date | Term | Comment |
|---|---|---|---|---|
| Tropic Oil Co.<br>7220 N.W. 69th Ave.<br>Miami, FL | Gamlen Chemical Company, [Sybron Chemicals Inc.] | 6/29/62 | Continues indefinitely | Distributor agreement for Florida Keys. |
| Panama Marine Safety & Supply Co.<br>Colon Free Zone<br>Rep. of Panama | Gamlen Chemical Company, a Division of Sybron Corporation [Sybron Chemicals Inc.] | 9/1/84 | Continues indefinitely | Distributor agreement for Panama and Christobol. |
| Hollen Distributing Co.<br>17 Vendue Range<br>Charleston, SC | Gamlen Chemical Company [Sybron Chemicals Inc.] | 6/1/61 | 1 year; automatic renewal year to year | Distributor agreement for counties in South Carolina. |
| H.S. Gray Co.<br>759 Puuloa Rd.<br>Honolulu, HI | Gamlen Chemical Company [Sybron Chemicals Inc.] | 7/6/56 | Continues indefinitely; either party may terminate upon 10 days' written notice | Distributor agreement for Hawaii. |
| Albany Ship Supply<br>Albany, New York | | | | Distributor for Albany, NY area. |
| Atlas Marine<br>Wilmington, California | | | | Distributor for Wilmington, Los Angeles and San Diego, CA areas. |
| Townsend Co. Maritime, Ltd.<br>(f/k/a Marine Agency)<br>St. John, Canada | | | | Distributor for St. John, New Brunswick, Canada area. |
| Bell Marine & Mill Supply<br>Port Colborne, Canada | | | | Distributor for Wellard Canal, Ontario, Canada area. |
| East-Chem, Inc.<br>St. John's, Canada | | | | Distributor for St. John's, Newfoundland, Canada area. |
| F.C. Konrad<br>Philadelphia, Pennsylvania | | | | Distributor for the Port of Philadelphia, PA. |
| Allouez Marine<br>Superior, Wisconsin | | | | Distributor for the Lake Superior, WI area. |
| Detroit Food Service<br>Detroit, Michigan | | | | Distributor for the Detroit, MI area. |

Distribution and Agency Agreements (cont.)

| Other Party | Sybron Chemicals Contracting Party | Date | Term | Comment |
|---|---|---|---|---|
| Samsel Rope<br>Cleveland, Ohio | | | | Distributor for the Cleveland, OH and eastern Great Lakes area. |
| Maritime Chemicals & Equipment<br>Nova Scotia, Canada | | | | Distributor for the Dartmouth, Nova Scotia, Canada area. |
| Joseph Salter's Sons<br>North Sydney, Canada | | | | Distributor for the North Sydney, Nova Scotia, Canada area. |
| Lake Erie Marine Fuels<br>Port Colborne, Canada | | | | Distributor for the Welland Canal, Ontario, Canada area. |
| Approvisionement Neptune Inc.<br>f/k/s/ Neptune Ship Chandlers<br>Sept-Iles, Canada | | | | Distributor for Sept-Iles, Quebec, Canada. |
| Bio-Environmental<br>(Florida) Municipal | | 2/1/86 | | Distributor of industrial products to municipal and institutional customers in Florida. |
| Royal Chemical<br>(New York State, except Westchester County, New York City and Long Island) | | 2/1/86 | | Distributor of industrial products to municipal and institutional customers in New York State. |
| CYTO Culture International<br>(California) | | 3/1/86 | | Distributor of industrial products to municipal and institutional customers in California. |
| John Young<br>(Mississippi) | | 6/86 | | Distributor of industrial products to municipal and institutional customers in Mississippi. |
| Maryland Biochemical<br>(Maryland) | | 6/9/86 | | Distributor of industrial products to municipal customers in Maryland. |

Distribution and Agency Agreements (cont.)

| Other Party | Sybron Chemicals Contracting Party | Date | Term | Comment |
|---|---|---|---|---|
| E.C. Smith & Assoc. (New York City, Westchester County, New Jersey) | | 2/1/86 | | Distributor of industrial products to municipal customers in New York City, Westchester County and New Jersey. |
| Perco, Inc. (Florida - Industrial Non Exclusive for Georgia and Alabama) | | 2/1/86 | | Distributor of industrial products to institutional customers in Florida, Georgia and Alabama. |
| Maintenance Mates (Eastern Virginia) | | 2/1/86 | | Distributor of industrial products to municipal customers in Eastern Virginia. |
| Great Western Chemical (Utah) | | 2/1/86 | | Distributor of industrial products to municipal and institutional customers in Utah. |

V. Licenses and License Agreements

| Licensor | Sybron Chemicals Contracting Party | Effective Date | Termination Date | Comment | |
|---|---|---|---|---|---|
| FUJI Photo Film Co. Ltd.<br>26-30 Nishiazabu 2-chome<br>Minato-KU, Tokyo 106, Japan | Sybron Chemicals Inc. | 12/18/84 | expiration date of last expiring patent (9/17/91) | Patent license-pressure sensitive recording paper | see § 7.1 assignability in event Sybron is acquired |
| Koch Industries, Inc.<br>Wichita, Kansas | Sybron Corporation [Sybron Chemicals Inc.] | 1/1/83 eff. 9/6/83 signed | expiration date of last expiring patent | Paid up patent license-chemical process | see § 7 - probably non-assignable |
| Mitsubishi Chem. Industries (MCI)<br>5-2 Manunouchi 2-Chome<br>Chiyoda-Ku, Tokyo, Japan | Sybron Chemical Division [Sybron Chemicals Inc.] | 7/21/82;**/ amended 10/12/84 | upon expiration of Licencee's obligation to pay royalties under the Agreement | License to use production process.<br>*Art. 6 Basic Agreement, Art. 10 License Agreement | Basic Agreement1/ § 3 contains mutual licenses, § 6 contains confidentiality provisions § 11 non-assignable (License Agreement) |
| Inpal S.A. Industrias Quimicas | Sybron Corporation [Sybron Chemicals Inc.] | 7/1/78 | | Trademark license agreement This Agreement expired in July, 1983, but is in the process of being renewed between the Company (Sybron Chemicals Holdings, Inc.) and Inpal | |
| Grupo Seibron Quimica Ltda. | Sybron Corporation [Sybron Chemicals Inc.] | 7/1/78 | | Trademark license agreement Expired in 1983, requires renewal | |
| Grupo Seibron Quimica Ltda. | Sybron Corporation [Sybron Chemicals Inc.] | 7/1/83 | | Commercial assistance and confidentiality agreement. | |
| Inpal S.A. Industrias Quimicas | Sybron Kerr Industria e Commercio Ltda. | 7/1/83 | | Commercial assistance and confidentiality agreement. These agreements must be transferred out of Kerr prior to closing. | |

* - contains secrecy or nondisclosure provisions

** - Basic Agreement 7/21/82
License Agreement 7/21/82

1/ Basic Agreement requires binding arbitration in Japan or USA (Article 10)

Licenses and License Agreements (cont.)

| Licensee | Sybron Chemicals Contracting Party/ Licensor | Effective Date | Termination Date | Comment | |
|---|---|---|---|---|---|
| J.T. Alton, Inc. d/b/a Alton Geoscience | Sybron Chemicals Inc. | 5/5/86 | 1 year; automatic extension for additional 1-year terms. | Limited license to use soil treatment know-how. *§ 4 | § 12 assignment - may be non-assignable |
| Tanatex Argentina (in Spanish) | Sybron Corporation [Sybron Chemicals Inc.] | 9/30/83 | | Two licensing agreements. | |
| Tanatex Colombiana Ltda. [executed by Sybron Chemicals Inc. and Sybron Chemicals Holdings, Inc.; awaiting copy executed by Tanatex Colombiana Ltda.] | Sybron Chemicals Inc. and Sybron Chemicals Holdings, Inc. | Upon Columbia approval | | License agreement. | |
| Tanatex de Venezuela, S.A. [in process of revision] | Sybron Chemicals Inc. | 3/86 | 5 years, renewable for 2 5 yr. periods | License agreement. | § 18 assignment |
| Middle East Chemical Manufacturing Company | Sybron Chimie France f/k/a Gamlen Europe S.A. | 4/24/78 | 10 years | France; license to use Gamlen patents and trademarks. *(Article 15) | Art. 26 - assignment clause |

2/ subject to arbitration in Bogota, Colombia

3/ not executed by Tanatex

VI. Secrecy Agreements

| Other Party | Sybron Chemicals Contracting Party | Effective Date | Expiration Date | Comment |
|---|---|---|---|---|
| Mitsubishi Chemical Industries Limited | Sybron Chemicals Inc. | 7/29/86 | 7/29/91 | process for production of toner for copiers-§ 5.1 assignment - requires prior written consent |
| American Cyanamid Company | Sybron Corporation [Sybron Chemicals Inc.] | 11/22/83 | 11/22/93 | specs. for compound A-1846 for possible toll mfg. |
| Sun Petroleum Products Company | Sybron Corporation [Sybron Chemicals Inc.] | 8/25/80 | 8/25/90 | info re processing of alkylated aromatic materials |
| Hilton-Davis Chemical Company | Sybron Chemicals Inc. | 2/1/85 | 2/1/90 | solvents for use in carbonless carbon paper |
| Konishiroku Photo Ind. Co., Ltd.1/ | Sybron Chemicals Inc. | 3/6/85 | 3 years from date cost study works ends | KPI submits sample of its toner polymer for evaluation |
| Kincaid Enterprises, Inc. | Sybron Corporation [Sybron Chemicals Inc.] | 3/31/83 | 10 years from date of disclosure | info re mfr. of Chloroneb |
| Moore Business Forms, Inc. | Sybron Corporation [Sybron Chemicals Inc.] | 4/8/81 | 5 years from receipt of proprietary information | no specific description ("processess and info of each party") |

1/ governed by laws of Japan - subject to arbit. rules of ICC

Secrecy Agreements (cont.)

| Other Party | Sybron Chemicals Contracting Party | Effective Date | Expiration Date | Comment |
|---|---|---|---|---|
| Scientific Polymer Products, Inc. | Ionac Chemical Division/ Sybron Corporation [Sybron Chemicals Inc.] | 9/2/86 | -- | no specific description |
| Olin Hunt Specialty Products Inc. | Sybron Chemicals Inc. | 5/19/86 | 5/19/91 | copier and polymer technical info - cooperative development effort |
| The Mead Corporation | Sybron Corporation/ Chemical Division [Sybron Chemicals Inc.] | 4/27/81 | 5 years from date of disclosure | carbonless paper solvent info |
| Alcor Industries, [Sybron form] Inc. | Sybron Corporation, Chemical Division [Sybron Chemicals Inc.] | 10/14/83 | 5 years from date of disclosure | PVC processing aid market |
| Lea Ronal | Sybron Chemicals Inc. | 12/18/84 | 5 years from date of disclosure | sale by Sybron of certain specialty chemicals |
| Boise Cascade Corporation | Sybron Chemicals Inc. | 10/21/85 | -- | carbonless copy paper - § 9 - assignment |
| McGraw-Edison Power Systems | Sybron Chemicals Inc. | 6/17/86 | 6/17/91 | capacitor technology - § 9 - assignment |
| B.S. Chimie | Sybron Chimie France S.A. | 9/25/86 | pd. of collaboration and 10 years thereafter | France; Secrecy Agreement for manufacture of powders |

VII. Consulting Agreements

| Other Party | Sybron Chemicals Contracting Party | Facility | Effective Date | Expiration Date | Service to be Provided |
|---|---|---|---|---|---|
| James C. Moran | Sybron Chemicals Inc. | Wellford, SC | 8/15/86 | terminable upon 30 days written notice | Assist with dyehouse and organic chemicals research |
| William Adam | Sybron Chemicals (Canada) Ltd. | Canada | 5/1/86 | terminable upon 30 days written notice | Assist with Marine Products sales in Canada |
| Jerry H. Brown | Sybron Chemicals Inc. | San Francisco, California | Effective upon signing 9/26/86 | cancelable by either party at end of 1986 or by mutual agreement, still in effect, however the contract has not yet been formally renewed | Assist in advancement of ion exchange and toner polymer business |
| Bertil Dahlstrom, Jr. | Sybron Chemicals Inc. | Birmingham, NJ | 9/1/86 | terminable upon 60 days written notice | Assist in development of purchasing throughout America Division |
| Joseph O. Falkinham III. | Sybron Chemical Division of Sybron Corporation [Sybron Chemicals Inc.] | Salem, VA | 11/1/83 | 12/31/84- renewable for one year periods by mutual consent | Assist in various capacities |

Consulting Agreements (Continued)

| Other Party | Sybron Chemicals Contracting Party | Facility | Effective Date | Expiration Date | Service to be Provided |
|---|---|---|---|---|---|
| Charles E. Tuttle | Sybron Chemicals Inc. | | 8/19/85 | 8/19/86 - renewable for one year periods. Terminable after 8/19/86 upon 90 days' written notice | identify new customers |
| William Shibe, Jr. | Ionac Chemical Company, a Division of Sybron Corporation [Sybron Chemicals Inc.] | Birmingham, NJ | 1/1/78 | terminable upon 30 days written notice | Assist with ion exchange and organic chemical research |
| IT Corp.<br>165 Fieldcrest Ave.<br>Edison, NJ 08837 | Sybron Chemicals Inc. | | | | Conduct biological surveys of Rancoca Creek as req'd by NJDEP |
| Camp, Dresser & McKee, Inc.<br>Rariton Plaza<br>Rariton Center<br>Edison, NJ 08818 | Sybron Chemicals Inc. | | | | Completion of ECRA sampling |
| Braun, Moriya, Hoashi & Kubota<br>911 Jeno Building<br>1-1, 2-chome,<br>Uchisauwai-cho<br>Chiyoda-ku, Tokyo, 100<br>Japan | Gamlen (Japan) Ltd. | | | | Oral Retainer Agreement for legal services |

Consulting Agreements (Continued)

| Other Party | Sybron Chemicals Contracting Party | Facility | Effective Date | Expiration Date | Service to be Provided |
|---|---|---|---|---|---|
| Sergio Melis | Sybron Chimica Italia, Divisione della Sybron Italia s.p.a. [Sybron Chimica Italia SRL] | | 1/1/86 | | |
| Giuseppe Zerbo | -- | | 12/31/83 | | |
| Cesare Silvatiei | Gamlen, Divisione della Sybron Italia s.p.a. [Sybron Chimica Italia SRL] | | 5/30/86 | | |
| Adriano Gavoglio | Sybron Italia s.p.a. [Sybron Chimica Italia SRL] | | 4/1/86 | | |
| SEREB | Tanatex Chemical Holland n.v. [Sybron Chemie Nederland B.V.] | | 9/1/78 | | |

VIII. Real Estate Leases

| Lessor | Sybron Chemicals Lessee | Date | Term | Comment |
|---|---|---|---|---|
| 581659 Ontario Inc. | Tanatex Division Sybron Canada Limited [Sybron Chemicals Canada Ltd.] | 3/19/82; extended 4/22/85 | 3 years | Lease of warehouse at 120 Norfinch Drive, Downsview, Ontario, Canada. |
| Charlann Corp. 242 Main Ave. Passaic, N.J. 07055 | Sybron Chemicals Inc. | 4/1/66; renewed 3/15/85 | 5 years | Lease of office and warehouse at 59 Lee Ave., Haledon, N.J. |
| B&D Industries, Inc. 375 Allwood Rd. Clifton, N.J. | Sybron Corporation, Chemical Division [Sybron Chemicals Inc.] | 3/19/82 | 7 years | Sublease of warehouse space, 375 Allwood Rd., Clifton, N.J. |
| Gordon I. Rehberg | Sybron Chemical Division [Sybron Chemicals Inc.] | 7/1/85 | 7/30/87 | Lease of warehouse, 221 Threadmill Road, Dalton, GA. |
| So. Maple Ave. Assoc. (Jens - ASD, a joint venture) 1201 Howard Ave. Burlingame, CA 94010 | Sybron-Gamlen Inc. [Sybron Chemicals Inc.] | 4/15/81; extended 5/4/84 | 3 years | Lease of office at 121 So. Maple Avenue, South San Francisco, CA. |
| R. Savory Limited | Gamlen Chemical Company (N.Z.) Limited | 5/8/79 | 12 years (may be renewed for 3 periods of 3 years each) | Lease of 1600 sq. ft. factory/office/ warehouse/laboratory space at 54-58 Leonard Rd., Mt. Wellington, Auckland N.Z. |
| Jurong Town Corporation Jurong Town Hall | Gamlen Singapore | renewed 01/01/87 | 1 year (renewable 3 mos. prior to expiration | Lease of office and warehouse space at 55 Ayer Rajah Crescent #01-15/16, Singapore |
| Edward H. O'Brien Industries Pty. Ltd. 8 Glen St. Milsons Pt. | Gamlen (Australasia) Pty. Limited | 1/5/86 | 2 years | Lease of office, manufacturing and warehousing space at 25 Sirius Road, Lane Cove; offices of Gamlen (Australasia) Ltd. |

Real Estate Leases (Continued)

| Lessor | Sybron Chemicals Lessee | Date | Term | Comment |
|---|---|---|---|---|
| K.K. Iwata Bldg. Tokyo, Japan | Gamlen (Japan) Limited | 6/1/86 | 2 years | Lease of office, Rm. 303, Dai-Ichi Iwata Bldg., 10-18, Higashi Gotanda, 5-Chome, Shinagawa Ku, Tokyo |
| Wing Lung Bank Limited Tokyo, Japan | Gamlen (Japan) Limited | 9/1/85 | 2 years (renewable 3-6 mos. prior to expiration) | Lease of 1988 sq. ft. of warehouse and office space at Goldfield Industrial Centre, Fo Tan, Shatin, Hong Kong |
| Corina B. DeBeja Mexico | Tanatex Mexicana S.A. de C.V. | 4/01/87 | 2 years | Lease of office, manufacturing and laboratory space at Amistat & 3 Fraccionamiento, Indust. Puente De Vigas, Tlantla, Edo de Mexico 18,300 sq. ft. total. |
| Leo Teigler | Sybron Chemie Deutschland | 11/30/86 | 1 year (automatically renewed) | Lease of office at Cracauerstrasse 73, D-4150 West Germany. |
| Leo Teigler | Sybron Chemie Deutschland | 11/30/86 | 1 year (automatically renewed) | Lease of office at Cracauerstrasse 73, D-4150 West Germany. |
| Weener Hafen GmbH | Sybron Chemie Handelsgesellschaft | 1/1/83 | Open (cancellation of 3 mos. notice) | Lease of office in Seitenhafenstrasse 15, Vienna, Austria. |
| S.A.T.A., S.A. | Sybron Chimie France S.A. | 03/04/85 | 9 years (rental revisions every 3 years) | Lease of office and warehouse at Zone Industrielle de Pilaterie, 3, Rue de Chateau, Wasquehal, France. |
| Segespar Immobilier, S.A. | Gamlen Europe [Sybron Chimie France S.A.] | 09/08/81 | 9 years | Lease of office and parking space, 62-70 Rue Yvan Tourgueneff, in Bougival, France. |
| Mr. & Mrs. Raymond Goiffon | Interplast N.V. [Interplast B.V.] | 05/01/86 | 9 years (rental revisions every 3 years | Lease of office in Poissy, France. |
| C.E.V.S.A. | Sybron Quimiica Iberica S.A. | 11/04/81 (Textile) 01/02/85 Industry & Marine) | 1 year (renewable automatically | Lease of office in Avda. Meridiana, 354 Plta, 11 Pta. A, Barcelona, Spain. |
| Centrum voor Berrijfsassistentie | Gamlen Chemicals Belgium | 2/15/85 | 6 mos; automatically renewable | Lease of small furnished office at Leopoldsplaats 10,2000 antwerp, Belgium |
| SCI Norly 3 | Sybron Chimie France, S.A. | 11/01/86 | 9 years (rental revisions every 3 years) | Lease of office space in Ecully, France |

Real Estate Leases (Continued)

| Lessor | Sybron Chemicals Lessee | Date | Term | Comment |
|---|---|---|---|---|
| Leandro Torrobal Turrau | Sybron Quimica Iberica S.A. | 04/01/86 | 1 year (renewable automatically) | Lease of office in Bilbao, Spain. |
| Immobiliare Santa Valeria 86 SRL | Divisione della Sybron Italia s.p.a. [Sybron Chimica Italia SRL] | 10/01/73 | 15 years | Lease of office in via Santa Valeria 3, (9 rooms, ground floor), Milan, Italy. |
| Mrs. Bice Masnata | Sybron Chimica Italia Srl (Gamlen Division) | 01/01/87 | 5 years | Lease of office space located in Genoa, Via Smirne 1/12, Genoa, Italy |
| Thorsriver Ltd. | Sybron S.A. Ltd. [Sybron Chemicals (S.A.) (Pty.) Ltd.] | 11/01/81 | expires 10/31/89 | Lease of property at 112 Crompton Street Pinetown, 3600 South Africa. |
| Borough of Uxbridge Switches Limited | Arrow Electric Switches Limited Transferred to Gamlen Chemical (UK) Ltd. | 12/31/61 | 84 years (cancellable at anytime) | Lease of manufacturing, warhouse and office space at Wallingford Road, Uxbridge, England. |
| Staley Properties Investment Limited | Tanatex Chemical Co. Ltd. | 8/1/86 (Lease not yet finalized) | 3 years (renewable for for similar terms) | Lease of office at Cavendish House, 216-200 Katherine Street, Tyne, Lancashire, England. |
| Mr. Vigano | Sybron Chimica Italia S.R.L. | 10/1/75 | 13 years | Lease of offices in Via Santa Valeria 3, (10 rooms, first floor) Milan, Italy. |
| Giuseppina Pedvetti & Giannino Castiglioni | Sybron Chimica Italia S.R.L. (Tanatex Division) | 12/29/82 | 6 years | Lease of office at Via Luigi Rizzo 8, Milan Italy. |
| Dagnino & Marchese SAS | Sybron Chimica Italia S.R.L. (Gamlen Division) | 01/01/86 | 5 years | Lease of Industrial shed and uncovered area (approx. 360 sq. miles) located in Genova, Rivarolo, Via Vezzani 74. |

Real Estate Leases (Continued)

| Lessor | Sybron Chemicals Lessee | Date | Term | Comment |
|---|---|---|---|---|
| EBAC Trucks Nederland B.V. | Tanatex Chemical (Holland) B.V. [Sybron Chemie Nederland B.V.] | 10/1/84 | expires 9/30/89 | Lease of warehouse at Einsteinstraat, Ede, Holland. |
| EBAC Trucks International B.V. | Tanatex Chemical (Holland) B.V. [Sybron Chemie Nederland B.V.] | 03/01/87 | 09/30/89 | Appendix to above Lease of Warehouse at Keesomstraat, Ede, Holland |
| P. Kruithof | Gamlen Chemie Nederland (B.V.) | 11/1/86 | expires 10/31/91 | Lease of warehouse and office at Edisonstraat 16, 3260 BA Holland. |
| Tropic Oil | Sybron Chemicals, Inc. | 10/1/85 | 1 year (yearly renewal) | Lease of 400 sq. ft. office space at 10002 N.W. 89th Avenue, Miami, FL |
| J. Sareussen | Sybron Chemicals Inc. | 1/1/86 | 6 mos. (renewable) | Lease of 4000 sq. ft. warehouse, at 870 S. Peter Street, New Orleans, LA. |
| One Park 10 Place J.V. | Sybron Chemicals Inc. | 12/1/86 | 2 years | Lease of 120 sq. ft. office space, at One Park 10 Place, Unit 103 Houston, TX. |

Real Estate Leases (Continued)

| Lessee | Sybron Chemicals Lessor | Date | Term | Comment |
|---|---|---|---|---|
| Edgar H. Cramer<br>North Pemberton Rd.<br>Mt. Holly, NJ 08060 | Sybron Chemicals Inc. | 12/1/86 | 1 year | Property located on Birmingham Rd., Pemberton, Tp., NJ. |
| Turton's Pty. Ltd. | Gamlen (Australasia) Pty. Limited | | No formal lease | Sublease of 9,000 square feet of space in Lane Cove, Australia (No formal Lease; verbal arrangement that Turton's will remain as a tenant as long as Gamlen (Australasia) is a lessee in building. Turton's pays share of rent & building costs. Arrangement may be cancelled within 30 days notice from either party. |
| Huse Haulage | Gamlen Chemical Co. (U.K.) Ltd. | 10/31/83 | expires 10/31/84 or thereafter upon 6 months | License to park vehicles on land in Uxbridge, England |
| FA. Geurtsenkelderman B.V. | Sybron Chemie Nederland B.V. | 4/01/87 | 9/30/89 (renewable for 1 year) | Lease of office space at Keesomstraat, Ede, Holland. |

IX. Equipment Leases - SCI as Lessor

| Lessee | Sybron Chemicals Lessor | Date | Term | Comment |
|---|---|---|---|---|
| Carolina Mills, Inc. | Sybron Chemicals Inc. | 5/16/85 | Until cancellation by either party | Lease of storage tank. |
| Quality Mills | Sybron Chemicals Inc. | 1/15/85 | Until cancellation by either party | Lease of storage tank. |
| Shaw Industries | Sybron Chemicals Inc. | 3/26/84 | Until cancellation by either party | Lease of storage tank. |
| Bigelow-Sanford, Inc. | Sybron Chemicals Inc. | 6/11/84 | Until cancellation by either party | Lease of storage tanks. |
| V.F. Corp. | Sybron Chemicals Inc. | 8/86 | Until cancellation by either party | Lease of two storage tanks. |
| Stolt-Nielsen, Inc.<br>8 Sound Shore Drive<br>Greenwich, CT 06836 | Sybron Chemicals Inc. | 4/1/85 | 5 years from commencement date for each piece of equipment | Lease of Gamajet machinery. |

Equipment Leases (continued)

Equipment Leases -- SCI as Lessee

| Lessee | Sybron Chemicals Lessor | Date | Term | Comment |
|---|---|---|---|---|
| Action Tank Wash Detroit, MI | Sybron Chemicals Inc. | 7/15/84 | 3 years from commencement date for each piece of equipment; automatic 1-year renewals thereafter | Lease of Gamajet machinery. |
| Kerr Leasing & Fleet Service (leases for listed vehicles as leased on Annex 2.09(IX) hereto) | Sybron Corporation [Sybron Chemicals Inc.] | 7/1/86 10/31/89 | Expires #658 & Supp. | Master Vehicle Lease Agreement NO201563-1; expires 10/31/89 (to the extent it applies to Sybron Chemicals Inc.). |
| American Bell, Inc. | Sybron Chemicals Div. [Sybron Chemicals Inc.] | 1/19/83 | 4 years | Phone service and equipment agreement. |

Equipment Leases - SCI as Lessee

| Lessor | Leased Location | Lease Item | Lease Date | Term |
|---|---|---|---|---|
| A-One Co. | Japan | Word Processor | 04/01/85 | 60 months |
| Canon Eken KK | Japan | Copy Machine | 04/01/85 | 60 months |
| Canon Eken KK | Japan Machines | Facsimile | 09/25/85 | 60 months |
| P. Voeten | Australia | Auto | 07/24/84 | 36 months |
| Associates | Australia | Phone | 09/08/83 | 60 months |
| Associates | Australia | Auto | 12/19/84 | 60 months |
| Ford Credit | Australia | Auto | 06/12/85 | 48 months |
| Associates | Australia | Auto | 05/05/84 | 36 months |
| P. V. Voeten | Australia | Auto | 02/02/84 | 24 months |
| Associates | Australia | Auto | 10/26/83 | 36 months |
| Associates | Australia | Forklift | 11/30/81 | 60 months |
| Associates | Australia | Auto | 02/06/83 | 36 months |
| Associates | Australia | Auto | 02/06/83 | 36 months |
| Associates | Australia | Auto | 02/06/83 | 36 months |
| Antonia P. | Mexico | Forklift | 01/01/85 | 12 months |
| Agfa-Gevaert | Milan, Italy | Gerafax X-22 | 06/01/79 | indefinite |
| Amm. Ne Poste E Telecommunicazioni | Milan, Italy | Telex | 12/12/79 | indefinite |
| Amm. Ne Poste E Telecommunicazioni | Genoa, Italy | Telex | 01/20/72 | indefinite |
| 3M Harris | Genoa, Italy | Fotocopia-trice | 05/21/85 | indefinite |

Equipment Leases - SCI as Lessee

| Lessor | Leased Location | Lease Item | Lease Date | Term |
|---|---|---|---|---|
| Trust Bank | Pinetown, South Africa | Fax Machine | 7/31/86 | 60 months |
| Trust Bank | Pinetown, South Africa | BMW 318 | 10/18/85 | 60 months |
| Trust Bank | Pinetown, South Africa | Isuzu | 9/24/85 | 60 months |
| Trust Bank | Pinetown, South Africa | Cunter | 11/1/85 | 60 months |
| Trust Bank | Pinetown, South Africa | Cresida | 10/23/85 | 36 months |
| Trust Bank | Pinetown, South Africa | Lancia | 2/7/86 | 60 months |
| Trust Bank | Pinetown, South Africa | Mercedes | 2/6/86 | 60 months |
| SAGEM | Lyon, France | Telex Improv. Funct. | 02/21/83 | 60 months |
| SALOCAM | Vernon, France | Telex Unit Transmitter | 10/17/83 | 48 months |
| SATA | Wasquetal, France | Franking Machine | 07/04/85 | 108 months |
| SAGEM | Bougival, France | Telex | 01/15/86 | 60 months |
| Xerox | Birmingham, NJ | Copier | 06/01/86 | 36 months |
| Systems & Service Inc. | Wellford, SC | Copier | 07/10/85 | 36 months |
| Telautograph | Haledon, NJ Recreation Equipment | Transportation | 09/30/85 | 12 months |

Equipment Leases - SCI as Lessee

| Lessor | Leased Location | Lease Item | Lease Date | Term |
|---|---|---|---|---|
| Xerox Haledon, NJ | Copier 4000 | 08/01/85 | 12 months | |
| IBM Birmingham, NJ | Copier III | 09/16/85 | 36 months | |
| Paul Williams Inc. | Salem, VA | Copier | 12/01/84 | 36 months |
| Western Union | Haledon, NJ | Telex Equip. | 01/01/86 | 12 months |
| Banc One Financial | Wellford, SC | Telesystem | 12/01/85 | 12 months |
| Data Leasing | Wellford, SC | Telex | 05/24/84 | 39 months |
| Xerox Birmingham, NJ | Copier | 10/30/84 | 36 months | |
| Syst. & Scrv. | W-MKT | Copier | 12/01/85 | 12 months |
| Eastman Kodak | MKTG | Copier | 11/01/85 | 36 months |
| Pitney Bowes | Clifton, NJ | Meter | 12/01/85 | 12 months |
| Western Union | Birmingham, NJ | Telex Equip. | 01/01/86 | 12 months |

Equipment Leases - SCI as Lessee

| Lessor | Lease Item |
|---|---|
| SBU Gamlen Marina | Regata GE A20423 |
| Gamlen Industria | Ford Transit GE 836942<br>Fiat 242 Autocarro GE 816551<br>Audi 80 GE880345<br>Regata GE 953981<br>Regata GE 940728<br>Regata GE 972093<br>Fiat 131 Maratea GE 954518<br>Fiat Marengo GE 977876<br>Fiat Marengo GE 977877<br>Audi 90 1.600 MI 47551Z |
| SBU Tanatex | A.R. Giulietta 1.6 M191070N<br>A.R. 75 MI 07804Z<br>A.R. Giulietta 1.6 MI 03622V<br>A.R. Giulietta 1.6 MI 03622V<br>A.R. Giulietta 1.6 MI 89355V |
| SBU Resindion | Fiat 127 MI 92860 M<br>Fiat Uno 45 MI 75488T<br>Fiat Ritmo MI 75490T<br>Fiorino Diesel MI 45160S<br>A.R. Giulietta 1.8 MI 300861 |

X. Credit Facilities

The following Letters of Credit are currently outstanding with respect to the Business:

STANDBY LETTERS OF CREDIT

| Issuer | Date | Number | Amount | Beneficiary |
|---|---|---|---|---|
| Manufacturers Hanover | 5/6/87 | 036912 | $ 100,000 | NJ ECRA |
| Manufacturers Hanover | 5/6/87 | 036915 | $ 527,000 | NJ ECRA |
| Manufacturers Hanover | 5/6/87 | 036916 | $5,000,000 | NJ ECRA |
| Manufacturers Hanover | 5/6/87 | 036917 | $ 500,000 | NJ ECRA |
| Manufacturers Hanover | 2/20/87 | 060147 | $ 42,000 | NJ Dept. of Environmental Protection |

The foregoing Letters of Credit shall be terminated at the Closing and must be replaced by Buyer.

CREDIT/OVERDRAFT FACILITIES

| Country | Entity/Division | Bank | (000) Facility | Guarantee/ Agreement | Comments |
|---|---|---|---|---|---|
| Holland | Sybron Chemie Nederland B.V.<br>Sybron Chemicals Holdings B.V.<br>Gamlen Chemie (Nederland) B.V.<br>Interplast B.V. | Allgemene Bank | DG 2,950 | yes/yes | Overdraft Pooling Account |
| Austria | Sybron Chemie Handelsgesellschaft | Credinstalt | AS 650 | yes/no | Guaranteed by Sybron Chemicals Holdings B.V. |
| France | Sybron Chimie/Interplast France S.A. | BNP | FF 9,000 | yes/no | Line of Credit - Foreign Exchanges |
| | Sybron Chimie/Interplast B.V. | PNB | FF 7,500 | yes/no | Line of Credit |
| | Sybron Chimie/Interplase B.V. | Credit Du Nord | FF 4,300 | no/no | Overdraft and Foreign Exchange |
| | Sybron Chimie/Interplast B.V. | BFCE | FF 3,800 | no/no | |

Credit Facilities (Continued)

| Country | Entity/Division | Bank | (000) Facility | Guarantee/ Agreement | Comments |
|---|---|---|---|---|---|
| Italy | Gamlen-Tanatex | Credit Italiano | LT 520,000 | yes | Sybron Italia S.p.A. maintains overall facility |
| | Gamlen-Tanatex | Credit Romagnolo | LT 660,000 | yes | Sybron Italia S.p.A. maintains overall facility |
| | Gamlen-Tanatex | Is. Sao Paolo | LT 200,000 | yes | Sybron Italia S.p.A. maintains overall facility |
| S. Africa | Gamlen | Nebank | | no/no | |
| U.K. | Gamlen<br>Tantatex Chemical Co. Ltd.<br>Gamlen Chemical Co. (U.K. Ltd) | Lloyd's | | yes/yes | Facility in name of Sybron UK Ltd. with availability to these operations - Pooling Account |
| Spain | | Bancade Sebadel | PT 45,000 | no/no | Overdraft |
| | | Bank Inter | PT 15,000 | no/no | Line of Credit |
| Germany | Tanatex | Deutsche | DM 500,000 | no/no | Overdraft |
| Australia | Gamlen | Commonwealth | A$300 | no/no | Overdraft |
| Singapore | Gamlen | Standard & Chartered | | | Overdraft |

Credit Facilities (Continued)

| Country | Entity/Division | Bank | (000) Facility | Guarantee/ Agreement | Comments |
|---|---|---|---|---|---|
| Portugal | Sybron Chimie France | Cesdil Franco Portujais | - | no/no | Escudas Overdraft |
| Japan | Gamlen (Japan) Sybron Chemicals Inc./Gamlen-Japan | Dai-Ichi | N/A | no/no | Foreign Exchange |
| Mexico | Tanatex | Banca Serfin | P 8,000 | no/no | Overdraft - Line of Credit |
| | Tanatex | Multibanco | P 12,000 | no/no | Overdraft - Line of Credit |
| | Tanatex | Banca B.C.H. | P 10,000 | no/no | Line of Credit |

The Purchased Companies and Subsidiaries shall retain liability for their respective short term overdraft facilities in accordance with the Agreement, and, to the extent Sybron is liable thereon, the Buyer Group will secure the Purchased Companies' and Subsidiaries' obligations in accordance with the Agreement.

The following inter-company loans are outstanding and shall be forgiven effective the Closing Date in accordance with the Agreement:

| Unit | Loan To | Amount | Guaranteed By Seller |
|---|---|---|---|
| Sybron Holdings Nederland | Sybron Corp. | U.S. 791,186.90 | no |
| Sybron Italia (Central Office) | Sybron Chimica Italia S.r.l. | Li 4,077,384,689 | no |
| Gamlen (Japan) Ltd. | Gamlen Australasia (Pty.) Ltd. | Y 40,000,000 | |
| Gamlen U.K. | Sybron Corp. | L 125,000 | no |
| Sybron Chemie (Nederland) B.V. | Sybron Corp. | DG 2,800,000 | |

The following loans are currently outstanding with respect to the Business:

| Lender | Borrower | Amount | Guaranteed By Seller |
|---|---|---|---|
| Credit National | Sybron Chimie France S.A. | U.S. 129,000 | yes |
| Credit National | Sybron Chimie France S.A. | U.S. 56,000 | yes |

XI. Intercompany Agreements and Arrangements

A. Agreements

| Sybron Contracting Entities | | Effective Date | Expiration Date | Subject |
|---|---|---|---|---|
| 1. Sybron Chemicals, Inc. | Barnstead Company and Thermolyne Corporation | 11/1/86 | 10/31/89 | Sale by SCI of resins. |
| 2. ROYALTY CONTRACTS: | | | | |
| Sybron Chemicals, Inc. | Sybron Chimie Nederland B.V. | 4/23/63 | fully paid as of 7/25/84 | Royalty contract |
| | | 12/20/65 | fully paid as of 7/25/84 | Royalty contract |
| | | 4/23/65; 7/4/66 contract expands territory covered | | Royalty contract-Middle East |
| | | 8/19/71 | | Royalty contract-No active products |
| | | 8/1/73 | | Royalty contract-No active products |
| | | 4/24/63 | | Royalty contract-No active products |
| | | 8/20/69 | | Royalty contract-No active products |
| | | 8/7/70 | 8/6/86 | Royalty contract: Algeria, Tunisia, Morocco |
| | | 8/7/70 | 8/6/86 | Royalty contract: Europe |
| | | 8/18/71 | 8/17/87 | Royalty contract: Europe |
| | | 10/4/72 | | Royalty contract: No active products |
| | | 10/5/72 | 10/4/88 | Royalty contract: Europe |

Intercompany Agreements (continued)

| Sybron Contracting Entities | | Effective Date | Expiration Date | Subject |
|---|---|---|---|---|
| 3. Sybron Chemicals Inc. | Sybron Chemicals Europe S.a.r.l. | 12/28/84 | Indefinite Term | Sybron Chemicals Inc. makes available to Sybron Chemicals Europe S.a.r.l. the full-time services of Jose Rodriguez. |
| 4. MANAGEMENT AGREEMENTS: | | | | |
| Sybron Chemicals Europe S.a.r.l. | Gamlen Europe S.A. | 12/1/84 | 12/31/89; automatic renewal for 5-year periods thereafter | SCE provides services to Gamlen Europe S.A. |
| Sybron Chemicals Europe S.a.r.l. | Sybron Quimica Iberica S.A. | 12/1/84 | 12/31/89; automatic renewal for 5-year periods thereafter | SCE provides services to Sybron Quimica Iberica S.A. |
| Sybron Chemicals Europe S.a.r.l. | Tanatex Chemical (U.K.) Ltd. | 12/1/84 | 12/31/89; automatic renewal for 5-year periods thereafter | SCE provides services to Tanatex Chemical (U.K.) Ltd. |
| Sybron Chemicals Europe S.a.r.l. | Gamlen Chemical (U.K.) Ltd. | 12/1/84 | 12/31/89; automatic renewal for 5-year periods thereafter | SCE provides services to Gamlen Chemical (U.K.) Ltd. |
| Sybron Chemicals Europe S.a.r.l. | Tanatex Chemical (Holland) B.V. [Sybron Chemie Nederland B.V.] | 12/1/84 | 12/31/89; automatic renewal for 5-year periods thereafter | SCE provides services to Sybron Chemie Nederland B.V. |

Intercompany Agreements (continued)

| Sybron Contracting Entities | | Effective Date | Expiration Date | Subject |
|---|---|---|---|---|
| Sybron Chemicals Europe S.a.r.l. | Interplast | 12/1/84 | 12/31/89 automatic renewal for 5 year periods thereafter | SCE provides services to Interplast |
| Sybron Chemicals Europe S.a.r.l. | Interplast GmbH | 12/1/84 | 12/31/89; automatic | SCE provides services to Interplast GmbH |
| Sybron Chemicals Europe S.a.r.l. | Gamlen Chemie (Nederland) B.V. | 12/1/84 | 12/31/89; automatic renewal for 5-year periods thereafter | SCE provides services to Gamlen Chemie (Nederland) B.V. |
| Sybron Chemicals Europe S.a.r.l. | Sybron Italia s.p.a. | 1/1/85 | 12/31/89; automatic renewal for 5-year periods thereafter | SCE provides services to Sybron Italia s.p.a. |
| Sybron Chemicals Europe S.a.r.l. | Tanatex Chemie GmbH | 12/1/84 | 12/31/89; automatic renewal for 5-year periods thereafter | SCE provides services to Tanatex Chemie GmbH |
| Sybron Chemicals Europe S.a.r.l. | Sybron Chimie France S.A. | 12/1/84 | infinite term | SCE provides administrative services to Sybron Chimie France S.A. |
| Sybron Chemicals Europe S.a.r.l. | Sybron Chimie France S.A. | 12/28/84 | indefinite term | Sybron Chimie France S.A. provides administrative services to SCE |

Intercompany Agreements (cont.)

B. Arrangements

Foreign Exchange Hedges

The following are the forward Foreign Exchange contracts placed by Sybron on behalf of Sybron Chemicals Inc.

Buyer shall arrange to assume the remaining contracts at the time of closing or if it is not possible to assume the contracts, Sellers agree to take such action as is necessary to assure that the Buyer receives the benefits, and bears the risks of, such contracts.

| Date | Maturity | Currency | Amount | Forward Rate | US $ | Bank |
|---|---|---|---|---|---|---|
| 3/18/87 | 6/08/87 | Yen | 13,120,000 | 150.28 | 87,303.70 | MHT |
| 3/18/87 | 6/23/87 | Lira | 180,762,000 | 1308.50 | 138,144.44 | MHT |
| 4/01/87 | 6/23/87 | Lira | 23,511,400 | 1285.75 | 18,286.14 | MHT |
| 4/02/87 | 6/17/87 | Yen | 5,796,000 | 145.45 | 39,848.75 | MHT |
| 4/13/87 | 7/23/87 | Lira | 74,150,700 | 1293.00 | 57,347.80 | MHT |
| 4/22/87 | 7/23/87 | Lira | 61,716,800 | 1295.75 | 47,630.18 | MHT |
| 4/29/87 | 7/23/87 | Lira | 63,279,000 | 1286.00 | 49,206.07 | MHT |
| 4/30/87 | 7/23/87 | Lira | 5,795,285 | 1275.00 | 4,545.32 | MHT |
| 5/13/87 | 7/31/87 | Yen | 13,120,000 | 137.95 | 95,106.92 | MHT |
| 5/21/87 | 8/24/87 | Lira | 161,691,520 | 1290.25 | 125,797.41 | MHT |

C. Proposed Agreements.

Sybron Chemicals Inc. is currently considering formalizing its relationships with certain foreign Subsidiaries by entering into proposed Distributor Agreements, License Agreements, Service Agreements, and a Toner Products Agreement with one or more of such Subsidiaries.

D. Transfer of Sybron (Australia) Pty. Ltd.

Sybron and the Company have executed an Agreement for the purposes of transferring the Company's Sybron (Australia) Pty. Ltd. stock to Sybron.

XII. Miscellaneous

Standby Trust Agreement between Sybron Chemicals Inc. and Continental Illinois Bank and Trust Company of Chicago, dated May 13, 1986, for the benefit of the New Jersey Department of Environmental Protection ("NJDEP"), pursuant to the Environmental Cleanup Responsibility Act of New Jersey ("ECRA").

Administrative Consent Order with NJDEP dated May 13, 1986 under which Sybron Chemicals Inc. has agreed, among other things, to undertake certain actions in order to comply with ECRA.

Agreement of Purchase and Sale between Sybron Corporation and Cabarria y Cia, S.A., dated December 13, 1985, concerning sale of the Tanatex Colombiana Ltda. interest and Acknowledgment and Agreement, dated September 5, 1986, related thereto.

Agreement for Providing Analytic Services between Gamlen (Japan) Ltd. and Fuji Kagaku Koguo K.K., dated February 20, 1987, whereby Fuji renders analytic services to Gamlen (Japan). The term of the Agreement is two years with a one year renewal period.

Proposed License Agreement between Sybron Chemicals Inc. and the Virkler Company whereby the Company will grant a license agreement for use of a patent. Proposed License would be part of a settlement of the Virkler litigation.

See Schedule 3.15, which is incorporated herein, for employment agreements, collective bargaining agreements, and employee benefit plans and arrangements.

Sybron Chemicals Inc. entered into a July 12, 1985 Security Agreement with the United States of America, through the Defense Investigative Service. Under this Agreement, Sybron Chemicals Inc. is required to maintain a system of security contracts in accordance with the requirement of the Department of Defense "Industrial Security Manual For Safeguarding Classified Information". Sybron Chemicals Inc.'s Birmingham facility was granted a security clearance at the SECRET level on July 22, 1985.

Schedule 3.11 Litigation

1. Miscellaneous

EC.O v. Gamlen, Belgium

Edilvago S.r.l. v. Sybron Italia S.p.A., Resindion Division, Tribunal Court of Milan, Italy

Hardware Developments Limited v. Gamlen Chemical Co. (N.Z.) Limited, District Court, Otahuhu, New Zealand

Microbe Masters, Inc. v. Sybron Corporation, Sybron Chemicals Inc., Michael Gottlieb, U.S. District Court, Louisiana

Sybron Chemicals Inc. v. Michael Telepchak, Microbe Masters, et al., Superior Court of New Jersey, Chancery Division, Burlington County, New Jersey

Pyrocrystal S.r.l. v. Sybron Italia S.p.A., Tribunal Court of Milan, Italy

A. A. Sein v. Sybron Chemie Nederland B.V., Cantonal Judge (Labor Court), Wageningen, the Netherlands

Sybron Chemicals Inc. v. The Virkler Company, U.S. District Court, Western District, North Carolina

Sybron Chimie France, S.A. v. Produits Lescot S.A. and Jeane de Vienne, S.A., France

Sybron Chemicals Inc. v. Shippers Transport, Inc. and Gershman Products Co., U.S. District Court for the District of New Jersey

Sybron Italia S.p.A. v. Atochem, S.A., Paris, France

Sybron Chimie France Claim against Mr. Clemanson (Commercial Agent)

Sybron Chimie France v. Delallee (Commercial Agent), French Commercial Tribunal

Sybron Chimie France v. VATTAC, France

Redmark industrial Services v. Sybron Chimie France

BAS & Jacquet/Declerco v. Sybron Chimie France, France

C.B.S. v. Sybron Chimie France, France

Compagnie Generale de Chauffe v. Sybron Chimie France, France

Vogel Claim against Sybron Chimie France

Joan A. Cherry v. Sybron Corporation, et al, Court of Common Pleas, Delaware County, Pennsylvania

Renninger v. Sybron Corporation, et al., Delaware County, Pennsylvania

Edward Jackson v. Sybron Chemicals, Inc., Superior Court of New Jersey, Law Division, Passaic County.

Claim of Textile Motor Express

Possible claim of Sybron Chemicals (SA) (PTY) Limited against Messrs. H. Van Der Veen and L. Bozas

Proceedings in Holland with municipal (Ede) and provincial (Gelderland) authorities concerning contamination at Ede, Holland site.

Meritex Claim, South Africa

Closure of TSD facility in Birmingham, New Jersey

Request for Information concerning Avon Day matter

2. Environmental

McAdoo Associates, McAdoo, Pennsylvania

McKin Sity, Gray, Maine

ECRA Cleanup Action, May, 1986 Consent Order related to acquisition of Sybron Corporation by an affiliate of Forstmann Little & Co.

NJPDES Permits (Water Discharge)
- Administrative appeals from certain discharge limitations and monitoring requirements
- Modifications of Permits being negotiated
- Civil Penalties requested by NJDEP for violations

Consent Order, State of South Carolina, Department of Health and Environmental Control, October 1985, with respect to discharge of Waste Water into Jimmies Creek, South Carolina
- Subject to further enforcement action pending completion of requirements under Consent Order

Claim of the Public Interest Research Group of New Jersey and Friends of the Earth pursuant to Notice dated March 10, 1987, with respect to NPDES/NJPDES Permit Number NJ 0005509.

Administrative Penalty

- Date of Action - January 2, 1985
- Section of Law/Statute violated - NJSA 23:5-28
- Description of Violation - Alleged violation of NJSA 23:5-28 by virtue of unauthorized dischrge of Rancocas Creek during a power failure on December 5, 1985

Administrative Order

- Date of Action - December 9, 1985
- Section of Law/Statute violated - 7:26-9.1 et seq. - 7.26-12.1 et seq.
- Description of Violation - Allegedly operating a hazardous waste storage facility without a permit in violation of 7:26-12.1 et seq. and in violation of the requirements of 7:27-9.1 et seq.

Schedule 3.12 Compliance With Laws

1. Any violations or noncompliance with respect to the matters listed in Schedule 3.11.

2. Sybron Chemicals Inc. may not be in compliance with Executive Order 12532 of September 9, 1985, and the regulations which implement that Order, concerning the establishment of and reporting upon certain fair labor standards with respect to operations in South Africa.

3. Sybron Chemicals Inc. is registered with the Center For Drugs and Biological Substances as a manufacturer of drug intermediates. Any representations relating to FDA Compliance are specifically excepted.

4. Sellers make no representation or warranty with respect to compliance with any environmental laws, rules, regulations or orders applicable to the Business.

Schedule 3.14 (A) Tax Matters

No Exceptions

Schedule 3.15 Employee Benefit Plans and Arrangements

DOMESTIC OPERATIONS

"Benefit Plans"

1. Medical -
   a. Blue Cross/Blue Shield of Philadelphia
   b. HIP of N.J.
   c. HMO of N.J. and PA.

2. Cafeteria Plan - All Employees
   Note: Flexible Spending Account provision not applicable for Union Employees.

3. Dental Plan - All Employees

4. Disability Income Policy - Salaried Employees and Wellford hourly employees

5. Disability Income Policy - Unions

6. Life & Accident Policy - Salaried

7. Life & Accident Policy - Unions

8. Life & Accident Policy - Wellford hourly

9. Savings and Thrift Plan - Salaried Employees

10. Savings and Thrift Plan - Hourly Employees

11. Pension/Profit Sharing Plans

    a. Retirement Plan of Sybron Chemicals Inc. for Hourly Employees

    b. Retirement Plan of Sybron Chemicals Inc. for Employees of its Birmingham Facility Represented for Collective Bargaining by United Steelworkers of America Local No. 12238 and 13939

    c. Retirement Plan of Sybron Chemicals Inc. for Employees of its Haledon Plan covered by a Collective Bargaining Agreement

    d. Pension Plan of Sybron Corporation for Salaried Employees

    e. Sybron Consolidated Profit Sharing Plan

    f. Pension Plan of Sybron Corporation for Retired Employees (John Hancock Annuity Contract #4315GAC)

    g. Excellence Pays Plan

"Benefit Arrangements"

1. Holidays

2. Vacations

3. Jury duty

4. Military Leave

5. a. Sick Pay/Salary Continuance - Salaried

   b. Sick Pay/Salary Continuance - Lab Union Employees

6. Personal Time Off

7. Education Assistance

8. Winners Club

9. Safety Program

10. Wellness Program

11. Payroll Direct Deposit

12. Layoff/Severance Policy

13. Relocation Policy

14. Overtime Policies

15. Company Memberships/Subscriptions

16. Emergency Loans

17. Business Travel/Expenses

18. Leased Car Program

Executive "Benefit Arrangements"

1. Credit Cards and Airline Club Memberships

2. Executive Automobile Program

3. Executive Travel Policy

4. Health Examinations for Executive Employees

5. Executive Vacation

6. Executive Separation and Severance

7. Executive Annual Incentive Plan

"Employee Agreements"

1. Consulting Agreements with Former Employees (for more detailed information, see Schedule 2.09 VII)

   a. William Adams

   b. James Moran

   c. William Shibe

   d. Bertil Dahlstrom

2. Severance Agreements

   Joseph Citro

3. Employment Agreements

   a. Stephen Adler

b. Charles Ciesla
c. Thomas Reardon

d. Jose Rodriguez

e. John Schroeder

f. Leonard Stephenson (terminated 7/86)

g. Frank Zunino

h. Daniel Sullivan

i. Robert Copeland

4. Other Agreements

Bart Ancheta

5. Union Agreements

a. Termination agreement between Sybron Chemicals, Inc. and Teamsters Local No. 560

b. Agreements between Sybron Chemicals, Inc. and:

1. The United Steelworkers of America Local 12238

2. The United Steelworkers of America Local 13939

6. Executive Employment Contracts

Richard M. Klein

7. Sales Incentive Plan

a. Biochemical/Industrial

1. James Bova

2. William Coleman

3. James Grabowski

4. Doug Dent

5. Mary Houston

6. Mark Krupka

7. Ron Ieva

8. Gene Patterson

9. Ken Schelling

10. Peter Fonsato

11. John Lutzmann

12. Rejean Belley

13. Gary Hater

14. Bill Parsons

b. Southern Textile Sales

1. Joe Belcher
2. Gary Brock
3. Prafull Gajendragadkar
4. Kim Carter
5. Bob Hardy
6. Walt Griffin
7. Bob Smith
8. Dick Nicholson
9. Peter Ware
10. Marty Brown

c. Northern Textile Sales

1. Nick Gallo
2. Wayne Teschon
3. Andy Kennedy

d. Marine Sales

1. Ed Carute
2. Larry Badami
3. Bill Myers
4. Ray Richardson
5. Andy Pizzorni
6. Robert Pelham
7. Santiago Finale
8. Doug Gaeta
9. Nick Knowlden

e. Equipment Sales

Bart Ancheta

f. Toners

John Wysocki

8. Informal Pensions

1. A. Koschke
2. F. Riker
3. F. Daly
4. S. Balaban

5. A. Malmgreen

6. H. Brown

7. H. Price

9. Trade Secrecy and Patent Agreements

Employees sign trade secrecy and patent agreements upon commencement of employment.

## FOREIGN OPERATIONS
## (Excluding Canada)

### Employment Contracts/General Labor Agreements

A. Tanatex Mexico

a. Work contracts in accordance with Mexican labor laws

b. Riders to work Contracts for R. Hernandez Florez, Elias Estrada Hernandez, and A. Luna

c. Union Contract dated 9/25/85 - "Sindicato de Trabajadores Y Agentes de Laboratorios Y Similares"

d. Mexican Labor Law

B. Sybron Chemicals Far East

1. Australia
No contracts in Australia

2. Japan
a. General Labor Contracts with all employees in Japan.
b. Employment contracts with: (i) Tomivo Nakazawa dated 7/3/84; (ii) Mr. Maruyama dated 3/2/82, and (iii) Mr. Taniguchi dated 4/1/85

3. New Zealand

a. Labor Award with hourly employees; 2/1/86 - 1/20/87. [An Award is a collective agreement which is registered in the Arbitration Court of New Zealand. The Award sets legal minimums for pay and other conditions.] Contract binds successors in interest.

b. Secrecy Agreements with individual members of executive staff.

C. Sybron Chemicals Europe

Standard local labor agreements in all countries where operations exist.

Expatriate agreements with J. Nolet and Jose M. Rodriguez; prior to January 1, 1987, these agreements were administered by Sybron corporate headquarters..

Consultancy agreement with Dr. Andriano Gavoglio, dated December 25, 1985.

1. Italy

a. National Labor Contract as required by law

b. Individual white collar contract for Gamlen and Tanatex

c. Individual white collar contract for Resindion

d. Individual blue collar contract for Resindion

e. Resindion Union Contract dated 7/5/84 (also applies to Gamlen and Tanatex)

2. France

a. Labor Law re Transfer of Labor Contracts

b. Exempt Employment Contract including Secrecy Agreement

c. Exempt Employment Contract including non-competition clause. Employees covered include, but are not limited to listed employee contracts provided as examples:

1) Industrial
- M. Briard
- M. Brisset

2) Marine
- M. DuBois

3) Textile
- M. Honore

d. Nonexempt Employment Contract

e. Executive Sales Representative Employment Contract

f. Multicard Sales Representative Employment Contract

g. Commercial Agent Contract

h. Laborer Employment Contract

i. Statement of pending labor litigations in France

j. Union agreements for France with explanation

3. U.K.

a. Standard Employment Contract for Production Workers

b. Standard Employment Contract for Male Office Staff

c. Standard Employment Contract for Female Office Staff

d. Standard Employment Contract for Salesmen

e. Special Contracts with Messrs. Duncombe, Kjaerstad, Waters and Nolet

4. Spain

a. Standard Employment Contract for Male Office Staff

b. Standard Employment Contract for Female Office Staff

c. Standard Employment Contract for Salesmen

5. South Africa

a. Employment Contract with Key Employees - no contracts for other employees

b. no union agreements

6. Austria

Labor Contracts with Messrs. Obendorfer and Grabowiecki

7. Germany

Labor contracts with following employees are provided as examples of labor contracts with employees in Germany: G. Misera, P. John, H. Muller, D. Maurer, I. Hartung, E. Glanzer, and D. Velten

8. Netherlands

a. Labor Contract without noncompetition clause

b. Labor Contract with noncompetition clause

c. Secrecy Agreement

d. Labor Contracts with following employees are provided as examples of labor contracts with employees in the Netherlands: H.P. deVries, J. Slot, M.H.J. vd Hoonaard, N. Haan, H.V. Egmond, C. van Driel, D.C. vanden Boogaard and Kroonberg

e. Labor Relations Law

f. Domestic Relations Policy

Pension & Profit Sharing Plans

A. Tanatex Mexicana

a. All employees covered under national social security scheme (IMSS)

b. Retirement Fund dated 12/31/85; retirement plan since 1975.

c. Actuarial Valuation dated 12/31/84

B. Sybron Chemicals Far East

1. Australia

Managed pension fund in accordance with Australian labor guidelines

2. Japan

Plan providing for lump sum payment upon retirement. Pursuant to program effective October 1, 1986, which involves participation in a semi-governmental program, payment of accrued retirement to September 30, 1986 was made. Semi-governmental program partially supports employer's retirement obligations.

3. New Zealand

Superannuation (pension) Plan and Life Cover--Gamlen New Zealand

C. Sybron Chemicals Europe

Company operates national social security schemes in Italy, France, U.K., Spain, South Africa, Austria, Germany and the Netherlands. No private schemes reported.

1. Italy

Government Social Security only

2. France

a. Pension Plan "Caisse De Retraite Par Repartition des Ingeieurs, Cadres et Assimmiles"

b. Pension Plan "Institution de retraites nationale interprofessionnelle de salaries"

c. Pension Plan "Association nationale d'entraide et de prevoyance"

d. Pension Plan "Institution de Retraite Interprofessionnelle des Cadres Superleurs D'Enterprises"

e. Profit Sharing Plan mandatory

f. Profit Sharing Plan Amendment "Avenant No 2 au Contract D'Interessement" dated 6/85

g. Profit Sharing Plan Amendment "Avenant No 1 au Contract D'Interessement" dated ~~12~~/79

h. Profit Sharing Plan "Contract D'Interessement" dated 5/76

3. U.K.

a. Participation in required Social Security scheme

b. Individual Pension Arrangement with Norwegian Employee

4. Spain

   a. Pension Plan "Contrato Seguro De Grupo Vida" dated 5/28/85

   b. Contract with Rensevida Policy #2037 with Swiss Life; Sybron has periodically negotiated the pooled premium rate for this policy

5. South Africa

   Contributory scheme with Norwich Union Life Insurance Society

6. Austria

   a. Pension Plan - Contract with Victoria-Volksbanken Policy #85-4491057

   b. Pension Plan - Contract with Victoria-Volksbanken Policy #85-4491058

7. Germany

   Pension Plan "Pensionsordung fur die Mitarbeiter"

8. Netherlands

   Rules for the Pension Plan of Tanatex Chemical (Holland) B.V., Swiss Life; Sybron has periodically negotiated the pooled premium rates for this plan

Welfare Plans

A. Tanatex Mexicana*

   a. Group Life Insurance Policy with Sloane, Administracion y Servicios, S.C. - Policy #7540

   b. Group Insurance Policy for Major Medical with Sloane, Administracion y Servicios, S.C. - Policy #6938

   *Data currently available is incomplete.

B. Sybron Chemicals Far East

   Australia

   a. Private life insurance and medical disability in Australia and national accident insurance coverage

   b. Workers' Compensation-Victoria with Sedgewick - Policy #M/NW/014478-9

   c. Workers' Compensation-Extra Territorial with Sedgewick - Policy #EWA 3353

d. Workers' Compensation-New South Wales with Sedgewick - Policy #S/NG/064240-1

e. Group Life Assurance Policy with City Mutual - Policy #905438

Japan

a. Mandatory government employment insurance and workers' accident compensation insurance

Participates in additional employer's liability insurance, Policy No. 930WB 149242 5, for January 1, 1987 - January 1, 1988, with Hartford Fire Insurance Co. and American International Assurance Co. Ltd.

b. Mandatory government health insurance and welfare annuity insurance programs

c. American Life Insurance Company group life insurance

C. Sybron Chemicals Europe

1. Italy

a. Life Insurance with North American No. 53/IT/66492

b. Health Insurance with LaFondiaria Incendio No. 263.486687.91 in excess of national scheme

c. Personal Accident for Gamlen with Milano Assicurazioni - Policy #704.477

d. Third Party Liability for Gamlen with Compagnia di Assicurazione di Milano - Policy #501.576

e. Personal Accident for Tanatex with INA - Policy #531T/6.6489

f. Third Party Liability for Tanatex with AFIA - Policy #71/670/501219

g. Personal Accident for Resindion with INA - Policy #571T/6.7747

h. Third Party Liability for Resindion with AFIA - Policy #71/670/570142

2. France

a. Life Insurance - "Regime de Prevoyance Revalorisable" - Policy #500/70.557

b. Life Insurance - "Regime de Prevoyance Revalorisable - Cadre" - Policy #500/48.221

c. Accident Insurance - description included for all countries

d. Medical Policy (for Bougival employees) with Gan Vie - Regime Complementair Sante" - Policy #283/295.321

e. Medical Policy (for Cadre) with Gan Vie - "Regime de Provoyance Medico Chirurgical" - Policy #201/236.758

3. U.K.

a. Group Life Ins. with INA - Policy #53GB1733

b. Medical Ins. for certain employees with BUPA - Policy #W269

c. Disability Ins. for P.W.M. Hosman with Forsikrings-Akjeselskapet VEGA - Policy not available

d. Disability insurance with Swiss Life - Policy #9014B

e. Accident Insurance

4. Spain

Accident insurance policy with Hartford Fire Insurance Co. - Policy #520-SP-1905

5. South Africa

a. Disability and life insurance with Norwich Union Life Insurance Policy

b. Personal Accident insurance

6. Austria

a. Accident (disability and life) insurance with AFIA - Policy #52AU340183

b. Accident insurance with Die Niederosterreichische Policy #7.240.443/1

c. Medical coverage is government plan

7. Germany

a. Accident insurance with INA - Policy #53GE001875

b. Medical through government plan

c. Government regulations for unemployment insurance

8. Netherlands

a. Accident insurance with INA Policy #52NE20259

b. Automobile Personal Accident with Schermer - Policy #85140.1200

c. Accident insurance for Gamlen with Menage & Jowa - Policy #599/118.399

d. Auto Personal Accident for Gamlen with Menage & Jowa - Policy #312/5.700.529/0

e. Collective Medical Expense Contract for certain employees

f. Business Travel Insurance

Additional Perquisites

A. Tanatex Mexicana

a. One executive has a company car.

b. Savings scheme is in place for all employees in accordance with Mexican law.

B. Sybron Chemicals Far East

1. Australia

A $200/annum club membership for key executive employees in Australia

2. New Zealand

Private loan agreement for Managing Director in New Zealand

C. Sybron Chemical Europe

a. Car policies for employees in all European operations to be evaluated by country. Currently approximately 25 employees participate

b. Most executive employees participate in the Sybron Executive Incentive Program.

## CANADIAN OPERATIONS

### Benefit Plans

1. Medical - Prudential
2. Dental - Sybron Dental Plan
3. Disability (A & S) - Prudential
4. Long-Term Disability - Union Mutual - Salaried
5. Life Insurance - Prudential
6. Accidental Death Insurance - INA
7. Pension Plan - Sybron Canada Pension Plan

### Benefit Arrangements

1. Holidays
2. Vacations
3. Leave of Absences
4. Layoff/Severance
5. Overtime

### Employee Agreements

1. Consulting Agreements with Former Employees
   a. William Adam

2. Sales Plans
   a. Sales Bonus Program
   b. Sales Leased Car Program

Schedule 3.16 Consents and Filings

1. Consents required by the Works Counsel in The Netherlands with respect to the transfer of control of the Subsidiaries incorporated in The Netherlands.

2. Consents, if any, required by the New Zealand Commerce Commission, and consents required by the New Zealand Overseas Investment Commission with respect to the transfer of control of Gamlen Chemical Co. (N.Z.) Ltd.

3. Consents required with respect to the transfer of obligations relating to the ECRA clean-up action referenced in Schedule 3.11 and any consents required under ECRA.

4. Consents required with respect to the transfer of permits under applicable environmental laws.

5. Consents, approvals, authorizations or filings required under the U.K. Income and Corporation Taxes Act, the U.K. Fair Trading Act, or the Monopolies and Mergers Commission with respect to the change in control of Gamlen Chemical Company (U.K.) Ltd. or Tanatex Chemical Company Limited.

6. Consents, approvals, authorizations or filings required by the European Economic Community with respect to the change in control of European Purchased Companies or Subsidiaries.

7. Consents, approvals, authorizations or filings required by the Australian Foreign Investments Review Board with respect to the change in control of Gamlen (Australasia) Pty. Ltd.

8. Consents, approvals, authorizations or filings, if any, required by foreign governments or regulatory authorities with respect to the transfer of the Italian Stock (including any assessment required by the Milan Stock Exchange Committee in the event that the Italian Stock is to be sold to a non-Italian company).

9. Consents, approvals, authorizations or filings required by the French Exchange Control with respect to the change in control of Sybron Chimie France S.A. and Sybron Chemicals Europe S.A.R.L.

10. Consents, approvals, authorizations or filings, if any, required by the Japanese Fair Trade Commission and the Bank of Japan with respect to the change in control of Gamlen (Japan) Ltd.

11. Consents, approvals, authorizations or filings, required by the Canadian Investment Act with respect to the change in control or ownership of Sybron Chemicals Canada Ltd.

12. Consents, approvals, authorizations or filings, required by the Mexican Foreign Investment Authorities with respect to the change in control of Tanatex Mexicana, S.A. de C.V.

13. Consents, approvals, authorizations or filings, if any, required by the German Federal Control Office in Berlin with respect to the change in control of Sybron Chemie Deutschland GmbH.

## Insurance Policy Exception

Outstanding Unpaid Premiums

None

Cancellation or Non-Renewal of any Policy, or Disallowance of any Claim.

1. Hartford Insurance Group has cancelled Sybron Corporation's Hazardous Waste Facility Endorsement with respect to the Sybron Chemicals, Inc. TSD facility in Birmingham, New Jersey.

2. In 1983, Sybron received a written notice of cancellation in respect of each of two policies forming parts of the fourth layer Umbrella insurance coverage (policy no. 9607037, issued by the National Union Fire Insurance Co. of Pittsburgh, and policy no XLX-148-54-99, issued by the Fireman's Fund Insurance Co.). In each case, cancellation was rescinded, prior to its taking effect, upon payment of the delinquent premiums.

3. Effective April 1, 1987, the Hartford Products policy no longer covers Ethylene Oxide claims (affects Castle subsidiary).

Aggregate Amount Paid by Insurance Carrier in Respect of Claims.

A. Sybron Corporation
Automobile Liability
Aggregate Losses

| Policy Year | Loss Incurred | Loss Paid |
|---|---|---|
| 1982 | $105,749 | $106,135 |
| 1983 | 37,203 | 37,203 |
| 1984 | 89,461 | 89,461 |
| 1985 | 85,565 | 38,822 |
| 1986 | 65,579 | 40,295 |
| 1987 | 17,377 | 2,276 |

B. Sybron Corporation
Worker's Compensation
Aggregate Losses Paid

| Policy Year | Loss Incurred | Loss Paid |
|---|---|---|
| 1982 | $972,746 | $782,000 |
| 1983 | 463,147 | 445,761 |
| 1984 | 693,274 | 444,463 |
| 1985 | 623,362 | 431,470 |
| 1986 | 684,587 | 243,440 |
| 1987 | 166,702 | 38,830 |

C. Sybron Corporation
Products and General Liability
Aggregate Indemnity and Expense

| Policy Year | Loss Incurred | Loss Paid | Expense Incurred | Expense Paid | Total Incurred | Total Paid |
|---|---|---|---|---|---|---|
| 1982 | $546,313 | $176,312 | $304,256 | $256,311 | $850,569 | $432,623 |
| 1983 | 486,701 | 197,701 | 349,960 | 241,510 | 836,661 | 439,211 |
| 1984 | 720,227 | 120,228 | 232,638 | 117,112 | 952,865 | 237,340 |
| 1985 | 401,714 | 89,214 | 165,195 | 54,039 | 566,909 | 143,253 |
| 1986 | 20,000 | 0 | 0 | 0 | 20,000 | 0 |
| 1987 | 0 | 0 | 0 | 0 | 0 | 0 |

Aggregate Amount Representing Pending Claims Where Claimant Has Specified the Monetary Amount of Claim:

A. Products and Claims
General Liability Claims

| Claimant | Date of Accident | Suit Instituted | Business/ Division | Damages Claim |
|---|---|---|---|---|
| Leonard Alfano | 04/12/82 | 04/83 | Castle | $ 15.0M |
| Jack Goldblatt (Excess carrier (Wausau Ins. Co.) is denying coverage in event injuries are not covered within policy period) | 08/04/82 | 09/82 | Kerr | $ 6.0M |
| Donald Stevens | 08/09/82 | 05/84 | L-F | $350,000. $ 25,000. (Wife) |
| | TOTAL 1982 $ 21,375,000. | | | |
| Robert Feinblum | 01/04/83 | 12/85 | Castle | $ 6.0M $ 250,000. (Wife) |
| Donald McPheters | 01/24/83 | 03/85 | Ritter Medical | $ 100,000. |
| Gino Fiore | 02/16/83 | 11/85 | Castle | $ 700,000. |
| Helen Corgino | 02/17/83 | 12/85 | Castle | $ 500,000. |
| Patricia McCormick | 07/13/83 | 07/84 | Taylor | $ 15.0M |
| Leonard Leos | 12/31/83 (Arbitrary) | 01/87 | Permutit | $ 2.5M |
| | TOTAL 1983 $ 25,050,000. | | | |
| Missouri Portland Cement | 02/12/84 | 01/87 | Servomex (US) | $336,887 |
| Nelson Garcia | 03/05/84 | 02/86 | Pfaudler | $ 10.0M |
| Clement Caso | 04/17/84 | 04/85 | Thermolyne | $ 2.5M |
| Vernon Haga | 04/24/84 | 08/84 | Castle | $ 1.0M +Pun. |
| Ann Reed | 10/17/84 | 07/85 | Denticon | $ 50,000 |
| | TOTAL 1984 $ 13,886,887 | | | |
| Marie Abraham (+ 16 Add'l Plaintiffs) | 05/03/85 | 12/86 | Castle | $ 1.5M Each |
| Thelma Brown | 05/11/85 | 07/85 | Ritter Dental | $ 20,000 |
| Stephen Farry | 12/26/85 | 12/86 | Cryogenic Associates | $ 1.0M (Special & General) $ 500,000 (Punitive) |
| | TOTAL 1985 $ 27,020,000. | | | |

| Claimant | Date of Accident | Suit Instituted | Business/ Division | Damages Claim |
|---|---|---|---|---|
| Textile Motor Express | 01/07/86 | Claim | SCI | $ 9,740.47 |
| Sharon Denning | 04/25/86 | 04/87 | Kerr | $ 250,000 |
| | TOTAL 1986 $ 259,740.47 | | | |

B. Workers Compensation and Automobile Liability

Workers Compensation claims and automobile liability claims are, with th consent of Buyer, excluded.

Pending Claims With Unspecified Monetary Amount:

A. Products and General Liability Claims

| Claimant | Date of Accident | Suit Instituted | Business/ Division | Damages Claim |
|---|---|---|---|---|
| Cherie Alden | 03/15/82 | 11/85 | Castle | Excess $ 5,000 |
| Elizabeth Grant | 11/10/82 | 11/85 | L-F | Excess $20,000 |
| Rosa Hooks | 04/04/83-04/13/83 | 06/83 | Castle | Excess $15,000 |
| George Salem | 06/17/83 | 05/86 | Castle | Judgment |
| George Pieper | 12/19/83 | 12/85 | Castle | Unspecified |
| Reuben Poole | 12/31/83 | 10/86 | Permutit | Excess $ 1.0M |
| Frank Clark | 01/24/84 | 09/85 | Castle | Excess $15,000 |
| Supreme Property Management | 02/03/84 | 11/86 | Kerr | Indemnificatio |
| Mattie Jamison | 03/20/84 (Arbitrary) | 03/85 | Midwest | Damages/Costs |
| Cesare Boccia | 05/11/84 | 09/86 | Castle | Unspecified |
| Judith Zalewski | 06/22/84 | 06/86 | Nalge | Unspecified |
| Edward Jackson | 09/07/84 | 01/85 | SCI | Judgment |
| Minnie Alexander | 01/21/85 | 02/87 | L-F | Unspecified |
| Roger Palmer | 03/26/85 | 01/87 | Cryogenic Associates | Unspecified |
| Abeba Tesfaye | 07/18/85 | 10/86 | Nalge | Excess $1.0M |
| Paul Handsman | 10/05/85 | 10/86 | Kerr | Indemnificatio |
| Oscar Taldelore | 11/27/85 | 07/86 | Pfaudler | Judgment |
| Cynthia MaCauley | 03/13/86 | 01/87 | Cryogenic Associates | Unspecified |

Defaults

None

Disputes or Reservations

None

Refusals or Limitations

See "Cancellation or Non-Renewal of any Policy, or Disallowance of any Claim", above

B. Workers Compensation and Automobile Liability

Workers Compensation claims and automobile liability claims are, with the consent of Buyer, excluded.

Allocation of Premiums

Sybron Chemicals, Inc.
Corporate Insurance Charges

| Year | Total Premiums Allocated | Percentage of Total Premiums |
|---|---|---|
| 1982 | $512,676 | 16.23 |
| 1983 | 558,186 | 19.28 |
| 1984 | 492,696 | 18.41 |
| 1985 | 561,504 | 18.21 |
| 1986 | 821,500 | 21.00 |
| 1987 | 850,746 | 24.00 |

Schedule 3.19 Actions Taken or Agreements Made in Respect of the Purchase and Sale Which May Entitle any Person to a Broker's Fee or Commission.

Fees payable to Goldman, Sachs & Co., for which Sellers shall be responsible.

Schedule 7.01

INCOME TAXES

None, except for any such items corresponding to extraordinary write-offs or retirements entered on the books of accounts of the Purchased Companies or Subsidiaries by employees of Sybron Chemicals, Inc. including Jeffrey Albin and C. Charles Ciesla.

Schedule 7.01(j) Tax Sharing Agreement

# Tax Sharing Agreement

Agreement, dated as of July 11, 1986, among Sybron Corporation and the corporations listed on Schedule A hereto (the "Subsidiaries").

Whereas, each Subsidiary is a direct wholly-owned subsidiary of Sybron and is included in the same consolidated federal income tax returns as Sybron.

Whereas, Sybron and each Subsidiary desire to establish an arrangement whereby the consolidated federal and any combined or consolidated state or local income tax returns which include Sybron and the Subsidiary will be prepared by Sybron and the income tax liabilities of each Subsidiary covered by such returns will be determined and paid by Sybron and rebilled to the Subsidiary for settlement.

Now, therefore, Sybron and each Subsidiary agree as follows:

1. Preparation and Filing of Tax Returns by Sybron. Sybron shall prepare and timely file, or shall cause the preparation and timely filing of all appropriate consolidated federal and any combined or consolidated state and local income tax returns which include Sybron and the Subsidiary.

2. Payment of Taxes. Sybron shall pay or cause to be paid all income taxes, interest and penalties due with respect to federal, state or local income tax returns relating to income covered by the returns for which Sybron has filing responsibility pursuant to paragraph 1 hereof.

3. Billing of Taxes by Sybron to the Subsidiaries. Sybron shall determine the income taxes, interest and penalties to be billed to each Subsidiary as if each Subsidiary and its subsidiaries were a separate and independent taxpayer. Each Subsidiary will settle the liability to Sybron for the amount of taxes, interest and penalties so determined by means of the intercompany loan account between the Subsidiary and Sybron.

4. Conduct of Audits and Disputes. Sybron and its duly appointed representatives shall have the sole right to supervise or otherwise coordinate any examination process and to negotiate, resolve, settle and contest and tax deficiencies or assert and prosecute any claim for refund relating to returns for which Sybron has filing responsibility pursuant to paragraph 1 hereof.

5. Adjustments and Refunds. Any additional tax liability arising from adjustments relating to returns covered by this agreement and any refunds of taxes relating to such returns shall be billed to or credited, as the case may be, to the account of the Subsidiary to which the adjustment relates.

6. Effective Date. This agreement shall be effective with respect to taxable years ending on or after December 31, 1986.

SYBRON CORPORATION

By: [signature]

Title: [illegible]

Exhibit A

CASTLE COMPANY

By: _____

Title: Vice President

WALGE COMPANY

By: _____

Title: Vice President

ERIE SCIENTIFIC COMPANY

By: _____

Title: Vice President

BARNSTEAD COMPANY

By: _____

Title: Vice President

SERVOMEX COMPANY

By: _____

Title: Vice President

KERR MANUFACTURING COMPANY

By: _____

Title: Vice President

ORMCO CORPORATION

By: _____

Title: Vice President

SYBRON COMMONWEALTH HOLDINGS, INC.

By: _____

Title: Vice President

SYBRON CHEMICAL HOLDINGS, INC.

By: _____

Title: Vice President

THERMOLYNE HOLDINGS, INC.

By: _____

Title: Vice President

SYBRON TRANSITION CORP.

By: _____

Title: Vice President

SC ACQUISITION CORP. NOS. 16-19

By: _____

Title: President

Schedule 7.03

## Obligations of Sellers for Certain Liabilities

1. Any matters, including without limitation, any payroll costs, severance, pension and employee benefits related to the following people:

Mrs. K. Allard
Mr. D. Baird
Mr. R. Day
Mr. E. Garrett
Mr. D. Harper
Mrs. J. Mogford
Mr. S. Taggart
Mr. R. Turner
Mr. J. Irwin*
Mr. Wellmank*
Mr. B. Schell

2. Any payment from time to time in respect of Manager Bonuses (as defined in Schedule 2.04(A)) arising in connection with the sale or other transfer of the Gamlen Business and any tax equalization payments that may result from time to time from the payment of the Manager Bonuses.

3. Any matter related to any location not included in the definition of "Business", including without limitation, the Lyndhurst property (and any litigation related thereto, including the case of City of Jersey City v. Kingsland Shops et al.).

4. Any matter, including without limitation, any formal or informal, oral or written pension or employee benefit matters related to Ernst Lange.

5. Any matter unrelated to the Business but related to the creation of Sybron Chemicals Holdings, Inc., including without limitation, the assumption or accrual of liabilities with respect to the Taylor and Pfaudler products liabilities or, subject to Article X of the Agreement, any employee-related matter, including without limitation, pension, medical and retiree matters related to the Taylor & Pfaudler businesses.

6. Any payment or bonus payable to Richard M. Klein pursuant to any oral or written agreement or understanding with any Seller, Chemicals, any Purchased Company or any Subsidiary.

7. The settlement of the Rochem litigation, including without limitation, any tax liability that may result from such settlement. The Buyer agrees that it will cooperate in all reasonable respects with Sybron in connection with the Rochem litigation settlement but the Buyer's rights hereunder shall not be conditioned upon such cooperation.

8. Any matter related to Sybron Australia Pty. Limited.

*Sellers agree to cause these employees to be removed from the payroll and bear any and all costs associated with such removal.

Schedule 7.08(a)

SURVIVAL OF BUYER'S AND BUYER AFFILIATE'S
COVENANTS, REPRESENTATIONS, WARRANTIES AND CERTIFICATES

The covenants, representations and warranties and the certificates delivered at Closing in respect thereof of the Buyer and the Buyer Affiliate set forth in or required by the following Sections or Articles of the Agreement of Purchase and Sale (and schedules thereto) (the "Agreement") shall survive the Closing Date for the periods set forth below:

1. Sections 3.18, 5.07, 6.06, 6.07, 6.08, 6.09, 9.06 and Articles II, VII, X, XII and XIII shall survive the Closing Date without limitation as to time.

2. Sections 4.03 (but only with respect to the HSR Act), 4.05 and 4.06 shall expire upon the expiration of the statute of limitations applicable to the matters which are the subject matter of such representations and warranties.

3. Sections 2.03, 2.04, 2.05 and 2.08 shall survive the Closing until all claims thereunder shall have been resolved, either by final adjudication or by agreement between the parties.

4. Section 6.03 shall survive the Closing Date for a period of seven years.

5. Sections 4.01 and 4.02 shall survive the Closing Date for a period of three years.

6. All other representations, warranties, covenants and agreements of the Buyer and the Buyer Affiliates contained in the Agreement and in any certificate or other document delivered in connection therewith shall expire on the Closing Date.

Schedule 7.08(b)

SURVIVAL OF SELLERS' COVENANTS,
REPRESENTATIONS, WARRANTIES AND CERTIFICATES

The Sellers' covenants, representations and warranties and the certificates delivered at Closing in respect thereof set forth in or required by the following Sections or Articles of the Agreement of Purchase and Sale (and schedules thereto) (the "Agreement") shall survive the Closing Date for the periods set forth below:

1. Section 3.18, 5.07, 5.08, 5.09, 5.10 and Articles II, VII, X, XII and XIII shall survive the Closing Date without limitation as to time.

2. Sections 3.14 (only with respect to Warranted Taxes), 3.15 and 3.19 shall expire upon the expiration of the statute of limitation applicable to the matters which are the subject matter of such representations and warranties.

3. Sections 2.03, 2.04, 2.05 and 2.08 shall survive the Closing Date until all claims thereunder shall have been resolved, either by final adjudication or by agreement between the parties.

4. Sections 3.01, 3.02, 3.03, 3.04, 3.05, 3.20, 3.21, 5.01(b) and 5.06 shall survive the Closing Date for a period of three years.

5. Sections 3.06, 3.07, 3.11, 3.13 and 3.14 (with respect to Taxes other than Warranted Taxes) shall survive the Closing Date for a period of 18 months.

6. Sections 5.02 and 5.04 shall survive the Closing until the end of the 180th day after the Closing Date.

7. All other representations, warranties, covenants and agreements of the Sellers contained in this Agreement and in any certificate or other document delivered in connection therewith shall expire on the Closing Date.

Schedule 7.08(c)(1)

SELLERS' REPRESENTATIONS AND WARRANTIES
WHICH SURVIVE WITHOUT LIMITATION TO KNOWLEDGE

The Sellers' representations and warranties set forth in the following Sections of the Agreement of Purchase and Sale (the "Agreement") shall be deemed to have been made without the knowledge limitation set forth in Section 7.08(c) of the Agreement:

Sections 3.14 (only with respect to Warranted Taxes), 3.15 (except insofar as Section 3.15 relates to (i) the administration or maintenance of any of the Benefit Plans by any Purchased Company or any Subsidiary or (ii) information supplied to Sellers by employees of, or derived by Sellers from records maintained by, any Purchased Company or any Subsidiary), 3.18 (other than the second and third sentences of clause (b), and the first sentence of clause (b) except insofar as such first sentence relates to the faculty administration by Sellers of information supplied by the Purchased Companies or Subsidiaries to Sellers or derived by Sellers from records maintained by any Purchased Company or Subsidiary), 3.19, 3.20, and 3.21.

Schedule 7.08(c)(2)

## PERSONS WITH KNOWLEDGE AS TO REPRESENTATIONS AND WARRANTIES

To the extent that any of Sellers' representations and warranties and any certificate delivered at Closing in respect thereof is limited to the extent of knowledge, such knowledge shall mean the knowledge of only the following persons:

Ken Yontz
Uldis Kordons
Alan Zeffer (with respect to insurance only)
Donald Rackl
Howard Leach
James McCulloch
Steven Ditko (with respect to pension-employee matters only)

# Foreign Bank Guarantees

| Country | Entity/Division | Bank |
|---|---|---|
| Holland | Sybron Chemie Nederland B.V. | Allgemene Bank |
| | Sybron Chemicals Holdins B.V. | |
| | Gamlen Chemie (Nederland) B.V. | |
| | Interplast B.V. | |
| Austria | Sybron Chemie Handelsgesellschaft | Credinstalt |
| France | Sybron Chimie/Interplast France S.A. | BNP |
| | Sybron Chimie/Interplast B.V. | PNB |
| | Sybron Chimie/Interplast B.V. | BFCE |
| Italy | Gamlen-Tanatex | Credit Italiano |
| | Gamlen-Tanatex | Credit Romagnolo |
| | Gamlen-Tanatex | Is. Sao Paolo |
| U.K. | Gamlen Tantatex Chemical Co. Ltd. Gamlen Chemical Co. (U.K. Ltd) | Lloyd's |
| France | Sybron Chimie France | Credit National |

# SAVINGS AND PROFIT SHARING PLANS ACCOUNT BALANCES

LOCATION =0201

| OBS | LOCATION | NAME | SSN | BALANCE |
|---|---|---|---|---|
| 1 | 0201 | AMIN , MAHESH | 388-84-8383 | 21,714.32 |
| 2 | 0201 | ANCHETA , BART | 562-68-6507 | 87,428.18 |
| 3 | 0201 | ASTON JR , WILLIE | 250-24-0842 | 352.48 |
| 4 | 0201 | BACHS , BAIBA | 148-64-1532 | 2,809.48 |
| 5 | 0201 | BADAMI , LAWRENCE | 079-38-8244 | 13,842.28 |
| 6 | 0201 | BASS , SAMUEL | 244-80-7788 | 2,987.96 |
| 7 | 0201 | BELCHER , JOE | 247-66-3235 | 17,088.84 |
| 8 | 0201 | BORDOFF , HARRIET | 155-34-8450 | 5,231.46 |
| 9 | 0201 | BOYD , INGARD | 488-42-8113 | 31,414.58 |
| 10 | 0201 | BREIMAN , DANIEL | 201-42-4152 | 2,837.64 |
| 11 | 0201 | BRODA , CHARLOTTE | 139-34-8707 | 17,513.09 |
| 12 | 0201 | BROMIRSKI , ANTHONY | 137-32-0641 | 2,762.48 |
| 13 | 0201 | BROWN , DARRELL | 251-86-7853 | 2,822.06 |
| 14 | 0201 | CAJIO , BETTY | 207-20-8219 | 53,388.42 |
| 15 | 0201 | CANTER , PATRICIA | 162-46-2491 | 772.09 |
| 16 | 0201 | CARRUTH , DONALD | 248-54-2913 | 14,805.13 |
| 17 | 0201 | CARTER , KIM | 260-84-1337 | 3,046.32 |
| 18 | 0201 | CARUTE , EDWARD | 083-46-2915 | 6,492.78 |
| 19 | 0201 | CASTRODALE , PHILLIP | 127-34-7152 | 594.66 |
| 20 | 0201 | CHARLIER , CLAIRE | 154-58-0136 | 326.47 |
| 21 | 0201 | CHICHIN , JOHN | 151-12-0755 | 34,786.55 |
| 22 | 0201 | CHIMLIKER , VIPINCHAND | 148-50-1371 | 41,353.16 |
| 23 | 0201 | CHILDS , MICHAEL | 230-76-5235 | 6,739.35 |
| 24 | 0201 | CHOU , TERESA | 152-60-8321 | 18,388.18 |
| 25 | 0201 | CIANFROGNA, CALLIE | 145-16-7161 | 16,274.17 |
| 26 | 0201 | CIESLA , CASIMIR | 196-22-3345 | 165,995.00 |
| 27 | 0201 | CLARK , FLORENCE | 148-14-1364 | 8,121.00 |
| 28 | 0201 | COLEMAN , WILLIAM | 585-26-5867 | 18,438.18 |
| 29 | 0201 | COLLETTI , M | 216-40-2886 | 2,504.81 |
| 30 | 0201 | CONNER , A | 138-05-3404 | 13,911.83 |
| 31 | 0201 | COPELAND , ROBERT | 244-80-8837 | 15,766.13 |
| 32 | 0201 | COYLE , JOSEPH | 100-24-7793 | 30,681.66 |
| 33 | 0201 | COYLE , MICHELLE | 154-54-4876 | 858.20 |
| 34 | 0201 | DAHLSTROM JR , BERTIL | 151-24-5749 | 89,881.17 |
| 35 | 0201 | DAVIS , LOIS | 114-34-0348 | 16,582.09 |
| 36 | 0201 | DEGUZMAN , ERNESTO | 156-46-9788 | 32,786.12 |
| 37 | 0201 | DELANEY , GERALD | 085-38-9281 | 51,442.30 |
| 38 | 0201 | DELL , HELENE | 187-32-1744 | 287.01 |
| 39 | 0201 | DEMARIA , ANTHONY | 058-26-3874 | 25,435.75 |
| 40 | 0201 | DENT , DOUGLAS | 302-34-4071 | 46,740.43 |
| 41 | 0201 | DEYOUNG , BETTYJO | 250-46-2770 | 2,053.48 |
| 42 | 0201 | DORAN , LEONARD | 158-40-3925 | 2,021.84 |
| 43 | 0201 | DOWELL , GARY | 401-52-2382 | 47,533.30 |
| 44 | 0201 | DUGGAN , ALBERT | 162-30-7114 | 11,937.91 |
| 45 | 0201 | EISENNAGEL, PEGGY | 138-40-1775 | 913.79 |
| 46 | 0201 | FEENEY , MARY-ANN | 150-24-0703 | 10,190.88 |
| 47 | 0201 | FINALE , SANTIAGO | 135-48-5910 | 2,249.89 |
| 48 | 0201 | FIORETTI , GARY | 138-52-6769 | 4,178.72 |
| 49 | 0201 | FREGA , BERNICE | 149-24-0788 | 6,154.81 |
| 50 | 0201 | GAETA , DOUGLAS | 113-34-4459 | 2,737.25 |
| 51 | 0201 | GAJENDRAGADKAR , PRAFULL | 035-36-4187 | 46,143.17 |
| 52 | 0201 | GALLO , NICHOLAS | 145-32-7436 | 2,122.03 |
| 53 | 0201 | GERBER , MARJORIE | 181-22-8972 | 7,411.46 |
| 54 | 0201 | GILBERT , CHRISTINE | 162-46-2304 | 5,483.02 |
| 55 | 0201 | GOMES , M | 072-52-8442 | 369.12 |
| 56 | 0201 | GRABOWSKI , JAMES | 298-34-8827 | 8,377.22 |
| 57 | 0201 | GRATZ , CAROL | 145-34-9545 | 23,839.19 |
| 58 | 0201 | GRECO JR , WILLIAM | 148-32-9198 | 58,210.80 |
| 59 | 0201 | GRIFFIN , WALTER | 240-58-7268 | 14,474.64 |
| 60 | 0201 | GROVER , EDWARD | 150-38-7820 | 2,766.07 |
| 61 | 0201 | GRUNDNER , WARREN | 135-22-3796 | 71,307.29 |
| 62 | 0201 | HANRICK , JUDITH | 248-76-5975 | 1,384.35 |
| 63 | 0201 | HARDY , ROBERT | 238-54-8127 | 31,158.48 |
| 64 | 0201 | HATER , GARY | 291-42-4262 | 18,182.84 |
| 65 | 0201 | HAUSER , EDWARD | 204-36-0894 | 22,747.60 |
| 66 | 0201 | HOFFMAN , HENRY | 144-30-1191 | 3,398.80 |

| OBS | LOCATION | NAME | SSN | BALANCE |
|---|---|---|---|---|
| 67 | 0201 | HOFMAN , RICHARD | 157-38-1885 | 12,235.19 |
| 68 | 0201 | HOLMES , NANCY | 195-36-2770 | 13,736.82 |
| 69 | 0201 | HOPKINS JR , JOHNNIE | 240-44-6691 | 13,536.59 |
| 70 | 0201 | HORTON , RITA | 251-64-8339 | 2,545.31 |
| 71 | 0201 | HOUSTON , MARY | 136-34-2599 | 4,813.80 |
| 72 | 0201 | IRONS , EVELYN | 157-24-9448 | 22,834.48 |
| 73 | 0201 | IRONS , ROBERT | 143-28-5920 | 24,017.05 |
| 74 | 0201 | JABLONSKI , ARTHUR | 347-34-1112 | 21,975.29 |
| 75 | 0201 | JAROCHA , JANICE | 236-90-4807 | 201.63 |
| 76 | 0201 | KANOVSKY , MORTON | 186-28-0787 | 66,314.51 |
| 77 | 0201 | KEARNEY , CAROLINE | 144-32-3862 | 14,618.42 |
| 78 | 0201 | KELLEJIAN , JOHN | 068-28-8692 | 15,977.08 |
| 79 | 0201 | KELLY , LISA | 211-48-8515 | 314.83 |
| 80 | 0201 | KENNEDY , ANDREW | 036-24-5899 | 22,337.15 |
| 81 | 0201 | KIEFER , H | 148-30-9501 | 1,767.58 |
| 82 | 0201 | KLEIN , RICHARD | 160-30-2986 | 357,217.73 |
| 83 | 0201 | KRUSEN , GEORGE | 151-14-3793 | 28,519.43 |
| 84 | 0201 | LAIRD , PATRICIA | 136-32-9309 | 1,752.23 |
| 85 | 0201 | LANGHART , M | 438-52-8382 | 35,899.97 |
| 86 | 0201 | LEVRAULT , ROLAND | 136-32-9871 | 22,258.09 |
| 87 | 0201 | LITTLEJOHN , BILLY | 250-46-4309 | 16,334.64 |
| 88 | 0201 | MALINSKI , JULIAN | 141-32-1002 | 414.54 |
| 89 | 0201 | MALINSKI , KEITH | 139-72-9800 | 1,806.97 |
| 90 | 0201 | MAYBAUM , FRANCINE | 121-26-1437 | 24,284.68 |
| 91 | 0201 | MAZZILLI , JOSEPH | 149-36-1607 | 81,064.29 |
| 92 | 0201 | MC GOWAN, WESLEY M | 146-03-8573 | 8,438.81 |
| 93 | 0201 | MCGARVEY , FRANCIS | 180-16-5857 | 59,462.27 |
| 94 | 0201 | MCNAMARA , RICHARD | 163-48-7387 | 19,527.32 |
| 95 | 0201 | MOORE , ELAINE | 146-12-6946 | 5,322.83 |
| 96 | 0201 | MUELLER , HENRY | 411-84-5008 | 20,835.46 |
| 97 | 0201 | MULLER , JEAN | 151-24-2570 | 17,184.35 |
| 98 | 0201 | MYERS , BILL | 212-48-3609 | 9,329.21 |
| 99 | 0201 | NICHOLSON , RICHARD | 238-70-9729 | 55,859.86 |
| 100 | 0201 | NOLET , JOSEPH | 022-30-9508 | 60,979.12 |
| 101 | 0201 | OPSASNICK , JOHN | 149-48-1972 | 56,133.38 |
| 102 | 0201 | OWENS , JOE | 248-54-0419 | 18,716.36 |
| 103 | 0201 | PAGONE , MARY | 208-26-8790 | 18,100.89 |
| 104 | 0201 | PALATUCCI , ARMAND | 157-32-4035 | 52,242.76 |
| 105 | 0201 | PARSONS , WILLIAM | 268-34-8693 | 39,895.00 |
| 106 | 0201 | PELHAM , ROBERT | 577-54-3772 | 27,884.50 |
| 107 | 0201 | PFEIFFENBERGER , MR | 162-36-3764 | 5,874.84 |
| 108 | 0201 | PIZZORNI , ANDREA | 566-47-2486 | 12,114.38 |
| 109 | 0201 | POLLIO , FRANK | 147-22-4714 | 30,290.88 |
| 110 | 0201 | POWELL , LOUIS | 144-22-7001 | 67,203.48 |
| 111 | 0201 | PROCIDA , SHEILA | 136-36-1021 | 232.00 |
| 112 | 0201 | PUTNAM , MARYANN | 138-42-0187 | 2,966.38 |
| 113 | 0201 | RANN , PEGGY | 258-56-9223 | 879.24 |
| 114 | 0201 | REARDON , THOMAS | 201-38-8360 | 71,860.87 |
| 115 | 0201 | REID , GLADYS | 145-20-0350 | 18,728.89 |
| 116 | 0201 | RETHORE , CAROL | 201-34-9469 | 80.40 |
| 117 | 0201 | RICCA , DONALD | 148-28-1322 | 37,385.97 |
| 118 | 0201 | RICHARDSON , RAY | 567-38-2081 | 30,053.30 |
| 119 | 0201 | RODRIGUEZ, JOSE | 142-70-6272 | 61,916.11 |
| 120 | 0201 | ROMANO , CONNIE | 148-28-9681 | 8,491.36 |
| 121 | 0201 | SAMPSON , GEORGE | 149-26-1785 | 2,380.63 |
| 122 | 0201 | SAMPSON , MARIANNE | 150-28-8906 | 10,179.05 |
| 123 | 0201 | SCHATZEL , PAUL | 085-48-1578 | 22,366.24 |
| 124 | 0201 | SCHERER , PATRICIA | 050-54-3803 | 471.21 |
| 125 | 0201 | SCHROEDER , JOHN | 143-44-7864 | 67,228.81 |
| 126 | 0201 | SCHWARTZ , JOHN | 069-28-6561 | 58,331.81 |
| 127 | 0201 | SEAY , MICHAEL | 247-90-5871 | 568.44 |
| 128 | 0201 | SHEWELEY , CHERYL | 201-48-8779 | 7,477.22 |
| 129 | 0201 | SHERBERT , MICHAEL | 248-82-0497 | 745.09 |
| 130 | 0201 | SIBER , ALEXANDER | 049-54-0907 | 2,126.10 |
| 131 | 0201 | SMITH , ROBERT | 248-48-0984 | 30,944.04 |
| 132 | 0201 | SONSIADEK , WILLIAM | 144-38-0468 | 9,817.71 |

| OBS | LOCATION | NAME | SSN | BALANCE |
|---|---|---|---|---|
| 133 | 0201 | SOUTHARD , JUDITH | 157-30-3801 | 706.29 |
| 134 | 0201 | SOUTHARD JR , CHARLES | 205-46-4807 | 14,106.81 |
| 135 | 0201 | STOCKUM , EDWARD | 156-34-8709 | 1,858.67 |
| 136 | 0201 | STRINGFELLOW , WILL | 117-52-1455 | 2,907.28 |
| 137 | 0201 | STRONG , ALAN | 116-34-4745 | 44,484.57 |
| 138 | 0201 | SULLIVAN , DANIEL | 018-36-2392 | 10,395.21 |
| 139 | 0201 | SUTTON JR , BOYCE | 249-58-4311 | 8,673.59 |
| 140 | 0201 | SZUBIN , EDWARD | 124-26-1582 | 20,761.45 |
| 141 | 0201 | TERMINI , JOHN | 114-22-3971 | 62,458.73 |
| 142 | 0201 | TESCHON , WAYNE | 143-34-0252 | 12,129.28 |
| 143 | 0201 | THOMAS , ALFRED | 152-38-2480 | 13,966.60 |
| 144 | 0201 | THOMPSON , CYNTHIA | 203-44-7136 | 327.52 |
| 145 | 0201 | TOMASELLI , ANTHONY | 139-24-6020 | 48,522.38 |
| 146 | 0201 | TRICOSKI , ROBERT | 201-32-4920 | 15,361.54 |
| 147 | 0201 | VANDERWAY, CAROL | 145-42-3062 | 16,375.67 |
| 148 | 0201 | VARGO , RICHARD | 153-40-0683 | 2,919.73 |
| 149 | 0201 | VAUGHT , KAREN | 228-60-9818 | 1,805.90 |
| 150 | 0201 | VERSOZA , VICTORIA | 294-68-8017 | 997.54 |
| 151 | 0201 | WALSH , JOANNE | 248-78-6896 | 950.96 |
| 152 | 0201 | WARREN , CONNIE | 247-66-2878 | 5,377.64 |
| 153 | 0201 | WEINSTEIN , ROBERT | 094-28-6618 | 23,031.22 |
| 154 | 0201 | WILEY-FEDALE , SUSAN | 257-70-9706 | 7,371.45 |
| 156 | 0201 | WILT , DONNA | 220-36-9870 | 737.87 |
| 158 | 0201 | WOFFORD , JONI | 248-68-1744 | 8,784.40 |
| 157 | 0201 | WONG , ARTHUR | 172-48-3376 | 1,272.79 |
| 158 | 0201 | WORRELL , HARRY | 148-24-7312 | 54,894.06 |
| 159 | 0201 | WRIGHT , DEBRA | 247-02-8488 | 2,102.31 |
| 160 | 0201 | WYSOCKI , JOHN | 153-34-4844 | 24,370.34 |
| 161 | 0201 | YANG , FUAN | 274-74-9607 | 2,728.78 |
| 162 | 0201 | ZAWISTOSKI , ALFRED | 197-12-5664 | 83,176.48 |
| 163 | 0201 | ZIARKOWSKI , STANLEY | 161-28-7990 | 59,912.46 |
| 164 | 0201 | ZUNINO , FRANK | 141-24-5937 | 55,495.37 |
| | | | | 3,745,968.94 |

LOC

N= 164

---------- LOCATION =0202 ----------

| OBS | LOCATION | NAME | SSN | BALANCE |
|---|---|---|---|---|
| 165 | 0202 | AKKERMAN , JOHN | 201-48-9009 | 2,976.76 |
| 166 | 0202 | ANDERSON , DOUGLAS | 156-38-4772 | 1,822.42 |
| 167 | 0202 | BALE , BRUCE | 182-48-2021 | 1,681.70 |
| 168 | 0202 | BLUE , ROLLIN | 147-42-7457 | 4,917.57 |
| 169 | 0202 | BORDYNOWSKI , ANDREW | 554-68-2517 | 1,354.71 |
| 170 | 0202 | BUNNING , MELVIN | 191-20-6598 | 2,219.91 |
| 171 | 0202 | BUSH , STEVE | 151-62-7613 | 1,657.75 |
| 172 | 0202 | CANTER , EDWARD | 162-46-2315 | 2,721.17 |
| 173 | 0202 | CAVANAUGH , WILLIAM | 193-48-7441 | 1,686.01 |
| 174 | 0202 | COLLINS , ARTHUR | 144-60-9548 | 684.74 |
| 175 | 0202 | CRANMER , HOWARD | 138-24-8854 | 2,051.96 |
| 176 | 0202 | CRAWFORD , JOSEPH | 150-40-5438 | 1,734.28 |
| 177 | 0202 | CRUZ , RAFAEL | 583-03-2027 | 132.75 |
| 178 | 0202 | CURLEY , HENRY | 216-62-1897 | 1,821.63 |
| 179 | 0202 | ENDICOTT , MONROE | 151-20-0619 | 5,854.57 |
| 180 | 0202 | FIGUEROA , JUAN | 581-86-0242 | 1,006.39 |
| 181 | 0202 | GILBERT , RONALD | 190-44-5828 | 3,685.88 |

| OBS | LOCATION | NAME | SSN | BALANCE |
|---|---|---|---|---|
| 182 | 0202 | GRIFFITH . LLOYD | 264-72-7543 | 4,553.16 |
| 183 | 0202 | GROVER . JOSEPH | 155-24-9302 | 1,419.48 |
| 184 | 0202 | HALL JR . JOHN | 203-44-6049 | 1,395.56 |
| 185 | 0202 | HOLLOWAY . CARL | 155-24-8810 | 993.45 |
| 186 | 0202 | HUSSMANN . JAY | 150-54-0954 | 780.18 |
| 187 | 0202 | INMAN . JACK | 166-46-1887 | 2,614.73 |
| 188 | 0202 | JOYCE . GEORGE | 151-14-4810 | 2,879.07 |
| 189 | 0202 | LAMAR JR . DAVID | 146-36-6727 | 1,908.00 |
| 190 | 0202 | LANE . ALBERT | 142-24-2795 | 1,744.05 |
| 191 | 0202 | LATTIERE JR . GILBERT | 142-44-0848 | 3,679.83 |
| 192 | 0202 | LESHKO . DAVID | 156-62-9321 | 401.10 |
| 193 | 0202 | LESSARD JR . RAYMOND | 156-40-1988 | 2,106.79 |
| 194 | 0202 | LEWIS . FRANK | 147-42-5311 | 1,401.53 |
| 195 | 0202 | MACELLARI . LOUIS | 140-38-9883 | 2,342.88 |
| 196 | 0202 | MARSHALL . DONALD | 434-78-1142 | 681.77 |
| 197 | 0202 | MCGARRITY . DONALD | 038-20-9326 | 2,528.74 |
| 198 | 0202 | MOSHER . ROBIN | 190-44-6114 | 2,873.77 |
| 199 | 0202 | REEVE . CHARLES | 147-12-5427 | 2,325.22 |
| 200 | 0202 | ROSSELL . JAMES | 149-12-3148 | 3,194.36 |
| 201 | 0202 | RUSSO . FRANK | 141-22-0597 | 3,973.73 |
| 202 | 0202 | SAIA . JOHN | 147-42-5105 | 2,046.48 |
| 203 | 0202 | SHINN . HOWARD | 158-16-7075 | 4,856.35 |
| 204 | 0202 | SHINN . THOMAS | 140-26-0752 | 2,505.53 |
| 205 | 0202 | SOKOLOWSKI . MICHAEL | 167-40-4613 | 4,467.52 |
| 206 | 0202 | TAYLOR . JOHN | 146-26-7744 | 2,189.75 |
| 207 | 0202 | TAYLOR . RUSSELL | 140-26-2870 | 2,916.24 |
| 208 | 0202 | TORRES . HECTOR | 560-84-0623 | 2,138.90 |
| 209 | 0202 | TRINIDAD . RAUL | 074-34-3263 | 3,128.04 |
| 210 | 0202 | VOLMER . ELTON | 148-18-6675 | 3,870.14 |
| 211 | 0202 | WEBB . GARY | 136-40-2138 | 1,289.52 |
| 212 | 0202 | WILLIAMS . NATHAN | 153-40-9267 | 484.78 |
| 213 | 0202 | YATES . FLOYD | 140-26-9541 | 2,398.98 |
| 214 | 0202 | VOSE . JOSEPH | 145-12-0661 | 2,651.75 |
| LOC | | | | 116,881.26 |

N= 50

---------- LOCATION =0203 ----------

| OBS | LOCATION | NAME | SSN | BALANCE |
|---|---|---|---|---|
| 215 | 0203 | BURTON . MARY | 140-26-9568 | 1,739.14 |
| 216 | 0203 | BYER . JOHN | 148-28-8929 | 3,323.96 |
| 217 | 0203 | CROSBY . ALICE | 149-12-3601 | 2,643.51 |
| 218 | 0203 | HANSEN . LONA | 138-22-2084 | 1,327.95 |
| 219 | 0203 | INGLING . LEONA | 140-24-8408 | 1,614.28 |
| 220 | 0203 | LEGNANI . GERTRUDE | 140-18-5518 | 3,427.17 |
| 221 | 0203 | MC CRUM . INA | 069-36-0582 | 1,558.59 |
| 222 | 0203 | POTTS . DIANE | 140-44-0548 | 1,872.68 |
| 223 | 0203 | ROBINSON . MARGIT | 158-44-7898 | 1,039.23 |
| 224 | 0203 | ROSSELL . KATHLEEN | 179-32-2418 | 1,393.93 |
| 225 | 0203 | SMIBE . GLADYS | 140-20-3254 | 1,243.04 |
| 226 | 0203 | STELLITANO . JOANNE | 138-60-1498 | 1,283.76 |
| 227 | 0203 | ZIRKENBACH . JANICE | 408-62-6316 | 1,611.92 |
| LOC | | | | 24,079.18 |

N= 13

LOCATION =0216

| OBS | LOCATION | NAME | SSN | BALANCE |
|---|---|---|---|---|
| 228 | 0216 | BYERS , PHILIP | 246-02-1579 | 733.66 |
| 229 | 0216 | FOWLER , ROBERT | 250-64-2148 | 13,215.37 |
| 230 | 0216 | FOWLER , TEDDY | 248-04-3271 | 884.99 |
| 231 | 0216 | GWINN , STEPHEN | 249-08-6836 | 1,220.90 |
| 232 | 0216 | LEE , DANNY | 251-94-4830 | 217.57 |
| 233 | 0216 | MCENTIRE , REGINALD | 243-92-7725 | 517.18 |
| 234 | 0216 | MELTON , JIMMY | 249-86-4017 | 539.73 |
| 235 | 0216 | OWENS , JERRY | 248-76-7055 | 4,015.84 |
| 236 | 0216 | PEAKE , T | 247-58-6592 | 454.28 |
| 237 | 0216 | TUCKER , BRODDUS | 249-44-3680 | 14,056.69 |
| LOC | | | | 35,856.18 |
| N= | 10 | | | 3,922,585.55 |

EXHIBIT A

____ __, 1987

Sybrac Corp.
[Buyer Affiliate]

Gentlemen:

I am general counsel of Sybron Corporation, a Delaware corporation ("Sybron"), and have represented each of Sybron, Sybron Commonwealth Holdings, Inc. ("Commonwealth"), Sybron Italia S.p.A. ("Italian Holdings") and Sybron Ltd. ("U.K. Holdings") and Sybron Chemicals, Inc. ("Chemicals") (collectively, the "Sellers" and individually, a "Seller") in connection with the negotiation, execution and delivery of the Agreement of Purchase and Sale, dated as of May 26, 1987, by and between Sybron, Commonwealth, Italian Holdings, U.K. Holdings, Chemicals and Sybrac Corp. and a dutch holding company to be purchased by Sybrac (the "Agreement").

This opinion is rendered to you pursuant to Section 8.03 of the Agreement. Capitalized terms used herein without definition shall have the respective meanings given them in the Agreement. In connection with this opinion, I have examined and am familiar with originals or copies, certified or otherwise identified to my satisfaction, of the Agreement and of such deeds, assignments, records, documents, certificates and other instruments as in my judgment are necessary, relevant, or appropriate to enable me to render the opinion expressed below. In such examinations, I have assumed the genuineness of all signatures, the authenticity of all documents purporting to be originals, the conformity to originals of all documents submitted to me as copies, and the authenticity of the originals of such copies. As to questions of fact material to my opinion but not independently established by me, I have relied upon discussions with, and certificates of, officers of the Sellers, the Purchased Companies and the Subsidiaries. With respect to the valid existence and good standing of the Sellers, the Purchased Companies and the Subsidiaries in their respective jurisdictions of incorporation, where such jurisdiction is in the United States, I have relied upon certificates from the Secretary of State of each respective State. With respect to all matters

arising in countries outside the United States, I have relied upon opinions of local or foreign counsel, copies of which are attached to this opinion, in formulating the opinions expressed below.

Based upon and subject to the foregoing, I am of the opinion that:

1. Schedule 2.01(A) to the Agreement correctly sets forth the authorized, issued and outstanding capital stock of each of the Purchased Companies. All outstanding shares of each Purchased Company are validly issued, fully paid and non-assessable. Except to the extent set forth on Schedule 2.01(A), such outstanding shares are owned of record and, to my knowledge, beneficially by Sybron or Chemicals as indicated on such Schedule 2.01(A), free and clear of any Encumbrance known to me.

2. Schedule 3.03 to the Agreement correctly sets forth the authorized, issued and outstanding shares of capital stock of each of the Subsidiaries. The outstanding shares of the subsidiaries of the Company or BV Netherlands are owned of record and, to my knowledge, beneficially by the Company or BV Netherlands or by one of their subsidiaries, in each case, as indicated on Schedule 2.01(A), free and clear of any Encumbrance known to me. All of such shares are validly issued, fully paid and non-assessable.

3. Each of the Sellers and Chemicals, respectively has the full corporate power and authority to transfer the Stock to the Buyer and the BV Stock to the Buyer Affiliate. Assuming that the Buyer and the Buyer Affiliate are "bona fide purchaser" within the meaning of Section 8-302 of the New York Uniform Commercial Code, delivery of the Stock by the Sellers to the Buyer and of the BV Stock to the Buyer Affiliate pursuant to the Agreement will transfer to the Buyer and the Buyer Affiliate, respectively, good and marketable title thereto, free and clear of any Encumbrances (other than Encumbrances created or suffered by the Buyer or Buyer Affiliate and restrictions on sales of the Stock or the BV Stock, respectively, under applicable securities laws).

4. Sybron is the record and, to my knowledge, beneficial owner of the Sybron Note. Assuming that the Buyer is "bona fide purchaser" within the meaning of Section 8-302 of the New York Uniform Commercial Code, delivery of the Sybron Note by

the Sellers to the Buyer pursuant to the Agreement will transfer to the Buyer good and marketable title thereto, free and clear of any Encumbrances (other than Encumbrances created or suffered by the Buyer and restrictions on sale of the Sybron Note under applicable securities laws).

5. Each Seller has full corporate power and authority to enter into the Agreement and to perform its obligations thereunder, and has taken all necessary corporate action to authorize the execution and delivery of the Agreement and the performance by each Seller of its respective obligations thereunder. The Agreement constitutes a valid and binding agreement of Sellers enforceable against Sellers, and each of them, in accordance with its terms, except so far as enforceability thereof may be limited by applicable bankruptcy, insolvency, moratorium or other similar laws affecting creditors' rights generally or the application of equitable principles by a court of law or equity. The execution, delivery and performance by each Seller of the Agreement does not (a) conflict with or result in a violation of or a default under any provision of law, rule or regulation or any order, judgment or decree applicable to any Seller, any Purchased Company or any Subsidiary which is known to me; (b) conflict with, or result in a violation of or default under any terms or conditions of the certificate of incorporation, the bylaws, other similar charter documents or any Commitment, known to me, of any Seller, any Purchased Company, or any Subsidiary; (c) to my knowledge, result in the creation or imposition of any lien, charge or encumbrance upon the assets of any Seller, any Purchased Company, or any Subsidiary; (d) result in the maturation or acceleration of any liability or obligation known to me of any Seller, any Purchased Company, or any Subsidiary; or (e) result in the termination or loss of any right under any agreement or contract, known to me, to which any Seller, any Purchased Company, or any Subsidiary is a party or by which any of them is bound.

6. Except as set forth in Schedule 3.11, to my knowledge, there is no action, suit, investigation or proceeding pending or overtly threatened against or affecting any Purchased Company or any Subsidiary or any of their assets or affecting the Stock or the respective rights of the Sellers thereto which, if adversely determined, could result in a judgment in excess of $50,000 or could have a material adverse effect on the businesses, financial position, or results of operations of any Seller, any Purchased Company, or any Subsidiary. To my

knowledge, there are no presently outstanding judgments, decrees, or orders of any court or any governmental or administrative agency against or materially adversely affecting any Seller, any Purchased Company, or any Subsidiary, or any of their respective assets or businesses or adversely affecting the Stock, the BV Stock or the respective rights of the Sellers thereto.

7. Except as set forth in Schedule 3.16, and except for any consents, approvals, authorizations, exemptions or filings required by the provisions of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, to my knowledge, no consent by, approval or authorization of or filing, registration or qualification with any governmental or regulatory agency is required in connection with the execution, delivery and performance of the Agreement by any Seller or in connection with the consummation by any Seller of the transactions contemplated thereunder.

I am qualified to practice law only in the State of New York, and I am not expert in and express no opinion as to the laws of other jurisdictions other than the General Corporation Law of Delaware and the federal law of the United States.

The opinions expressed herein are solely for your benefit and may not be relied upon in any manner or for any purpose by any other person or entity, other than any bank lenders financing the acquisition contemplated by the Agreement.

Very truly yours,

Uldis Kordons

EXHIBIT B

FORM OF OPINION OF COUNSEL TO BUYER

The opinion of Dechert Price & Rhoads which is called for by Section 9.04 of the Agreement of Purchase and Sale shall be satisfactory in form and substance to Sellers and shall cover the matters set forth below, subject to such assumptions, exceptions and qualifications as may be acceptable to Sellers and counsel to the Sellers:

1. Each of the Buyer and the Buyer Affiliate is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation;

2. The Buyer has full corporate power and authority to execute and deliver the Agreement of Purchase and Sale, to execute, deliver and issue the Gamlen Note and to perform its obligations thereunder; the Agreement of Purchase and Sale and the Gamlen Note have been duly and validly authorized, executed and delivered by the Buyer and are valid and binding obligations of the Buyer. The Buyer Affiliate has full corporate power and authority to execute and deliver the Agreement of Purchase and Sale; the Agreement of Purchase and Sale has been duly and validly authorized, executed and delivered and is a valid and binding obligation of the Buyer Affiliate. The Agreement of Purchase and Sale and the Gamlen Note are enforceable against the Buyer, and the Agreement of Purchase and Sale is enforceable against the Buyer Affiliate, in accordance with their terms, except to the extent that such enforceability (i) may be limited by applicable bankruptcy, insolvency, moratorium or other similar laws affecting creditors' rights generally, and (ii) is subject to general principles of equity (whether or not such enforceability is considered in a proceeding in equity or at law);

3. To our knowledge, upon delivery of the Collateral to Sybron pursuant to the Gamlen Note, Sybron will have a valid and perfected security interest in the Collateral subject to no prior lien;

4. To our knowledge, no consent, approval or authorization of, exemption by, or filing with, any United States, Delaware, New York or Netherlands governmental or regulatory authority or agency not heretofore obtained or made is required in connection with the execution and delivery by the Buyer of the Agreement of Purchase and Sale and the Gamlen Note or the execution and delivery by the Buyer Affiliate of the Agreement of Purchase and Sale or the consummation by the Buyer or the Buyer Affiliate of the transactions contemplated thereby;

**STANDARD CHLORINE SUPERFUND SITE**

**THERMO FISHER SCIENTIFIC INC.**

**EXHIBITS TO RESPONSE TO SUPPLEMENTAL §104(e) INFORMATION REQUEST**

**VOLUME 4 OF 4**

| Exhibit No. | Description |
|---|---|
| 13 | Certificate of Incorporation of HH Acquisition, Inc. |
| 14 | Certificate of Amendment changing name of HH Acquisition, Inc. to Sybron Acquisition Company. (Sept. 21, 1987) |
| 15 | Purchase Agreement between Forstmann Little and Sybron-DE-1987 [for stock of Sybron-DE-1986] (Sept. 29, 1987) |
| 16 | Certificate of Amendment changing name of Sybron-DE-1987 from Sybron Acquisition Company to Sybron Corporation (Jan. 24, 1992) |
| 17 | Certificate of Amendment changing name of Sybron-DE-1986 from Sybron Corporation to Sybron Holdings, Inc. (Jan. 24, 1992) |
| 18 | Certificate of Ownership and Merger Merging Sybron Holdings, Inc. into Acquiring/SAC, Inc. and Agreement and Plan of Merger and Liquidation, (Sept. 28, 1992) |
| 19 | Certificate of Ownership and Merger Merging Acquiring/SAC, Inc. into SAC Residual, Inc. and Agreement and Plan of Merger and Liquidation, (Sept. 28, 1992) |
| 20 | Articles of Incorporation of Sybron International Corporation (Dec. 9, 1993) |
| 21 | Articles of Merger of Sybron-DE-1987 into Sybron International Corporation (Jan. 25, 1994) |
| 22 | Certificate of Merger of SAC/Residual into Sybron International (Sept. 29, 1994) |
| 23 | Transfer Agreement between Sybron Transition Corp. and Sybron International (Dec. 22, 1994) |
| 24 | Unanimous Written Consent of the Board of Directors of Sybron Transition Corp. to Effect a Dividend of Certain Assets (Dec. 22, 1994) |
| 25 | Bill of Sale and Assignment and Assumption Agreement between Sybron Transition Corp. and Sybron International (Dec. 31, 1994) |

| Exhibit No. | Description |
|---|---|
| 26 | Articles of Amendment changing name of Sybron International to Apogent Technologies Inc. (Jan. 30, 2001) |
| 27 | Certificate of Amendment changing name of Sybron Transition Corp. to Apogent Transition Corp. (Feb. 11, 2002) |
| 28 | Balance sheets for Apogent Transition Corp. as of Dec. 31 2006 |
| 29 | Balance sheets for Apogent Transition Corp. as of Dec. 31 2007 |
| 30 | Balance sheets for Apogent Transition Corp. as of Dec. 31 2008 |
| 31 | Balance sheets for Apogent Transition Corp. as of Dec. 31 2009 |
| 32 | Balance sheets for Apogent Transition Corp. as of Dec. 31 2010 |
| 33 | Balance sheets for Apogent Transition Corp. as of Dec. 31 2011 |
| 34 | Profit and loss statement for Apogent Transition Corp. for the year ending Dec. 31, 2011 |
| 35 | Goldman Sachs, Confidential Memorandum, Sybron Chemicals Inc. (Aug. 1986) |
| 36 | Deloitte, Haskins & Sells, Sybron Chemicals Inc. Combined Financial Statements for the Two-Month Period Ended Feb. 27, 1986 and Auditors' Opinion and of Sybron Chemicals Holdings, Inc. for Ten-Month Period Ended Dec. 31, 1986 (Mar. 6, 1987) |
| 37 | Exemplar Tanatex batch sheet |

Exhibit 13

Still Desk
RECYCLED

29044

# State of Delaware

BOOK 0596 PAGE 665

## Office of Secretary of State

I, MICHAEL HARKINS, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF HH ACQUISITION, INC. FILED IN THIS OFFICE ON THE NINTH DAY OF SEPTEMBER, A.D. 1987, AT 10 O'CLOCK A.M.

Michael Harkins, Secretary of State

AUTHENTICATION: 1391988

DATE: 09/09/1987

737252022

737252022 BOOK 0506 PAGE 666

FILED

SEP 9 1987

10 Am

SECRETARY OF STATE

CERTIFICATE OF INCORPORATION
OF
HH ACQUISITION, INC.

I, the undersigned natural person acting as an incorporator of a corporation (hereinafter called the "Corporation") under the General Corporation Law of Delaware, do hereby adopt the following Certificate of Incorporation for the Corporation:

FIRST: The name of the Corporation is HH Acquisition, Inc.

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

THIRD: The purpose for which the Corporation is organized is to engage in any and all lawful acts and activity for which corporations may be organized under the General Corporation Law of Delaware. The Corporation will have perpetual existence.

FOURTH: The total number of shares of stock which the Corporation shall have authority to issue is 10,000 shares, divided into two classes as follows: (i) 1,000 shares of Preferred Stock, par value $.01 per share; and (ii) 9,000 shares of Common Stock, par value $.01 per share.

The Preferred Stock shall be issued from time to time in one or more series and shall have such voting powers, full or limited, or no voting powers, and such designations, preferences, and relative, participating, optional, or other special rights, and qualifications, limitations, or restrictions thereof, as shall hereafter be stated and expressed in the resolution or resolutions providing for the issue of such series of Preferred Stock from time to time adopted by the Board of Directors pursuant to authority so to do, which authority is hereby expressly granted to and vested in the Board of Directors.

FIFTH: The name of the incorporator of the Corporation is Jonnie L. Callahan and the mailing address of such incorporator is Founders Square, Suite 100, 900 Jackson Street, Dallas, Texas 75202-4499.

SIXTH: The number of directors constituting the initial Board of Directors is three and the names and mailing addresses of the persons who are to serve as directors until the first

Exhibit 14

Skill Dex
RECYCLED

BOOK 0603 PAGE 106

FILED 10 AM

SEP 22 1987

SECRETARY OF STATE

CERTIFICATE OF AMENDMENT

TO THE

CERTIFICATE OF INCORPORATION

OF

HH ACQUISITION, INC.

HH Acquisition, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify:

FIRST

The name of the Corporation is HH Acquisition, Inc.

SECOND

On September 21, 1987, the board of directors of the Corporation duly adopted resolutions setting forth the following amendment to the Certificate of Incorporation of the Corporation:

The FIRST Article of the Corporation's Certificate of Incorporation is amended in its entirety to read as follows:

"The name of the Corporation is Sybron Acquisition Company."

The SIXTH Article of the Corporation's Certificate of Incorporation is amended in its entirety to read as follows:

"The number of directors constituting the initial Board of Directors is two and the names and mailing addresses of the persons who are to serve as directors until the first annual meeting of stockholders or until their successors are elected and qualified are as follows:

| Name | Address |
|---|---|
| Thomas O. Hicks | 300 Crescent Court, No. 1700<br>Dallas, Texas 75201 |
| Robert B. Haas | 300 Crescent Court, No. 1700<br>Dallas, Texas 75201" |

THIRD

The Corporation has not received payment for any of its stock.

FOURTH

Said amendment was duly adopted in accordance with the provisions of Section 241 of the General Corporation Law of the State of Delaware (the "DGCL").

IN WITNESS WHEREOF, whereas the Board of Directors of the Corporation has not elected officers, the Corporation has caused this Certificate to be signed pursuant to Section 103(a)(2)(b) of the DGCL by the undersigned, a majority of its directors, on September 21, 1987.

Thomas O. Hicks

Robert B. Haas

STATE OF TEXAS §
§
COUNTY OF DALLAS §

Before me, the undersigned authority, on this day personally appeared Thomas O Hicks, one of the directors of the Corporation, who acknowledged that the foregoing instrument is the act and deed of the Corporation and that the facts stated therein are true.

Given under my hand and seal of office on this the 21st day of September, 1987.

Becky A. McConnell
Notary Public, State of Texas

My Commission Expires:

4-11-91

RECEIVED FOR RECORD

SEP 25 1987

William M. Honey, Recorder

f:\|callah\7404.15\certif.amd

Exhibit 15

# PURCHASE AGREEMENT

THIS AGREEMENT, made and entered into as of this 29th day of September, 1987, by and between FLSC Partners, a New York limited partnership ("FLSC"), Forstmann Little & Co. Subordinated Debt and Equity Management Buyout Partnership II, a New York limited partnership ("MBO II"), Mabufin, N.V., a Netherlands Antilles corporation ("Mabufin"), and the persons listed in Schedule A hereto (the "Shareholder Individuals") (FLSC, MBO II, Mabufin and the Shareholder Individuals are hereinafter collectively referred to as "Sellers"), and Sybron Acquisition Company, a Delaware corporation ("Buyer");

W I T N E S S E T H :

WHEREAS, Sellers own of record and beneficially all of the outstanding shares of capital stock of Sybron Corporation, a Delaware corporation (the "Company");

WHEREAS, Sellers desire to sell to Buyer, and Buyer desires to buy from Sellers, all of the issued and outstanding shares of capital stock of the Company (the "Shares");

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants and agreements contained herein, and upon the terms and subject to the conditions hereinafter set forth, the parties do hereby agree as follows:

## ARTICLE I

## TERMS OF PURCHASE AND SALE

1.01 Purchase and Sale of Shares of the Company. On the Closing Date (as defined in Section 1.02), Sellers shall sell to Buyer, and Buyer shall purchase from Sellers, the Shares for the purchase price specified herein. At the Closing (as defined in Section 1.02), Sellers shall deliver to Buyer certificates representing all of the Shares which are required to be delivered or are otherwise deliverable by Sellers pursuant hereto at the Closing duly endorsed in blank for transfer or accompanied by duly executed stock powers assigning such Shares in blank, and Buyer shall deliver to Sellers the Purchase Price (as defined in Section 1.03) as specified in Section 1.05. Buyer, on the one hand, and Sellers, on the other hand, shall share equally the cost of any documentary, stamp, sales and excise or other taxes (other than federal, state, local and foreign income taxes payable by Sellers) in respect of the transfer of the Shares.

1.02 The Closing. Subject to the provisions of Articles V and VI, the closing of the purchase and sale of the Shares (the "Closing") shall take place at the offices of Fried, Frank, Harris, Shriver and Jacobson, One New York Plaza, New York, New York on October 16, 1987 or at such other place and/or on such other date as the parties may mutually agree (the "Closing Date"); provided, however, that Buyer may, by written notice to Sellers by 5:00 P.M. on October 16, 1987, extend the term of this Agreement. Such notice shall set forth the Closing Date, which shall be no later than October 20, 1987. The Closing shall be deemed to have taken place at 5:00 P.M. on the Closing Date.

1.03 Purchase Price; Purchase of Preferred Stock.

(a) The aggregate purchase price to be paid by Buyer to Sellers for the Shares (the "Purchase Price") shall be $390,000,000 plus the Unreflected Mortgage Receivable plus the principal amount of the Midwest Note (as defined in Section 7.01) if the Midwest Division of Nalge Company ("Midwest") has not been sold prior to the Closing plus the Cash on Hand and less the Indebtedness Payment (as such terms are defined in Section 1.03(b)) and less the Option and SAR Payments (as defined in Section 1.07). Sellers shall deliver to Buyer no later than one business day prior to the Closing a certificate setting forth the amount of the Unreflected Mortgage Receivable, the Cash on Hand, the Indebtedness Payment and the Purchase Price (disregarding for this purpose the Midwest Note), and the price per share (the "Class A Price") of Class A Common Stock, $.01 par value, of the Company (the "Class A Shares") and the price per share (the "Class B Price") of Class B Common Stock, $.01 par value, of the Company (the "Class B Shares") represented by the Purchase Price (disregarding for this purpose the Midwest Note).

(b) For purposes of this Agreement, (i) "Cash on Hand" means any cash and cash equivalents as of the close of business on September 30, 1987 as reflected on the books and records of the Company and the Subsidiaries (as defined in Section 2.03), plus any cash on hand as of the close of business on the Closing Date from the sale prior to Closing of any of the Assets Held for Disposition (as defined in Section 1.09) but excluding (x) all amounts paid to the Company in repayment of the Notes (as defined below), (y) (if not already taken into account in determining Cash on Hand) all amounts due on then-outstanding checks and drafts of the Company or any Subsidiary and (z) (if not already taken into account in determining Cash on Hand) any cash which is not an asset of the Company or the Subsidiaries and all amounts held in escrow (including the amounts escrowed in respect of the Class Action (as defined in Section 2.23)) or as security deposits or posted as a bond; (ii) "Indebtedness Payment" means an amount equal to, as of the close of business on September 30, 1987, the then outstanding principal of, and accrued and unpaid interest on, all indebtedness of the Company

and the Subsidiaries (other than with respect to letters of credit except to the extent drawn upon and not repaid by the Company as of the close of business on September 30, 1987) under the Credit Agreement, as amended (the "Credit Agreement"), among the Company, Manufacturers Hanover Trust Company ("MHTC") and the banks parties thereto or under that certain promissory note of Sybron Canada Limited to Horizon Bank in the principal amount of $10,000,000 (the "Horizon Loan"); and (iii) "Unreflected Mortgage Receivable" means an amount equal to the aggregate principal amount of certain Notes Receivable (the "Notes") of the Company representing indebtedness of certain Shareholder Individuals (the "Mortgagors") to the Company outstanding on the Closing Date, which Notes have not been reflected as an asset on the Pro Forma Balance Sheet (as defined in Section 2.05), but will be repaid by the Mortgagors at the Closing.

(c) Immediately following the Closing on the Closing Date (the "Preferred Stock Closing") each Seller whose name is or prior to the Closing will be designated with an asterisk on Schedule A hereto (the "Preferred Recipients") shall purchase from Buyer, at a price of $25 per share, its or his pro rata portion (as set forth below) of 600,000 shares of Junior Preferred Stock, $.01 par value, of Buyer (the "Preferred Stock"). The Certificate of Designations governing the Preferred Stock shall be identical to that set forth in Schedule B, subject to changes reasonably satisfactory to Sellers. At the Preferred Stock Closing, Buyer shall deliver to the Representative one or more certificates representing the shares of Preferred Stock purchased at such Closing, registered in the names of the Representative or the Preferred Recipients, as the Representative may designate. A Preferred Recipient's pro rata portion of the Preferred Stock shall be determined in accordance with the proportion that such Preferred Recipient's Shares bears to the sum of (i) the Shares of all of the Preferred Recipients and (ii) the equivalent number of Class B Shares underlying the Options and the SARs the holders of which will receive Preferred Stock in partial payments of their Options or SARs.

1.04 Partial Closing. If all of the terms and conditions to the parties' respective obligations to consummate the transaction (including that set forth in Section 5.05) are satisfied (or waived by the appropriate party) but one or more of the Sellers shall have failed to deliver an executed counterpart of this Agreement as provided in Section 10.03 or to deliver the certificates representing their Shares (collectively, "Failed Deliveries"), then Buyer shall be entitled to hold back from the Purchase Price cash equal to 150% of the Class A Price or the Class B Price, as the case may be, of the Shares constituting Failed Deliveries. The amount so withheld, together with interest thereon from the Closing Date through the date of payment at an annual rate equal to the prime lending rate of MHTC from time to time (the "Prime Rate"),

shall be paid to the Representative (as defined in Section 10.12) promptly upon delivery to Buyer, in accordance with Section 1.01, of the certificates evidencing Shares represented by a Failed Delivery and a counterpart to this Agreement executed by such Seller, if not previously delivered (the date of each such payment and delivery being herein referred to as a "Subsequent Closing Date"). If the Seller is a Preferred Recipient, then, immediately following such payment, on the Subsequent Closing Date, the Representative, on behalf of the Preferred Recipient whose Shares were sold on such Subsequent Closing Date, shall purchase from Buyer its or his pro rata share of Preferred Stock for the price and against delivery of stock certificates, all as provided in Section 1.03(c). Sellers hereby agree to use their best efforts to cause the Failed Deliveries to be completed within 90 days following the Closing and jointly and severally (subject to Section 10.13) agree to indemnify the Buyer and hold it harmless from and against all claims, losses, liabilities, damages and expenses including, without limitation, attorneys' fees, incurred by reason of the Failed Deliveries. In the event that there remain Failed Deliveries on December 31, 1987, Buyer shall remit in cash to the Representative 1/3 of the aggregate amount withheld together with interest thereon at the Prime Rate from the Closing Date through the date of remittance.

1.05 Payment. Payment of the Purchase Price (other than the Midwest Note) shall be in U.S. dollars and shall be deposited by Buyer no later than 11:30 A.M., New York City time on the Closing Date, by wire transfer of immediately available funds, in an account of Buyer at MHTC, which account shall be interest-bearing as directed by the Representative, and, at Closing, such funds (including any interest earned thereon on the Closing Date) shall be transferred by an intrabank transfer to the account or accounts established by the Representative at MHTC. Payment of the purchase price on any Subsequent Closing Date shall be made by wire transfer of immediately available funds no later than 11:30 A.M. New York City time, to the account or accounts established by the Representative. At Buyer's option, the amount to be wired and subsequently transferred on the Closing Date may be net of the amounts to be paid by Preferred Recipients for the shares of Preferred Stock being purchased by them on the Closing Date pursuant to Section 1.03(c).

1.06 Repayment of Indebtedness under the Credit Agreement. At the Closing, (a) Buyer shall contribute to the Company and (b) Sellers shall cause the Company to pay (i) to MHTC (for the benefit of the banks parties to the Credit Agreement), cash equal to all amounts owing under the Credit Agreement as of the close of business on the Closing Date and (ii) all amounts necessary to repay the Horizon Loan. At the Closing, Buyer shall furnish letters of credit, each in the aggregate principal amount, and with terms, necessary to

replace all then outstanding letters of credit issued to the Company or any of the Subsidiaries under the Credit Agreement, which outstanding letters of credit as of the Closing Date shall not exceed the aggregate principal amount of $11,500,000 or such greater amount to reflect any letters of credit which have been opened with the Buyer's prior consent. At the Closing, Sellers shall deliver to Buyer an instrument or instruments executed by MHTC acknowledging the repayment in full of all amounts owing under the Credit Agreement.

1.07 Cancellation of Options and SARs. At or immediately prior to the Closing, if so requested by the Company, Buyer shall sell to the Company, at a purchase price of $25 per share, such number of shares of Preferred Stock as shall enable the Company to make a portion of the Option and SAR Payments, so that the number of shares purchased by the Company pursuant to this Section 1.07 when added to the number of shares of Preferred Stock purchased by the Preferred Recipients pursuant to Sections 1.05(c) and 1.04 equals 600,000 shares of Preferred Stock. At the Closing, Sellers shall cause the Company to make payments of cash and/or cash and Preferred Stock to the Representative on behalf of the holders of all outstanding options to purchase Class B Shares ("Options") and all outstanding Stock Appreciation Rights ("SARs"), in termination or cancellation thereof, of all amounts payable under or with respect to their respective Options and SARs as a result of the consummation of the transactions contemplated by this Agreement, (including all amounts which the Company is required to withhold under applicable tax laws, the "Option and SAR Payments"). Notwithstanding the foregoing, no shares of Preferred Stock shall be sold to the Company or any holder of Options or SARs unless the purchaser delivers to Buyer an agreement containing representations, warranties and covenants similar to those made by the Preferred Recipients in Sections 2.24 and 4.09.

1.08 Cancellation of Certain Notes Receivable of the Company. Schedule C sets forth a list of the Notes representing indebtedness of the Mortgagors to the Company outstanding on the date hereof. At the Closing, each Mortgagor shall repay his Note in full in cash and the Company will cancel such Note and any mortgage and any other instruments securing the repayment of such Note. The Sellers shall cause the Company to execute and deliver to each Mortgagor such documents and instruments (in form and substance reasonably satisfactory to such Mortgagor) necessary to reflect such repayment and the satisfaction of the respective mortgage and other security agreements and to return to each Mortgagor any collateral held by the Company to secure the indebtedness of such Mortgagor. In the event any Mortgagor fails to execute this Agreement and/or to repay his Note at the Closing, (a) Sellers shall cause the Company to assign such Mortgagor's Note to the Representatives, (b) the amount of the Unreflected Mortgage Receivable shall be reduced by the principal amount of

such Note, and (c) at the Subsequent Closing at which such Mortgagor's Class B Shares are purchased, such Mortgagor shall make repayment of his Note to the Representative.

1.09 Assets Held for Disposition. For purposes of this Agreement, "Assets Held for Disposition" shall mean the assets held for disposition set forth on Schedule 1.09 of the disclosure schedule dated the date hereof and delivered by Sellers to Buyer in connection herewith (the "Disclosure Schedule").

## ARTICLE II

## REPRESENTATIONS AND WARRANTIES OF SELLERS

Sellers hereby jointly and severally represent and warrant (except as to Sections 2.01, 2.14 and 2.20, which are represented and warranted severally by the respective Sellers, and except as to Section 2.24, which is represented and warranted severally by the respective Preferred Recipients) to Buyer as follows (it being understood that no representations and warranties are made with respect to the Assets Held for Disposition except as set forth in Section 2.25):

2.01 Title to Shares. The sale and delivery of the Shares to Buyer pursuant to this Agreement will vest in Buyer legal and valid title to the Shares, free and clear of all liens, security interests, adverse claims or other encumbrances of any character whatsoever ("Encumbrances") (other than Encumbrances created by Buyer and restrictions on resales of the Shares under applicable securities laws). Schedule A sets forth a true and complete list of all of the stockholders of the Company; the Shares owned by them comprise in the aggregate all of the issued and outstanding capital stock of the Company.

2.02 Capital Stock of the Company. The authorized capital stock of the Company consists of 250,000 shares of common stock, $.01 par value, of which 202,000 shares are designated as Class A Shares and 48,000 are designated as Class B Shares. There are outstanding 202,000 Class A Shares and 40,940 Class B Shares, constituting the Shares, and such Shares are validly issued, fully paid and non-assessable. There are outstanding Options to acquire 3,500 shares of Class B Shares and 2,710 SARs. Except as set forth in the two immediately preceding sentences, there are outstanding no securities convertible into, exchangeable for, or carrying the right to acquire, equity securities of the Company, or subscriptions, warrants, options, rights or other arrangements or commitments obligating the Company to issue or dispose of any of its equity securities or any ownership interest therein. Upon payment of the Option and SAR Payments as provided in Section 1.07, all of the Options and SARs will be terminated and the Company will have no further obligations with respect thereto.

2.03 Subsidiaries. Except as set forth in the Disclosure Schedule, the Company does not own any equity ownership interest, directly or indirectly, in any person, corporation or other entity. The entities so set forth in the Disclosure Schedule are collectively referred to as the "Subsidiaries" and individually as a "Subsidiary". The Company owns, either directly or indirectly through one or more Subsidiaries, the shares of capital stock of the Subsidiaries indicated on the Disclosure Schedule free and clear of any Encumbrance (other than Encumbrances described in the Disclosure Schedule and other than restrictions on resales of such shares under applicable securities laws). All of the issued and outstanding shares of capital stock of the Subsidiaries are validly issued, fully paid and non-assessable. Except as set forth in the Disclosure Schedule, there are outstanding no securities convertible into, exchangeable for, or carrying the right to acquire, equity securities of any of the Subsidiaries, or subscriptions, warrants, options, rights or other arrangements or commitments obligating any Subsidiary to issue or dispose of any of its equity securities or any ownership interest therein.

2.04 Organization. Each of the Company and the respective Subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation (except for any of the Subsidiaries organized under the laws of a jurisdiction in which the concept of good standing is inapplicable, as to which no representation or warranty regarding good standing is made), and has all requisite corporate power and authority to carry on its business as it is now being conducted. Each of the Company and the respective Subsidiaries is duly qualified to do business and is in good standing as a foreign corporation in all jurisdictions where the nature of the property owned or leased by it, or the nature of the business conducted by it, makes such qualification necessary and the absence of such qualification would have a material adverse effect on the business, operations or financial condition of the Company and the Subsidiaries taken as a whole.

2.05 Financial Statements. A copy of the audited consolidated balance sheet of the Company and its subsidiaries as of December 31, 1986, the audited consolidated balance sheet of the Company and its subsidiaries as of May 31, 1987 (the "May Balance Sheet") and the audited consolidated statements of income and retained earnings and changes in financial position of the Company and its subsidiaries for the ten-month period ended December 31, 1986 and the five-month period ended May 31, 1987, including the notes thereto (collectively the "Financial Statements"), is contained in the Disclosure Schedule. Except as noted therein, the Financial Statements fairly present the consolidated financial position of the Company and its subsidiaries as of December 31, 1986 and May 31, 1987 and their results of operations for the ten-month period ended

December 31, 1986 and the five-month period ended May 31, 1987, respectively, in conformity with generally accepted accounting principles, which principles, with respect to the Financial Statements other than the Financial Statements covering the ten-month period ended December 31, 1986 (as to which no representation or warranty as to consistency with prior periods is made) were consistently applied for such period. A copy of the supplemental consolidating schedule of income of the Company and its subsidiaries for the five-month period ended May 31, 1987 is contained in the Disclosure Schedule. Such supplemental schedule is fairly stated in all material respects when considered in relation to the Financial Statements taken as a whole. A copy of an unaudited pro forma condensed consolidated balance sheet of the Company and its subsidiaries as of May 31, 1987 (the "Pro Forma Balance Sheet") is contained in the Disclosure Schedule. The Pro Forma Balance Sheet has been prepared by reflecting on a condensed version of the May Balance Sheet the adjustments set forth in the Pro Forma Balance Sheet, which adjustments were properly applied to the Pro Forma Balance Sheet. The Assets Held for Disposition have not been reflected as assets on the Pro Forma Balance Sheet. Except as set forth in the Disclosure Schedule, to Sellers' knowledge, neither the Company nor any Subsidiary has any debts, obligations or liabilities of whatever kind or nature, either direct or indirect, absolute or contingent, matured or unmatured, (excluding tax debts, obligations and liabilities, as to which no representation or warranty is made except as provided in Section 2.12), except (a) debts, obligations and liabilities that are fully reflected in, or reserved against on, the Financial Statements, (b) debts, obligations and liabilities which were not required by generally accepted accounting principles to be reflected or reserved against in the Financial Statements, (c) debts, obligations and liabilities incurred after the date of the Financial Statements in arm's length transactions in the ordinary course of business consistent with past practice since February 1986, and (d) debts, obligations and liabilities which individually or in the aggregate do not materially adversely affect the business, operations or financial condition of the Company and the Subsidiaries taken as a whole.

2.06 Absence of Certain Changes or Events. Except as set forth in the Disclosure Schedule or except as otherwise contemplated by this Agreement, since May 31, 1987 there has not been (a) any damage, destruction or casualty loss to the physical properties of the Company (whether covered by insurance or not) materially and adversely affecting the business, operations or financial condition of the Company and the Subsidiaries taken as a whole; (b) any material adverse change in the business, operations or financial condition of the Company and the Subsidiaries taken as a whole; (c) any entry into any transaction, commitment or agreement (including without limitation any borrowing or capital expenditure) material to the Company and the Subsidiaries taken as a whole, except transactions, commitments or agreements in the ordinary

course of business; (d) any redemption or other acquisition by the Company or any Subsidiary of the Company's capital stock or any declaration, setting aside or payment of any dividend or other distribution in cash, stock or property with respect to the Company's capital stock, except cash dividends or distributions by the Company to its stockholders not in excess of cash on hand; (e) any increase in the rate or terms of compensation payable or to become payable by the Company or any Subsidiary to its directors, officers or employees or any increase in the rate or terms of any bonus, pension, insurance or other employee benefit plan, payment or arrangement made to, for or with any such directors, officers or key employees, except in each case increases occurring in the ordinary course of business in accordance with its customary practices (including normal periodic performance reviews and related compensation and benefit increases); (f) any change in production schedules, acceleration of sales, or reduction of aggregate administrative, marketing, advertising and promotional expenses or research and development expenditures other than in the ordinary course of business and consistent with past practice since February, 1986 or as warranted by the business; (g) any sale, transfer or other disposition of any asset of the Company or the Subsidiaries to any party, including Sellers, except for payment of third-party obligations incurred in the ordinary course of business in accordance with the Company's or the Subsidiaries' regular payment practices, dispositions of surplus or used equipment, dispositions of assets included in the line item "Net Assets of Operations Held for Disposition" in the May Balance Sheet, or any other dispositions, including sales of inventory, in the ordinary course of business; (h) any termination or waiver of any rights of value to the business of the Company and the Subsidiaries, taken as a whole, having a value in excess of $100,000 other than in the ordinary course of business; or (i) any failure by the Company or the Subsidiaries to pay their accounts payable or other obligations in the ordinary course of business consistent with past practice since February 1986.

2.07 Title to Properties. The Company and the Subsidiaries have good and marketable title to all of the assets and properties which they purport to own and which are reflected on the Pro Forma Balance Sheet and which are material to the business, operations or financial condition of the Company and the Subsidiaries taken as a whole (except for assets and properties sold, consumed or otherwise disposed of in the ordinary course of business since May 31, 1987), free and clear of all Encumbrances, except for (a) liens for current taxes not yet due and payable or for taxes the validity of which is being contested in good faith by appropriate proceedings; (b) Encumbrances to secure indebtedness under the

Credit Agreement, (c) Encumbrances which individually or in the aggregate do not materially and adversely affect the business, operations or financial condition of the Company and the Subsidiaries taken as a whole, and (d) any Encumbrance created by that certain Trust Agreement dated 1981 among Parque Industrial Merida, S.A. de C.V., Ormex, S.A. de C.V., and Banco Nacional de Mexico, S.A., which Trust Agreement is intended to provide to Ormex S.A. de C.V. the benefits of ownership of real property in Mexico in accordance with Mexican law governing ownership of real property by foreign entities.

2.08 Patents, Trademarks, Etc. Except as set forth in the Disclosure Schedule, (a) the Company and the Subsidiaries own or possess adequate licenses or other valid rights to use all United States and foreign patents, trademarks, trade names, service marks, copyrights, and applications therefor which are material to the conduct of the business, operations or financial condition of the Company and the Subsidiaries taken as a whole (the "Patent and Trademark Rights"); (b) the validity of the Patent and Trademark Rights and the title thereto of the Company or the Subsidiaries were not being questioned in any litigation to which the Company or any of the Subsidiaries was a party, nor, to Sellers' knowledge, was any such litigation threatened or claims of third parties made (and neither the Company nor any Subsidiary has received written notice of any such threatened litigation or claims of third parties), with respect to which litigation or claim, in each case, there is a reasonable likelihood of a settlement or determination which would have a material adverse effect on the business, operations or financial condition of the Company and the Subsidiaries taken as a whole; and (c) to Sellers' knowledge, the conduct of the business of the Company and the Subsidiaries as now conducted does not conflict with any valid patents, trademarks, trade names, service marks or copyrights of others in any way which materially and adversely affects the business, operations or financial condition of the Company and the Subsidiaries taken as a whole. The consummation of the transactions contemplated hereby will not result in the loss or impairment of any of the Patent and Trademark Rights which loss or impairment would materially and adversely affect the business, operations or financial condition of the Company and the Subsidiaries taken as a whole. The Disclosure Schedule contains a list that includes all Patent and Trademark Rights.

2.09 Insurance. All material insurance policies with respect to the properties, assets, operations and business of the Company and the Subsidiaries (the "Insurance Policies") are in full force and effect. Except as set forth in the Disclosure Schedule, to Sellers' knowledge, there are no pending claims against the Insurance Policies by the Company or

any of the Subsidiaries as to which the insurers have denied liability and with respect to which there is a reasonable likelihood of a settlement or determination which would have a material adverse effect on the business, operations or financial condition of the Company and the Subsidiaries taken as a whole. To Sellers' knowledge, there are no circumstances existing which would enable the insurers to avoid liability under the Insurance Policies which avoidance would have a material adverse effect on the business, operations or financial condition of the Company and the Subsidiaries taken as a whole and there are no other parties having an interest under the Insurance Policies. Except as set forth in the Disclosure Schedule, to Sellers' knowledge (i) there exist no material claims under the Insurance Policies that have not been properly filed by the Company or a Subsidiary where the failure to so properly file would have a material adverse effect on business, operations or financial condition of the Company and the Subsidiaries taken as a whole, (ii) no insurance company has refused to renew any material insurance policy of the Company or the Subsidiaries during the past 18 months which refusal to renew had a material adverse effect on the business, operations or financial condition of the Company and the Subsidiaries taken as a whole, and (iii) there have been no material rate or premium increases or written notice of prospective changes therein on general liability, property or directors and officers liability Insurance Policies during the past 18 months. The Disclosure Schedule contains a list that includes all Insurance Policies.

2.10 Agreements. Except as set forth in the Disclosure Schedule, to Sellers' knowledge, each agreement or instrument (including any express warranties to third parties and commission sales contracts), including any and all amendments thereto, to which the Company or any of the Subsidiaries is a party and which is material to the business, operations or financial condition of the Company and the Subsidiaries taken as a whole (the "Material Agreements") is in full force and effect and constitutes a legal, valid and binding obligation of the Company or the Subsidiary, as the case may be, and to Sellers' knowledge, any other party thereto, and neither the Company nor any of the Subsidiaries nor, to Sellers' knowledge, any other party thereto, is in default or breach of (with or without the giving of notice or the passage of time) any Material Agreements (excluding deferrals of collection of receivables made in the ordinary course of business), except defaults or breaches, if any, which would not have a material adverse effect on the business, operations or financial condition of the Company and the Subsidiaries taken as a whole. The Disclosure Schedule contains a list that includes all Material Agreements. Except

as otherwise set forth in the Disclosure Schedule, neither the execution, delivery and performance by the Sellers of this Agreement nor the consummation of the transactions contemplated hereunder will (i) violate any provision of law, statute, rule or regulation to which the Company of any of the Subsidiaries is subject, or (ii) violate any order, judgment or decree applicable to the Company or any of the Subsidiaries, except for violations and defaults which would not have a material adverse effect on the business, operations or financial condition of the Company and the Subsidiaries taken as a whole.

2.11 Litigation. Except as set forth in the Disclosure Schedule, there is no action, proceeding or investigation in any court or before any governmental or regulatory authority pending or threatened in writing or, to Sellers' knowledge, orally threatened (i) against the Company or any of the Subsidiaries or against Sellers, in connection with the conduct of the businesses of the Company and the Subsidiaries, with respect to which there is a reasonable likelihood of a settlement or determination which would have a material adverse effect on the business, operations or financial condition of the Company and the Subsidiaries taken as a whole, or (ii) which seeks to enjoin or obtain damages in respect of the consummation of the transactions contemplated hereby. The actions or proceedings described in clauses (i) and (ii) are collectively referred to as "Litigation." Except as disclosed in the Disclosure Schedule, neither the Company nor any of the Subsidiaries is subject to any outstanding order, writ, judgment or decree which materially and adversely affects the business, operations or financial condition of the Company and the Subsidiaries taken as a whole. The Disclosure Schedule contains a list that includes all Litigation.

2.12 Taxes.

(a) Except as set forth in the Disclosure Schedule, (i) all federal, state, local and material foreign income, franchise, excise, sales and use tax ("Taxes") returns required to be filed with respect to the Company and the Subsidiaries have been filed in a timely manner (taking into account all extensions of due dates); (ii) the Company and the Subsidiaries have paid, or have made sufficient provision for, or have set up adequate reserves for the payment of, all Taxes shown as due on such returns; (iii) no election under Section 341(f) or Section 338(g) of the Internal Revenue Code of 1986 (the "Code") has been or will be filed by or on behalf of the Company or any Subsidiary; (iv) neither the Company nor

any Subsidiary has executed any presently effective waiver or extension of any statute of limitations against assessment and collection of Taxes with respect to the Company or any Subsidiary; and (v) the proper amounts have been withheld by the Company and each Subsidiary from employees with respect to the Options,the SARs and all cash compensation paid to employees for all periods in compliance in all material respects with the tax and other withholding provisions of all applicable laws. Except as set forth in the Disclosure Schedule, or as reflected in the Financial Statements, no deficiencies for any taxes have been asserted in writing or assessed against the Company or any of the Subsidiaries which remain unpaid and which individually or in the aggregate are material to the business, operations or financial condition of the Company and the Subsidiaries taken as a whole.

(b) With regard to Section 280G(b)(5)(B) of the Code: (i) the Company will prepare a written disclosure schedule reasonably satisfactory to Buyer listing each payment which is or might be characterized as a parachute payment under Section 280G(b)(2) of the Code with respect to the transactions contemplated hereby; and (ii) provided that Buyer has approved such schedule, such schedule will be distributed to all holders of issued and outstanding shares of all classes of capital stock of the Company and holders of more than 75% of the voting power of all issued and outstanding shares of all classes of capital stock of the Company (none of whom will be a recipient of any of the payments set forth in such schedule) will, after receipt of such schedule and prior to the Closing, approve such payments by written consent as provided in Section 228 of the Delaware General Corporation Law; and (iii) following such approval and prior to Closing, written notice thereof shall be given to all other shareholders of the Company pursuant to Section 228 of the Delaware General Corporation Law.

2.13 Compliance with Laws. Except as set forth in the Disclosure Schedule, to Sellers' knowledge, the Company and the Subsidiaries have complied in all material respects with all laws, statutes, rules, regulations, judgments, decrees and orders applicable to their business (including without limitation, any of the above which relate to the environment), except where the failure to comply with which would not have a material adverse effect on the business, operations or financial condition of the Company and the Subsidiaries taken as a whole.

2.14 Organization and Authority; Effect of Agreement.

(a) Each of FLSC and MBO II is a New York limited partnership and each has full power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance by FLSC and MBO II of this Agreement and the consummation by each of them of the transactions contemplated hereby have been duly authorized by all necessary partnership action on each of their part. This Agreement has been duly and validly executed and delivered by FLSC and MBO II and constitutes the valid and binding obligation of each of them, enforceable in accordance with its terms, except to the extent that such enforceability (i) may be limited by bankruptcy, insolvency or other similar laws relating to creditors' rights generally, and (ii) is subject to general principles of equity.

(b) Mabufin is a Netherlands Antilles corporation and has full power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance by Mabufin of this Agreement and the consummation by it of the transactions contemplated hereby have been duly authorized by all necessary corporate action. This Agreement has been duly and validly executed and delivered by Mabufin and constitutes the valid and binding obligation of Mabufin, enforceable in accordance with its terms except to the extent that such enforceability (i) may be limited by bankruptcy, insolvency or other similar laws relating to creditors' rights generally, and (ii) is subject to general principles of equity.

(c) Each Shareholder Individual has the right, power and capacity to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by each Shareholder Individual and constitutes his valid and binding obligation, enforceable in accordance with its terms, except to the extent that such enforceability (i) may be limited by bankruptcy, insolvency or other similar laws relating to creditors' rights generally, and (ii) is subject to general principles of equity.

(d) The execution, delivery and performance by FLSC, MBO II and Mabufin of this Agreement and the consummation by FLSC, MBO II and Mabufin of the transactions contemplated hereby will not, with or without the giving of notice or the lapse of time, or both (i) violate any provision of law, statute, rule or regulation to which FLSC, MBO II or Mabufin is subject, (ii) violate any order, judgment or decree applicable to FLSC, MBO II or Mabufin, or (iii) conflict with, or result

in a breach or default under, any term or condition of the FLSC Agreement of Limited Partnership, the MBO II Articles and Agreement of Limited Partnership or the Certificate of Incorporation or By-laws of Mabufin or any material agreement or other instrument to which FLSC, MBO II or Mabufin is a party or by which any of them may be bound, except for violations, conflicts, breaches or defaults which in the aggregate would not materially hinder or impair the consummation of the transactions contemplated hereby.

2.15 Employee Benefits and Agreements. Except as set forth the Disclosure Schedule or except to the extent there would be no material adverse effect on the business, operations or financial condition of the Company and the Subsidiaries taken as a whole:

(a) The Disclosure Schedule contains a list of (1) all material employment contracts between the Company and each Subsidiary and each executive officer thereof, (2) all collective bargaining agreements between the Company or any Subsidiary and employee representatives, and (3) all bonus, incentive, stock option, stock purchase, phantom stock, stock appreciation rights, performance shares, and similar plans either currently maintained by the Company or any Subsidiary or, if terminated, under which employees or former employees have rights that are outstanding, and all awards and agreements under any of such plans pursuant to which any employees or former employees hold outstanding rights.

(b) The Disclosure Schedule contains a list of each employee pension benefit plan (within the meaning of section 3(2) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") that is subject to the provisions of section 401 of the Code which the Company or any Subsidiary maintains or to which any of such parties contributes or is required to contribute on behalf of its employees. With respect to each of such plans, the most recent summary plan descriptions, the most recently filed Forms 5500 for each of such plans and the most recent actuarial reports prepared with respect to such plans have been furnished or made available to Buyer. None of such plans is a multiemployer plan as defined in section 414(f) of the Code, or section 4001(a)(3) of ERISA, nor is any such plan a plan with respect to which more than one employer makes contributions within the meaning of sections 4063 and 4064 of ERISA.

With respect to each plan described above in this Section 2.15(b): (i) a determination letter has been received to the effect that the plan is qualified under section 401 of the Code and the trust maintained pursuant thereto is exempt

from federal income taxation under section 501 of the Code, and, to the knowledge of Sellers, nothing has occurred to cause the loss of such qualification or exemption, (ii) all contributions required by the Code to be made to the plan for the plan year most recently ended and for all prior plan years have been made prior to the date of this Agreement, and neither the Company nor any Subsidiary has a minimum funding waiver outstanding with respect to such plan, (iii) the administrators or sponsors of the plan have complied in all material respects with applicable ERISA and Code requirements as to the filing of reports, returns, documents, and notices with the Secretary of Labor and the Secretary of the Treasury, or the furnishing of such documents to participants or beneficiaries of such plan, (iv) the Company and each Subsidiary, as appropriate, have in all material respects discharged all duties they have to the plan under sections 404 and 405 of ERISA, and to the knowledge of Sellers, no party whom the Company or any Subsidiary is obligated to indemnify for a breach of those provisions has committed any such breach, (v) all amendments required to be adopted as of the date of this Agreement to bring the plan into conformity with any of the applicable provisions of ERISA or the Code have been timely and duly adopted, and the amendments have been, or will be, timely filed under section 401(b) of the Code for a favorable determination letter thereon, (vi) any bonding required by applicable provisions of ERISA with respect to the plan has been obtained and is in full force and effect, and (vii) if the plan is subject to Title IV of ERISA, neither the Company nor any Subsidiary has any outstanding liability to the Pension Benefit Guaranty Corporation with respect to the plan other than for the payment of premiums.

(c) The Disclosure Schedule contains a list of each material unfunded deferred compensation, supplemental death, disability, medical reimbursement, employee welfare benefit plan (within the meaning of section 3(1) of ERISA) and, to the extent not included in Section 2.15(b) above, each material employee pension benefit plan maintained by the Company or any Subsidiary. With respect to each such plan that is funded or required to be funded through insurance, all premiums due and payable with respect to such insurance have been paid. With respect to each of such plans, the most recent summary plan descriptions, the most recently filed Forms 5500 for each of such plans and the most recent actuarial reports, if any, prepared with respect to such plans have been furnished or made available to Buyer.

(d) The Disclosure Schedule lists (i) all governmentally or court required plans, including, but not limited to, affirmative action plans, with respect to the Company or any Subsidiary, implemented since February 1986 and

the portion of calendar year 1987 prior to this Agreement and (ii) all governmentally or court ordered audits for compliance with applicable law that would require the continuation of any such plan or the implementation of any such plan that has not been put into effect on the date of this Agreement.

2.16 Consents. Except as set forth in the Disclosure Schedule, no consent, approval or authorization of, exemption by, or filing with, any governmental or regulatory authority is required in connection with the execution, delivery and performance by Sellers of this Agreement and the consummation by Sellers of the transactions contemplated hereby, excluding, however, consents, approvals, authorizations, exemptions and filings, if any, which Buyer is required to obtain or make. With respect to Sellers' representation and warranty that no filing is required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the rules and regulations thereunder (the "HSR Act"), Sellers are relying solely on Buyer's representation and warranty set forth in Section 3.04.

2.17 Licenses and Permits. The Company and the Subsidiaries have all governmental licenses and permits and other governmental authorizations and approvals required for the conduct of their businesses as presently conducted except where the failure to have any such license, permit, authorization or approval would not have a material adverse effect on the business, operations or financial condition of the Company and the Subsidiaries taken as a whole ("Material Permits"). The Disclosure Schedule includes a list of all Material Permits.

2.18 Availability of Documents. Sellers have heretofore made available for inspection by Buyer and its representatives correct and complete copies of the Certificate of Incorporation and By-laws of the Company and all written agreements, arrangements, commitments and documents referred to herein or in the Disclosure Schedule, in each case, together with all amendments and supplements thereto. Sellers have heretofore made available for inspection by Buyer and its representatives the corporate minute book of the Company and each of the Subsidiaries. Except as set forth in the Disclosure Schedule such corporate minute books contain the minutes of all the meetings of the stockholders, board of directors and any committees which have been held since February 1986 and on or before the date hereof and all written consents to action executed in lieu thereof since February 1986.

2.19 Business Relations. Except as disclosed in the Disclosure Schedule, neither the Company nor the Subsidiaries is required to provide any bonding or other financial security

arrangements in any material amount in connection with any transactions with any of its customers or suppliers. Except as set forth in the Disclosure Schedule, to the knowledge of Sellers, no customer or supplier of the Company or the Subsidiaries will cease to do business with the Company or the Subsidiaries after the consummation of the transactions contemplated hereby which would have a material adverse effect on the business, operations or financial condition of the Company and the Subsidiaries taken as a whole. Except as set forth in the Disclosure Schedule, since February 27, 1986, neither the Company nor any Subsidiary has experienced any difficulties in obtaining any raw materials necessary to the operations of its business which had a material adverse effect on the business, operations or financial condition of the Company and the Subsidiaries taken as a whole, and, to the knowledge of Sellers, no such shortage of raw materials which would have such a material adverse effect is threatened.

2.20 Interest in Competitors, Suppliers, Customers, Etc. Except as set forth in the Disclosure Schedule and except for any ownership of less than 50% of the outstanding equity securities registered under Section 12 of the Securities Exchange Act of 1934 of any issuer, neither any of the Sellers nor, to Sellers' knowledge, any officer or director of the Company or any Subsidiary or any affiliate of any such officer or director has any ownership interest in any material competitor, supplier or customer of the Company or any Subsidiary or any property used in the operation of the business of the Company or any Subsidiary.

2.21 Accounts Receivable. All accounts receivable reflected on the May Balance Sheet represent sales actually made or services actually rendered in the ordinary course of business on or prior to May 31, 1987; all accounts receivable of the Company or any Subsidiary as of the Closing Date will represent sales actually made or services actually rendered in the ordinary course of business on or prior to the Closing Date.

2.22 Employee Relations. To Sellers' knowledge, no union organizational campaign is in process or threatened in writing. Neither the Company nor any Subsidiary has incurred any material work stoppages, general labor disputes, or union strikes in the past eighteen months which had a material adverse effect on the business, operations or financial condition of the Company and the Subsidiaries taken as a whole, nor to Sellers' knowledge have any which would have such a material adverse effect been threatened in writing.

2.23 Lawsuit. The lawsuit styled William Roland Fry and Merchants National Properties, Inc. v. Sybron Corporation, et al. (the "Class Action") has been settled and sufficient

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Sellers as follows:

3.01 Organization. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has all requisite corporate power and authority to carry on its business as it is now being conducted and to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby.

3.02 Corporate Power and Authority; Effect of Agreement. The execution, delivery and performance by Buyer of this Agreement and the consummation by Buyer of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Buyer. This Agreement has been duly and validly executed and delivered by Buyer and constitutes the valid and binding obligation of Buyer, enforceable in accordance with its terms, except to the extent that such enforceability (i) may be limited by bankruptcy, insolvency or other similar laws relating to creditors' rights generally, and (ii) is subject to general principles of equity. The execution, delivery and performance by Buyer of this Agreement and the consummation by Buyer of the transactions contemplated hereby will not, with or without the giving of notice or the lapse of time, or both, (i) violate any provision of law, statute, rule or regulation to which Buyer is subject, (ii) violate any order, judgment or decree applicable to Buyer or (iii) conflict with, or result in a breach or default under, any term or condition of the Certificate of Incorporation or By-Laws of Buyer or any material agreement or other instrument to which Buyer or any of its subsidiaries is a party or by which any of them may be bound; except for violations, conflicts, breaches or defaults which in the aggregate would not materially hinder or impair the consummation of the transactions contemplated hereby and would not have a material adverse effect on the business, operations or financial condition of Buyer and its subsidiaries taken as a whole.

3.03 Investment Intent. Buyer is acquiring the Shares solely for its own account and not with a view to a sale or distribution thereof in violation of any securities laws. Buyer acknowledges that it has received, or has had access to, all information which it considers necessary or advisable to enable it to make a decision concerning its purchase of the

Shares, provided that the foregoing shall not limit or otherwise affect the rights or remedies of Buyer hereunder with respect to the breach of any representations, warranties, covenants or agreements of Sellers contained herein.

3.04 Consents. No consent, approval or authorization of, exemption by, or filing with, any governmental or regulatory authority is required in connection with the execution, delivery and performance by Buyer of this Agreement or the consummation by Buyer of the transactions contemplated hereby, excluding, however, consents, approvals, authorizations, exemptions and filings, if any, which Sellers are required to obtain or make. No filings are required to be made by Buyer or Sellers under the HSR Act in connection with the transactions contemplated hereby (including in connection with the formation of any entity participating in the purchase of the Shares hereunder).

3.05 Litigation. There is no action, proceeding or investigation in any court or before any governmental or regulatory authority pending or threatened in writing or, to Buyer's knowledge, orally threatened (i) which seeks to enjoin or obtain damages in respect of the consummation of the transactions contemplated hereby or (ii) with respect to which there is a reasonable likelihood of a settlement or determination which would have a material adverse effect on the business, operations or financial condition of Buyer and its subsidiaries taken as a whole.

3.06 Capital Stock of the Buyer. The capitalization of Buyer at the Closing will be as reflected in Schedule 3.06. All of the capital stock of Buyer outstanding at the Closing will be duly authorized, validly issued, fully paid and non-assessable. The Certificate of Designations governing the Preferred Stock will be identical to that set forth in Schedule B subject to changes reasonably satisfactory to Sellers. The Preferred Stock to be issued to Sellers or sold to the Company pursuant to this Agreement will, upon its issuance, be duly authorized, validly issued, fully paid and non-assessable, and such issuance will vest in Sellers or the Company, as the case may be, legal and valid title to the Preferred Stock, free and clear of all Encumbrances of any character whatsoever (other than Encumbrances created by Sellers and restrictions on sales of the Preferred Stock under applicable securities laws).

3.07 Availability of Funds. Buyer has received commitments to have available on the Closing Date sufficient funds to enable it to consummate the transactions contemplated

by this Agreement. Buyer has delivered to Sellers' true, correct and complete copies of all commitment letters entered into by Buyer with each of its lenders and equity investors, including but not limited to institutional investors and banking institutions pursuant to which Buyer proposes to obtain the funds necessary to consummate the transactions contemplated hereby. Buyer will deliver to Seller true, correct and complete copies of any amendments to or replacements of any such commmitment letters promptly upon receipt thereof.

3.08 Security Interest in Midwest. Buyer has not and will not have as of the Closing executed, delivered, filed or recorded any financing statement, specific assignment or other document which would create, preserve, perfect or validate any lien or security interest with regard to Midwest or any of its assets or properties in favor of any party other than the Sellers.

## ARTICLE IV

## COVENANTS OF THE PARTIES

Sellers, on the one hand, and Buyer, on the other hand, hereby covenant to and agree with one another as follows (except that no covenant or agreement is hereby made by Sellers with respect to any of the Assets Held for Disposition except as expressly provided in Section 4.01(b)):

4.01 Conduct of Business. Except as may be otherwise contemplated by this Agreement or required by any of the documents listed in the Disclosure Schedule or except as Buyer may otherwise consent to in writing (which consent shall not be unreasonably withheld), between the date hereof and the Closing Date:

(a) Sellers will cause the Company and the Subsidiaries to (i) in all material respects, operate their businesses only in the ordinary course; (ii) use their best efforts to preserve the business organization of the Company and the Subsidiaries as a whole intact; (iii) maintain their properties, machinery and equipment (as a whole) in sufficient operating condition and repair to enable the Company and the Subsidiaries to operate in all material respects their business in the manner in which they were operated immediately prior to the date hereof, except for maintenance required by reason of fire, flood or other acts of God (except that any insurance proceeds paid by reason of any such casualty after the date hereof shall be applied towards such maintenance); (iv) continue all of the Insurance Policies (or comparable insurance) in full force and effect; (v) use their best efforts to keep available until the Closing Date the services of their present officers and key employees (as a group); (vi) pay their accounts payable

and all other obligations in the ordinary course of business consistent with past practice since February 1986; and (vii) use their best efforts to preserve their relationships with their material lenders, suppliers, customers, licensors and licensees and others having material business dealings with them such that the business will not be materially impaired; and

(b) Sellers will cause the Company and the Subsidiaries not to (i) make any change in their respective Certificates of Incorporation, By-Laws or similar charter documents; (ii) make any change in their issued or outstanding capital stock (except to issue Shares in the event the Option is exercised or in replacement of SARs), or issue any warrant, option or other right to purchase shares of their capital stock or any security convertible into shares of their capital stock (other than additional SARs), or redeem, purchase or otherwise acquire any shares of their capital stock, or declare any dividends or make any other distribution in respect of their capital stock, other than dividends or distributions by a Subsidiary which is payable to the Company or another of the Subsidiaries; provided that the Company may, prior to October 1, 1987, make cash dividends or distributions to the Sellers, in an amount not exceeding the amount of cash on hand at such time (but not including cash received by the Company in repayment of the Notes and not including cash on hand in any foreign Subsidiary) and provided further that the Company may distribute to Sellers any of the Assets Held for Disposition and any consideration received from the sale of any of the Assets Held for Disposition; (iii) voluntarily incur or assume, whether directly or by way of guarantee or otherwise, any material obligation or liability, except obligations and liabilities incurred in the ordinary course of business or in connection with the sale of any of the Assets Held for Disposition which, with respect to the sale of any Assets Held for Disposition, (x) where an agreement or draft agreement covering such sale is listed in Schedule 1.09 of the Disclosure Schedule, shall not impose liabilities on the Company or any Subsidiary which, when taken as a whole, are greater than those liabilities, taken as a whole, reflected in such agreement or draft agreement as being retained or borne by the Company or a Subsidiary and (y) where no agreement or draft agreement is listed in such Schedule 1.09, shall be on terms which transfer the liabilities associated with such Asset to the purchaser thereof or another third party; (iv) mortgage, pledge or encumber any material part of their properties or assets, tangible or intangible, except in the ordinary course of business; (v) sell or transfer any material part of their assets, property or rights, or cancel any material debts or claims provided that the Company may repay all or any portion

of the indebtedness under the Credit Agreement in amounts not exceeding the amount of cash on hand from time to time prior to the Closing Date; (vi) amend or terminate any Material Agreement or any Material Permit to which they are parties, except in the ordinary course of business; (vii) make any material change in any Company Benefit Plans, except as required by law and except for changes made in the ordinary course of business in accordance with their customary practices (including increases in compensation and benefits after normal periodic performance reviews); (viii) make any material changes in the accounting methods, principles or practices employed by them, except as required by generally accepted accounting principles; (ix) make any capital expenditure or enter into any commitment therefor, other than such expenditures or commitments not exceeding $500,000 in the aggregate; (x) incur any debt or make any borrowings, or enter into any commitment therefor, except (A) under the Credit Agreement, (B) under the letters of credit referred to in Section 1.05 and (C) borrowings by the foreign Subsidiaries, provided that no borrowings may be made by a foreign Subsidiary if and to the extent such Subsidiary then has cash on hand, and provided further that the amount of borrowings described in clauses (A), (B), and (C) on the Closing Date, not including amounts borrowed to make the Option and SAR Payments, shall not exceed by more than $2 million the amount of such borrowings on September 30, 1987; or (xi) enter into any other agreement, course of action or transaction material to the Company and the Subsidiaries taken as a whole except in the ordinary course of business.

4.02 Approvals of Third Parties; Financing.
(a) Sellers and Buyer will use their diligent efforts, and will cooperate with one another, to secure all necessary consents, approvals, authorizations and exemptions from governmental agencies and other third parties, and to obtain the satisfaction of the conditions specified in Articles V and VI, as shall be required in order to enable Sellers and Buyer to effect the transactions contemplated hereby in accordance with the terms and conditions hereof.

(b) Sellers and the Company will cooperate with Buyer in obtaining the financing necessary to consummate the transactions contemplated hereby, including, without limitation, the approval, execution and delivery by the Company and the Subsidiaries of applicable loan and investment agreements, provided that nothing herein shall require any of Sellers, the Company or any of the Subsidiaries to incur any obligation or liability, including obligations for indemnification or for commitment fees, in advance of the Closing.

4.03 Employee Benefit Plans. Between the date hereof and the Closing Date, Sellers shall take any and all actions necessary or desirable to assure that the employee benefit plans maintained by the Company shall be continued in effect up to the Closing Date and that no assets of any such plans are distributed to any person except as required under the terms of such plans or by law.

4.04 Access. Subject to compliance by Buyer with the provisions of Section 4.05, from the date of this Agreement to the Closing Date Sellers shall (i) provide Buyer with such information as Buyer may from time to time reasonably request with respect to the Company, the Subsidiaries and the transactions contemplated by this Agreement, (ii) provide Buyer and its officers, counsel and other authorized representatives reasonable access during regular business hours and upon reasonable notice to the properties, books, and records of the Company and the Subsidiaries, or as Buyer may otherwise from time to time reasonably request, and (iii) permit Buyer to make such inspections thereof as Buyer may reasonably request; provided, however, that Sellers shall not be obligated to provide Buyer with any information relating to trade secrets. Any investigation shall be conducted in such a manner so as not to interfere unreasonably with the operation of the business of the Company and the Subsidiaries. Any disclosure whatsoever during such investigation by Buyer shall not constitute an enlargement of or additional warranties or representations of Sellers beyond those specifically set forth in this Agreement.

4.05 Confidentiality.

(a) Unless and until the Closing is consummated, Buyer or Sellers, as the case may be (the "Recipient"), will keep confidential any information which has been furnished to it by or on behalf of Sellers, the Company or the Subsidiaries, or by or on behalf of Buyer, as the case may be (the "Provider"), in connection with the transactions contemplated by this Agreement ("Confidential Information"), and shall use the Confidential Information solely in connection with the transactions contemplated by this Agreement. If this Agreement is terminated, the Recipient will return all Confidential Information to the Provider and either destroy any writings prepared by or on behalf of the Recipient based on Confidential Information or deliver such writings to the Provider. Confidential Information does not include information which (i) is or becomes (but only when it becomes) generally available to the public other than as a result of disclosure in violation of this Section 4.05, or (ii) is or becomes (but only when it becomes) available to the Recipient on a non-confidential basis from a source other than the

Provider, or any of its agents or advisors or employees, provided that such source is not bound by a confidentiality agreement with the Provider in respect thereof.

(b) The Recipient may disclose Confidential Information to any of its directors, officers, employees, agents, advisors and, in the case of Buyer, its prospective lenders and equity participants who need to know such Confidential Information in connection with the transactions contemplated by this Agreement; provided that, prior to making such disclosure, the Recipient shall inform all such persons and entities of the confidential nature of such Confidential Information and such persons and entities shall agree, for the benefit of the Provider, to be bound by the terms and conditions of this Section 4.05. In any event, the Recipient will be responsible for damages incurred by the Provider arising from any breach of this Section 4.05 by any person or entity to whom Confidential Information shall have been furnished. The Recipient may disclose Confidential Information if required by legal process or by operation of applicable law (but only to the extent so required), provided that such Seller shall first promptly notify Buyer thereof so that Buyer may seek an appropriate protective order and/or waive compliance by such Seller with the provisions of this Section 4.05.

(c) If the Closing occurs, each Seller agrees to keep confidential any information which he or it has concerning the Company and the Subsidiaries ("Sybron Confidential Information"). Sybron Confidential Information does not include information which (i) is or becomes (but only when it becomes) generally available to the public other than as a result of disclosure in violation of this Section 4.05, or (ii) is or becomes (but only when it becomes) available to any Seller on a non-confidential basis from a source other than the Buyer, the Company or the Subsidiaries, or any of their respective agents or advisors, provided that such source is not bound by a confidentiality agreement with Buyer, the Company or the Subsidiaries. Any Seller may disclose Sybron Confidential Information if required by legal process or by operation of applicable law (but only to the extent so required), provided that such Seller shall first promptly notify Buyer thereof so that Buyer may seek an appropriate protective order and/or waive compliance by such Seller with the provisions of this Section 4.05.

4.06 Exclusivity. Buyer shall have the exclusive right through the close of business on October 16, 1987 (or such later date as the term of this Agreement may be extended by Buyer pursuant to Section 1.02 or by the parties hereto in writing) to consummate the transactions contemplated herein, and during such exclusive period, neither Sellers, the Company

4.11 Preferred Stock. Buyer agrees that: (i) the Preferred Stock to be issued to Sellers will be identical in all respects to the junior preferred stock issued or to be issued prior to Closing by Buyer to Hicks & Haas Incorporated or any of its affiliates (the "Hicks & Haas Stock") and Donaldson, Lufkin & Jenrette Securities Corporation or any of its affiliates (the "DLJ Stock"), (ii) if the terms of either the Hicks & Haas Stock or the DLJ Stock are modified in any manner, Seller may elect to have the terms of the Preferred Stock modified in an identical manner, (iii) if Buyer waives any of the terms of the Hicks & Haas Stock or the DLJ Stock, the Seller may elect to have such term waived in the Preferred Stock, and (iv) Buyer will notify Sellers promptly of any such modification or waiver.

## ARTICLE V

## CONDITIONS TO BUYER'S OBLIGATIONS

The obligations of Buyer to consummate the transactions contemplated hereby shall be subject to the satisfaction on or prior to the Closing Date of all of the following conditions, except such conditions as Buyer may waive:

5.01 Representations, Warranties and Covenants of Sellers. Sellers shall have complied in all material respects with all of their agreements and covenants contained herein required to be complied with at or prior to the Closing Date, and all the representations and warranties of Sellers contained herein shall be true in all material respects on and as of the Closing Date with the same effect as though made on and as of the Closing Date, except as otherwise contemplated hereby, and except to the extent that such representations and warranties expressly make reference to a specified date and as to such representations and warranties the same shall continue on the Closing Date to have been true as of the specified date. Buyer shall have received a certificate executed by or on behalf of each of Sellers, and dated as of the Closing Date, certifying as to the fulfillment of the conditions set forth in this Section 5.01.

5.02 Further Action. All action (including notifications and filings) that shall be required to be taken by Sellers in order to consummate the transactions contemplated hereby shall have been taken and all consents, approvals, authorizations and exemptions from third parties that shall be required in order to enable Sellers to consummate the transactions contemplated hereby (except such as may be required in connection with Failed Deliveries) shall have been duly obtained (except for such actions, consents, approvals, authorizations and exemptions, the absence of which would not prohibit consummation of such transactions or render such consummation illegal), and, as of the Closing Date, the

transactions contemplated hereby shall not violate any applicable law or governmental regulation (it being understood by the parties hereto that, notwithstanding anything herein to the contrary, the receipt of the consents, approvals, authorizations and exemptions listed in Schedule 2.16 of the Disclosure Schedule shall not be a condition to Buyer's obligations hereunder).

5.03 No Governmental or Other Proceeding. No order of any court or governmental or regulatory authority or body which restrains or prohibits the transactions contemplated hereby shall be in effect on the Closing Date and no suit or investigation by any government agency to enjoin the transactions contemplated hereby or seek damages or other relief as a result thereof shall be pending or threatened in writing as of the Closing Date.

5.04 Opinion of Sellers' Counsel. Buyer shall have received the opinion of the several counsels referred to below, dated the Closing Date, to the effect that:

(a) FLSC, MBO II and Mabufin have all requisite power, authority or capacity to execute and deliver this Agreement and to consummate the transactions contemplated hereby; this Agreement has been duly and validly authorized, executed and delivered by FLSC, MBO II and Mabufin and is the valid and binding obligation of FLSC, MBO II and Mabufin enforceable in accordance with its terms, except to the extent that such enforceability (i) may be limited by bankruptcy, insolvency or other similar laws relating to creditors rights generally, and (ii) is subject to general principles of equity; and, to counsel's knowledge, all action necessary to be taken by or on behalf of FLSC, MBO II and Mabufin to transfer legal title and ownership of their Shares to Buyer has been duly and effectively taken;

(b) To such counsel's knowledge, no consent, approval or authorization of, exemption by, or filing with, any governmental or regulatory authority or body is required to be obtained by FLSC, MBO II and Mabufin in connection with the execution and delivery by FLSC, MBO II and Mabufin of this Agreement or the consummation by FLSC, MBO II and Mabufin of the transactions contemplated hereby, except such consents, approvals, authorizations, exemptions and filings as are referred to in this Agreement;

(c) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, and has all requisite corporate power and authority to carry on its business as it is now being conducted;

(d) The authorized capital stock of the Company consists of 250,000 shares of common stock, $.01 par value, of which 202,000 shares are designated as Class A Shares and 48,000 shares are designated as Class B Shares. As of the Closing Date, 202,000 Class A Shares and 40,940 Class B Shares are outstanding, and such Shares are validly issued, fully paid and non-assessable; and to such counsel's knowledge (based solely on such counsel's review of the minute books of the Company), there are outstanding no securities convertible into, exchangeable for or carrying the right to acquire capital stock of the Company or subscriptions, warrants, options, rights or other arrangements or commitments obligating the Company to issue or dispose of any capital stock of the Company or any ownership interest therein, except as set forth in Section 2.02; and

(e) All outstanding shares of capital stock of the Company's material Subsidiaries have been duly authorized, are to the knowledge of such counsel (based solely on such counsel's review of the minute books and stock records of the particular material Subsidiary) validly issued, fully paid and non-assessable, and are, to the knowledge of such counsel (based solely on his review of the stock records of the particular material Subsidiary) owned by the Company or another Subsidiary, as the case may be, free of any Encumbrances, except as set forth in this Agreement or the Disclosure Schedule.

(f) Assuming that Buyer is a "bona fide purchaser" (within the meaning of Sections 8-301 and 8-302 of the Uniform Commercial Code of the applicable jurisdiction) delivery by Sellers of the certificates representing their Shares to Buyer in accordance with this Agreement will transfer to Buyer title to such Shares, free of any "adverse claims" other than those created by Buyer.

Insofar as the foregoing opinions relate to FLSC and MBO II, such opinions shall be expressed by Fried, Frank, Harris, Shriver & Jacobson. Insofar as the foregoing opinions relate to Mabufin, such opinions shall be expressed by counsel reasonably acceptable to Buyer. Insofar as the foregoing opinions relate to any other matter set forth above, such opinions shall be expressed by Uldis Kordons, Esq., General Counsel to the Company. In expressing such opinions, such counsels may rely (i) as to factual matters upon the representations and warranties of the Sellers (and, as to the HSR Act, upon those of Buyer) contained in this Agreement and upon certificates or other documents furnished by Sellers and the Company, by the officers and directors of the Sellers and the Company or by governmental officials and (ii) upon such other documents (including opinions of local counsel) and

information as such counsel deem appropriate and reasonable as a basis for such opinion.

5.05 Delivery of Shares. Buyer shall have received executed Agreements from the holders of, and certificates for, Class A Shares and Class B Shares representing in the aggregate at least 90% of the total number of Class A Shares and at least 90% of the total number of Class B Shares outstanding.

5.06 FIRPTA Statement. Buyer shall have received from the Company a written statement that the Company is not a U.S. real property holding corporation, as defined in Section 897(c)(2) of the Code, which satisfies all of the requirements of Treasury Regulation Sections 1.1445-2T(c)(3) and 1.897-2(h).

5.07 Management. Buyer shall have entered into employment agreements with the following individuals on terms reasonably satisfactory to Buyer: (i) Mr. Kenneth F. Yontz, (ii) Mr. Floyd F. Pickrell, (iii) Mr. Kenneth Townsend, (iv) Mr. Brian Bremer, (v) Mr. Marshall Hyman, (vi) Mr. Burton Payne, (vii) Mr. Donald G. Rackl, and (viii) Mr. Frank Jellinek, Jr.

## ARTICLE VI

## CONDITIONS TO SELLERS' OBLIGATIONS

The obligations of Sellers to consummate the transactions contemplated hereby shall be subject to the satisfaction on or prior to the Closing Date of all of the following conditions, except such conditions as Sellers may waive:

6.01 Representations, Warranties and Covenants of Buyer. Buyer shall have complied in all material respects with all of its agreements and covenants contained herein required to be complied with at or prior to the Closing Date, and all of the representations and warranties of Buyer contained herein shall be true in all material respects on and as of the Closing Date with the same effect as though made on and as of the Closing Date, except as otherwise contemplated hereby, and except to the extent that such representations and warranties expressly make reference to a specified date and as to such representations and warranties the same shall continue on the Closing Date to have been true as of the specified date. Sellers shall have received a certificate of Buyer, dated as of the Closing Date and signed by an officer of Buyer, certifying as to the fulfillment of the condition set forth in this Section 6.01.

6.02 Further Action. All action (including notifications and filings) that shall be required to be taken by Buyer in order to consummate the transactions contemplated hereby shall have been taken and all consents, approvals, authorizations and exemptions from third parties that shall be required in order to enable Sellers to consummate the transactions contemplated hereby shall have been duly obtained (except for such actions, consents, approvals, authorizations and exemptions, the absence of which would not prohibit consummation of such transactions or render such consummation illegal), and, as of the Closing Date, the transactions contemplated hereby shall not violate any applicable law or governmental regulation (it being understood by the parties hereto that, notwithstanding anything herein to the contrary, the receipt of the consents, approvals, authorizations and exemptions listed in Schedule 2.16 of the Disclosure Schedule shall not be a condition to Sellers' obligations hereunder).

6.03 No Governmental or Other Proceeding. No order of any court or governmental or regulatory authority or body which restrains or prohibits the transactions contemplated hereby shall be in effect on the Closing Date and no suit or investigation by any government agency to enjoin the transactions contemplated hereby or seek damages or other relief as a result thereof shall be pending or threatened in writing as of the Closing Date.

6.04 Opinion of Buyer's Counsel. Sellers shall have received the opinion of Johnson & Swanson, counsel to Buyer, dated the Closing Date, to the effect that:

(a) Buyer has all requisite corporate power and authority to execute and deliver this Agreement and the Midwest Note and to consummate the transactions contemplated hereby and thereby; this Agreement and the Midwest Note have been duly authorized, executed and delivered by Buyer and are the valid and binding obligations of Buyer enforceable in accordance with their respective terms, except to the extent that such enforceability (i) may be limited by bankruptcy, insolvency or other similar laws relating to creditors rights generally, and (ii) is subject to general principles of equity and, to counsel's knowledge, all action necessary to be taken by or on behalf of Buyer for Buyer to obtain legal title and ownership of the Shares and to issue the Midwest Note has been duly and effectively taken;

(b) to such counsel's knowledge, no consent, approval or authorization of, exemption by, or filing with, any governmental or regulatory authority or body is required in connection with the execution and delivery by Buyer of this Agreement or the consummation by Buyer of the transactions

contemplated hereby, except such consents, approvals, authorizations, exemptions or filings as are referred to in this Agreement;

(c) the Preferred Stock to be issued to the Company pursuant to Section 1.07 and/or Sellers pursuant to Section 1.03 will, upon its issuance in accordance with the terms of this Agreement, be duly authorized, validly issued, fully paid and non-assessable and, assuming that the Company or Sellers, as the case may be, are "bona fide purchasers" (within the meaning of Sections 8-301 and 8-302 of the Uniform Commercial Code of the applicable jurisdiction), delivery by Buyer of the certificates representing the Preferred Stock to the Company or Sellers, as the case may be, in accordance with this Agreement will vest in the Company or Sellers, as the case may be, title to the Preferred Stock, free of any "adverse claims" other than those created by the Company or Sellers, as the case may be;

(d) the capitalization of Buyer is in all material respects as set forth in Schedule 3.06. The Preferred Stock has the attributes set forth in Schedule B in all material respects. All outstanding shares of capital stock of the Buyer have been duly authorized and are validly issued, fully paid and non-assessable. To such counsel's knowledge, except as set forth in such opinion, there are outstanding no securities convertible into, exchangeable for, or carrying the right to acquire, equity securities of the Buyer, or subscriptions, warrants, options, rights or other arrangements or commitments obligating Buyer to issue or dispose of any of its equity securities or any ownership interest herein; and

(e) if this Agreement has been assigned pursuant to Section 10.02, the opinions set forth in the foregoing paragraphs (a), (b), (c) and (d) are also expressed with respect to such assignee.

In expressing such opinion, such counsel may rely (i) as to factual matters upon the representations and warranties of Buyer contained in this Agreement and upon certificates or other documents furnished by Buyer, by the officers and directors of Buyer or by governmental officials and (ii) upon such other documents and information as such counsel deem appropriate and reasonable as a basis for such opinion.

6.05 Capitalization. Buyer shall have delivered to Sellers a certified copy of the Certificate of Incorporation of Buyer as amended to the Closing Date. The authorized capitalization of Buyer shall be in all material respects as set forth in Schedule 3.06. The Certificate of Designations governing the Preferred Stock shall be identical to that set forth in Schedule B, subject to changes reasonably satisfactory to Sellers.

ARTICLE VII

RESPECTING THE MIDWEST DIVISION

7.01 Sale of Midwest. (a) If the Closing occurs and Midwest is not sold to a third party prior to the Closing Date, Buyer shall deliver, at the Closing, a 60-day non-recourse note in the form of Schedule D hereto (the "Midwest Note") to the Representative, as part of the Purchase Price.

(b) Buyer hereby represents and warrants as follows: (i) Buyer has all requisite corporate power and authority to issue, execute, deliver and perform the Midwest Note and consummate the transactions contemplated thereby; (ii) the issuance, execution, delivery and performance by Buyer of the Midwest Note have been duly authorized by all necessary corporate action on the part of the Buyer; (iii) the Midwest Note has been duly and validly issued, executed and delivered by Buyer and constitutes the valid and binding obligation of Buyer, enforceable in accordance with its terms, except to the extent that such enforceability (x) may be limited by bankruptcy, insolvency or other similar laws relating to creditors' rights generally and (y) is subject to general principles of equity; and (iv) the issuance, execution, delivery and performance by Buyer of the Midwest Note and the consummation by Buyer of the transactions contemplated thereby will not, with or without the giving of notice or the lapse of time, or both, (x) violate any provision of law, statute, rule or regulation to which Buyer is subject, (y) violate any order, judgment or decree applicable to Buyer or (z) conflict with, or result in a breach or default under, any term or condition of the Certificate of Incorporation or By-Laws of Buyer or any material agreement or other instrument to which Buyer is a party or by which it may be bound; except for violations, conflicts, breaches or defaults which in the aggregate would not materially hinder or impair the consummation of the transactions contemplated hereby and by the Midwest Note.

7.02 Sale of Midwest Business. Sellers agree to use their best efforts to assist Buyer in selling Midwest on substantially the same terms as are contained in the Asset Purchase Agreement included in the Disclosure Schedule as Schedule 7.02 (the "Midwest Agreement"). In the event Buyer is unable to sell Midwest within 10 days prior to the Maturity Date (as defined in the Midwest Note), Sellers hereby agree that they will, or they will cause their designee to, purchase Midwest from Buyer, and Buyer will sell Midwest to Sellers or their designee, on or prior to the Maturity Date on substantially the same terms as in the Midwest Agreement.

7.03 Buyer's Actions. From and after the Closing and until the Maturity Date, Buyer, the Company and Nalge Company each agrees to use its good faith efforts to cause Midwest to be sold and to that end will cooperate with Sellers and Goldman, Sachs & Co. in attempting to sell Midwest, provided, however, that Midwest may not be sold without Sellers' prior written consent (which consent shall not be unreasonably withheld) unless the Net Proceeds (as defined in the Midwest Note), shall equal at least $12,500,000 and the sale shall be effected on substantially the same terms as the Midwest Agreement. In furtherance of the foregoing, Buyer, the Company or Nalge Company (or any other Buyer affiliate which may own Midwest) shall execute all sales agreements and related documentation necessary to effectuate the sale of Midwest, provided that such sales agreement meets the requirements of Section 4.01(b)(iii)(x) or (y).

7.04 Operation of the Midwest Business. From and after the Closing and until the Maturity Date, Buyer, the Company and Nalge Company (a) each shall use its good faith efforts to cause the business and operations of Midwest to be conducted in all material respects only in the ordinary course and (b) shall act in good faith in operating and managing Midwest to preserve Midwest's business organization and relationships with entities having business dealings with it and the value of Midwest's assets. Without limiting the generality of the foregoing, until the Maturity Date, except as Sellers may consent in writing (which consent shall not be unreasonably withheld), Buyer, the Company and Nalge Company shall use its good faith efforts to cause Midwest not to (i) enter into any material contract or commitment except in the ordinary course of business; (ii) mortgage, pledge, or encumber any of its assets or properties, except in the ordinary course of business; (iii) incur any obligation or liability, except in the ordinary course of business, (iv) guarantee or become a co-maker or accommodation maker or otherwise become or remain contingently liable in connection with any liability or obligation of any person except in the ordinary course of business; (v) sell or transfer any material part of its assets, property or rights or cancel any material debts or claims except in accordance with the provisions of this Article VII and except for the sale of inventory in the ordinary course of business, or (vi) amend or terminate any material agreement (including any employee benefit plans) or any material permit to which Midwest is a party or subject except in the ordinary course of business. The Buyer, the Company and Nalge Company shall cause Midwest not to enter into any transaction with Buyer or any of its affiliates on terms and conditions less favorable to Midwest than would apply in an arm's length transaction with an unaffiliated third party.

7.05 Limitation of Liability. Notwithstanding any other provision of this Article VII, neither the Buyer, the Company nor Nalge Company shall have any liability to Sellers under Section 7.04 except for the payments of the Midwest Note in accordance with its terms and except for a breach of this Article VII caused by the Buyer's, the Company's or Nalge Company's gross negligence or made willfully or in bad faith.

7.06 Indemnification. If Midwest is not sold to a third party prior to the Closing, Sellers jointly and severally (subject to Section 10.13) shall indemnify Buyer, the Company and Nalge Company and hold them harmless, on an after-tax basis as set forth in Section 8.06, from and against any and all claims, losses, liabilities and damages incurred by them by reason of their ownership of Midwest following the Closing, other than claims, losses, liabilities and damages representing accrued expenses or trade payables. Any amounts owed by Seller to Buyer pursuant to this Section 7.06 shall be offset by the amount of any tax benefit (federal, state, local and foreign) actually realized by Buyer, the Company or the Subsidiaries by reason of any loss recognized on the sale or other disposition of Midwest. If any tax benefit described in the preceding sentence is realized by Buyer, the Company or the Subsidiaries after receipt of any indemnification payments from Sellers to Buyer pursuant to this Section 7.06, Buyer shall pay to Sellers, within five days of realization of such tax benefit, an amount equal to the lesser of (i) the amount of such tax benefit, or (ii) the amount of such indemnification payments not theretofore repaid to Sellers pursuant to this sentence.

## ARTICLE VIII

## SURVIVAL AND INDEMNIFICATION

8.01 Survival. The representations and warranties contained in this Agreement or in any certificate or other document delivered pursuant hereto or in connection herewith (a "Certificate") and the covenants and agreements contained in Sections 4.01 and 4.03 shall not be extinguished by the Closing but shall survive until (and including) December 31, 1988. The covenants and agreements contained herein to be performed or complied with at or prior to the Closing Date (other than those contained in Sections 4.01 and 4.03) shall not survive the Closing. The covenants and agreements contained herein to be performed or complied with after the Closing (including without limitation Section 4.05 (c) insofar as it pertains to Sellers) shall survive without limitation as to time, unless the covenant or agreement specifies a term, in which case such covenant or agreement shall survive until the expiration of such specified term. A claim for indemnification by a party against the other under this Article VIII for inaccuracy in a

representation or warranty or breach of any covenants and agreements contained herein must be asserted in writing and in accordance with Section 8.03 prior to the expiration of the applicable time period referenced above, following which the same shall be barred for all purposes. If written notice of a claim for indemnification is given in accordance with Section 8.03 prior to the expiration of the applicable time period referenced above, then the representation, warranty, covenant, or agreement applicable to such claim shall survive until, but only for purposes of, resolution of such claim.

8.02 Indemnification. Subject to the provisions of Section 8.01, from and after the Closing, Sellers jointly and severally (subject to Section 10.13) and the Buyer and each of its subsidiaries (including the Company and the Subsidiaries) jointly and severally shall indemnify and hold harmless, on an after-tax basis (as set forth in Section 8.06), the other (the party seeking indemnification being referred to as the "Indemnified Party") from and against any and all claims, losses, liabilities and damages (net of any tax benefit resulting from such claim, loss, liability or damage as set forth in Section 8.06), including, without limitation, amounts paid in settlement, reasonable costs of investigation and reasonable fees and disbursements of counsel, arising out of or resulting from the inaccuracy of any representation or warranty, or the breach of any covenant or agreement, contained herein or in any Certificate, by the party against whom indemnification is sought (the "Indemnifying Party"; all of the Sellers being considered one Indemnifying Party for these purposes). An Indemnified Party shall make no claims against an Indemnifying Party for indemnification with respect to the representations and warranties contained herein (other than the representation and warranty contained in Section 2.25) or in any Certificate or the covenants and agreements contained in Section 4.01 or 4.03, (a) unless and until the aggregate amount of such claims against the Indemnifying Party exceeds $3.5 million (the "Deductible"), whereupon the Indemnified Party may claim indemnification for the amounts of such claims, or any portion thereof, exceeding the Deductible or (b) to the extent that the aggregate amount of payments made by an Indemnifying Party pursuant to this Section 8.02 ("Indemnification Payments") exceeds $20 million, it being agreed that the maximum amount of the Indemnifying Party's liability in excess of the Deductible in respect of all such representations, warranties, covenants and agreements shall not exceed $20 million in the aggregate. The sole remedy of Buyer against Sellers in respect of the portion of any Indemnification Payments under this Section 8.02 which, individually or in the aggregate, exceeds the Deductible by more than $5 million shall, at Sellers' option (and different Sellers may elect different options), be cancellation of Preferred Stock at the rate of one share for each $25 of such excess portion.

8.03 Notice of Claim. The Indemnified Party shall promptly notify the Indemnifying Party in writing of any claim for indemnification, specifying in detail the basis of such claim, the facts pertaining thereto and, if known, the amount, or an estimate of the amount, of the liability arising therefrom. The Indemnified Party shall provide to the Indemnifying Party as promptly as practicable thereafter all information and documentation necessary to support and verify the claim asserted and the Indemnifying Party shall be given reasonable access to all books and records in the possession or control of the Indemnified Party or any of its affiliates which the Indemnifying Party reasonably determine to be related to such claim.

8.04 Defense. If the facts giving rise to a right to indemnification arise out of the claim of any third party, or if there is any claim against a third party, the Indemnifying Party may assume the defense or the prosecution thereof, including the employment of counsel, at its cost and expense. The Indemnified Party shall have the right to employ counsel separate from counsel employed by the Indemnifying Party in any such action and to participate therein, but the fees and expenses of such counsel employed by the Indemnified Party shall be at its expense. The Indemnifying Party shall not be liable for any settlement of any such claim effected without its prior written consent which consent shall not be unreasonably withheld. Whether or not the Indemnifying Party does choose to so defend or prosecute such claim, all the parties hereto shall cooperate in the defense or prosecution thereof and shall furnish such records, information and testimony, and attend at such conferences, discovery proceedings, hearings, trials and appeals, as may be reasonably requested in connection therewith. The Indemnifying Party shall be subrogated to all rights and remedies of the Indemnified Party to the extent of any indemnifications provided hereunder.

8.05 Sole Responsibility. This Article VIII, Section 7.06, Section 1.04 and Section 10.06 set forth the only responsibility of Sellers and Buyer to indemnify one another against any claims or damages arising out of or related to the transactions contemplated by this Agreement.

8.06 Tax Effect of Indemnification Payments. Indemnification payments made pursuant to any provision of this Agreement, if any, shall be treated as adjustments to the Purchase Price payable hereunder for all purposes, including without limitation tax purposes, and each party to this Agreement agrees to file its tax returns on that basis. However, if an indemnification payment received pursuant to any provision of this Agreement is treated as income for federal,

foreign, state, county or local tax purposes, then the amount of such payment shall be increased by that amount necessary to insure that the payment, net of all applicable taxes, is equal to the claim amount. In determining the amount of claims against an Indemnifying Party pursuant to any provision of this Agreement and the amount to be paid by the Indemnifying Party, there shall be deducted from the gross amount of such claims an amount equal to the present value (using an 10% discount rate) of any tax benefit (federal, state, local or foreign) realized by the Indemnified Party by reason of such claims, calculated using the highest rate applicable or known to be applicable with respect to the taxable period or periods for which the tax benefit is, or reasonably is expected to be, realized.

## ARTICLE IX

## TERMINATION PRIOR TO CLOSING

9.01 Termination of Agreement. This Agreement may be terminated at any time prior to the Closing:

(i) By the mutual written consent of Buyer and the Representative; or

(ii) By the Representative or Buyer in writing if the Closing shall not have occurred on or before October 16, 1987 or such other date to which the Agreement has been extended pursuant to Section 1.02;

(iii) By the Representative or Buyer in writing if Buyer or Sellers, as the case may be, shall (x) fail to perform in any material respect its agreements contained herein required to be performed prior to the Closing Date, or (y) materially breach any of its representations, warranties, covenants or agreements contained herein, which failure or breach is not cured within five days after the party seeking to terminate has notified the other party of its intent to terminate this Agreement pursuant to this clause (iii); or

(iv) By the Representative if the commitment letters delivered by Buyers to Sellers pursuant to Section 3.07 shall have been amended in a manner not reasonably satisfactory to the Representative as adversely affecting Buyer's ability to finance the transactions contemplated hereby, or shall have been cancelled or withdrawn and not replaced within two business days of such cancellation or withdrawal with the same commitment letter or one or more commitment letters reasonably satisfactory to the Representative.

9.02 Termination of Obligations. Termination of this Agreement pursuant to this Article IX shall terminate all obligations of the parties hereunder, except for the obligations under Sections 4.05, 4.07, 4.08, 10.06 and 10.07; provided, however, that termination pursuant to clause (ii), (iii) or (iv) of Section 9.01 shall not relieve the defaulting or breaching party from any liability to the other party hereto resulting from its willful breach of this Agreement.

## ARTICLE X

## MISCELLANEOUS

10.01 Entire Agreement. This Agreement (including the Schedules, and the Disclosure Schedule) constitutes the sole understanding of the parties with respect to the subject matter hereof. Matters disclosed by Sellers to Buyer in any Section of this Agreement or in the Disclosure Schedule shall be deemed to be disclosed with respect to all Sections of this Agreement. No amendment, modification or alteration of the terms or provisions of this Agreement shall be binding unless the same shall be in writing and duly executed by the parties hereto.

10.02 Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors of the parties hereto; provided, however, that this Agreement may not be assigned by any party without the prior written consent of the other party hereto, except that the Buyer may, at its election and without the prior written consent of Sellers, assign this Agreement to any direct or indirect wholly-owned subsidiary or any other affiliate of Buyer so long as the representations and warranties of Buyer made herein are equally true of such assignee. If this Agreement is assigned with such consent or pursuant to such exceptions, the terms and conditions hereof shall be binding upon and shall inure to the benefit of the parties hereto and their respective assigns; provided, however, that no assignment of this Agreement or any of the rights or obligations hereof shall relieve any party of its obligations under this Agreement. With the exception of the parties to this Agreement, there shall exist no right of any person to claim a beneficial interest in this Agreement or any rights occurring by virtue of this Agreement.

10.03 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original and all of which shall constitute the same instrument. Upon the execution of this Agreement by each of FLSC and MBO II (collectively, the

"Initial Signers"), this Agreement shall become effective and binding upon Buyer and the Initial Signers. On or prior to the Closing Date, FLSC and MBO II shall use their best efforts to cause each of the Sellers (other than the Initial Signers) to execute and deliver this Agreement to Buyer.

10.04 Headings. The headings of the Sections and paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction hereof.

10.05 Modification and Waiver. Any of the terms or conditions of this Agreement may be waived at any time by the party which is entitled to the benefits thereof but only by a writing executed by such party. No waiver of any of the provisions of this Agreement shall be deemed to or shall constitute a waiver of any other provision hereof (whether or not similar).

10.06 Certain Fees. Each of the parties hereto (i) represents and warrants that it has not taken and will not take any action that would cause the other party hereto to have any obligation or liability to any person for a finder's or broker's fee, and (ii) agrees to indemnify the other party hereto for breach of the foregoing representation and warranty, whether or not the Closing occurs. The parties understand that Goldman, Sachs & Co. is to be paid a fee in connection with the consummation of the transactions contemplated hereby. The parties agree that, if the Closing occurs, all amounts owing to Goldman, Sachs & Co. will be paid in accordance with Section 10.07 and Sellers shall indemnify the Company against any liability therefor except to the extent that the third sentence of Section 10.07 is applicable.

10.07 Expenses. Sellers and Buyer shall each pay all costs and expenses incurred by it or on its behalf in connection with this Agreement and the transactions contemplated hereby, including, without limiting the generality of the foregoing, fees and expenses of its own financial consultants (including in the case of Sellers, Goldman, Sachs & Co.), accountants and counsel. In addition, if the Closing occurs, Sellers shall pay all unpaid costs and expenses incurred by the Company or any Subsidiary in connection with any divestiture (whether consummated or unconsummated) occurring after February 1986 and prior to the Closing and all unpaid costs and expenses associated with any previous efforts by Sellers to sell the Company to parties other than Buyer.

10.08 Notices. Any notice, request, instruction or other document (each, a "notice") to be given hereunder by any party hereto to any other party hereto shall be in writing and delivered personally or sent by registered or certified mail,

postage prepaid,

if to Sellers to:

The Representative
c/o FLSC Partners
767 Fifth Avenue
New York, New York 10153
Attention: Mr. John Sprague

with a copy to:

Fried, Frank, Harris, Shriver & Jacobson
One New York Plaza
New York, New York 10004
Attention: Stephen Fraidin, P.C.

and, if the notice relates to a claim by Buyer for breach of any of the representations and warranties contained in Section 2.01, 2.14, 2.20 or 2.24, or the covenants or agreements contained in Section 4.05 or 4.09, to the particular Seller against whom the claim is being made,

if to Buyer to:

Sybron Acquisition Company
c/o Hicks & Haas Incorporated
300 Crescent Court #1700
Dallas, Texas 75201
Attention: Mr. Robert B. Haas

with a copy to:

Johnson & Swanson
900 Jackson Street, Suite 100
Dallas, Texas 75202-4499
Attention: Lawrence D. Stuart, Jr.

and with a copy to:

Donaldson, Lufkin & Jenrette Securities Corporation
140 Broadway
48th Floor
New York, New York 10005
Attention: Mr. Peter T. Grauer

and with a copy to:

Donaldson, Lufkin & Jenrette Securities Corporation

2121 San Jacinto Street
Suite 1440
Dallas, Texas 75201
Attention: Mr. Douglas D. Wheat

or at such other address for a party as shall be specified by like notice. Any notice which is delivered personally in the manner provided herein 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). Any notice which is addressed and mailed in the manner herein provided shall be conclusively presumed to have been duly given to the party to which it is addressed at the close of business, local time of the recipient, on the third day after the day it is so placed in the mail.

10.09 Further Cooperation. From and after the Closing Date, each party, at the request of the other party and at the requesting party's expense, will each take all such action and deliver all such documents as shall be reasonably necessary or appropriate to confirm and vest title to the Shares in Buyer and otherwise enable Buyer and Sellers to enjoy the respective benefits contemplated by this Agreement. Sellers will, after the Closing, instruct Deloitte Haskins & Sells, Sellers' accountants, to make available for review by Buyer's accountants any non-proprietary work papers or other materials pertaining to prior years' audits of the Company and the Subsidiaries, which Buyer's accountants reasonably request in order to register any securities of the Buyer, the Company or any of the Subsidiaries under the federal and state securities laws.

10.10 Governing Law and Venue. This Agreement shall be construed in accordance with and governed by the laws of the State of New York applicable to agreements made and to be performed wholly within such jurisdiction. The parties agree that all actions or proceedings arising in connection with this Agreement shall be tried and litigated only in the federal or state courts, as the case may be, located in the State of Delaware. The Buyer and the Sellers hereby irrevocably submit to the exclusive jurisdiction of the federal and state courts located in the State of Delaware for the purpose of any such action or proceeding. Notwithstanding anything herein to the contrary (including Sections 10.08 and 10.12) service of process on the Representative shall not suffice as service of process on any Seller other than FLSC and MBO.

10.11 Public Announcements. Sellers and Buyer shall consult with each other before issuing any press releases or otherwise making any public statements with respect to this Agreement and the transactions contemplated hereby and shall not issue any such press release or make any public statement prior to such consultation.

10.12 Irrevocable Appointment of Representative. By the execution and delivery of this Agreement, including counterparts hereof, each Seller hereby irrevocably constitutes and appoints FLSC and MBO II, and each of them, as the true and lawful agent and attorney-in-fact (each of whom is referred to in this Agreement as the "Representative") of such Seller with full powers of substitution (and, if substituted, the Representative will promptly notify Buyer of such substitution) to act in the name, place and stead of such Seller with respect to the transfer of such Seller's Shares to Buyer in accordance with the terms and provisions of this Agreement, as the same may be from time to time amended, and to do or refrain from doing all such further acts and things, and to execute all such documents, as such Representatives, or either of them, shall deem necessary or appropriate in connection with any of the transactions contemplated under this Agreement, including, without limitation, the power:

(a) to receive, hold, and deliver to Buyer the certificates evidencing the Shares accompanied by executed stock powers, signature guarantees, and any other documents relating thereto on behalf of the Sellers;

(b) to execute and deliver all agreements, certificates, and documents which the Representative deems necessary or appropriate in connection with the consummation of the transactions contemplated by the terms and provisions of this Agreement;

(c) to receive and receipt for the Purchase Price and other funds;

(d) to terminate, amend, waive any provision of or abandon this Agreement;

(e) to act for the Sellers with regard to all indemnification matters referred to in this Agreement, including without limitation, the power to compromise any claim on behalf of each such Seller;

(f) to withhold from funds or the Preferred Stock received on behalf of Sellers prior to their distribution to Sellers any amount (including shares of Preferred Stock) which the Representative deems necessary as a reserve against expenses of sale (including, without limitation, fees of attorneys and accountants incurred pursuant to the sale of the Company and any other fees and expenses allocable or in any way relating to the transaction, any indemnification claim or adjustment to Purchase Price, all of which may be hereinafter referred to as "Expenses of Sale"), and to deposit the same (to the extent it constitutes cash) in any banking institution or investment which the Representative deems prudent under the circumstances on behalf of the Sellers;

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf as of the date first above written.

SYBRON ACQUISITION COMPANY

By: _____
President

FLSC PARTNERS

By: FLC XV Partnership,
its general partner

By: _____
A General Partner

FORSTMANN LITTLE & CO SUBORDNATED DEBT AND EQUITY MANAGEMENT BUYOUT PARTNERSHIP-II

By: FLC Partnership,
its general partner

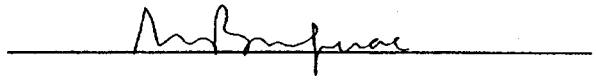
By: _____
A General Partner

MABUFIN, N.V.

By: FLC XV Partnership,
attorney-in-fact

By: _____
A General Partner

INDIVIDUAL SELLERS:



_____

_____

_____

The undersigned hereby agrees with Sellers to be bound by the provisions of Article VII of the foregoing Agreement effective upon the closing of the transactions contemplated by the Agreement.

Sybron Corporation

_____

By:

Nalge Company

_____

By:

#0111D

## SCHEDULE A

Class A

Shareholder

Michel Bergerac
375 Park Avenue - 18th Floor
New York, NY 10152

Peter Jaquith
6 Sea Colony Drive
Santa Monica, CA 90405

Stephen Fraidin
31 Old Lyme Road
Chappaqua, NY 10514

Matthew Fraidin
31 Old Lyme Road
Chappaqua, NY 10514

S.G. Fraidin, Cust/UGTMA
31 Old Lyme Road
Chappaqua, NY 10514

S.G. Fraidin, Cust/UGTMA
31 Old Lyme Road
Chappaqua, NY 10514

Richard W. Vieser
3 Dellwood Drive
Madison, NJ 07940

FLSC Partners
767 Fifth Avenue
New York, NY 10153

Forstmann Little Subordinated
Debt and Equity Management Buyout II
767 Fifth Avenue
New York, NY 10153

Mabufin N.V.
c/o Finabel S.A.
16 Rue de la Pelisserie
P.O. Box 348
1211 Geneva 3
Switzerland

Total Issued
and Outstanding Shares 202,000

Class B

Shareholder

Ditko, S.D.
7 Vaughn Drive
Ramsey, NJ 07446

Kordons, U.
13 Timberline Road
HoHoKus, NJ 07458

Leach, H.H.
Palmero Way & 17 Mile Drive
Pebble Beach, CA 93953

McCulloch, J.C.
77 Midwood Terrace
Madison, NJ 07940

Yontz, K.F.
152 South Mountain Avenue
Montclair, NJ 07042

Hoff, R.
945 Prince Phillip Drive
Dubuque, Iowa 52001

Sanders, D.
1816 Churchill
Dubuque, Iowa 52001

Townsend, K.
2110 Jonathan Lane
Dubuque, Iowa 52001

Wright, R.
2220 Clarke Crest Drive
Dubuque, Iowa 52001

Wagner, H.
2023 Key Largo
Dubuque, Iowa 52001

Bremer, B.
23 Southwick Court
Ann Arbor, Michigan 48105

Conway, R.
1603 Copeland Circle
Canton, MI 48187

Class B (cont.)

Shareholder

Girling, L.
2083 Glen Iris
Milford, MI 48042

Monaco, M.
Via Petrarca 105
Naples 80122, Italy

Nelson, R., Living Rev. Trust
18208 Laraugh Drive
Northville, Michigan 48167

O'Connell, J.
14671 Cheshire Place
Tustin, CA 92680

Babbitt, T.
Rural Rt. 1, Box 397
York, ME 03909

Collier, P.
13 Pond Path
North Hampton, NH 03862

Jellinek, F., Jr.
173 Atlantic Avenue
North Hampton, NH 03862

Wiatt, S.
7 Park Circle
North Hampton, NH 03862

Griffiths, K.
5 Jackstraw Path
Westborough, MA 01581

Payne, B.
55 Yarmouth Road
Wellesley Hills, MA 02181

Even, D.
2738 E. Belmont Court
Brea, CA 92621

Gunti, W.
Mulihalde 73
CH-8484
Weisslinger, Switzerland

Class B (cont.)

Shareholder

Keyler, C.
18141 Allegheny Drive
Santa Ana, CA 92705

Otsen, W.
4151 Manzanita
Irvine, CA 92714

Pickrell, F.
157 S. Donna Court
Anaheim, CA 92807

Straugh, E.
9811 Whirlaway Drive
Al Paloma, CA 91701

Trapani, J.
16453 Wimbeldon Lane
Huntington Beach, CA 92649

Waller, G.
8 Sarena
Irvine, CA 92715

Batty, L.
11 Cranston Road
Pittsford, NY 14534

Della Penta, D.
1460 West Bloomfield Road
Honeoye Falls, NY 14472

Hyman, M.
11 High Hill Drive
Pittsford, NY 14534

Maxim, M.
78 Pinebrook Drive
Rochester, NY 14616

Mehra, R.
1 Crow Hill Drive
Fairport, NY 14450

Richmond, R.
386 Antlers Drive
Rochester, NY 14618

| | |
|---|---|
| Total Issued and Outstanding | 40,940 |

SCHEDULE B

The designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions, of the shares of Junior Preferred Stock of the Corporation are as follows:

1. Dividends. The holders of Junior Preferred Stock shall be entitled to be paid cumulative dividends, as and when declared by the Board of Directors out of funds legally available therefor, at the rate per annum of $2.50 per whole share (computed on the basis of a 360 day year comprised of 12 months of 30 days each), payable semi-annually on March 31 and September 30 in each year, commencing with March 31, 1988, to holders of record as they appear on the register of the Junior Preferred Stock on the March 1 or September 1, as appropriate, immediately preceding such dividend payment date. Such dividends shall accumulate, as to each share, from the date such share is issued and shall be payable, at the option of the Board of Directors, in either cash or additional shares of Junior Preferred Stock (whole or fractional, as appropriate) at the rate of 1/25th of a whole share for each $1.00 of dividend declared.

Dividends on the Junior Preferred Stock which are not paid in cash or in additional shares of Junior Preferred Stock ("Additional Shares") shall accumulate without interest (and shall accumulate as if dividends were paid in Additional Shares on each dividend payment date through and including September 30, 1992 and such Additional Shares were outstanding on each succeeding dividend payment date thereafter) until such accumulated dividends shall have been paid in cash or in Additional Shares.

So long as any Junior Preferred Stock shall remain outstanding, no dividend whatsoever (other than a dividend or dividends payable solely in Common Stock and/or other capital stock ranking junior to the Junior Preferred Stock as to dividends and as to distribution of assets on liquidation) shall be declared or paid upon or set apart for any class of capital stock or series thereof ranking junior to the Junior Preferred Stock in payment of dividends or distribution of assets on liquidation nor shall any shares of any class of capital stock or series thereof ranking junior to or on a parity with the Junior Preferred Stock in payment of dividends or distribution of assets on liquidation be redeemed or purchased by the Corporation or any subsidiary thereof (except in exchange for Common Stock and/or other capital stock ranking junior to the Junior Preferred Stock as to dividends and as to distribution of assets on liquidation) nor shall any moneys be paid to or made available for a sinking fund for redemption or purchase of any shares of any class of capital

stock or series thereof ranking junior to or on a parity with the Junior Preferred Stock in payment of dividends or distribution of assets on liquidation unless, in each such instance, full dividends on all outstanding shares of Junior Preferred Stock for all past dividend periods shall have been paid at the rate fixed therefor, and the dividends on all outstanding shares of Junior Preferred Stock for the then current semi-annual dividend period shall have been paid or set aside for payment.

No dividend shall be paid upon or declared or set apart for any share of Junior Preferred Stock for any dividend period unless at the same time (i) a like proportionate dividend for the same dividend period shall be paid or set aside for payment on all shares of Junior Preferred Stock then outstanding and entitled to receive such dividend and (ii) there shall have been paid or set aside for payment on all shares of any other class of capital stock or series thereof, if any, then outstanding and ranking on a parity with the Junior Preferred Stock in payment of dividends, for the same dividend period of the Junior Preferred Stock, dividends ratably in proportion to the respective dividend rates fixed for the Junior Preferred Stock and said parity capital stock. No dividend shall be paid upon or declared or set apart for any shares of any other class of capital stock or series thereof, if any, then outstanding and ranking on a parity with Junior Preferred Stock in payment of dividends for any dividend period, unless there shall have been paid or set apart for payment on all shares then outstanding of Junior Preferred Stock, for the same dividend period, dividends ratably in proportion to the respective dividend rates fixed for the Junior Preferred Stock and said parity capital stock.

2. Liquidation. Subject to the rights of the holders of any class of capital stock or series thereof ranking senior to the Junior Preferred Stock in distribution of assets on liquidation, in the event of any liquidation, dissolution or winding up, whether voluntary or involuntary, the holder of each share of Junior Preferred Stock shall be entitled to receive, out of the assets of the Corporation legally available therefor, a cash liquidation payment equal to $25.00 per share plus a cash amount equal to all dividends accumulated and unpaid thereon to the date of payment before any distribution or payment shall be made to the holders of shares of Common Stock or any other class of capital stock or series thereof ranking junior to Junior Preferred Stock in distribution of assets on liquidation. If legally available funds are not sufficient to pay the full amount owed to the holders of Junior Preferred Stock pursuant to the preceding sentence and the full amount owed to the holders of any other class or series of capital stock ranking on a parity with the Junior Preferred Stock as to distribution of assets on liquidation, such funds shall be distributed to the holders of Junior Preferred Stock and such parity stock on a pro rata basis in proportion to their respective claims.

Written notice of any voluntary or involuntary liquidation, dissolution, or winding up of the affairs of the Corporation, stating the payment date and the place where the distributable amounts shall be payable shall be given by mail, postage prepaid, not less than 30 days prior to the payment date stated therein, to the holders of record of Junior Preferred Stock at their respective addresses as the same shall appear on the books of the Corporation.

Nothing herein contained shall be deemed to prevent redemption of the Junior Preferred Stock of the Corporation in the manner provided in paragraph 3 below.

Neither the merger or consolidation of the Corporation into or with any other corporation, nor the merger or consolidation of any other corporation into or with the Corporation, nor a sale, transfer, or lease of all or any part of the assets of the Corporation, shall, without further corporate action, be deemed to be a liquidation, dissolution, or winding up of the affairs of the Corporation within the meaning of this paragraph 2.

3. Redemption.

(a) Optional Redemption. The Corporation may, at its option, at any time and from time to time, redeem all or any portion of the outstanding shares of Junior Preferred Stock, for cash at a redemption price of $25.00 per share plus an amount equal to all accumulated and unpaid dividends thereon to the Redemption Date (as hereinafter defined), in accordance with subparagraph (b) of this paragraph 3.

(b) Redemption Procedure. If the Corporation shall determine to redeem less than all shares of Junior Preferred Stock then outstanding pursuant to subparagraph (a) of this paragraph 3, (i) the shares to be redeemed shall be selected pro rata (as nearly as may be) so that the number of shares redeemed from each holder shall bear the same proportion to all the shares to be redeemed that the total number of shares then held by such holder bears to the total number of shares then outstanding or (ii) if the number of holders of Junior Preferred Stock exceeds 250, and the Board of Directors so determines, the shares shall be selected by lot.

Notice of every redemption shall be mailed, first class, postage prepaid, not less than 30 nor more than 60 days prior to the date fixed for redemption (the "Redemption Date"), to each holder of record of shares to be redeemed, at such holder's address as it appears on the books of the Corporation. Each such notice shall state the Redemption Date; the number of shares of Junior Preferred Stock to be redeemed, and, if less

than all shares of the Junior Preferred Stock held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; the redemption price applicable to the shares to be redeemed; the place or places where such shares are to be surrendered; and that dividends on shares to be redeemed will cease to accrue on the Redemption Date.

Notice having been mailed as aforesaid, from and after the time of redemption (unless the Corporation defaults in providing money for the payment of the redemption price) dividends on shares called for redemption shall cease to accrue, said shares shall no longer be deemed to be outstanding, all rights of holders thereof as shareholders of the Corporation (except the right to receive the redemption price thereof, but without interest) shall terminate, and, upon surrender, in accordance with said notice, of the certificates for any such shares (properly endorsed or assigned for transfer, if the Board of Directors of the Corporation shall so require), such shares shall be redeemed by the Corporation at the applicable redemption price; provided, however, that the Corporation may include in such notice a statement that the money required for the payment of the redemption price will be deposited on a specified date, prior to the Redemption Date, with a specified bank or trust company (which shall have an office in the City of New York and which shall have a combined capital and surplus of not less than $50,000,000) in trust for the benefit of holders of shares called for redemption, and, notice having been given, from and after such deposit shares called for redemption shall no longer be deemed to be outstanding and all rights with respect to such shares shall forthwith upon such deposit cease and terminate except for the right to receive the amount payable upon surrender of the certificates representing such shares from such bank or trust company (but not from the Corporation). If less than all the shares represented by any surrendered certificate are redeemed, a new certificate representing the unredeemed shares shall be issued. Holders of shares of Junior Preferred Stock called for redemption shall not be entitled to any interest allowed by such depositary on money deposited to effect the redemption but any such interest shall be paid to the Corporation. Any money deposited as aforesaid for redemption of any shares and remaining unclaimed for five years after the date of such deposit shall then be repaid to the Corporation upon its request, and the holders of such shares shall thereafter look only to the Corporation for payment of the redemption price thereof, but without interest.

Any shares of Junior Preferred Stock redeemed or otherwise purchased or acquired by the Corporation shall be retired, shall no longer be deemed outstanding, and shall not be reissued.

4. Voting Rights.

(a) Generally. The holders of shares of Junior Preferred Stock shall not be entitled to vote except as set forth in subparagraph (b) of this paragraph 4 and as otherwise provided by law.

(b) Certain Actions. So long as any shares of the Junior Preferred Stock are outstanding, the Corporation shall not, without the written consent or the affirmative vote at a meeting called for that purpose of the holders of at least a majority of the votes of the shares of the Junior Preferred Stock then outstanding, voting separately as a class, amend, alter, or repeal any of the powers, preferences, or special rights of the Junior Preferred Stock (as expressed in the Certificate of Incorporation of the Corporation) so as to affect adversely such powers, preferences, or special rights.

5. Ranking.

(a) Rights to Dividends. The Junior Preferred Stock shall rank as to dividends (i) senior to the Common Stock and any other class or series of capital stock which by its express terms provides that it ranks junior to the Junior Preferred Stock as to dividends or which does not expressly provide for any ranking as to dividends, (ii) on a parity with any class or series of capital stock which by its express terms provides that it ranks on a parity with the Junior Preferred Stock as to dividends, and (iii) junior to any class or series of capital stock which by its express terms provides that it ranks senior to the Junior Preferred Stock as to dividends.

(b) Rights on Liquidation. The Junior Preferred Stock shall rank as to distribution of assets on liquidation (i) senior to the Common Stock and any other class or series of capital stock which by its express terms provides that it ranks junior to the Junior Preferred Stock as to distribution of assets on liquidation or which does not expressly provide for any ranking as to distribution assets on liquidation, (ii) on a parity with any class or series of capital stock which by its express terms provides that it ranks on a parity with the Junior Preferred Stock as to distribution of assets on liquidation, and (iii) junior to any class or series of capital stock which by its express terms provides that it ranks senior to the Junior Preferred Stock as to distribution of assets on liquidation.

6. Fractional Shares. Any fractional shares of Junior Preferred Stock, whether issued as Additional Shares pursuant to paragraph 1 or otherwise, shall be entitled to appropriately proportionate dividends, liquidation payments, voting rights, and all other rights of the Junior Preferred Stock.

7. Registration Rights.

(a) Request for Registration. Upon the written request of any of Forstmann Little & Co., Hicks & Haas Incorporated, or Donaldson, Lufkin & Jenrette Securities Corporation, which request shall be made no earlier than April 15, 1989, and no later than December 31, 1989, the Corporation shall file with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-1 or another appropriate form (the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"), covering all then outstanding shares of Junior Preferred Stock other than those excluded pursuant to the last sentence of this subparagraph (a) ("Registrable Securities"), and shall use its best efforts to cause the Registration Statement to become effective. Unless the holder or holders of a majority of the Registrable Securities to be registered under the Registration Statement ("Majority Holders") shall consent in writing, no other party, including the Corporation (but excluding another holder of a Registrable Security), shall be permitted to offer securities under the Registration Statement. Upon receipt of a request for registration pursuant to this subparagraph (a), the Corporation shall promptly notify each holder of Junior Preferred Stock. Notwithstanding the preceding provisions of this subparagraph (a), the Corporation shall not be required to register (i) shares of Junior Preferred Stock of any holder who requests in writing that such shares not be registered or (ii) shares of Junior Preferred Stock which have previously been sold pursuant to an effective registration statement under the Securities Act.

(b) Selection of Underwriters. At the option of the Majority Holders, the offering of Registrable Securities pursuant to the Registration Statement may be in the form of an underwritten offering; provided that the Corporation shall be entitled to select the book-running managing underwriter and such additional investment bankers and managers to be used in connection with the offering, subject to the approval of the Majority Holders (which approval shall not be unreasonably withheld).

(c) Registration Procedures. In connection with the Registration Statement, the Corporation shall:

(i) prepare and file the Registration Statement with the Commission on any form for which the Corporation then qualifies or which counsel for the Corporation shall deem appropriate and which form shall be available for the sale of the Registrable Securities thereunder in accordance with the intended method of distribution thereof, and use its best efforts to cause such filed registration statement to become effective; provided that if the Corporation shall furnish to the Majority Holders a certificate signed by the Chief

Executive Officer of the Corporation stating that in his good faith judgment it would be significantly disadvantageous to the Corporation or its shareholders for the Registration Statement to be filed as expeditiously as possible, the Corporation shall have a period of not more than 90 days (measured from the date it receives the request for registration) within which to file the Registration Statement; and provided further that after the filing of the Registration Statement, the Corporation will promptly notify each holder of Registrable Securities covered by the Registration Statement of any stop order issued or threatened by the Commission and take all reasonable actions required to prevent the entry of such stop order or to remove it if entered;

(ii) prepare and file with the Commission such amendments and supplements to the Registration Statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for a period of not less than 270 days or such shorter period which will terminate when all Registrable Securities covered by such registration statement have been sold and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by the Registration Statement during such period in accordance with the intended methods of disposition by the holders thereof set forth in the Registration Statement;

(iii) furnish to each holder whose Registrable Securities are to be included in the Registration Statement (a "Holder"), prior to filing the Registration Statement, if requested, copies of the Registration Statement as proposed to be filed, and thereafter furnish to such Holder such number of copies of the Registration Statement, each amendment and supplement thereto (in each case including all exhibits thereto), the prospectus included in the Registration Statement (including each preliminary prospectus) and such other documents as such Holder may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such Holder;

(iv) use its best efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions as any Holder or managing underwriter reasonably (in light of the intended plan of distribution) requests and do any and all other acts and things which may be reasonably necessary or advisable to enable such Holder or managing underwriter to consummate the disposition in such jurisdictions of the Registrable Securities owned by such Holder; provided that the Corporation will not be required to (i) qualify generally to do business in any jurisdiction where it would

not otherwise be required to qualify but for this subparagraph (c)(iv), (ii) subject itself to taxation in any such jurisdiction or (iii) consent to general service of process in any such jurisdiction;

(v) use its best efforts to cause such Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Corporation to enable the Holder or Holders thereof to consummate the disposition of such Registrable Securities;

(vi) notify each Holder of such Registrable Securities, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the occurrence of an event requiring the preparation of a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and promptly make available to each Holder any such supplement or amendment;

(vii) enter into customary agreements (including an underwriting agreement in customary form) and take such other actions as are reasonably required in order to expedite or facilitate the disposition of such Registrable Securities;

(viii) make available for inspection by any Holder of such Registrable Securities, any underwriter participating in any disposition pursuant to the Registration Statement and any attorney, accountant or other professional retained by any such Holder or underwriter (collectively, the "Inspectors"), all financial and other records, pertinent corporate documents and properties of the Corporation (collectively, the "Records") as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Corporation's officers, directors and employees to supply all information reasonably requested by any such Inspectors in connection with the Registration Statement. Records which the Corporation determines, in good faith, to be confidential and which it notifies the Inspectors are confidential shall not be disclosed by the Inspectors unless (i) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in the Registration Statement or (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction. Each Holder of such Registrable Securities agrees that information obtained by it as a result of such

inspections shall be deemed confidential and shall not be used by it as the basis for any market transactions in the securities of the Corporation or its affiliates unless and until such is made generally available to the public. Each Holder of such Registrable Securities further agrees that it will, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Corporation and allow the Corporation, at its expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential;

(ix) in the event such sale is pursuant to an underwritten offering, use its best efforts to obtain a comfort letter or comfort letters from the Corporation's independent public accountants in customary form and covering such matters of the type customarily covered by comfort letters as the Majority Holders reasonably request; and

(x) otherwise use its best efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering a period of twelve months, beginning within three months after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act.

The Corporation may require each Holder of Registrable Securities to promptly furnish in writing to the Corporation such information regarding the distribution of the Registrable Securities as it may from time to time reasonably request and such other information as may be legally required in connection with such registration.

Each Holder agrees that, upon receipt of any notice from the Corporation of the happening of any event of the kind described in subparagraph (c)(vi) hereof, such Holder will forthwith discontinue disposition of Registrable Securities pursuant to the Registration Statement covering such Registrable Securities until such Holder's receipt of the copies of the supplemented or amended prospectus contemplated by subparagraph (c)(vi) hereof, and, if so directed by the Corporation such Holder will deliver to the Corporation all copies, other than permanent file copies, then in such Holder's possession, of the most recent prospectus covering such Registrable Securities at the time of receipt of such notice. In the event the Corporation shall give such notice, the Corporation shall extend the period during which the Registration Statement shall be maintained effective (including the period referred to in subparagraph (c)(ii) hereof) by the number of days during the period from and including the date of the giving of notice pursuant to sub-

paragraph (c)(vi) hereof to the date when the Corporation shall make available to the Holders of Registrable Securities covered by the Registration Statement a prospectus supplemented or amended to conform with the requirements of subparagraph (c)(vi) hereof.

(d) Registration Expenses. In connection with the Registration Statement required to be filed hereunder, the Corporation shall pay the following registration expenses (the "Registration Expenses"): (i) registration and filing fees, (ii) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities), (iii) printing, mailing, and delivery expenses, (iv) internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), (v) the fees and expenses incurred in connection with the listing of the Registrable Securities if the Corporation shall choose to list such Registrable Securities, (vi) reasonable fees and disbursements of counsel for the Corporation and customary fees and expenses for independent certified public accountants retained by the Corporation (including the expenses of any comfort letters or costs associated with the delivery by independent certified public accountants of a comfort letter or comfort letters requested pursuant to subparagraph (c)(ix) hereof), (vii) the reasonable fees and expenses of any special experts retained by the Corporation in connection with such registration, and (viii) the reasonable fees and expenses of any transfer agents and registrars of the Registrable Securities, as selected by the Corporation. The Corporation shall not have any obligation to pay any underwriting fees, discounts or commissions attributable to the sale of Registrable Securities, or, except as provided by clause (ii) above, any out-of-pocket expenses of the Holders (or the agents who manage their accounts) or the fees and disbursements of counsel for any underwriter.

8. Indemnification; Contribution.

(a) Indemnification by the Corporation. The Corporation agrees to indemnify and hold harmless each Holder of Registrable Securities, its officers, directors and agents, and each person or entity, if any, who controls such Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Securities and Exchange Act of 1934 (the "Exchange Act") from and against any and all losses, claims, damages, liabilities and expenses (including reasonable costs of investigation) arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in any registration statement or prospectus relating to the Registrable Securities or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or based upon any omission or

alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages, liabilities or expenses arise out of, or are based upon, any such untrue statement or omission or allegation thereof based upon information furnished in writing to the Corporation by such Holder or on such Holder's behalf expressly for use therein and; provided, further, that with respect to any untrue statement or omission or alleged untrue statement or omission made in any preliminary prospectus, the indemnity agreement contained in this subparagraph 8(a) shall not apply to the extent that any such loss, claim, damage, liability or expense results from the fact that a current copy of the prospectus was not sent or given to the persons asserting any such loss, claim, damage, liability or expense at or prior to the written confirmation of the sale of the Registrable Securities concerned to such person if it is determined that it was the responsibility of such Holder or such underwriter to provide such person with a current copy of the prospectus and such current copy of the prospectus would have cured the defect giving rise to such loss, claim, damage, liability or expense. The Corporation also agrees to indemnify any underwriters of the Registrable Securities, their officers and directors and each person who controls such underwriters on substantially the same basis as that of the indemnification of the Holders provided in this subparagraph 8(a).

(b) Indemnification by Holder of Registrable Securities. Each Holder agrees to indemnify and hold harmless the Corporation, its directors and officers and each person or entity, if any, who controls the Corporation within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Corporation to such Holder, but only with respect to any losses, claims, damages, liabilities, or expenses arising out of or based upon any untrue statement, omission, or allegation thereof based upon information furnished in writing by such Holder or on such Holder's behalf expressly for use in any registration statement or prospectus relating to the Registrable Securities, or any amendment or supplement thereto, or any preliminary prospectus. Each Holder agrees to indemnify and hold harmless all underwriters of the Registrable Securities, their officers and directors and each person who controls such underwriters on substantially the same basis as that of the indemnification of the Corporation provided in this subparagraph 8(b).

(c) Conduct of Indemnification Proceedings. If any action or proceeding (including any governmental investigation) shall be brought or asserted against any person or entity entitled to indemnification under subparagraph 8(a) or 8(b) above (an "Indemnified Party") in respect of which indemnity may be sought from any party who has agreed to provide such indemnification (an "Indemnifying Party"), the Indemnifying Party shall

assume the defense thereof, including the employment of counsel reasonably satisfactory to such Indemnified Party, and shall assume the payment of all expenses. Such Indemnified Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Indemnifying Party has agreed to pay such fees and expenses or (ii) the named parties to any such action or proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and such Indemnified Party shall have been advised in writing by its counsel that there is a conflict of interest on the part of counsel employed by the Indemnifying Party to represent such Indemnified Party (in which case, if such Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense of such action or proceeding on behalf of such Indemnified Party; it being understood, however, that the Indemnifying Party shall not, in connection with any one such action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate firm of attorneys, together with appropriate local counsel, at any time for all such Indemnified Parties, which firm shall be designated in writing by such Indemnified Parties). The Indemnifying Party shall not be liable for any settlement of any such action or proceeding effected without its written consent (which consent shall not be unreasonably withheld), but if settled with its written consent, or if there be a final judgment for the plaintiff in any such action or proceeding, the Indemnifying Party shall indemnify and hold harmless such Indemnified Parties from and against any loss or liability (to the extent stated above) by reason of such settlement or judgment.

(d) Contribution. If the indemnification provided for in this paragraph 8 is unavailable to the Indemnified Parties in respect of any losses, claims, damages, liabilities or judgments referred to herein, then each such Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages, liabilities and judgments (i) as between the Corporation and the Holders on the one hand and the underwriters on the other, in such proportion as is appropriate to reflect the relative benefits received by the Corporation and the Holders on the one hand and the underwriters on the other, from the offering of the Securities, or if such allocation is not permitted by applicable law, in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Corporation and the Holders on the one hand and of the underwriters on the other in connection with

the statements or omissions which resulted in such losses, claims, damages, liabilities or judgments, as well as any other relevant equitable considerations and (ii) as between the Corporation on the one hand and each Holder on the other, in such proportion as is appropriate to reflect the relative fault of the Corporation and of each Holder in connection with such statements or omissions, as well as any other relevant equitable considerations. The relative benefits received by the Corporation and the Holders on the one hand and the underwriters on the other shall be deemed to be in the same proportion as the total proceeds from the offering (net of underwriting discounts and commissions but before deducting expenses) received by the Corporation and the Holders bear to the total underwriting discounts and commissions received by the underwriters, in each case as set forth in the table on the cover page of the prospectus. The relative fault of the Corporation and the Holders on the one hand and of the underwriters on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Corporation and the Holders or by the underwriters. The relative fault of the Corporation on the one hand and of each Holder on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by such party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Corporation and the Holders agree that it would not be just and equitable if contribution pursuant to this subparagraph 8(d) were determined by pro rata allocation (even if the underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above. The amount paid or payable by an Indemnified Party as a result of the losses, claims, damages, liabilities, or judgments referred to above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subparagraph 8(d), no underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Registrable Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, and no Holder shall be required to contribute any amount in excess of the amount by which the total price at which the Registrable Securities of such Holder were offered to the public exceeds the amount of any damages which such Holder has otherwise been required to pay by

reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

#0260J

SCHEDULE C

Interest Free Loan Note from Stephen C. Ditko, dated December 31, 1986, in the principal amount of $100,000.

Interest Free Loan Note from R. Jeffrey Harris and Cynthia C. Harris, dated December 29, 1986, in the principal amount of $100,000.

Equity Participation Loan Note from R. Jeffrey Harris and Cynthia C. Harris, dated December 29, 1986, in the principal amount of $200,000.

Interest Free Loan Note from Uldis Kordons and Virginia Lee Kordons, dated December 29, 1986, in the principal amount of $250,000.

Equity Participation Loan Note from Uldis Kordons and Virginia Lee Kordons, dated December 29, 1986, in the principal amount of $59,800.

Interest Free Loan Note from James C. McCulloch and Patricia G. McCulloch, dated December 31, 1986, in the principal amount of $300,000.

Interest Free Loan Note from Donald G. Rackl and Patricia Braun Rackl, dated December 30, 1986, in the principal amount of $100,000.

Equity Participation Loan Note from Donald G. Rackl and Patricia Braun Rackl, dated December 30, 1986, in the principal amount of $85,000.

Interest Free Loan Note from Eileen A. Short, dated December 30, 1986, in the principal amount of $100,000.

Equity Participation Loan Note from Eileen A. Short, dated December 30, 1986, in the principal amount of $24,000.

Interest Free Loan Note from Kenneth F. Yontz and Karen Yontz, dated December 29, 1986, in the principal amount of $350,000.

Schedule D

NON RECOURSE

PROMISSORY NOTE

October __, 1987

FOR VALUE RECEIVED, the undersigned, Sybron Acquisition Company, a Delaware corporation, and its successors and assigns (individually and collectively, the "Company"), hereby promises to pay to Sellers or their successors and permitted assigns (referred to herein as the "Payee") on the Maturity Date (as defined below) the principal amount of this Note, which principal amount is equal to the aggregate Net Proceeds (as defined below) from the sale or other disposition by the Company of the entire Midwest Business (as defined below).

Section 1. Interest. This Note shall bear no interest.

Section 2. Maturity. The principal amount of this Note, if not sooner paid, shall be due and payable on the Maturity Date.

Section 3. Non Recourse. Notwithstanding anything to the contrary contained herein, the Company shall not have any personal liability for the repayment of the indebtedness evidenced by this Note or for any claim based thereon, and Payee shall look solely to the Net Proceeds for the repayment of the indebtedness evidenced by this Note, and shall not seek any deficiency or personal judgment against the Company, and no property or asset of the Company, other than the Midwest Business, shall be subject to lien, levy, execution or other enforcement procedure for the repayment of the indebtedness, provided however, that nothing herein shall be deemed (i) to constitute a waiver of such indebtedness, (ii) to affect adversely Payee's right of foreclosure or (iii) to limit or restrict any action or proceeding against the Company which does not seek money damages or a money judgment against the Company.

Section 4. Prepayments. If the Company shall, at any time, receive any Net Proceeds it shall immediately pay them over to Sellers, by wire transfer of immediately available funds to the account of Sellers designated by the Representative, to prepay, in whole or in part, the outstanding principal amount of this Note.

Section 5. Collateral Security.

(a) Grant of Security Interest. As security for the Company's obligations to make payments on this Note and to perform its obligations under Article VII of the Purchase Agreement (the "Obligations"), the Company hereby

assigns, transfers, pledges and sets over to the Payee all of its right, title and interest in and to, and hereby grants to and covenants that it shall cause its indirect wholly owned subsidiary at the time, Nalge Company, to grant the Payee during the term of this Note a continuing first priority lien on and security interest in and to, (i) the Midwest Business and (ii) all proceeds of any of the foregoing to the extent that such proceeds constitute Net Proceeds (such items of collateral referred to in clauses (i) and (ii) are collectively referred to as the "Collateral").

(b) Foreclosure. Upon any failure by the Company to perform the Obligations, the Payee may exercise the rights and remedies against the Collateral set forth in Section 6, and any proceeds realized upon the sale, transfer or other disposition of any interest in such Collateral shall be paid to Payee only.

(c) Filings. The Company will and will cause Nalge Company to, in such manner and form as the Payee may require, and at Payee's expense, execute, deliver, file and record any financing statement, specific assignment or other document and take any other action that the Payee may reasonably request, in order to create, preserve, perfect or validate any lien or security interest in favor of the Payee hereunder or to enable the Payee to exercise and enforce its rights hereunder with respect to any of the Collateral.

Section 6. Default.

(a) Events of Default. Each of the following events shall constitute an Event of Default and the Payee shall thereupon have the option to declare the Company in default under this Note and to declare this Note immediately due and payable without demand, notice, presentment or further action of any kind:

(i) If the Company fails to pay any principal or perform any of its other Obligations under this Note or in Article VII of the Purchase Agreement when due including failure to make any payment required by Section 4 of this Note.

(ii) If the Company admits in writing its inability to pay its debts as they become due or makes a general assignment for the benefit of any of its creditors.

(iii) If the Company applies for, consents to, or acquiesces in the appointment of a trustee, receiver or other custodian for the Company or any of the property of the Company or, in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian is appointed for the Company or for a substantial part of the property of the Company and is not discharged within ten (10) days.

(iv) If a bankruptcy, reorganization, liquidation, dissolution or other case or proceeding under any bankruptcy or insolvency law is commenced in respect of the Company, and if such

case or proceeding is not commenced by the Company, it is consented to or acquiesced in by the Company or remains for ten (10) days undismissed.

(b) Remedies. After any acceleration hereunder, the Payee shall have in addition to the rights and remedies given it by this Note all those allowed by all applicable laws with respect to the Collateral, including, without limitation, the Uniform Commercial Code as enacted in any jurisdiction in which any Collateral may be located, from the sale or other disposition of the Collateral. Without limiting the generality of the foregoing, the Payee may, upon notice to the Company (as described below), sell at public or private sale or otherwise realize upon, the whole or, from time to time, any part of the Collateral. Any Net Proceeds realized from the sale or other disposition of the Collateral shall be paid immediately to the Payee.

Section 7. Definitions, as used herein:

"Midwest Business" shall mean the assets, properties and business of the Midwest Division of Nalge Company, a Nevada corporation.

"Maturity Date" shall mean sixty (60) days after the date hereof, without giving effect to any acceleration hereunder, provided that if the entire Midwest Business is sold prior to that date and the Net Proceeds therefor is received, then the Maturity Date shall be such earlier date as the final Net Proceeds are paid to Sellers in payment of this Note.

"Net Proceeds" shall mean an amount equal to the Proceeds of Sale less an amount equal to the cash, if any, provided to the Midwest Business by the Company from the date hereof and prior to the Maturity Date to fund any excess of cash disbursements over cash receipts for such period, offset by the excess of cash receipts over cash disbursements generated by the Midwest Division for such period.

"Proceeds of Sale" shall mean the aggregate proceeds realized by the Company from any sale or other disposition of all or any part of the Midwest Business to a third party plus any excess of cash on hand in the Midwest Business at the date hereof over such cash on hand at the close of business on September 30, 1987 if cash of the Midwest Business is not included in such sale or other disposition, less (without duplication) the out-of-pocket costs and expenses incurred by the Company or any affiliate of the Company in connection with the sale of or any attempts to sell the Midwest Business (including any broker, finder, legal, accounting and appraisal fees and expenses).

"Purchase Agreement" shall mean the Purchase Agreement, dated as of September 29, 1987 by and between FLSC Partners, Forstmann Little & Co. Subordinated Debt and Equity Management Buyout Partnership II, Mabufin N.V., various individual shareholders of Sybron Corporation and Buyer.

All other defined terms used herein and not defined herein shall have the meanings given to such terms in the Purchase Agreement.

SCHEDULE 3.(

Sybron Acquisition Company

Proposed Capitalization

($ Millions)

| | |
|---|---|
| Senior Credit Facility | 175.0 |
| Senior Zero Coupon Notes | 75.0 |
| Junior Subordinated Notes | 100.0 |
| Senior Preferred Stock | 50.0 |
| Junior Preferred Stock | 25.0 |
| Common Stock - Note 1 | 10.0 |
| **Total Proposed Capitalization** | **435.0** |

**Note 1** - The common stock as of the acquisition date will be diluted by 5% for employee stock options and an additional 5% for common stock purchase warrants issued to Hicks & Haas.

Exhibit 16

Skill Dex
RECYCLED

State of Delaware

# Office of Secretary of State

I, JEFFREY D. LEWIS, ACTING SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "SYBRON ACQUISITION COMPANY" FILED IN THIS OFFICE ON THE TWENTY-FOURTH DAY OF JANUARY, A.D. 1992, AT 3:16 O'CLOCK P.M.

* * * * * * * * * * *

Jeffrey D. Lewis
ACTING SECRETARY OF STATE

AUTHENTICATION: *3323373

DATE: 01/27/1992

732024022

CERTIFICATE OF AMENDMENT TO THE
RESTATED CERTIFICATE OF INCORPORATION
OF SYBRON ACQUISITION COMPANY

The undersigned, being the Vice President-Finance and Chief Financial Officer, and Vice President, General Counsel and Secretary, respectively, of Sybron Acquisition Company, a Delaware corporation (the "Corporation"), do hereby certify:

FIRST: The name of the corporation is Sybron Acquisition Company.

SECOND: The Restated Certificate of Corporation was filed with the Secretary of State of the State of Delaware on October 22, 1987.

THIRD: Article FIRST of the Restated Certificate of Incorporation hereby is amended to read in its entirety as follows:

"FIRST - The name of the corporation is Sybron Corporation."

FOURTH: The aforementioned amendment to the Restated Certificate of Incorporation was duly adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware (the "DGCL"). Written consent has been given in accordance with the provisions of Section 228 of the DGCL and written notice has been given to nonconsenting stockholders as provided in Section 228(d).

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be signed pursuant to Section 103(a)(2) of the Act by the undersigned duly authorized officers of the Corporation as of the 24th day of January, 1992.

SYBRON ACQUISITION COMPANY

By: _____
Donald G. Rackl
Vice President-Finance and
Chief Financial Officer

ATTEST:

_____
R. Jeffrey Harris
Vice President, General Counsel
and Secretary

Exhibit 17

007890

BK 1248 PG 0882



# State of Delaware

## Office of Secretary of State

I, JEFFREY D. LEWIS, ACTING SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "SYBRON CORPORATION" FILED IN THIS OFFICE ON THE TWENTY-FOURTH DAY OF JANUARY, A.D. 1992, AT 3:15 O'CLOCK P.M.

* * * * * * * * * *

DEPARTMENT OF STATE
OFFICE OF THE SECRETARY OF STATE
1835 1793 1970
DELAWARE

Jeffrey D. Lewis
ACTING SECRETARY OF STATE

AUTHENTICATION: *3323371

DATE: 01/27/1992

732024021

2

88574

BK-1248PG0883
STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 03:15 PM 01/24/1992
732024021 - 2081539

# CERTIFICATE OF AMENDMENT TO THE CERTIFICATE OF INCORPORATION OF SYBRON CORPORATION

The undersigned, being the Vice President-Finance and Chief Financial Officer, and Vice President, General Counsel and Secretary, respectively, of Sybron Corporation, a Delaware corporation (the "Corporation"), do hereby certify:

FIRST: The name of the corporation is Sybron Corporation.

SECOND: The Certificate of Corporation was filed with the Secretary of State of the State of Delaware on January 22, 1986.

THIRD: Article FIRST of the Certificate of Incorporation hereby is amended to read in its entirety as follows:

"FIRST - The name of the corporation is Sybron Holdings, Inc."

FOURTH: The aforementioned amendment to the Certificate of Incorporation was duly adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware (the "DGCL"). Written consent has been given in accordance with the provisions of Section 228 of the DGCL and written notice has been given to nonconsenting stockholders as provided in Section 228(d).

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be signed pursuant to Section 103(a)(2) of the Act by the undersigned duly authorized officers of the Corporation as of the 24th day of January, 1992.

SYBRON CORPORATION

By: _____
Donald G. Rackl
Vice President-Finance and
Chief Financial Officer

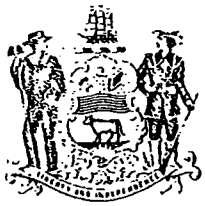
ATTEST:

_____
R. Jeffrey Harris
Vice President, General Counsel
and Secretary

Exhibit 18

Staff Dex
RECYCLED

# State of Delaware



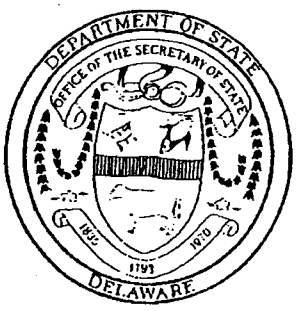
## Office of Secretary of State

I, MICHAEL RATCHFORD, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF OWNERSHIP OF ACQUIRING/SAC, INC., A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, MERGING SYBRON HOLDINGS, INC. A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, PURSUANT TO SECTION 253 OF THE GENERAL CORPORATION LAW OF THE STATE OF DELAWARE, AS RECEIVED AND FILED IN THIS OFFICE THE THIRTIETH DAY OF SEPTEMBER, A.D. 1992, AT 9 O'CLOCK A.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CORPORATION SHALL BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE.

A CERTIFIED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE APPROPRIATE COUNTY RECORDER OF DEEDS FOR RECORDING.

* * * * * * * * * * *




Michael Ratchford, Secretary of State

AUTHENTICATION: *3698113

DATE: 09/30/1992

732274005

# CERTIFICATE OF OWNERSHIP AND MERGER

# MERGING

# SYBRON HOLDINGS, INC.

# INTO

# ACQUIRING/SAC, INC.

## UNDER SECTION 253 OF THE DELAWARE GENERAL CORPORATION LAW

The undersigned, a Delaware corporation

DOES HEREBY CERTIFY

First: The name and state of incorporation of each of the constituent corporations is as follows:

| Name | State of Incorporation | Date of Incorporation |
|---|---|---|
| Sybron Holdings, Inc. | Delaware | January 22, 1986 |
| Acquiring/SAC, Inc. | Delaware | February 6, 1986 |

Second: Acquiring/SAC, Inc. ("Acquiring") owns all of the issued and outstanding shares of common stock of Sybron Holdings, Inc.

Third: On September 28, 1992, the Board of Directors of Acquiring adopted, by the unanimous written consent of its members and filed with the minutes of the board, the resolutions attached hereto as Exhibit A which are incorporated herein by reference.

Fourth: The Merger contemplated herein was approved by SAC/Nalge, Inc.; SAC/Ormco, Inc.; SAC/Erie, Inc.; SAC/Kerr, Inc.; SAC/Commonwealth, Inc.; SAC/Thermo-Barn, Inc. and SAC/Residual, Inc.; each a Delaware corporation and a stockholder of Acquiring by written consent dated September 28, 1991, pursuant to Section 228(a) of the Delaware General Corporation Law.

Fifth: The Certificate of Incorporation of Acquiring, as survivor, shall constitute the Certificate of Incorporation of the surviving corporation.

Sixth: This Certificate of Ownership and Merger shall be effective upon its filing date.

**IN WITNESS WHEREOF,** the undersigned has caused this certificate to be signed on its behalf on this 28th day of September, 1992 by an officer thereunto duly authorized, who affirms the statements contained therein as true under penalties of perjury.

Acquiring/SAC, Inc.

By: _____
Donald G. Rackl
Vice President

Attest:

By: _____
R. Jeffrey Harris
Secretary

Exhibit 19

# State of Delaware

## Office of Secretary of State

I, MICHAEL RATCHFORD, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF MERGER OF "ACQUIRING/SAC, INC." MERGING WITH AND INTO "SAC/RESIDUAL, INC." UNDER THE NAME OF "SAC/RESIDUAL, INC." AS RECEIVED AND FILED IN THIS OFFICE THE THIRTIETH DAY OF SEPTEMBER, A.D. 1992, AT 9:01 O'CLOCK A.M.

A CERTIFIED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE APPROPRIATE COUNTY RECORDER OF DEEDS FOR RECORDING.

* * * * * * * * * * *

Michael Ratchford, Secretary of State

AUTHENTICATION: *3608114

DATE: 09/30/1992

732274006

mgrdoc5

# CERTIFICATE OF MERGER

# MERGING

# ACQUIRING/SAC, INC.

# INTO SAC/RESIDUAL, INC.

# UNDER SECTION 251 OF THE DELAWARE

# GENERAL CORPORATION LAW ("DGCL")

The undersigned, a Delaware corporation

DOES HEREBY CERTIFY

First: The name and state of incorporation of each of the constituent corporations is as follows:

| Name | State of Incorporation | Date of Incorporation |
|---|---|---|
| SAC/Residual, Inc. | Delaware | October 8, 1987 |
| Acquiring/SAC, Inc. | Delaware | October 8, 1987 |

Second: An agreement and plan of merger (the "Agreement") has been approved, adopted, certified, executed and acknowledged by each of the constituent corporations in accordance with Section 251 of the DGCL.

Third: The name of the surviving corporation is "SAC/Residual, Inc."

Fourth: The Certificate of Incorporation of SAC/Residual, Inc., as survivor, shall constitute the Certificate of Incorporation of the surviving corporation.

Fifth: The Agreement is on file at the principal place of business of SAC/Residual, Inc, the surviving corporation, at 411 East Wisconsin Avenue, Milwaukee, Wisconsin 53202.

Sixth: SAC/Residual, Inc., as the surviving corporation, will furnish a copy of the Agreement, on request and without cost, to any stockholder of either constituent corporation.

IN WITNESS WHEREOF, the undersigned has caused this certificate to be signed on its behalf on this 28th day of September, 1992 by an officer thereunto duly authorized, who affirms the statements contained therein as true under penalties of perjury.

SAC/Residual, Inc.

By: _____
Kenneth F. Yontz
President

Attest:

By: _____
R. Jeffrey Harris
Secretary

mgrdoc1

# UNANIMOUS WRITTEN CONSENT OF THE BOARD OF DIRECTORS OF ACQUIRING/SAC, INC.

Pursuant to Section 141(f) of the
General Corporation Law of the State of Delaware

The UNDERSIGNED, being all the members of the Board of Directors of Acquiring/SAC, Inc., a Delaware corporation (the "Company"), do hereby unanimously consent to the adoption of the following resolutions:

**RESOLVED,** that, the Plan of Complete Liquidation of the Company attached hereto as Exhibit A (the "Liquidation Plan") be and hereby is adopted and approved, providing for the liquidation of the Company pursuant to Sections 332 and 337 of the Internal Revenue Code of 1986, as amended, through the distribution of its assets to its stockholders with no gain or loss being recognized by the stockholders or the Company.

**RESOLVED,** that, pursuant to Section 251 of the General Corporation Law of Delaware, and after consummation of the Liquidation Plan, the Company be merged with and into the sole remaining stockholder, SAC/Residual, Inc., in accordance with the terms of the Agreement and Plan of Merger attached hereto as Exhibit B (the "Merger Agreement").

**RESOLVED,** that the Liquidation Plan and the Merger Agreement shall be submitted to the stockholders of the Company.

**RESOLVED,** that the Liquidation Plan is to be effective upon its adoption and approval by the stockholders of the Company.

**RESOLVED,** that the officers of the Company be, and they hereby are authorized and directed to execute on behalf of the Company the Merger Agreement upon its approval by the stockholders of the Company.

**RESOLVED,** that the merger under the Merger Agreement is to be effective upon the filing of a Certificate of Merger with the Secretary of State of Delaware.

**RESOLVED,** that any one or more of the offers of the Company be, and each of them individually hereby is, directed and authorized, in the name and on behalf of the Company, to take or cause to be taken any and all such action, to execute and deliver any and all agreements, instruments and other documents, and to submit such matters to the stockholders of the Company, as such officer, in his sole discretion, deems necessary or desirable to effectuate the purpose and intent of the foregoing resolutions, the authority for the taking of such action to be conclusively evidenced by the execution and delivery of any such agreement or document.

**IN WITNESS WHEREOF,** the undersigned have executed these resolutions this 28th day of September, 1992.

DIRECTORS:

Kenneth F. Yontz

Donald G. Rackl

Exhibit A
to Unanimous Consent of Directors

# PLAN OF COMPLETE LIQUIDATION OF ACQUIRING/SAC, INC.

The following Plan of Complete Liquidation (the "Plan") of Acquiring/SAC, Inc., a Delaware corporation (the "Corporation"), shall be effective upon the adoption and approval of the Plan by the unanimous written consent of the stockholders of the Corporation. The date of the adoption and approval of the Plan by the stockholders of the Corporation is hereinafter called the "Effective Date". The Plan is intended to accomplish the complete liquidation of the Corporation through the distribution of the Corporation's assets to its stockholders, with no gain or loss being recognized by the stockholders or the Corporation, pursuant to Sections 332 and 337 of the Internal Revenue Code of 1986, as amended (the "Code").

1. Cessation of Business. After the Effective Date, the Corporation shall not engage in any of the business activities for which the Corporation was organized except for the purposes of prosecuting and defending suits, whether civil, criminal or administrative, by or against it, and of enabling the Corporation to gradually settle and close its business, to dispose of and convey its property, to discharge its liabilities and to distribute to its stockholders any remaining assets.

2. Payment of Debts; Distribution of Assets. After the Effective Date, the Corporation shall proceed to collect its assets, convey and dispose of such of its properties as are not to be distributed in kind to its stockholders, pay, satisfy or discharge its liabilities and obligations, or make adequate provision of the payment and discharge thereof, and do all other acts required to liquidate its business and affairs; in case the Corporation's property and assets are not sufficient to satisfy or discharge all of its liabilities and obligations, the Corporation shall apply them so far as they will go to the just and equitable payment of its liabilities and obligations. After paying or discharging all its liabilities and obligations, or making adequate provision for the payment and discharge thereof, the Corporation shall then distribute the remainder of its assets, either in cash or in kind, to stockholders designated by this Plan within the twelve month period commencing with the date of adoption of the Plan.

3. Distribution of Assets. After the Plan has become effective, the Corporation shall distribute assets to its stockholders (subject to the authorization for adjustments set forth in Section 6 hereof) in the following manner in cancellation of each such stockholders' shares of common stock of the Corporation (except for the shares held by SAC/Residual, Inc.):

   (a) The Corporation owns all of the issued and outstanding stock of each of Barnstead Thermolyne Corporation, a Delaware corporation ("Barnstead"), Nalge Company, a Delaware corporation ("Nalge"), Ormco Corporation, a Delaware corporation ("Ormco"), Erie Scientific Company, a Delaware corporation ("Erie"), Kerr Manufacturing Company, a Delaware corporation ("Kerr"), and Sybron

Commonwealth Holdings, Inc., a Delaware corporation ("Commonwealth"). The corporation also owns all of the issued and outstanding stock of Sybron Transition Corp., a Delaware corporation, Mexoserv Company, a Delaware corporation, and Haseway Pty., Ltd., an Australian limited liability company (collectively, the "Remaining Subsidiaries").

(b) The Corporation will distribute (i) all of the common stock of Barnstead to SAC/Thermo-Barn, Inc., a Delaware corporation and a stockholder of the Corporation, (ii) all of the common stock of Nalge to SAC/Nalge, Inc., a Delaware corporation and a stockholder of the Corporation, (iii) all of the common stock of Ormco to SAC/Ormco, Inc., a Delaware corporation and a stockholder of the Corporation, (iv) all of the common stock of Erie to SAC/Erie, Inc., a Delaware corporation and a stockholder of the Corporation, (v) all of the common stock of Kerr to SAC/Kerr, Inc., a Delaware corporation and a stockholder of the Corporation, (vi) all of the common stock of Commonwealth to SAC/Commonwealth, Inc., a Delaware corporation and a stockholder of the Corporation, and (vii) all of the common stock of the Remaining Subsidiaries to SAC/Residual, Inc., a Delaware corporation and a stockholder of the Corporation.

(c) The Corporation shall distribute the assets listed on Schedule A hereto to each stockholder based upon its proportionate share of the aggregate fair market value of all stockholders (subject to the authorization for adjustments set forth in Section 6 hereof).

(d) The Corporation shall retain only such amount as may be deemed necessary by the Board of Directors to meet the expenses of the Corporation in connection with the winding up of the affairs of the Corporation, any other transactions as contemplated by the Plan, or any other expenses and contingent liabilities of the Corporation. Prior to the expiration of twelve months from the date of adoption of this plan, those of the Corporation's assets as have not previously been distributed and which, in the opinion of the Board of Directors, are no longer reasonably required to meet such expenses and contingent liabilities, shall be distributed to its stockholders in accordance with Section 3(c) hereof. The Corporation may require the surrender for cancellation of certificates representing the Corporation's common stock by its stockholder as a condition of any distribution.

4. Liabilities. The Corporation shall transfer to each stockholder (subject to the authorization for adjustments set forth in Section 6 hereof) the liabilities listed on Schedule A hereto to each stockholder based upon its proportionate share of the aggregate fair market value of all stockholders (subject to authorization to adjustments set forth in Section 6 hereof), which liabilities shall be assumed by each stockholder to which such liabilities are transferred.

5. Assignment and Assumption. The Corporation shall effect the transfer to each stockholder (subject to the authorization for adjustments set forth in Section 6 hereof) of the assets described in Section 3 hereof and each such stockholder shall assume the liabilities allocated to it pursuant to section 4 hereof by executing a Bill of Sale and Assignment and

Assumption Agreement and other appropriate documents between the Corporation and each such stockholder upon such terms and conditions as the proper officers of the Corporation may deem necessary or appropriate.

6. Adjustment. The proper officers of the Corporation are, and each of them hereby is, authorized to effect such adjustments in the allocation of assets and liabilities among stockholders with due regard to each stockholder's proportionate share of the aggregate fair market value of all of the stockholders as they deem necessary or appropriate.

7. U.S. Treasury Form 966. The Corporation shall execute and file with the Internal Revenue Service a United States Treasury Form 966 pursuant to Section 6043 of the Code within thirty (30) days after the Effective Date and such additional or other forms and reports as may be necessary, desirable or appropriate in connection with the Plan and the carrying out thereof.

8. Power of Board of Directors. The Board of Directors of the Corporation and, subject to the direction of the Board of Directors, the officers of the Corporation shall have authority to do or authorize any and all acts and things as provided for in the Plan and any and all such further acts and things as they may consider desirable to carry out the purposes of the Plan, including, without limitation, the execution and filing of all such certificates, transfer documents, information returns, tax returns and other papers as may be necessary or appropriate to implement the Plan. The Board of Directors shall have authority to authorize such variations from and amendments to the provisions of the Plan as may be necessary or appropriate to effectuate the complete liquidation of the Corporation, and the distribution of its remaining assets, if any, to its stockholders in accordance with the laws of the State of Delaware.

Schedule A

**Originating in Sybron Holdings, Inc.**

| | |
|---|---|
| Receivables From: | |
| Nalge Company | $ 9,652,754 |
| Sybron Corporation | 712,895 |
| Kerr Manufacturing Company | 2,639,000 |
| Total Receivables | $ 13,004,649 |
| Payables To: | |
| Erie Scientific Company | $ 7,279,000 |
| Mexoserv Company | 664,545 |
| Ormco Corporation | 1,419,000 |
| Sybron Commonwealth Holdings, Inc. | 15,489,000 |
| Barnstead/Thermolyne Corporation | 736,022 |
| Sybron Transition Corp. | 145,756,172 |
| Total Payables | $171,343,739 |

**Originating In Acquiring/SAC, Inc.**

| | |
|---|---|
| Receivables From: | |
| Kerr Manufacturing Company | $ 3,000,000 |
| Sybron Transition Corp. | 2,243,896 |
| Total Receivables | $ 5,243,896 |
| Payables From: | |
| Sybron Corporation | $ 21,009,280 |

mgrdoc2

mgrdoc4

Exhibit B
to Unanimous Consent
of Directors

# AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER dated September 28, 1992 (this "Agreement") between SAC/Residual, Inc. ("Residual") and Acquiring/SAC, Inc. ("Acquiring"), each a Delaware corporation. Sybron and Acquiring are hereinafter sometimes collectively called the "Constituent Corporations".

WHEREAS, the authorized capital stock of Residual consists of 100,000 shares of Common Stock, par value $.01 per share, of which 2,000 are issued and outstanding, and all owned by Sybron Corporation (formerly Sybron Acquisition Company), a Delaware corporation, and 10,000 shares of Preferred Stock, par value $.01 per share, of which none has been issued (collectively the "Residual Stock");

WHEREAS, the authorized capital stock of Acquiring consists of 100,000 shares of Common Stock, par value $.01 per share, of which 10,000 are issued and outstanding, and all owned by SAC/Nalge, Inc. (2990 shares), SAC/Ormco, Inc. (1556 shares), SAC/Erie, Inc. (1548 shares), SAC/Kerr, Inc. (1343 shares), SAC/Commonwealth, Inc. (1119 shares), SAC/Thermo-Barn, Inc. (1442 shares) and Residual (2 shares), and 10,000 shares of Preferred Stock, par value $.01 per share, of which none have been issued (collectively the "Acquiring Stock");

WHEREAS, the respective Boards of Directors of each of the Constituent Corporations deem it advisable and to the welfare and advantage of each of the Constituent Corporations and their respective stockholders that the Constituent Corporations merge under and pursuant to the General Corporation Law of the State of Delaware such that Residual is the surviving corporation (such corporation in its capacity as such surviving corporation being hereinafter sometimes called the "Surviving Corporation"), and such Boards of Directors have approved this Agreement and the merger contemplated hereby (the "Merger");

NOW THEREFORE, the parties hereto hereby agree to the merger of Acquiring with and into Residual in accordance with the General Corporation Law of the State of Delaware, effective upon the filing of a Certificate of Merger substantially in the form of Exhibit 1 hereto with the Secretary of State of Delaware (the date and time of such event being the "Effective Date"), and the parties hereto adopt and agree to the following agreements, terms and conditions relating to the Merger and the mode of carrying the Merger into effect:

1. Name of Surviving Corporation, Certificate of Incorporation, Share Information, By-Laws, Directors and Officers.

1.1 Name of Constituent Corporations. The name of the Constituent Corporations are Residual and Acquiring.

1.2 Name of Surviving Corporation. The name of the Surviving Corporation after the Effective Date shall be "SAC/Residual, Inc.".

1.3 Certificate of Incorporation. On the Effective Date, the Certificate of Incorporation of Residual, as in effect on the date hereof, shall, from and after the Effective Date, be and continue to be the Certificate of Incorporation of the Surviving Corporation until amended as provided by law.

1.4 By-Laws. The By-Laws of Residual shall, from and after the Effective Date, be and continue to be the By-Laws of the Surviving Corporation until amended as therein provided.

1.5 Directors and Officers. The directors and officers of the Surviving Corporation from and after the Effective Date shall be those directors and officers of Residual in office on the Effective Date, each of whom shall hold office in the Surviving Corporation until his respective successor is elected and shall qualify in accordance with law and the By-Laws of the Surviving Corporation.

1.6 Vacancies. If, on or after the Effective Date, a vacancy exists in the Board of Directors or in any of the offices of the Surviving Corporation by reason of death or inability or refusal to act, or for any other reason, such vacancy may be filled in the manner provided in the By-Laws of the Surviving Corporation.

2. Status of Securities of Constituent Corporations.

2.1 Residual Stock. The shares of capital stock of Residual outstanding on the Effective Date shall continue as shares of capital stock of the Surviving Corporation.

2.2 Acquiring Stock. On the Effective Date, the outstanding shares of Acquiring shall, by virtue of the merger, automatically be canceled. From and after the Effective Date, (a) the holder of certificates theretofore representing outstanding shares of Acquiring shall cease to have any rights in respect of such shares, and (b) no transfer of any shares of Acquiring shall be made on the stock transfer books of the Surviving Corporation.

3. Miscellaneous.

3.1 Termination of Merger. At any time prior to the Effective Date, this Agreement may be terminated by mutual agreement of the Boards of Directors of the Constituent Corporations notwithstanding approval of this Agreement by the stockholders of any of the Constituent Corporations.

3.2 Effect of Merger. From and after the Effective Date, the status, rights and liabilities of, and the effect of the Merger on, each of the Constituent Corporations and the Surviving Corporation shall be as provided in Section 259 of the General Corporation Law of the State of Delaware. At any time, and from time to time after the Effective Date, the last acting officers of Acquiring, or the corresponding officers of the Surviving Corporation, may, in the name of Acquiring, execute and deliver all such proper deeds, assignments, and other instruments and take or cause to be taken all such further or other action as the Surviving Corporation may deem necessary or desirable in order to vest, perfect, or confirm in the Surviving Corporation title to and possession of all Sybron property, rights, privileges, powers, franchises, immunities, and interests and otherwise to carry out the purposes of this Agreement and the Merger.

3.3 Execution in Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been executed by each of the Constituent Corporations by its President and witnessed by its secretary, as of the date first above written.

ACQUIRING/SAC, INC.

By: _____
Kenneth F. Yontz
President

Attest: _____
R. Jeffrey Harris
Secretary

SAC/RESIDUAL

By: _____
Kenneth F. Yontz
President

Attest: _____
R. Jeffrey Harris
Secretary

I, R. Jeffrey Harris, Secretary of SAC/Residual, Inc., a Delaware corporation (the "Company"), certify that the foregoing Agreement and Plan of Merger (the "Agreement") was adopted and approved by the Board of Directors of the Company in accordance with Section 251(b) of the General Corporation Law of Delaware, and that (1) the Company's Certificate of Incorporation is not amended in any respect by the Agreement, (2) each share of the Company's capital stock outstanding immediately prior to the effective date of the merger is to be an identical outstanding share of the surviving corporation, and (3) no shares of common stock of the surviving corporation and no shares, securities or obligations convertible into such stock are to be issued or delivered under the Agreement.

IN WITNESS WHEREOF, I have hereunto signed my name as Secretary of the Company on September 28, 1992.

R. Jeffrey Harris
Secretary

Exhibit 1 to Agreement
and Plan of Merger

mgrdoc5

# CERTIFICATE OF MERGER

## MERGING

## ACQUIRING/SAC, INC.

## INTO SAC/RESIDUAL, INC.

## UNDER SECTION 251 OF THE DELAWARE

## GENERAL CORPORATION LAW ("DGCL")

The undersigned, a Delaware corporation

DOES HEREBY CERTIFY

First: The name and state of incorporation of each of the constituent corporations is as follows:

| Name | State of Incorporation | Date of Incorporation |
|---|---|---|
| SAC/Residual, Inc. | Delaware | October 8, 1987 |
| Acquiring/SAC, Inc. | Delaware | October 8, 1987 |

Second: An agreement and plan of merger (the "Agreement") has been approved, adopted, certified, executed and acknowledged by each of the constituent corporations in accordance with Section 251 of the DGCL.

Third: The name of the surviving corporation is "SAC/Residual, Inc."

Fourth: The Certificate of Incorporation of SAC/Residual, Inc., as survivor, shall constitute the Certificate of Incorporation of the surviving corporation.

Fifth: The Agreement is on file at the principal place of business of SAC/Residual, Inc, the surviving corporation, at 411 East Wisconsin Avenue, Milwaukee, Wisconsin 53202.

Sixth: SAC/Residual, Inc., as the surviving corporation, will furnish a copy of the Agreement, on request and without cost, to any stockholder of either constituent corporation.

IN WITNESS WHEREOF, the undersigned has caused this certificate to be signed on its behalf on this 28th day of September, 1992 by an officer thereunto duly authorized, who affirms the statements contained therein as true under penalties of perjury.

SAC/Residual, Inc.

By: _____
Kenneth F. Yontz
President

Attest:

By: _____
R. Jeffrey Harris
Secretary

Exhibit 20

# ARTICLES OF INCORPORATION
# OF
# SYBRON INTERNATIONAL CORPORATION

The undersigned incorporator, acting as incorporator of a corporation under the Wisconsin Business Corporation Law, Chapter 180 of the Wisconsin Statutes (the "WBCL"), adopts the following Articles of Incorporation for such corporation:

## ARTICLE I

### Name

The name of the corporation is Sybron International Corporation.

## ARTICLE II

### Registered Office and Agent

The address of the initial registered office is 411 East Wisconsin Avenue, Milwaukee, Wisconsin 53202, and the name of its initial registered agent at such address is R. Jeffrey Harris.

## ARTICLE III

### Purposes

The purposes for which the corporation is organized are to engage in any lawful act or activity within the purposes for which a corporation may be organized under the WBCL.

## ARTICLE IV

### Capital Stock

The total number of shares of all classes of capital stock which the corporation shall have authority to issue is One Hundred Thirty Million (130,000,000) shares, consisting of One Hundred Ten Million (110,000,000) shares of a class designated as "Common Stock" having a par value of $0.01 per share and Twenty Million (20,000,000) shares of a class designated as "Preferred Stock" having a par value of $0.01 per share.

*Common Stock.* Subject to the prior rights and preferences of any issued and outstanding shares of Preferred Stock, such dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the corporation may be declared and paid on the Common Stock from time to time out of any funds legally available therefor. Subject to any restrictions imposed by the WBCL, each outstanding share of Common Stock is entitled to one vote on each matter voted on at a shareholders' meeting. After payment shall have been made in full to the holders of Preferred Stock in the event of any liquidation, dissolution or winding up of the affairs of the corporation, the remaining assets and funds of the corporation shall be distributed among the holders of the Common Stock according to their respective shares.

*Preferred Stock.* The Preferred Stock may be issued from time to time in one or more series with distinctive serial designations and may have such voting powers, redemption rights, dividend rights, rights upon dissolution or distribution of assets, conversion or exchange rights, designations, preferences and relative participating, optional or other special rights, if any, and such qualifications, limitations and restrictions thereof as shall be provided by resolution of the Board of Directors pursuant to authority of Section 180.0602(1) of the WBCL (or any successor provision), which authority is hereby granted to and vested in the Board of Directors.

95 DEC 6 P3:16



WISCONSIN
STATE

WIS SEC-STATE
FILE I.D. # S044747

## ARTICLE V

### No Preemptive Rights

No holder of any stock of the corporation shall have any preemptive right to purchase, subscribe for, or otherwise acquire any shares of stock of the corporation of any class now or hereafter authorized, or any securities exchangeable for or convertible into such shares.

## ARTICLE VI

### Existence

The corporation shall have perpetual existence.

## ARTICLE VII

### Board of Directors; Bylaws

All the powers of the corporation, insofar as the same may be lawfully vested by these Articles of Incorporation in the Board of Directors, are hereby conferred upon the Board of Directors. In furtherance and not in limitation of that power, the Board of Directors shall have the power to make, adopt, alter, amend and repeal from time to time the Bylaws of the corporation, subject to the right of the shareholders entitled to vote with respect thereto to adopt, alter, amend and repeal Bylaws made by the Board of Directors, or to make new Bylaws; *provided, however,* that the Bylaws shall not be adopted, altered, amended or repealed, or new Bylaws made, by the shareholders of the corporation except by the affirmative vote of the holders of at least two-thirds (2/3) of the votes entitled to be cast thereon at any annual or special meeting of shareholders of the corporation.

## ARTICLE VIII

### Number and Term of Directors

The number of directors constituting the entire Board of Directors of the corporation shall be fixed by, or in the manner provided in, the Bylaws of the corporation, provided that such number shall be no less than six and no more than nine (plus such number of directors as may be elected from time to time pursuant to the terms of any Preferred Stock that may be issued and outstanding from time to time), as determined by the Board of Directors. The directors of the corporation shall be divided into three classes ("Class I", "Class II" and "Class III"), as nearly equal in number as possible, as determined by the Board of Directors. At each annual meeting of shareholders, directors elected to succeed those directors whose terms then expire shall be elected for a term of office to expire at the third succeeding annual meeting of shareholders after their election, with each director to hold office until his or her successor shall have been duly elected and qualified.

Notwithstanding the foregoing, whenever the holders of any one or more classes or series of Preferred Stock issued by the corporation shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of shareholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of these Articles of Incorporation or the resolution or resolutions adopted by the Board of Directors creating such class or series of Preferred Stock, and such directors so elected shall not be divided into classes pursuant to this Article VIII unless expressly provided by such terms.

Any director may be removed from office by the shareholders, but only for cause and only by the affirmative vote of a majority of the votes then entitled to be cast in an election of directors. Any vacancy occurring on the Board of Directors, including, but not limited to, a vacancy created by an increase in the number of directors or the removal of a director, shall be filled only by the affirmative vote of a majority of the directors then in office, even if such majority is less than a quorum of the Board of Directors, or by a sole remaining director. If no director remains in office, any vacancy may be filled by the shareholders. Any

director elected to fill a vacancy shall serve until the next election of the class for which such director shall have been chosen.

## ARTICLE IX

### Shareholder Vote

Notwithstanding any other provision of these Articles of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, the affirmative vote of the holders of at least two-thirds (2/3) of the votes entitled to be cast thereon at any annual or special meeting of the shareholders of the corporation shall be required to amend, alter or repeal Articles VII, VIII, IX and X of these Articles of Incorporation.

## ARTICLE X

### Special Meetings of Shareholders

Special meetings of shareholders of the corporation may be called by the Board of Directors pursuant to a resolution adopted by a majority of the members of the Board, or by the Chairman of the Board of Directors, or pursuant to one or more written demands signed by the holders of at least ten percent (10%) of all the votes entitled to be cast on any issue proposed to be considered at the proposed special meeting, which demand(s) must describe one or more purposes for which the special meeting is to be held.

## ARTICLE XI

### Incorporator

The name and address of the incorporator is R. Jeffrey Harris, 411 East Wisconsin Avenue, 24th Floor, Milwaukee, Wisconsin 53202.

Executed this 9th day of December , 1993

R. Jeffrey Harris

This document was drafted by:
R. Jeffrey Harris
411 East Wisconsin Avenue
24th Floor
Milwaukee, Wisconsin 53202

STATE OF WISCONSIN
FILED

DEC 0 9 1993

DOUGLAS LA FOLLETTE
SECRETARY OF STATE

Exhibit 21

Staff Dex
RECYCLED

*State of Delaware*

# *Office of the Secretary of State*

I, WILLIAM T. QUILLEN, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF MERGER, WHICH MERGES:

"SYBRON CORPORATION", A DELAWARE CORPORATION,

WITH AND INTO "SYBRON INTERNATIONAL CORPORATION" UNDER THE NAME OF "SYBRON INTERNATIONAL CORPORATION", A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF WISCONSIN, AS RECEIVED AND FILED IN THIS OFFICE THE TWENTY-SIXTH DAY OF JANUARY, A.D. 1994, AT 4:30 O'CLOCK P.M.

A CERTIFIED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS FOR RECORDING.

William T. Quillen

*William T. Quillen, Secretary of State*

2373588 8100M

944007722

AUTHENTICATION: 7012489

DATE: 01-28-94

SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 04:30 PM 01/26/1994
944007722 - 2137177

# CERTIFICATE OF MERGER
# OF
# SYBRON CORPORATION, A DELAWARE CORPORATION
# INTO
# SYBRON INTERNATIONAL CORPORATION, A WISCONSIN CORPORATION
# (UNDER SECTION 252 OF THE GENERAL CORPORATION LAW OF THE STATE OF DELAWARE)

Sybron International Corporation, a Wisconsin corporation, hereby certifies that:

1. The names and states of incorporation of each of the constituent corporations are:

   a. Sybron Corporation, a Delaware corporation; and

   b. Sybron International Corporation, a Wisconsin corporation.

2. An Agreement and Plan of Merger, which provides for the merger of Sybron Corporation with and into Sybron International Corporation, has been approved, adopted, certified, executed and acknowledged by Sybron Corporation and by Sybron International Corporation in accordance with the provisions of Subsection (c) of Section 252 of the General Corporation Law of the State of Delaware.

3. The name of the surviving corporation shall be Sybron International Corporation.

4. The Articles of Incorporation of Sybron International Corporation shall be the Articles of Incorporation of the surviving corporation.

5. The executed Agreement and Plan of Merger is on file at the principal place of business of Sybron International Corporation at 411 East Wisconsin Avenue, 24th Floor, Milwaukee, Wisconsin 53202.

6. A copy of the Agreement and Plan of Merger will be furnished by Sybron International Corporation, on request and without cost, to any stockholder of Sybron Corporation or Sybron International Corporation.

7. Sybron International Corporation hereby agrees that it may be served with process in Delaware in any proceeding for enforcement of any obligation of Sybron Corporation, as well as for enforcement of any obligation of Sybron International Corporation arising from the Merger, including any suit or other proceeding to enforce the rights of any stockholders as determined in appraisal proceedings pursuant to Section 262 of the General Corporation law of the State of Delaware, and Sybron International Corporation hereby irrevocably appoints the Secretary of State of Delaware as its agent to accept service of process in any such suit or other proceedings and a copy of such process shall be mailed by the Secretary of State to Sybron International Corporation at the following address:

411 East Wisconsin Avenue
24th Floor
Milwaukee, Wisconsin 53202
Attention: Corporate Secretary

8. In accordance with the Agreement and Plan of Merger, the Merger is effective January 31, 1994, 5:00 o'clock p.m., Milwaukee, Wisconsin time.

IN WITNESS WHEREOF, Sybron International Corporation has caused this Certificate to be signed by Kenneth F. Yontz, its Chairman of the Board, President and Chief Executive Officer, and attested by R. Jeffrey Harris, its Secretary, on the 25th day of January, 1994.

SYBRON INTERNATIONAL CORPORATION,
A WISCONSIN CORPORATION

By: _____
Kenneth F. Yontz
Chairman of the Board, President and
Chief Executive Officer

ATTEST:

By: _____
R. Jeffrey Harris
Secretary

Exhibit 22

Staff Dex
RECYCLED

*State of Delaware*

# *Office of the Secretary of State*

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF OWNERSHIP, WHICH MERGES:

"SAC/RESIDUAL, INC.", A DELAWARE CORPORATION,

WITH AND INTO "SYBRON INTERNATIONAL CORPORATION" UNDER THE NAME OF "SYBRON INTERNATIONAL CORPORATION", A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF WISCONSIN, AS RECEIVED AND FILED IN THIS OFFICE THE TWENTY-NINTH DAY OF SEPTEMBER, A.D. 1994, AT 1 O'CLOCK P.M.

A CERTIFIED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS FOR RECORDING.

*Edward J. Freel, Secretary of State*

2439366 8100M

944184781

AUTHENTICATION: 7255439

DATE: 09-29-94

# CERTIFICATE OF OWNERSHIP & MERGER
# OF
# SAC/RESIDUAL, INC., A DELAWARE CORPORATION
# INTO
# SYBRON INTERNATIONAL CORPORATION, A WISCONSIN CORPORATION

Sybron International Corporation, a Wisconsin corporation, hereby certifies that:

1. The names and states of incorporation of each of the constituent corporations are:

   a. SAC/Residual, Inc., a Delaware corporation; and

   b. Sybron International Corporation, a Wisconsin corporation.

2. The authorized capital stock of SAC/Residual, Inc. consists of 100,000 shares of common stock, par value $.01 per share, of which 2,000 are issued, outstanding, and owned by Sybron International Corporation, and 10,000 shares of preferred stock, par value $.01 per share, of which none have been issued.

3. An Agreement and Plan of Merger, which provides for the merger of SAC/Residual, Inc. with and into Sybron International Corporation, has been approved, adopted, certified, executed and acknowledged by Sybron International Corporation in accordance with the provisions of Business Corporation Law of the State of Wisconsin.

4. The name of the surviving corporation shall be Sybron International Corporation.

5. The Articles of Incorporation of Sybron International Corporation shall be the Articles of Incorporation of the surviving corporation.

6. A copy of the resolution of the Board of Directors adopted on September 21, 1994 in accordance with Section 253 is attached hereto.

7. The surviving corporation hereby agrees that it may be served with process in the State of Delaware in any proceeding for the enforcement of any obligation of SAC/Residual, Inc., arising from the merger, including the rights of any dissenting stockholders thereof, and hereby irrevocably appoints the Secretary of State of Delaware as its agent to accept service of process in any such suit or other proceedings and agrees that service of any such process may be made by personally delivering to and leaving with such Secretary of State of the State of Delaware duplicate copies of such process; and hereby authorizes the Secretary of State of the State of Delaware to send forthwith by registered mail one of such duplicate copies of such process addressed to it at 411 East Wisconsin Avenue, Suite 2400 Milwaukee, Wisconsin 53202 unless said surviving corporation shall hereafter designate in writing to such Secretary of State

of the State of Delaware a different address for such process, in which case the duplicate copy of such process shall be mailed to the last address so designated.

8. In accordance with the Agreement and Plan of Merger, the Merger is effective September 30, 1994, 5:00 o'clock p.m., Milwaukee, Wisconsin time.

IN WITNESS WHEREOF, Sybron International Corporation has caused this Certificate to be signed by Kenneth F. Yontz, its Chairman of the Board, President and Chief Executive Officer, and attested by R. Jeffrey Harris, its Secretary, on the 29th day of September, 1994.

SYBRON INTERNATIONAL CORPORATION

By: _____
Kenneth F. Yontz
Chairman of the Board, President and
Chief Executive Officer

ATTEST:

By: _____
R. Jeffrey Harris
Secretary

# PROPOSED RESOLUTIONS

**RESOLVED**, that, pursuant to the Wisconsin Business Corporation Law ("WBCL"), the Delaware General Corporation Law ("DGCL"), and Section 332 of the Internal Revenue Code of 1986, as amended, SAC/Residual, Inc. be merged into the Corporation in accordance with the terms of the Agreement and Plan of Merger and Liquidation attached hereto as Exhibit A (the "Merger Agreement").

**RESOLVED**, that the merger is to be effective on September 30, 1994.

**RESOLVED**, that the officers of the Corporation be, and they hereby are authorized and directed to execute, verify or acknowledge and file on behalf of the Corporation the Articles of Merger and the Certificate of Ownership and Merger and Liquidation in accordance with the WBCL and the DGCL.

**RESOLVED**, that any one or more of the officers of the Corporation be, and each of them individually hereby is, directed and authorized, in the name and on behalf of the Corporation, to take or cause to be taken any and all action, to execute and deliver any and all agreements, instruments and other documents, in the name and on behalf of the Corporation or otherwise, as such officer, in his sole discretion, deems necessary or desirable to effectuate the purpose and intent of the foregoing resolutions, the authority for the taking of such action to be conclusively evidenced by the execution and delivery of any such agreement or document.

**ARTICLES OF MERGER**
**OF**
**SAC/RESIDUAL, INC., A DELAWARE CORPORATION**
**INTO**
**SYBRON INTERNATIONAL CORPORATION, A WISCONSIN CORPORATION**

The undersigned corporation hereby executes the following Articles of Merger:

1. The names of the corporations which are parties to the Merger and the states in which such corporations are organized are as follows:

   a. SAC/Residual, Inc., a Delaware corporation; and

   b. Sybron International Corporation, a Wisconsin corporation.

2. The surviving corporation shall be Sybron International Corporation, which shall be governed by the laws of the State of Wisconsin.

3. The Agreement and Plan of Merger is attached as Exhibit A.

4. The Agreement and Plan of Merger was approved by Sybron International Corporation in accordance with Section 180.1103 and 180.1104 of the Wisconsin Business Corporation Law.

5. The Agreement and Plan of Merger was approved by SAC/Residual, Inc. in accordance with Section 252 and 253 of the Delaware General Corporation Law.

6. In accordance with the Agreement and Plan of Merger, the Merger is effective September 30, 1994, 5:00 o'clock p.m., Milwaukee, Wisconsin time.

IN WITNESS WHEREOF, the undersigned corporation has caused these Articles of Merger to be executed in its name this 28th day of September, 1994.

SYBRON INTERNATIONAL CORPORATION

By: _____
Kenneth F. Yontz
Chairman of the Board, President and
Chief Executive Officer

EXHIBIT A

AGREEMENT AND PLAN OF MERGER AND LIQUIDATION

AGREEMENT AND PLAN OF MERGER AND LIQUIDATION dated September 21, 1994 (this "Agreement") between Sybron International Corporation, a Wisconsin corporation ("Sybron"), and SAC/Residual, Inc., a Delaware corporation ("Residual"). Sybron and Residual are hereinafter sometimes collectively called the "Constituent Corporations."

WHEREAS, the authorized capital stock of Sybron consists of 130,000,000 shares consisting of 110,000,000 shares designated as "Common Stock" having a par value of $.01 per share and 20,000,000 shares designated as "Preferred Stock" having a par value of $.01 per share;

WHEREAS, the authorized capital stock of Residual consists of 100,000 shares of Common Stock, par value $.01 per share, of which 2000 are issued, outstanding, and owned by Sybron, and 10,000 shares of Preferred Stock, par value $.01 per share, of which none have been issued (collectively the "Residual Stock");

WHEREAS, the respective Boards of Directors of each of the Constituent Corporations deem it advisable and to the welfare and advantage of each of the Constituent Corporations and their respective stockholders that the Constituent Corporations merge under and pursuant to the Wisconsin Business Corporation Law and the Delaware General Corporation Law into a single corporation, and that pursuant to the Internal Revenue Code of 1986, as amended (the "Code"), Residual be liquidated into Sybron such that Sybron is the surviving corporation (such corporation in its capacity as such surviving corporation being hereinafter sometimes called the "Surviving Corporation"), and such Boards of Directors have approved this Agreement and the merger and liquidation contemplated hereby (the Merger");

NOW, THEREFORE, the parties hereto hereby agree to the complete liquidation of Residual under Section 332 of the Code, such liquidation to be effected by merger in accordance with the Wisconsin Business Corporation Law and the Delaware General Corporation Law, and that, after the filing of Articles of Merger with the office of the Wisconsin Secretary of State and the filing of a Certificate of Merger with the office of the Delaware Secretary of State, Residual shall merge into Sybron, such Merger to be effective as of 5:00 o'clock p.m. Milwaukee, Wisconsin time on September 30, 1994 (such time and date being referred to herein as the "Effective Date"), and the parties hereto adopt and agree to the following agreements, terms and conditions relating to the Merger and the mode of carrying the Merger into effect:

1. Name of Surviving Corporation, Certificate of Incorporation, Share Information, By-Laws, Directors and Officers.

1.1 Name of Constituent Corporations. The name of the Constituent Corporations are Sybron and Residual.

1.2 Name of Surviving Corporation. The name of the Surviving Corporation after the Effective Date shall be "Sybron International Corporation."

1.3 Certificate of Incorporation. On the Effective Date, the Certificate of Incorporation of Sybron, as in effect on the date hereof, shall, from and after the Effective Date, be and continue to be the Certificate of Incorporation of the Surviving Corporation until amended as provided by law.

1.4 By-Laws. The By-Laws of Sybron shall, from and after the Effective date, be and continue to be the By-Laws of the Surviving Corporation until amended as therein provided.

1.5 Directors and Officers. The directors and officers of the Surviving Corporation from and after the Effective Date shall be those directors and officers of Sybron in office on the Effective Date, each of whom shall hold office in the Surviving Corporation until his respective successor is elected and shall qualify in accordance with law and the By-Laws of the Surviving Corporation.

1.6 Vacancies. If, on or after the Effective Date, a vacancy exists in the Board of Directors or in any of the offices of the Surviving Corporation by reason of death or inability or refusal to act, or for any other reason, such vacancy may be filled in the manner provided in the By-Laws of the Surviving Corporation.

2. Status of Securities of Constituent Corporations.

2.1 Sybron Stock. The shares of capital stock of Sybron outstanding on the Effective Date shall continue as shares of capital stock of the Surviving Corporation.

2.2 Residual Stock. On the Effective Date, the outstanding Residual Stock shall, by virtue of the Merger and Liquidation, automatically be cancelled. From and after the Effective Date, (a) the holder of certificates theretofore representing outstanding shares of Residual Stock shall cease to have any rights in respect of such shares, and (b) no transfer of any shares of Residual Stock shall be made on the stock transfer books of the Surviving Corporation.

3. Miscellaneous.

3.1 Termination of Merger. At any time prior to the Effective Date, this Agreement may be terminated by mutual agreement of the Boards of Directors of the Constituent Corporations notwithstanding approval of this Agreement by the stockholders of any of the Constituent Corporations.

Exhibit 23

Staff Dex
RECYCLED

# TRANSFER AGREEMENT

This Transfer Agreement dated December 22, 1994 ("Agreement") between Sybron International Corporation, a Wisconsin corporation ("Sybron"), and Sybron Transition Corp., a Delaware corporation ("STC").

WHEREAS, STC's Board of Directors has declared a dividend of assets related to its current operations payable to its sole shareholder, Sybron; and

WHEREAS, to effectuate such dividend payment STC's Board of Directors has approved this Agreement and the transfer of certain such assets, subject to certain liabilities and obligations as contemplated hereby.

NOW THEREFORE, the parties hereto hereby agree as follows:

1. Transfer of Certain Assets:

STC agrees to transfer to Sybron, at the Effective Time (as hereinafter defined), the following assets (the "Transferred Assets"): (i) the December 31, 1994 balance of the accounts listed on Schedule 1 attached hereto to the extent the balances in such accounts are related to the current and continuing operations of STC, (ii) all its rights under contracts, agreements, benefit and welfare plans to the extent they are related to current and continuing operations of STC, (iii) all furniture, files, records, fixtures and other personal property related to the current and continuing operations of STC, and (iv) all other assets of STC to the extent they are related to current and continuing operations of STC.

2. Assumption of Related Liabilities.

In consideration of the transfer to it of the Transferred Assets, Sybron agrees to assume those obligations and liabilities relating directly to the Transferred Assets (the "Assumed Liabilities").

3. Retention of Certain Assets and Related Liabilities

STC shall retain all assets, liabilities and obligations relating to its discontinued or divested operations.

4. Miscellaneous.

*4.1 Termination of Transfer.* At any time prior to the Effective Time, this Agreement may be terminated by mutual agreement of the parties.

*4.2 Execution in Counterparts.* This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

*4.3 Effective Time.* The transfer of the Transferred Assets by STC to Sybron and the assumption by Sybron of the Assumed Liabilities shall be effected by the execution by the parties of the Bill of Sale and Assignment and Assumption Agreement substantially in the form attached hereto as Exhibit A, such transfer and assumption to be deemed effective as of the close of business on December 31, 1994 (the "Effective Time").

IN WITNESS WHEREOF, this Agreement has been executed by each party as of the date first above written.

SYBRON INTERNATIONAL CORPORATION

By: Kenneth F. Yontz
President

SYBRON TRANSITION CORP.

By: Dennis Brown
Vice President and Treasurer

Schedule 1

ACCOUNTS TO BE TRANSFERRED TO
SYBRON INTERNATIONAL CORPORATION
LESS AMOUNTS RELATED TO DIVESTED OPERATIONS

| | |
|---|---|
| 190104 | PREPAID OTHER ASSETS |
| 190400 | WORKERS' COMP RESERVE |
| 350710 | POST RETIREMENT MED/LIFE |
| 350715 | NEW POST-RETIREMENT S-T |
| 350770 | LEGAL RESERVES |
| 420710 | POST RETIREMENT MED/LIFE L-T |
| 420715 | NEW POST RETIREMENT L-T |

MERGE.WK3

Schedule 1

ACCOUNTS TO BE TRANSFERRED TO
SYBRON INTERNATIONAL CORPORATION
IN TOTAL

| | |
|---|---|
| 100100 | PETTY CASH |
| 100210 | CHEMICAL 134-0-89151 |
| 100211 | CHEMICAL DISB ACCT |
| 100212 | INVESTMENTS |
| 100225 | FIRST BANK MILW - DEPOSITS |
| 100226 | FIRST BANK MILW - PAYROLL |
| 100501 | CASH IN TRANSIT |
| 102400 | CONTINENTAL BANK |
| 103300 | CHEMICAL LONDON US$ ACCOUNT |
| 103400 | CHEMICAL BANK LONDON |
| 105400 | PITTSBURGH NATIONAL BANK |
| 130000 | MISCELLANEOUS RECEIVABLE |
| 167005 | PENSION INVENTORY - 1986 |
| 170100 | PENSION INVENTORY RESERVE |
| 190100 | PREPAID RENT |
| 190101 | PREPAID INSURANCE |
| 190102 | PREPAID DENTAL CLAIMS |
| 190301 | EMPLOYEES TEMPORARY ADVANCE |
| 190302 | TEMPORARY ADVANCES - MCBRYDE |
| 190303 | TEMPORARY ADVANCES - HARRIS |
| 190305 | TEMPORARY ADVANCES - SCOTT |
| 190306 | TEMPORARY ADVANCES - BROWN |
| 190307 | TEMPORARY ADVANCES - SHORT |
| 190308 | TEMPORARY ADVANCES - YONTZ |
| 190309 | TEMPORARY ADVANCES - RACKL |
| 190310 | TEMPORARY ADVANCES - TOMASSI |
| 190311 | TEMPORARY ADVANCES - BUONO |
| 190312 | TEMPORARY ADVANCES - DULEY |
| 190313 | TEMPORARY ADVANCES - DALY |
| 190314 | TEMPORARY ADVANCES - ZEFFER |
| 190500 | PREMIUM ON FX EXCHANGE OPTION |
| 190700 | ACQUISITION SUSPENSE |
| 190900 | SALE OF BRAZIL |
| 190909 | SUSPENSE |
| 220150 | EQUITY CONTRIBUTION MEDMARC |
| 225 | SALE/LEASEBACK EXPENSES |
| 226 | AMORTIZATION S/L EXP |
| 220175 | PENSION ASSET |
| 220200 | HOLIDAY LTD PREMIUM TRUST |
| 220201 | HOLIDAY LTD PREMI TRUST CONTRA |
| 230000 | INVESTMENT IN SUBSIDIARIES |
| 250103 | LEASEHOLD IMPROVE MILWAUKEE |
| 250104 | LEASEHOLD IMPROVE MIDTOWN |
| 260103 | ACCUM AMORT LEASHLD IMP MILW |
| 260104 | ACCUM AMORT LEASHLD IMP MIDTW |
| 270100 | AIRCRAFT |
| 270103 | OFFICE FURN & FIXTURES MILW |
| 270200 | LEASED AUTOS |
| 280103 | ACCUM DEPREC F & F MILW |
| 280104 | AIRCRAFT - ACCUM DEPR |
| 280200 | A/D LEASED AUTOS |
| 290000 | CONSTRUCTION IN PROGRESS |
| 330500 | CURRENT PORTION L-T DEBT |
| 349000 | ACCOUNTS PAYABLE - TRADE |
| 349001 | ACCOUNTS PAYABLE - JOURNALIZE |
| 350110 | ACCRUED VACATION PAY |
| 350125 | MED FLEX P/R W/H - EE |
| 350261 | FEDERAL P/R TAX W/H - EE |

| | |
|---|---|
| 350262 | FICA P/R TAX W/H - EE |
| 350263 | FICA TAX ACCRUAL - ER |
| 350264 | FUTA TAX ACCRUAL - ER |
| 350270 | STATE P/R TAX W/H - EE |
| 350272 | WI UNEMPLOY COMP ACCRUAL - ER |
| 350290 | UNITED WAY CONTRIBUTION W/H |
| 350401 | BC/BS PREMIUM DEFICIT |
| 350500 | YEAR-END ACCRUAL |
| 350501 | AUDIT ACCRUAL |
| 350600 | ACCRUED INTEREST-CIT REVOLVER |
| 350605 | ACCRUED REVOLVER/SWING INT |
| 350610 | ACCRUED INTEREST-TERM LOAN |
| 350620 | BONUS ACCRUAL |
| 350650 | SHORT-TERM PENSION ACCRUAL |
| 350720 | WORKER'S COMP RESERVE (NEW) |
| 350917 | SAVINGS & THRIFT PLAN ACCRUAL |
| 350954 | UNCLAIMED SR PREFERRED SHARE |
| 370200 | FEDERAL INCOME TAXES PAYABLE |
| 370219 | NON-US TAX PROVISION |
| 370300 | TAX LEASE PAYABLE |
| 370400 | STATE INCOME TAXES PAYABLE |
| 380500 | DEFERRED TAXES - CURRENT |
| 400000 | OBLIGATION UNDER CAPITAL LEASE |
| 412 | L-T DEBT |
| 400500 | CIT REVOLVING CREDIT FACILITY |
| 410100 | DEFERRED TAXES - NON CURRENT |
| 420800 | SECURITY DEPOSITS PAYABLE |
| 421001 | LONG TERM PENSION ACCRUAL |
| 491001 | SYBRON ZURICH (US) |
| 491050 | SYBRON DESENVOLVIMENTO (US) |
| 491302 | SAC MIRROR #02 - NALGE |
| 491303 | SAC MIRROR #03 - ERIE |
| | SAC MIRROR #06 |
| 491304 | SAC MIRROR #4 - DEMETRON |
| 491305 | SAC MIRROR #5 - S.D.S. |
| 491307 | SAC MIRROR #7 - A.O.A. |
| 491308 | SAC MIRROR #08 - KERR |
| 491309 | SAC MIRROR #09 - ORMCO |
| 491310 | SAC MIRROR #10 - COMMON WEALT |
| 491311 | SAC MIRROR #11 - ETM |
| 491312 | SAC MIRROR #12 -I-CHEM |
| 491314 | SAC MIRROR #14 - BARN/THERMO |
| 491315 | SAC MIRROR #15 - SYB TRANS |
| 491400 | SYBRON INTERNATIONAL |
| 491402 | SAC/THERMO-BARN, INC. |
| 491403 | SAC/ORMCO, INC. |
| 491404 | SAC/ERIE, INC. |
| 491405 | SAC/NALGE, INC. |
| 491406 | S.D.S. (SAC/CK, INC.) |
| 491407 | SAC/KERR, INC. |
| 491408 | SAC/COMMONWEALTH, INC. |
| 491409 | SAC/BARNSTEAD, INC. |
| 491410 | SAC/THERMOLYNE, INC. |
| 496020 | ERIE SCIENTIFIC |
| 496021 | ERTCO |
| 496022 | ERIE ELECTROVERRE SA |
| 496023 | SYBRON DEUTSCHLAND (US) |
| 496024 | MENZEL GMBH (DM) |
| 496025 | MENZEL GMBH (DM) - TRADE |
| 496026 | ERIE PUERTO RICO (US) |
| 496040 | NALGE |
| 496045 | I-CHEM COMPANY |
| 496091 | BARNSTEAD/THERMOLYNE CORP. |

| | |
|---|---|
| 497040 | KERR |
| 497041 | DEMETRON RESEARCH CORP. |
| 497042 | KERR GMBH (US) |
| 497045 | KERR BRAZIL (US) |
| 497050 | ORMCO |
| 497051 | E T M |
| 497055 | ALLESEE |
| 497060 | SYBRON DENTAL SPECIALTIES |
| 499001 | SYBRON ZUERICH AG (SF) |
| 499015 | FOREIGN SALES CORP. |
| 499023 | SYBRON DEUTSCHLAND (DM) |
| 499042 | KERR GMBH (DM) |
| 499043 | KERR UK (LB) |
| 499044 | KERR UK (LB) - TRADE |
| 499111 | SYBRON ASIA LTD (YEN) |
| 499207 | SYBRON UK LTD (LB) |
| 499208 | SYBRON UK LTD (LB) - TRADE |
| 499209 | NALGE UK (LB) |
| 499210 | SYBRON EUROPE AG (SF) |
| 499211 | SYBRON EUROPE AG (SF) - TRADE |
| 499220 | SYBRON CANADA LTD (CD) |
| 499221 | SYBRON CANADA LTD (CD) - TRADE |
| 501050 | SYBRON DESENVOLVIMENTO (US) |
| 501207 | SYBRON UK LTD (LB) |
| 501208 | SYBRON UK LTD (US) |
| 501209 | NALGE U.K. LOAN (LB) |
| 507001 | SYBRON ZUERICH AG (SF) |
| 507023 | SYBRON DEUTSCHLAND (DM) |
| 507042 | KERR GMBH (DM) |
| 507043 | KERR UK (LB) |
| 507045 | KERR BRAZIL (US) |

Exhibit 24

SMEAD
RECYCLED

# UNANIMOUS WRITTEN CONSENT OF THE BOARD OF DIRECTORS OF SYBRON TRANSITION CORP. TO EFFECT A DIVIDEND OF CERTAIN ASSETS

THE UNDERSIGNED, being all the members of the Board of Directors of Sybron Transition Corp., a Delaware corporation (the "Company"), do hereby unanimously consent to the adoption of the following resolutions:

RESOLVED, that a dividend of assets related to the Company's current and continuing operations is hereby declared payable to Sybron International Corporation, a Wisconsin corporation ("Sybron"), the Company's sole shareholder, effective at the end of business on December 31, 1994; and be it further

RESOLVED, that in order to effectuate such dividend payment the Company hereby approves and adopts the Transfer Agreement substantially in the form attached hereto as Exhibit I (the "Agreement"), whereby the Company will transfer assets related to its current and continuing operations to Sybron at the Effective Time (as defined in the Agreement), such assets to be subject to the Assumed Liabilities (as defined in the Agreement); and be it further

RESOLVED, that any one or more officers of the Company be, and each of them individually hereby is, authorized and empowered, in the name and on behalf of the Company, to take any such action and to execute and deliver any and all such agreements, instruments and other documents which such officer, in his sole discretion, deems necessary or desirable to effectuate the purpose and intent of the foregoing Resolutions, the authority for the taking of such action to be conclusively evidenced by the execution and delivery of any such agreement or document; and be it further

RESOLVED, that these Resolutions may be executed in counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed these Resolutions this 22nd day of December 1994.

Kenneth F. Yontz

Dennis Brown

Exhibit 25

Still Dog
RECYCLED

# BILL OF SALE
# and
# ASSIGNMENT AND ASSUMPTION AGREEMENT

BILL OF SALE AND ASSIGNMENT AND ASSUMPTION AGREEMENT, made as of December 31, 1994 by and between Sybron Transition Corp., a Delaware corporation (the "Assignor"), and Sybron International Corporation, a Wisconsin corporation (the "Assignee").

WHEREAS, the Assignor and Assignee have entered into a Transfer Agreement, a copy of which is attached hereto as Exhibit A, pursuant to which certain assets are to be transferred to, and certain liabilities are to be assumed by the Assignee;

NOW THEREFORE, in consideration of the transfers, assignments and assumptions provided for herein, and the mutual covenants and conditions hereinafter set forth, the Assignor and the Assignee hereby agree as follows:

1. Bill of Sale; Conveyance and Assignment of Assets.

1.1 On the terms and subject to the conditions of this Agreement, the Assignor, effective as of the close of business on December 31, 1994 (the "Effective Time"), hereby assigns, transfers, conveys, grants and sets over to the Assignee, its legal representatives, successors, and assigns all of its rights, title and interest in, to and under the assets described as being assigned or transferred to the Assignee in the Transfer Agreement (the "Transferred Assets"), it being understood that such assets are related to the current and continuing operations of the Assignor.

TO HAVE AND TO HOLD the Transferred Assets unto the Assignee and its successors and assigns forever from the Effective Time.

1.2 The Assignor for itself, its successors and assigns, does covenant and agree, to and with the Assignee, to warrant and defend the sale of the Transferred Assets, its successors and assigns, against all and every person and persons whomsoever and to execute and deliver, or cause to be executed and delivered, all such further instruments and other documents, and to take all such further actions, as shall be necessary to accomplish or defend the same.

1.3 The Assignor hereby constitutes and appoints, as of the Effective Time, the Assignee, its successors and assigns, the true and lawful attorneys of the Assignor with full power of substitution, in the name of the Assignor, or otherwise, and on behalf and for the benefit of the Assignee, its successors and assigns, to execute and deliver on behalf of the Assignor and in its name any and all agreements, amendments, assignments, consents, releases, waivers, instruments of conveyance, transfer and assignment and other documents or instruments and to do all such other acts which such attorney may deem necessary or appropriate (a) to vest in the Assignee all right, title and interest of the Assignor in and to any and all property hereby conveyed, sold, transferred, assigned and delivered or intended so to be or (b) in connection with such conveyance, sale, transfer, assignment and delivery; to demand and receive from time to time any and all property hereby conveyed, sold, transferred, assigned and delivered or intended so to be; to give receipts, releases and acquittances for or in respect of the same or any part thereof; to collect, for the account of the Assignee, all other items transferred to the Assignee

as provided herein; and to endorse with the name of the Assignor any checks received on account of any such items; and to defend and compromise any and all actions, suits or proceedings in respect of any such items; and to defend and compromise any and all actions, suits or proceedings in respect of any of the properties hereby assigned and transferred or intended so to be, that the Assignor, its successors and assigns, shall deem desirable.

1.4 Upon the reasonable request of the Assignee the Assignor shall execute and deliver to the Assignee certain deeds, assignments, and other instruments of transfer which in particular cover certain of the Transferred Assets, the purpose of which shall be to supplement, facilitate and otherwise implement the transfers intended hereby.

1.5 For the consideration aforesaid, the Assignor has covenanted and hereby does covenant with the Assignee, its successors and assigns, that the Assignor, its successors and assigns, will do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, transfers, assignments and conveyances, powers of attorney and assurances for the better assuring, conveying and confirming unto the Assignee, its successors and assigns, all and singular, the Transferred Assets hereby assigned, transferred and conveyed which the Assignee, its successors and assigns, shall reasonably request.

2. Assumption.

2.1 Pursuant to the Transfer Agreement and on the terms and subject to the conditions of this Agreement, in consideration of the foregoing assignment, the Assignee hereby assumes and agrees to pay, perform or discharge, when due, all of the liabilities described as being assumed by or transferred to the Assignee in the Transfer Agreement (the "Assumed Liabilities").

2.2 The Assignee covenants that, at any time and from time to time after the Effective Time, it will execute and deliver all such further instruments of assumption and acknowledgments or take such other action, at the Assignor's expense, as the Assignor reasonably may request in order to effect the assignee's assumption of the Assumed Liabilities.

2.3 The Assignee further covenants that this Agreement shall be binding upon its successors and assigns and inure to the benefit of the successors and assigns of the Assignor.

2.4 The assumption by the Assignee of the Assumed Liabilities does not enlarge the rights of any third parties under contracts or arrangements with the Assignor or with the Assignee. Furthermore, nothing contained in this Agreement or in the Transfer Agreement shall prevent the Assignee from contesting in good faith any of the Assumed Liabilities with any third party obligee.

3. General.

3.1 Binding Effects. This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

3.2 Separability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction.

3.3 Headings. The section and other headings of this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

3.4 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

Exhibit A

# TRANSFER AGREEMENT

This Transfer Agreement dated December 22, 1994 ("Agreement") between Sybron International Corporation, a Wisconsin corporation ("Sybron"), and Sybron Transition Corp., a Delaware corporation ("STC").

WHEREAS, STC's Board of Directors has declared a dividend of assets related to its current operations payable to its sole shareholder, Sybron; and

WHEREAS, to effectuate such dividend payment STC's Board of Directors has approved this Agreement and the transfer of certain such assets, subject to certain liabilities and obligations as contemplated hereby.

NOW THEREFORE, the parties hereto hereby agree as follows:

1. Transfer of Certain Assets:

STC agrees to transfer to Sybron, at the Effective Time (as hereinafter defined), the following assets (the "Transferred Assets"): (i) the December 31, 1994 balance of the accounts listed on Schedule 1 attached hereto to the extent the balances in such accounts are related to the current and continuing operations of STC, (ii) all its rights under contracts, agreements, benefit and welfare plans to the extent they are related to current and continuing operations of STC, (iii) all furniture, files, records, fixtures and other personal property related to the current and continuing operations of STC, and (iv) all other assets of STC to the extent they are related to current and continuing operations of STC.

2. Assumption of Related Liabilities.

In consideration of the transfer to it of the Transferred Assets, Sybron agrees to assume those obligations and liabilities relating directly to the Transferred Assets (the "Assumed Liabilities").

3. Retention of Certain Assets and Related Liabilities

STC shall retain all assets, liabilities and obligations relating to its discontinued or divested operations.

4. Miscellaneous.

*4.1 Termination of Transfer.* At any time prior to the Effective Time, this Agreement may be terminated by mutual agreement of the parties.

*4.2 Execution in Counterparts.* This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

*4.3 Effective Time.* The transfer of the Transferred Assets by STC to Sybron and the assumption by Sybron of the Assumed Liabilities shall be effected by the execution by the parties of the Bill of Sale and Assignment and Assumption Agreement substantially in the form attached hereto as Exhibit A, such transfer and assumption to be deemed effective as of the close of business on December 31, 1994 (the "Effective Time").

IN WITNESS WHEREOF, this Agreement has been executed by each party as of the date first above written.

SYBRON INTERNATIONAL CORPORATION

By: Kenneth F. Yontz
President

SYBRON TRANSITION CORP.

By: Dennis Brown
Vice President and Treasurer

3.5 Entire Agreement. This Agreement, together with the Transfer Agreement, constitutes the entire agreement, and supersedes all prior agreements, understandings, oral or written, between the parties hereto with respect to the subject matter hereof.

3.6 Amendments and Waivers. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by the party against whom enforcement of any such modification or amendment is sought. Either party hereto may, by an instrument in writing, waive compliance by the other party with any term or provision of this Agreement on the part of such other party hereto to be performed or complied with. The waiver by any party hereto of a breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach.

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

SYBRON INTERNATIONAL CORPORATION

By: Kenneth F. Yontz
President

SYBRON TRANSITION CORP.

By: Dennis Brown
Vice President and Treasurer

Schedule 1

ACCOUNTS TO BE TRANSFERRED TO
SYBRON INTERNATIONAL CORPORATION
LESS AMOUNTS RELATED TO DIVESTED OPERATIONS

| | |
|---|---|
| 190104 | PREPAID OTHER ASSETS |
| 190400 | WORKERS' COMP RESERVE |
| 350710 | POST RETIREMENT MED/LIFE |
| 350715 | NEW POST-RETIREMENT S-T |
| 350770 | LEGAL RESERVES |
| 420710 | POST RETIREMENT MED/LIFE L-T |
| 420715 | NEW POST RETIREMENT L-T |

MERGE.WK3

Schedule 1

# ACCOUNTS TO BE TRANSFERRED TO SYBRON INTERNATIONAL CORPORATION IN TOTAL

| | |
|---|---|
| 100100 | PETTY CASH |
| 100210 | CHEMICAL 134-0-89151 |
| 100211 | CHEMICAL DISB ACCT |
| 100212 | INVESTMENTS |
| 100225 | FIRST BANK MILW - DEPOSITS |
| 100226 | FIRST BANK MILW - PAYROLL |
| 100501 | CASH IN TRANSIT |
| 102400 | CONTINENTAL BANK |
| 103300 | CHEMICAL LONDON US$ ACCOUNT |
| 103400 | CHEMICAL BANK LONDON |
| 105400 | PITTSBURGH NATIONAL BANK |
| 130000 | MISCELLANEOUS RECEIVABLE |
| 167005 | PENSION INVENTORY - 1986 |
| 170100 | PENSION INVENTORY RESERVE |
| 190100 | PREPAID RENT |
| 190101 | PREPAID INSURANCE |
| 190102 | PREPAID DENTAL CLAIMS |
| 190301 | EMPLOYEES TEMPORARY ADVANCE |
| 190302 | TEMPORARY ADVANCES - MCBRYDE |
| 190303 | TEMPORARY ADVANCES - HARRIS |
| 190305 | TEMPORARY ADVANCES - SCOTT |
| 190306 | TEMPORARY ADVANCES - BROWN |
| 190307 | TEMPORARY ADVANCES - SHORT |
| 190308 | TEMPORARY ADVANCES - YONTZ |
| 190309 | TEMPORARY ADVANCES - RACKL |
| 190310 | TEMPORARY ADVANCES - TOMASSI |
| 190311 | TEMPORARY ADVANCES - BUONO |
| 190312 | TEMPORARY ADVANCES - DULEY |
| 190313 | TEMPORARY ADVANCES - DALY |
| 190314 | TEMPORARY ADVANCES - ZEFFER |
| 190500 | PREMIUM ON FX EXCHANGE OPTION |
| 190700 | ACQUISITION SUSPENSE |
| 190900 | SALE OF BRAZIL |
| 190909 | SUSPENSE |
| 220150 | EQUITY CONTRIBUTION MEDMARC |
| 225 | SALE/LEASEBACK EXPENSES |
| 226 | AMORTIZATION S/L EXP |
| 220175 | PENSION ASSET |
| 220200 | HOLIDAY LTD PREMIUM TRUST |
| 220201 | HOLIDAY LTD PREMI TRUST CONTRA |
| 230000 | INVESTMENT IN SUBSIDIARIES |
| 250103 | LEASEHOLD IMPROVE MILWAUKEE |
| 250104 | LEASEHOLD IMPROVE MIDTOWN |
| 260103 | ACCUM AMORT LEASHLD IMP MILW |
| 260104 | ACCUM AMORT LEASHLD IMP MIDTW |
| 270100 | AIRCRAFT |
| 270103 | OFFICE FURN & FIXTURES MILW |
| 270200 | LEASED AUTOS |
| 280103 | ACCUM DEPREC F & F MILW |
| 280104 | AIRCRAFT - ACCUM DEPR |
| 280200 | A/D LEASED AUTOS |
| 290000 | CONSTRUCTION IN PROGRESS |
| 330500 | CURRENT PORTION L-T DEBT |
| 349000 | ACCOUNTS PAYABLE - TRADE |
| 349001 | ACCOUNTS PAYABLE - JOURNALIZE |
| 350110 | ACCRUED VACATION PAY |
| 350125 | MED FLEX P/R W/H - EE |
| 350261 | FEDERAL P/R TAX W/H - EE |

MERGE.WK3

| | |
|---|---|
| 350262 | FICA P/R TAX W/H - EE |
| 350263 | FICA TAX ACCRUAL - ER |
| 350264 | FUTA TAX ACCRUAL - ER |
| 350270 | STATE P/R TAX W/H - EE |
| 350272 | WI UNEMPLOY COMP ACCRUAL - ER |
| 350290 | UNITED WAY CONTRIBUTION W/H |
| 350401 | BC/BS PREMIUM DEFICIT |
| 350500 | YEAR-END ACCRUAL |
| 350501 | AUDIT ACCRUAL |
| 350600 | ACCRUED INTEREST-CIT REVOLVER |
| 350605 | ACCRUED REVOLVER/SWING INT |
| 350610 | ACCRUED INTEREST-TERM LOAN |
| 350620 | BONUS ACCRUAL |
| 350650 | SHORT-TERM PENSION ACCRUAL |
| 350720 | WORKER'S COMP RESERVE (NEW) |
| 350917 | SAVINGS & THRIFT PLAN ACCRUAL |
| 350954 | UNCLAIMED SR PREFERRED SHARE |
| 370200 | FEDERAL INCOME TAXES PAYABLE |
| 370219 | NON-US TAX PROVISION |
| 370300 | TAX LEASE PAYABLE |
| 370400 | STATE INCOME TAXES PAYABLE |
| 380500 | DEFERRED TAXES - CURRENT |
| 400000 | OBLIGATION UNDER CAPITAL LEASE |
| 412 | L-T DEBT |
| 400500 | CIT REVOLVING CREDIT FACILITY |
| 410100 | DEFERRED TAXES - NON CURRENT |
| 420800 | SECURITY DEPOSITS PAYABLE |
| 421001 | LONG TERM PENSION ACCRUAL |
| 491001 | SYBRON ZURICH (US) |
| 491050 | SYBRON DESENVOLVIMENTO (US) |
| 491302 | SAC MIRROR #02 - NALGE |
| 491303 | SAC MIRROR #03 - ERIE |
| | SAC MIRROR #06 |
| 491304 | SAC MIRROR #4 - DEMETRON |
| 491305 | SAC MIRROR #5 - S.D.S. |
| 491307 | SAC MIRROR #7 - A.O.A. |
| 491308 | SAC MIRROR #08 - KERR |
| 491309 | SAC MIRROR #09 - ORMCO |
| 491310 | SAC MIRROR #10 - COMMON WEALT |
| 491311 | SAC MIRROR #11 - ETM |
| 491312 | SAC MIRROR #12 -I-CHEM |
| 491314 | SAC MIRROR #14 - BARN/THERMO |
| 491315 | SAC MIRROR #15 - SYB TRANS |
| 491400 | SYBRON INTERNATIONAL |
| 491402 | SAC/THERMO-BARN, INC. |
| 491403 | SAC/ORMCO, INC. |
| 491404 | SAC/ERIE, INC. |
| 491405 | SAC/NALGE, INC. |
| 491406 | S.D.S. (SAC/CK, INC.) |
| 491407 | SAC/KERR, INC. |
| 491408 | SAC/COMMONWEALTH, INC. |
| 491409 | SAC/BARNSTEAD, INC. |
| 491410 | SAC/THERMOLYNE, INC. |
| 496020 | ERIE SCIENTIFIC |
| 496021 | ERTCO |
| 496022 | ERIE ELECTROVERRE SA |
| 496023 | SYBRON DEUTSCHLAND (US) |
| 496024 | MENZEL GMBH (DM) |
| 496025 | MENZEL GMBH (DM) - TRADE |
| 496026 | ERIE PUERTO RICO (US) |
| 496040 | NALGE |
| 496045 | I-CHEM COMPANY |
| 496091 | BARNSTEAD/THERMOLYNE CORP. |

| | |
|---|---|
| 497040 | KERR |
| 497041 | DEMETRON RESEARCH CORP. |
| 497042 | KERR GMBH (US) |
| 497045 | KERR BRAZIL (US) |
| 497050 | ORMCO |
| 497051 | E T M |
| 497055 | ALLESEE |
| 497060 | SYBRON DENTAL SPECIALTIES |
| 499001 | SYBRON ZUERICH AG (SF) |
| 499015 | FOREIGN SALES CORP. |
| 499023 | SYBRON DEUTSCHLAND (DM) |
| 499042 | KERR GMBH (DM) |
| 499043 | KERR UK (LB) |
| 499044 | KERR UK (LB) - TRADE |
| 499111 | SYBRON ASIA LTD (YEN) |
| 499207 | SYBRON UK LTD (LB) |
| 499208 | SYBRON UK LTD (LB) - TRADE |
| 499209 | NALGE UK (LB) |
| 499210 | SYBRON EUROPE AG (SF) |
| 499211 | SYBRON EUROPE AG (SF) - TRADE |
| 499220 | SYBRON CANADA LTD (CD) |
| 499221 | SYBRON CANADA LTD (CD) - TRADE |
| 501050 | SYBRON DESENVOLVIMENTO (US) |
| 501207 | SYBRON UK LTD (LB) |
| 501208 | SYBRON UK LTD (US) |
| 501209 | NALGE U.K. LOAN (LB) |
| 507001 | SYBRON ZUERICH AG (SF) |
| 507023 | SYBRON DEUTSCHLAND (DM) |
| 507042 | KERR GMBH (DM) |
| 507043 | KERR UK (LB) |
| 507045 | KERR BRAZIL (US) |

Exhibit 26

Sec. 180.1006
Wis. Stats.

State of Wisconsin
Department of Financial Institutions

## ARTICLES OF AMENDMENT – STOCK, FOR-PROFIT CORPORATION

A. The present corporate name (prior to any change effected by this amendment) is:

SYBRON INTERNATIONAL CORPORATION

Text of Amendment (*Refer to the existing articles of incorporation and the instructions on the reverse of this form. Determine those items to be changed and set forth the number identifying the paragraph in the articles of incorporation being changed and how the amended paragraph is to read.*)

RESOLVED, THAT the articles of incorporation be amended as follows:

ARTICLE I IS HEREBY AMENDED TO READ IN ITS ENTIRETY AS FOLLOWS:

ARTICLE I

NAME

THE NAME OF THE CORPORATION IS APOGENT TECHNOLOGIES INC.

STATE OF WISCONSIN
FILED
FEB - 1 2001
DEPARTMENT OF
FINANCIAL INSTITUTIONS

**RECEIVED**
JAN 3 1 2001
WISCONSIN
DFI

FILING FEE - $40.00, or more SEE instructions, suggestions and procedures on following pages.

B. Amendment(s) adopted on NOVEMBER 8, 2000 AND JANUARY 30, 2001

*(Indicate the method of adoption by checking (X) the appropriate choice below.)*

( ) In accordance with sec. 180.1002, Wis. Stats. (By the Board of Directors)

OR

( x ) In accordance with sec. 180.1003, Wis. Stats. (By the Board of Directors and Shareholders)

OR

( ) In accordance with sec. 180.1005, Wis. Stats. (By Incorporators or Board of Directors, before issuance of shares)

C. Executed on JANUARY 30, 2001
(Date)

(Signature)

Title: ( ) President ( ) Secretary
or other officer title Exec. Vice President

MICHAEL K. BRESSON
(Printed name)

This document was drafted by BRUCE C. DAVIDSON
(Name the individual who drafted the document)

INSTRUCTIONS (Ref. sec. 180.1006 Wis. Stats. for document content)

Submit one original and one exact copy to Dept. of Financial Institutions, P O Box 7846, Madison WI, 53707-7846, together with a **FILING FEE of $40.00 or more**, payable to the department. (If sent by Express or Priority U.S. mail, address to 345 W. Washington Ave., 3rd Floor, Madison WI, 53703). This document can be made available in alternate formats upon request to qualifying individuals with disabilities. The original must include an original manual signature, per sec. 180.0120(3)(c), Wis. Stats. Upon filing, the information in this document becomes public and might be used for purposes other than that for which it was originally furnished. If you have any questions, please contact the Division of Corporate & Consumer Services at 608-261-7577. Hearing-impaired may call 608-266-8818 for TDY.

ARTICLES OF AMENDMENT – Stock, For-Profit Corporation

SUSAN T. LAPINSKI
QUARLES & BRADY LLP
411 EAST WISCONSIN AVENUE
MILWAUKEE, WI 53202-4497

▲ Your **return address** and **phone number** during the day: (414 ) 277 - 5189

INSTRUCTIONS (Continued)

A. State the name of the corporation (before any change effected by this amendment) and the text of the amendment(s). The text should recite the resolution adopted (e.g., "Resolved, that Article 1 of the articles of incorporation be amended to read: ..... (enter the amended article). If an amendment provides for an exchange, reclassification or cancellation of issued shares, state the provisions for implementing the amendment if not contained in the amendment itself.

B. Enter the date of adoption of the amendment(s). If there is more than one amendment, identify the date of adoption of each. Mark (X) one of the three choices to indicate the method of adoption of the amendment(s).

By Board of Directors – Refer to sec. 180.1002 for specific information on the character of amendments that may be adopted by the Board of Directors without shareholder action.

By Board of Directors and Shareholders – Amendments proposed by the Board of Directors and adopted by shareholder approval. Voting requirements differ with circumstances and provisions in the articles of incorporation. See sec. 180.1003, Wis. Stats., for specific information.

By Incorporators or Board of Directors – Before issuance of shares – See sec. 180.1005, Wis. Stats., for conditions attached to the adoption of an amendment approved by a vote or consent of less than 2/3rds of the shares subscribed for.

C. Enter the date of execution and the name and title of the person signing the document. The document must be signed by one of the following: An officer of the corporation (or incorporator if directors have not been elected), or a court-appointed receiver, trustee or fiduciary. A director is not empowered to sign.

If the document is executed in Wisconsin, sec. 182.01(3) provides that it shall not be filed unless the name of the person (individual) who drafted it is printed, typewritten or stamped thereon in a legible manner. If the document is not executed in Wisconsin, enter that remark.

**FILING FEE** - Minimum fee is **$40.00**. If the amendment increases the number of authorized shares, provide an additional fee of 1 cent for each newly-authorized share.

Exhibit 27

Skill Dex
RECYCLED

SYBRON TRANSITION CORP.

CONSENT OF SOLE STOCKHOLDER

The undersigned, APOGENT TECHNOLOGIES INC., as sole stockholder of SYBRON TRANSITION CORP., a Delaware corporation, HEREBY CONSENT in writing as provided in Section 228 of the Delaware General Corporation Law to the following corporate action which would otherwise be subject to a vote at a special meeting of the stockholders of said Corporation:

The approval and adoption of the following resolution, as adopted by the Board of Directors on the date hereof-

RESOLVED that it is deemed advisable and in the best interests of the Corporation that the Certificate of Incorporation of the Corporation, as amended, be further amended by changing Article FIRST thereof so that Article, as amended, shall be and read as follows:

"FIRST: The name of the Corporation is Apogent Transition Corp."

The undersigned HEREBY WAIVES compliance with any and all notice requirements imposed by law or by the By-Laws of said SYBRON TRANSITION CORP. and with any other provision of said By-Laws which may be inconsistent with the action effected by this instrument.

IN WITNESS WHEREOF, APOGENT TECHNOLOGIES INC. has caused this instrument to be executed and delivered in its name and on its behalf by its Executive Vice President, thereunto duly authorized this 11th day of February, 2002.

APOGENT TECHNOLOGIES INC.

By: _____

Michael K. Bresson
Executive Vice President

# SYBRON TRANSITION CORP.

## CONSENT OF BOARD OF DIRECTORS

We, the undersigned, being all of the members of the Board of Directors of SYBRON TRANSITION CORP., a Delaware corporation, HEREBY CONSENT in writing as provided in Section 141(f) of the Delaware General Corporation Law to the following action required or permitted to be taken at any meeting of the Board of Directors of said Corporation:

The approval and adoption of the following resolution:

RESOLVED that it is deemed advisable and in the best interests of the Corporation that the Certificate of Incorporation of the Corporation, as amended, be further amended by changing Article FIRST thereof so that said Article, as amended, shall be and read as follows:

" FIRST: The name of the Corporation is Apogent Transition Corp."

EXECUTED and delivered in our names as of the 11th day of February, 2002.

Frank H. Jellinek

Joffrey C. Leathe

Michael K. Bresson

SYBRON TRANSITION CORP.

CONSENT OF BOARD OF DIRECTORS

We, the undersigned, being all of the members of the Board of Directors of SYBRON TRANSITION CORP., a Delaware corporation, HEREBY CONSENT in writing as provided in Section 141(f) of the Delaware General Corporation Law to the following action required or permitted to be taken at any meeting of the Board of Directors of said Corporation:

The approval and adoption of the following resolution:

RESOLVED that it is deemed advisable and in the best interests of the Corporation that the Certificate of Incorporation of the Corporation, as amended, be further amended by changing Article FIRST thereof so that said Article, as amended, shall be and read as follows:

" FIRST: The name of the Corporation is Apogent Transition Corp."

EXECUTED and delivered in our names as of the 11th day of February, 2002.

Frank H. Jellinek

Jeffrey C. Leathe

Michael K. Bresson

CERTIFICATE OF AMENDMENT

of

CERTIFICATE OF INCORPORATION

of

SYBRON TRANSITION CORP.

SYBRON TRANSITION CORP., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Law"), DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of SYBRON TRANSITION CORP., by the unanimous written consent of its members pursuant to Section 141(f) of the Law, filed with the minutes of the proceedings of the Board, duly adopted a resolution setting forth a proposed amendment of the Certificate of Incorporation of said corporation and declaring said amendment to be advisable. The resolution setting forth the proposed amendment is as follows:

> RESOLVED that it is deemed advisable and in the best interests of the Corporation that the Certificate of Incorporation of the Corporation, as amended, be further amended by changing Article FIRST thereof so that said Article, as amended, shall be and read as follows:
>
> " FIRST: The name of the Corporation is Apogent Transition Corp."

SECOND: That in lieu of a meeting and vote of the stockholders, the stockholders have given unanimous written consent to said amendment in accordance with the provisions of Section 228 of the Law and that said consent has been filed with the minutes of the proceedings of the stockholders.

THIRD: That the aforesaid amendment of the Certificate of Incorporation was duly adopted pursuant to the applicable provisions of Section 141, 228 and 242 of the Law.

IN WITNESS WHEREOF, said SYBRON TRANSITION CORP. has caused this instrument to be executed for and on its behalf by its President, thereunto duly authorized, and attested by its Secretary, this 11th day of February, 2002.

SYBRON TRANSITION CORP.

By: _____
Frank H. Jellinek, Jr.
President

ATTEST:

_____
Michael K. Bresson
Secretary

FEB-07 02 20:11 FROM:APOGENT TECHNOLOGIES 208-622-5823 TO:603 436 3719 PAGE:02
Received: 2/ 8/ 2 10:10AM; 208 622 5823 -> APOGENT-LEGAL; Page 2

Exhibit 28

Stock Drive
RECYCLED

# Thermo Fisher Scientific Inc.

Balance Sheet

**Scenario:** Actual **Year:** 2006 **Period:** December **Entity:** CO-Apogent Transition Corporation **C2:** AllCustom2 **C3:** Total Data

*(In thousands)*

| | CO-Apogent Transition Corporation [Contribution Total] | CO-Apogent Transition Corporation <Entity Curr Total> |
|---|---|---|
| **Current Assets** | | |
| Interco Receivables and Payables | (1,077) | (1,077) |
| Other Current Assets | (1,077) | (1,077) |
| | (1,077) | (1,077) |
| **Property, Plant and Equipment** | | |
| **Other Assets** | | |
| | (1,077) | (1,077) |
| **Current Liabilities** | | |
| **Long-term Obligations** | | |
| **Shareholders' Equity** | | |
| Common Stock - Voting | 0 | 0 |
| Cap in Excess of Par Value | 59,726 | 59,726 |
| R/E - Beginning Balance | (60,803) | (60,803) |
| Retained Earnings Adjustment | 0 | 0 |
| R/E - Ending Balance | (60,803) | (60,803) |
| | (1,077) | (1,077) |
| | (1,077) | (1,077) |

Exhibit 29

# Thermo Fisher Scientific Inc.

Balance Sheet

**Scenario:** Actual **Year:** 2007 **Period:** December **Entity:** CO-Apogent Transition Corporation **C2:** AllCustom2 **C3:** Total Data

*(In thousands)*

| | CO-Apogent Transition Corporation [Contribution Total] | CO-Apogent Transition Corporation <Entity Curr Total> | Prior Year <Entity Curr Total> |
|---|---|---|---|
| **Current Assets** | | | |
| Interco Receivables and Payables | (1,077) | (1,077) | (1,077) |
| Other Current Assets | (1,077) | (1,077) | (1,077) |
| | (1,077) | (1,077) | (1,077) |
| **Property, Plant and Equipment** | | | |
| **Other Assets** | | | |
| | (1,077) | (1,077) | (1,077) |
| **Current Liabilities** | | | |
| **LT Environmental Liability** | 45 | 45 | -- |
| **Long-term Obligations** | | | |
| **Shareholders' Equity** | | | |
| Common Stock - Voting | 0 | 0 | 0 |
| Cap in Excess of Par Value | 59,726 | 59,726 | 59,726 |
| R/E - Beginning Balance | (60,803) | (60,803) | (60,803) |
| Retained Earnings Adjustment | (45) | (45) | 0 |
| R/E - Ending Balance | (60,848) | (60,848) | (60,803) |
| | (1,122) | (1,122) | (1,077) |
| | (1,077) | (1,077) | (1,077) |

Exhibit 30

# Thermo Fisher Scientific Inc.

Balance Sheet

**Scenario:** Actual **Year:** 2008 **Period:** December **Entity:** CO-Apogent Transition Corporation **C2:** AllCustom2 **C3:** Total Data

*(In thousands)*

| | CO-Apogent Transition Corporation [Contribution Total] | CO-Apogent Transition Corporation <Entity Curr Total> | Prior Year <Entity Curr Total> |
|---|---|---|---|
| **Current Assets** | | | |
| Interco Receivables and Payables | (1,077) | (1,077) | (1,077) |
| Other Current Assets | (1,077) | (1,077) | (1,077) |
| | (1,077) | (1,077) | (1,077) |
| **Property, Plant and Equipment** | | | |
| **Other Assets** | | | |
| | (1,077) | (1,077) | (1,077) |
| **Current Liabilities** | | | |
| **LT Environmental Liability** | 45 | 45 | 45 |
| **Long-term Obligations** | | | |
| **Shareholders' Equity** | | | |
| Common Stock - Voting | 0 | 0 | 0 |
| Cap in Excess of Par Value | 59,726 | 59,726 | 59,726 |
| R/E - Beginning Balance | (60,848) | (60,848) | (60,803) |
| Retained Earnings Adjustment | -- | -- | (45) |
| R/E - Ending Balance | (60,848) | (60,848) | (60,848) |
| | (1,122) | (1,122) | (1,122) |
| | (1,077) | (1,077) | (1,077) |

Exhibit 31

Skill Dex
RECYCLED

# Thermo Fisher Scientific Inc.

Balance Sheet

**Scenario:** Actual **Year:** 2009 **Period:** December **Entity:** CO-Apogent Transition Corporation **C2:** AllCustom2 **C3:** Total Data

*(In thousands)*

| | CO-Apogent Transition Corporation [Contribution Total] | CO-Apogent Transition Corporation <Entity Curr Total> | Prior Year <Entity Curr Total> |
|---|---|---|---|
| **Current Assets** | | | |
| Interco Receivables and Payables | (1,077) | (1,077) | (1,077) |
| Other Current Assets | (1,077) | (1,077) | (1,077) |
| | (1,077) | (1,077) | (1,077) |
| **Property, Plant and Equipment** | | | |
| **Other Assets** | | | |
| | (1,077) | (1,077) | (1,077) |
| **Current Liabilities** | | | |
| **LT Environmental Liability** | 45 | 45 | 45 |
| **Long-term Obligations** | | | |
| **Shareholders' Equity** | | | |
| Common Stock - Voting | 0 | 0 | 0 |
| Cap in Excess of Par Value | 59,726 | 59,726 | 59,726 |
| R/E - Beginning Balance | (60,848) | (60,848) | (60,848) |
| R/E - Ending Balance | (60,848) | (60,848) | (60,848) |
| | (1,122) | (1,122) | (1,122) |
| | (1,077) | (1,077) | (1,077) |

Exhibit 32

Staff Dex
RECYCLED

# Thermo Fisher Scientific Inc.

Balance Sheet

**Scenario:** Actual **Year:** 2010 **Period:** December **Entity:** CO-Apogent Transition Corporation **C2:** AllCustom2 **C3:** Total Data

*(In thousands)*

| | CO-Apogent Transition Corporation [Contribution Total] | CO-Apogent Transition Corporation <Entity Curr Total> | Prior Year <Entity Curr Total> |
|---|---|---|---|
| **Current Assets** | | | |
| Interco Receivables and Payables | (1,077) | (1,077) | (1,077) |
| Other Current Assets | (1,077) | (1,077) | (1,077) |
| | (1,077) | (1,077) | (1,077) |
| **Property, Plant and Equipment** | | | |
| **Other Assets** | | | |
| | (1,077) | (1,077) | (1,077) |
| **Current Liabilities** | | | |
| **LT Environmental Liability** | 59 | 59 | 45 |
| **Long-term Obligations** | | | |
| **Shareholders' Equity** | | | |
| Common Stock - Voting | 0 | 0 | 0 |
| Cap in Excess of Par Value | 59,726 | 59,726 | 59,726 |
| R/E - Beginning Balance | (60,848) | (60,848) | (60,848) |
| Equity Transfers | (14) | (14) | -- |
| R/E - Ending Balance | (60,862) | (60,862) | (60,848) |
| | (1,136) | (1,136) | (1,122) |
| | (1,077) | (1,077) | (1,077) |

EXHIBIT 33

Skill Dex
RECYCLED

# Thermo Fisher Scientific Inc.

Balance Sheet

**Scenario:** Actual **Year:** 2011 **Period:** December **Entity:** CO-Apogent Transition Corporation **C2:** AllCustom2 **C3:** Total Data

*(In thousands)*

| | CO-Apogent Transition Corporation [Contribution Total] | CO-Apogent Transition Corporation <Entity Curr Total> | Prior Year <Entity Curr Total> |
|---|---|---|---|
| **Current Assets** | | | |
| Interco Receivables and Payables | (1,077) | (1,077) | (1,077) |
| Other Current Assets | (1,077) | (1,077) | (1,077) |
| | (1,077) | (1,077) | (1,077) |
| **Property, Plant and Equipment** | | | |
| **Other Assets** | | | |
| | (1,077) | (1,077) | (1,077) |
| **Current Liabilities** | | | |
| **LT Environmental Liability** | -- | -- | 59 |
| **Long-term Obligations** | | | |
| **Shareholders' Equity** | | | |
| Common Stock - Voting | 0 | 0 | 0 |
| Cap in Excess of Par Value | 59,726 | 59,726 | 59,726 |
| R/E - Beginning Balance | (60,862) | (60,862) | (60,848) |
| Equity Transfers | 186 | 186 | (14) |
| YTD Net Income (Loss) | (127) | (127) | -- |
| R/E - Ending Balance | (60,803) | (60,803) | (60,862) |
| | (1,077) | (1,077) | (1,136) |
| | (1,077) | (1,077) | (1,077) |

EXHIBIT 34

Skill Dex
RECYCLED

# Thermo Fisher Scientific Inc.

Income Statement

**Scenario:** Actual **Year:** 2011 **Period:** December **View:** YTD **Entity:** CO-Apogent Transition Corporation **C2:** AllCustom2 **C3:** Total Data

*(In thousands)*

| | COTrans CO-Apogent Transition Corp [Contribution Total] | COTrans CO-Apogent Transition Corp <Entity Curr Total> |
|---|---|---|
| Direct Costs, Adj for COS Unusual Charges | -- | -- |
| Selling, General, and Admin Expenses | 127 | 127 |
| | 127 | 127 |
| Operating Income | (127) | (127) |
| Inc from Cont Ops B4 Taxes and Min Int | (127) | (127) |
| Income from Continuing Operations | (127) | (127) |
| Income Before Cumulative Effect | (127) | (127) |
| Net Income | (127) | (127) |

EXHIBIT 35

Steel Dex
RECYCLED

# CONFIDENTIAL MEMORANDUM

## SYBRON CHEMICAL, INC.

**a wholly-owned subsidiary of**

## SYBRON CORPORATION

**Prepared by**

## GOLDMAN, SACHS & CO.

**August 1986**

The attached memorandum contains proprietary information on Sybron Chemical, Inc., a division of Sybron Corporation, which has not been released to the public and is furnished solely on a confidential basis. The information contained herein has been obtained from Sybron Corporation and has been prepared for the purpose of providing interested parties with general summary information to assist them in their evaluation of the operations of Sybron Chemical, Inc. No representation or warranty, express or implied, is contained in this memorandum is, or shall be relied upon as, a promise or representation, whether as to the past or the future; it should be noted that any estimates and projections contained herein have been prepared by, and are based on information presently available to, Sybron Corporation, and involve significant subjective judgment and analysis on behalf of its management and, accordingly, no representation can be made as to their attainability.

SYBRON CHEMICALS

Table of Contents


| | | Page |
|---|---|---|
| I. | EXECUTIVE SUMMARY | 1 |
| II. | STRATEGIC OPPORTUNITY | 7 |
| III. | BUSINESS DESCRIPTION | 9 |
| | o Ion Exchange Resins | 10 |
| | o Textile Chemicals | 13 |
| | o Industrial Chemicals | 15 |
| | o Marine Chemicals | 17 |
| | o Organics and Specialty Polymers | 18 |
| | o Equipment | 19 |
| | o Biochemicals | 20 |
| IV. | ENVIRONMENTAL CONSIDERATIONS | 22 |
| V. | MANUFACTURING AND FACILITIES DESCRIPTION | 24 |
| VI. | MANAGEMENT'S DISCUSSION OF FINANCIAL RESULTS | 28 |
| VII. | OUTLOOK AND FUTURE OPPORTUNITIES | 29 |

SYBRON CHEMICALS

Table of Exhibits


| | Exhibit |
|---|---|
| Consolidated Summary of Operations | 1 |
| Strategic Business Units Summary of Operations | 2 |
| Cash Flow Analysis | 3 |
| Property, Plant, and Equipment | 4 |
| Operating Assets Analysis | 5 |
| Market Share Analysis | 6 |
| Management Profiles | 7 |

## TRADEMARKS

The following Registered Trademarks of Sybron Chemicals, Inc. are mentioned in this memorandum:

| | |
|---|---|
| IONAC[R] | Ion Exchange Resins |
| RELITE[R] | Ion Exchange Resins |
| TANATEX[R] | Textile Dyehouse Auxiliaries |
| JERSEY STATE[R] | Textile Finishing Auxiliaries |
| GAMLEN[R] | Marine and Industrial Maintenance Chemicals |
| BICHEM[R] | Biochemicals |
| GAMAJET[R] | Tank-Cleaning Equipment |

## EXECUTIVE SUMMARY

Sybron Chemicals, Inc. ("SCI" or the "Company"), a subsidiary of Sybron Corporation ("Sybron"), is a global specialty chemical company with strong product lines in ion exchange resins, textile auxiliaries, toner polymers, organic chemicals, marine maintenance chemicals, fuel additives and biochemicals. The Company has unique strengths in the development, manufacturing, and marketing of specialty chemicals and has positioned itself as a full-service provider to well-defined market segments. As such, the Company conducts its business not merely by selling chemicals, but by applying knowledge of its products and an understanding of certain applications and customer needs to solve industrial and commercial problems.

SCI provides an attractive opportunity to a potential buyer for several reasons. First, the Company has a long history of profitable operations through all phases of the business cycle. Second, SCI has a strong, often leading position in nearly all of its significant markets, including the high barrier-to-entry ion exchange resins business and the large market for textile dyehouse auxiliaries where it is the industry's leading innovator. Third, SCI has developed the leading position through developmental research in the potentially high-growth market of biochemical degradation of industrial waste. Finally, the Company's product lines, strategic global positioning and research and marketing resources provide a potential buyer a strong base for the introduction of new or add-on product lines, distribution and services.

Sybron Corporation was acquired in February 1986 by Forstmann Little & Co., a private New York investment firm with diversified corporate holdings. SCI is being offered for sale as part of a major restructuring of Sybron in response to a strategic change in the

long range objectives of the parent. In addition, Sybron believes that SCI's applications "know-how," significant position in a number of important specialty chemical market segments, and unique process capabilities can be better exploited by corporate owners with an interest in participation or an existing commitment to expansion in the specialty chemical industry.

SCI is organized into three profit centers. The America Division, headquartered in Birmingham, New Jersey (near Philadelphia), serves the United States, Mexican and Canadian markets (59% of sales, 63% of operating profit in 1985). All of the Company's product lines are produced and sold in the America Division.

The Europe Division (34% of sales, 35% of operating profits in 1985) has administrative and financial headquarters including a centralized on-line electronic data processing system for financial reporting located near Paris, France. Business operations and production centers are based outside of Paris and in Ede (Netherlands), Milan and London. European sales are comprised principally of textile, industrial, ion exchange and marine chemical products.

The Far East business (7% of sales, 2% of operating profits in 1985) is a combination of GAMLEN marine and industrial units based principally in Tokyo, Sydney and Auckland. Sales in Japan are handled mainly through a trading company that has an association with the company of over thirty years. The remaining Far East region sales are generally carried out by a direct sales force.

A summary of the Company's historical operating results for the years 1981 through 1985 and projected results of 1986 through 1989 are as follows:

**Summary of Operations (a)**
**(dollars in millions)**

| | Historical | | | | | 6 Months Ended June 30 | Projections | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1986 | 1987 | 1988 | 1989 |
| Revenues | $ 97.3 | $ 85.8 | $ 88.3 | $ 92.3 | $ 96.5 | $ 54.8 | $108.5 | $114.4 | $119.9 | $125.4 |
| Operating Income | 11.1 | 4.8 | 7.3 | 7.6 | 7.4 | 4.5 | 9.0 | 9.8 | 10.5 | 11.1 |
| Operating Margin | 11.4% | 5.6% | 8.3% | 8.3% | 7.7% | 8.2% | 8.3% | 8.6% | 8.8% | 8.8% |

(a) For years ended December 31.

SCI has a strong market position in each of its product lines. Management estimates that the Company currently supplies approximately 17% of the $150 million U.S. market for ion exchange resins and 6% of the $65 million European market. SCI is the leading supplier of dye-house auxiliary chemicals with approximately 13% of the U.S. market and 6% of the European market. With a 10% worldwide share, GAMLEN is the most recognized name in the highly fragmented international marine maintenance chemical market. SCI also has an impressive share of the market for toner polymers and specialty organic fluids, as well as certain industrial chemical markets, especially in France where it dominates the fuel additive market.

In addition to its important participation in existing specialty chemical segments, SCI has positioned itself as a leader in the rapidly developing market for industrial and hazardous waste treatment. Finally, a profitable venture into tank cleaning equipment will be enhanced in 1986 and 1987 with numerous new product entries to broaden the already extensive product line in this category.

A breakdown of sales and profits by product category is as follows:

Operating Results By Product Group
(dollars in millions)

| | Revenues | | Gross Profit | | Operating Profit | | Operating Margin | |
|---|---|---|---|---|---|---|---|---|
| | 1985 | 1986 (a) | 1985 | 1986 (a) | 1985 | 1986 (a) | 1985 | 1986 (a) |
| Ion Exchange | $29.8 | $15.9 | $ 7.4 | $ 4.1 | $ 3.4 | $ 1.8 | 11.5% | 11.6% |
| Textile Auxiliaries | 32.0 | 19.1 | 12.1 | 7.8 | 3.0 | 2.2 | 9.3 | 11.7 |
| Industrial | 16.3 | 9.1 | 8.1 | 4.4 | 0.9 | (0.1) | 5.3 | (1.2) |
| Marine | 10.9 | 5.3 | 5.3 | 2.6 | (0.3) | (0.3) | (3.1) | (6.5) |
| Organics | 4.0 | 2.4 | 0.9 | 0.5 | 0.4 | 0.3 | 10.4 | 12.9 |
| Polymers | 2.6 | 2.1 | 0.3 | 0.4 | 0.1 | 0.3 | 3.6 | 12.4 |
| Equipment | 2.3 | 1.4 | 1.0 | 0.6 | 0.3 | 0.2 | 14.3 | 16.8 |
| Biochemical | 1.2 | 0.8 | 0.7 | 0.4 | (0.4) | 0.2 | (34.1) | 17.9 |
| **Total(b)** | $96.5 | $54.8 | $35.9 | $20.9 | $ 7.4 | $ 4.5 | 7.7% | 8.2% |

(a) Six months ending June 30, 1986.
(b) May not equal total of business segments due to intra-company eliminations.

SCI markets all of its products through its product and industry oriented direct sales forces. Each of the Company's field representatives is a highly trained technical applications and service specialist or chemical engineer. The overall sales effort in each product group is supported by marketing departments that have extensive technical expertise in each product and application category. While no customer represents a great portion of total sales, SCI does have favorable supply contracts with numerous large customers.

The Company's application-oriented research and development departments respond quickly and creatively to customer requirements as transmitted through field representatives. An example of this responsiveness is the introduction of an entirely new line of patented textile auxiliaries which accounted for more than $2 million in revenues in 1985. The line was conceived, developed, tested and brought to market within a matter of months. Modern, well equipped research labs staffed with PhDs and other technical experts are maintained in locations close to each business center. This ongoing commitment to research and development has helped establish SCI as a significant participant in each of its major product groups.

SCI maintains production facilities in Birmingham, N.J., Wellford, SC, the Netherlands, Italy, Mexico, South Africa, New Zealand, Australia and the United Kingdom. The Company has made considerable expenditures to ensure that these manufacturing facilities are modern, highly efficient and in full compliance with environmental regulations. SCI has a flexible manufacturing base geared to support its customers' requirements. It has accomplished this along with a rigorous program of plant consolidations giving the Company a significant competitive advantage.

SCI has established a commitment to quality and is realizing substantial cost reductions through its participation over the last two years in the Crosby Quality Improvement Process. The Company also places a substantial emphasis on the safety and well-being of its work force, through safety programs and extensive training to maintain its excellent safety record.

The intermediate and long-term outlook for SCI's overall business is strong. Management believes that the Company's two principal markets of ion exchange resins and textile auxiliaries will continue to provide excellent profitability and unit sales will continue to grow as market penetration increases and new products and applications are developed. The organic and industrial product groups will continue to be consistent and steady contributors to the Company's overall profitability. Finally, of particular interest is the explosive potential provided by the Company's ongoing commitment to the biochemical business. The maturation of this market in the next few years would have a dramatic effect upon the Company's results.

## STRATEGIC OPPORTUNITY

Prospective buyers should consider the following key points concerning SCI:

- The Company has a long record of profitability and a strong return on assets throughout all phases of the business cycle.

- SCI offers a potential buyer a global marketing base that provides needed access to industrial markets in strategic geographical regions. This should be of great value to a company interested in expanding existing operations or entering attractive new markets.

- The Company is the leading manufacturer and marketer of textile auxiliary chemicals in the U.S. and in Europe. The Company has been remarkably profitable in this business for a number of years.

- SCI is one of the top ion exchange resin manufacturers in the U.S. This market has historically been characterized by stable growth and profitability.

- The Company has a lean organization and experienced management team which has positioned it to maximize its competitive advantages through research and development, manufacturing, marketing and responsiveness to customer demands.

- SCI's sales forces are comprised of highly trained chemists and chemical engineers who have a demonstrated record of success in generating sales volume through the application of technical "know how" in addressing customer needs.

- The Company's facilities are efficient, up-to-date and strategically located, with limited capital needs for the future.

- The Company is quality-oriented and environmentally conscious and has an excellent status relative to regulatory compliance in each of the geographical regions where it operates.

- The Company is well positioned to be a dominant force in the emerging biochemical market for industrial waste treatment.

## BUSINESS DESCRIPTION

Sybron Chemicals manufacturers and supplies a wide range of specialty chemicals, including ion exchange resins, textile auxiliaries, marine and industrial chemicals, polymers, organic chemicals and biochemicals, as well as tank cleaning equipment. Global sales in 1985 were $96.5 million, broken down by three geographic regions as follows: America Division (59%), European Division (34%), Far East (7%).

### Background

Sybron Chemicals began as the Ionac Chemical operation of the Permutit Company, a manufacturer of water and waste treatment equipment. (Permutit was acquired by Sybron's predecessor company in 1957 and divested by Sybron in 1977.) Ionac, which supplied Permutit with ion exchange resins for water softening and demineralization for use in Permutit's equipment, was established by Sybron as a separate operating chemical group. Sybron expanded the business during the 1960's and 70's through several strategic acquisitions which extended the core business from the original ion exchange chemicals to a number of specialty chemicals used in textile, marine and industrial applications.

## Ion Exchange Resins

The ion exchange business operates from bases centered in Birmingham, NJ and Milan, Italy. Each operation has manufacturing, marketing, sales, applications, and research and development personnel. The sales are primarily to North American (80%) and European (15%) customers under the **IONAC**[R] and **RELITE**[R] tradenames, with additional sales generated by exporting to the Far East, Hungary, the Soviet Union, the Middle East and Latin America. Ion exchange is a very specialized business requiring a high degree of unique technology both in product development and manufacturing coupled with a large amount of specific application and sales service know-how. Thus, the barriers to entry for new participants are very high and subsequently it is extremely difficult for new, fully qualified suppliers to gain a foothold in the business.

Ion exchange resins are activated, functional, solid polymers generally in bead form which exchange desirable ions held on the functional groups of the resins for undesirable ions present in water or other fluids. Softening and demineralization of water are the major examples of this ion-exchange. The process is reversible in that the resins can be regenerated to the original ionic forms permitting their continuous re-use. Depending upon the type of resin and application, resins will last for about five to ten years before replacement is necessary due to mechanical breakdown, chemical degradation, or fouling.

The industrial ion exchange water treatment market is based mainly upon the demineralization of feed water for high pressure boilers. In boilers, the use of untreated waters would cause scaling of the heat exchangers, leading to loss of efficiency or damage to costly turbine blades in the electrical generating equipment. Electrical utilities are the largest resin users. Other major industrial users include chemical, refining, petrochemical, paper and semiconductor companies. The demand for resins comes from

two sources -- new equipment and replacement of resins in existing systems. The relative size of these markets depends on industrial activity and capital spending. SCI has a significant share of the $120 million U.S. industrial market, with a leadership position in the U.S. in sales of resin for generating high-purity water for semiconductor production.

A two-tiered channel of distribution exists in the U.S. industrial water treatment market. Resins are rarely sold directly to end users by the resin manufacturer, but are sold to OEM's for use in new equipment and to both OEM's and distributors for resale to replace resins in existing equipment. The Company has close working relationships in the U.S. and Europe with major OEM's and selected distributors based on strong technical support and customer service. The ion exchange sales force also maintains an active end-user contact program through which the sales force acts as advisors on matters related to the deionization systems. This key customer service aspect of SCI's "pull through" marketing strategy has been very successful in enabling the Company to have its resins specified by numerous end-users.

The international market represents a growing opportunity for SCI's ion exchange resin production. Sourcing from either the Binasco, Italy or Birmingham, New Jersey plants, an increasing volume of business in Canada, South America, Southeast Asia, Eastern Europe and the Middle East is being generated. Through the efforts of SCI personnel and local agents, Ionac and Relite resins for water treatment, beet sugar refining and process applications have gained world-wide acceptance.

In addition to the industrial market, SCI serves a $20 million U.S. household water softening market which has experienced steady growth in recent years. This market is

influenced by new housing construction and housing sales and the awareness and concern for water quality on the part of the consumer. The resin is sold to the water softener manufacturers. The Company has maintained the leading market position in the United States for several years through its strong technical support and customer service to the softener manufacturers. SCI's main softening resin, Ionac C249, is the industry standard.

SCI's historic strength has been in the industrial water treatment and household markets. The Company's new products and applications know-how will allow it to penetrate further several other segments, including the large markets for corn syrup production, pharmaceutical production and chemical processing. Emerging markets for selective ion exchange resins for waste treatment and metal recovery in the mining, electroplating and precious metals industries also offer potential growth opportunities.

The Company, through its small ion exchange membrane product line, is the leading supplier of membranes to the auto industry for the electrodeposition of paint. SCI is exploring the potential of these products in water and waste treatment for several other industries.

## Textile Chemicals

SCI is the largest United States supplier of specialty chemicals for the wet-end processing segment of the textile industry, holding a 6% market share. Company sales to the textile industry currently run in excess of $30 million annually, split evenly between America and Europe. SCI's textile chemicals are marketed under the brand names **TANATEX**[R] and **JERSEY STATE**[R]. Each product line has earned a solid reputation in the textile industry with Tanatex being the clear leader in dyehouse auxiliaries.

The dyehouse product line consists of proprietary formulations of solvents and surfactants which make the dyesites of the synthetic fibers more accessible to the dyes and assure that the dyes penetrate the fibers uniformly. The finishing product line consists of film-forming polymers which, when applied and cured, impart softness, water-repellancy, soil release and permanent press characteristics to all types of fabrics.

Through its Tanatex product line the Company established a strong foothold in the dyehouse market as the pioneer in the development of dyeing systems for polyester. This reputation as the innovative leader in the industry has been maintained. Novel systems for dyeing nylon carpet, flameproof fibers, acrylic fabrics and recently introduced unique patented liquid-for-solid buffer systems (**ALKAFLO**[R] and **BUFFER-IN**[R]) are a few of the many innovations which have kept SCI on the leading edge of technology in the textile field. Other major developments include non-silicate preparation systems for cotton fabric and a new line of products for textile printing.

The Jersey State product line offers a variety of unique polymeric finishes which impart aesthetically novel characteristics to all types of textile fabrics. Other specialty finishes

include systems for soil resistance, water-proofing, permanent-press and oil repellancy. Although sales have traditionally been concentrated in the northeast, recent management efforts have successfully introduced Jersey State into the higher-volume southern market.

SCI's textile segment is a predominantly service-oriented business, in which the Company's sales and marketing representatives function as applications engineers assisting customers in developing systems to meet special needs. The majority of the salesforce are former dyehouse superintendants with several years of mill experience. Serving this marketplace requires a thorough knowledge of the entire wet-end operation, including fiber content, equipment, operating conditions and end-use specifications. Following analysis of key parameters, chemicals are selected from the existing product lines or new products are formulated to meet specific criteria.

SCI customers include the leading textile manufacturers in the U.S. and Europe. In addition, SCI provides intermediates and technology to the few textile manufacturers who have in-house chemical divisions. The Company's customer base is broad and deep with the top twenty-five customers accounting for approximately 50% of the total revenues of this line. In addition to the U.S. and European markets, Tanatex products are sold in significant quantities to customers in the USSR, Hungary and various Third-World countries. Currently, SCI has a program under development to enter the potentially lucrative Far East markets of Korea, Taiwan and Singapore.

**Industrial Chemicals**

Under the trade name **GAMLEN**[R], SCI manufactures chemicals which are used extensively in industrial applications. Treating fuel with Gamlen-brand chemicals improves its combustion efficiency and promotes clean boilers. Gamlen chemicals are also used to clean up and contain oil spills, and to clean equipment, storage and fuel tanks. Since the energy shortages of the 1970's, burning fuel more efficiently has become critical. Gamlen chemicals can assist in this process, particularly in situations where the fuel quality has declined.

Gamlen fuel additives include a group of patented organometallic salts produced internally, as well as other solutions and mixtures of catalysts, polymers and surface-active materials. An attractive application for fuel additives is in improving the combustion of oil, coal, and liquid and solid waste fuels. Catalysts will make poor quality fuel burn better resulting in improved heat yield and reduction in unburned particles that would otherwise create environmental problems. Combustion catalysts also reduce or eliminate harmful by-products of combustion that would otherwise foul or corrode boilers. Gamlen fuel-conditioning products also maintain the integrity of oil in storage, eliminating formation of sludge and water layers that would ultimately interfere with the combustion process. In addition, Gamlen develops and markets a line of pour-point and cloud-point depressants that enable better utilization of fuel in cold temperatures, and catalysts to improve the cetane rating of diesel fuel.

While utilities are the largest consumers of fuel additives, Gamlen has developed a leading reputation, particularly in Europe, in supplying fuel additives for boilers in lighter industry and commercial establishments, emphasizing the money-saving and pollution-reduction features of the additives. Gamlen products also successfully treat coal

in utility furnaces. oil in refinery and other large industrial boilers. black liquor in paper mill boilers. and chemical waste fuels. In addition. large quantities of Gamlen fuel additives are sold in small containers under "Gamlen" or private label names for residential and vehicular use.

Fuel additive products are sold by Gamlen representatives who understand the combustion processes and problems and can recommend appropriate products and application methods to solve those problems. In large installations. Gamlen representatives frequently conduct trials to demonstrate the effectiveness of Gamlen's problem-solving technology.

## Marine Chemicals

The GAMLEN[R] marine business is essentially a massive distribution system supplying consumable maintenance products to the world's shipping fleets in over 230 ports. The major lines of products supplied are cleaners and fuel additives similar to those in the Gamlen industrial line. The cleaners are used in upgrading bunker tanks for carrying grain, and other tank, deck and engine-room cleaning applications. Gamlen's unique FUELCHECK fuel-care program involves equipment and chemicals that allow ships to utilize and compatibilize lower grades of diesel fuel and burn these without creating maintenance problems. Additionally, Gamlen has made use of SCI's biochemical technology to market a unique line of biologically active cleaning products for marine applications that successfully clean and maintain sanitary systems on passenger and naval ships.

Gamlen marine sales engineers call on the head offices of all the world's major shipping lines to discuss the applications of Gamlen products in solving ship problems and gain contracts for delivery of products to the ships. Thereafter, service is the key as supplies must be available 24 hours a day, 365 days a year to ensure that customers' ships schedules are maintained. Gamlen is one of the few companies that maintains this worldwide network of port representatives, agents and distributors, and mechanism for maintaining this supply commitment.

## Organics and Specialty Polymers

The organic business primarily consists of a family of specially reacted and distilled molecules used as dye solvents in carbonless copy paper and as a replacement fluid for PCB's in electrical capacitors. Leading manufacturers of both of these products are SCI customers.

The specialty polymer business supplies specially designed bead polymers for use in toners for office copy machines and computer output printers, compounds for restorative dentistry and dentures, processing aids for polyvinylchloride, and floor polishes. SCI has a leading position in the toner polymer market, supplying major U.S. equipment manufacturers as well as leading independent toner manufacturers.

**Equipment**

SCI's tank-cleaning equipment is sold under the **GAMAJET**[R] brand name. These small, portable machines of stainless steel or bronze direct a high-pressure stream of water or cleaning solutions against surfaces on which there is material to be removed. While the major current application for Gamajets is in cleaning brewery tanks, significant sales and additional market opportunities exist for the cleaning of tankwagons, chemical reactors, food and beverage tanks, ship bunker and storage tanks, etc. A significant and highly profitable captive after-market exists for spare parts, comprising about 40% of the total sales of this product line. Product development and manufacture of this equipment is conducted under an exclusive agreement with an outside company. Marketing and sales are carried out by SCI personnel emphasizing product performance, reliability, engineering and effectiveness in specific cleaning applications. New products currently under field testing or final development should be commercially introduced in 1987 to address additional market needs for smaller, more durable, more powerful, more cost-effective and more controllable machines.

## Biochemicals

SCI markets selectively-adapted bacteria cultures under the tradename **BICHEM**[R] for application in many markets including industrial chemical waste treatment, municipal waste treatment, soil/aquifer remediation at hazardous waste sites, leaking underground storage tanks (LUST), sanitary products for resale through distributors, and agricultural products.

These cultures, some of which are patented, are used to supplement the existing bacterial population by means of a process called bioaugmentation. These special organisms are capable of high rates of organic reduction, and in many cases are able to degrade hazardous or toxic compounds which have previously been difficult to degrade. The toxic substances are converted to harmless compounds, such as carbon dioxide and water.

The ability of the bacteria to accelerate degradation, as well as to detoxify organic compounds, is of tremendous importance in treating soil contaminated by chemical spills or leaking storage tanks. Naturally occurring bacteria adapt to foreign substances only very gradually while the selectively-adapted bacteria accelerate the degradation process and rapidly reduce the contaminants to safe levels.

The EPA has launched a major program to clean up soil and water contaminated by leakage from underground storage tanks, emphasizing on-site remediation. It is estimated that over 250,000 tanks are leaking in the United States alone with an approximate clean-up cost of up to $40,000 per site. Biological treatment is a natural solution to this multi-billion dollar problem. SCI is currently treating several of these contaminated sites and has an active marketing program focused on this potentially lucrative market.

Industrial and municipal waste treatment plants also offer a significant opportunity for bioaugmentation. SCI currently provides in-depth technical services for many customers for upgrading plant efficiency, assisting in the overall waste treatment operation and teaching the proper utilization of bioaugmentation. SCI is recognized as the leader in providing biological solutions to waste-treatment problems.

By means of an extensive distribution network, SCI is addressing the requirements of the large sanitary market. A full service product line is now available for domestic and commercial applications.

SCI has established a leadership position in the bioaugmentation field not simply through its development of highly active selective bacteria cultures, but also through its growing understanding of the nature of the field problems and the conditions under which the organisms can best be applied and function. Highly trained laboratory, technical service and field staffs supplement the marketing efforts in identifying and solving the problems and developing a growing base of business.

## ENVIRONMENTAL CONSIDERATIONS

SCI has all the necessary permits under which its plants can be operated in compliance with the various regulations of the jurisdictions in which they operate. The Company is constantly in the process of updating these as required. In addition, the Company adheres to regulatory requirements of RCRA, OSHA, TOSCA and Right-to-Know-Laws. In Europe, routine visits are made to SCI plants by labor inspectors to assure compliance with standards for proper working conditions.

At present, the Company is involved in two matters in the United States relative to hazardous waste of the Company purportedly being transported and left in abandoned dump sites. Both of these acts were alleged to have taken place more than 10 years ago, one is close to settlement for under $50,000 and the other is an extremely broad-based third-party action naming more than 650 defendants, and is being handled by Sybron's insurance carrier. Another third-party action has recently been brought relating to waste at a third site, for which the Company settled with the EPA more than five years ago. This is also being handled by Sybron's insurance carrier. The Company believes its exposure in these cases is insignificant and, other than these, knows of no other outstanding or pending claims relating to past environmental incidents.

In New Jersey, transfers of industrial property are encumbered by the requirements of the New Jersey Environmental Clean-up and Responsibility Act (ECRA). ECRA requires a comprehensive environmental review, including groundwater and soil sampling, of all industrial facilities sold or closed down in New Jersey. Subsequent to the findings of the comprehensive review, the seller of the property must conduct an environmental clean-up which meets with the requirements of the Department of Environmental

Protection. In May of 1986, due to the acquisition of Sybron Corporation by the Forstmann Little & Co., Sybron Chemicals Inc. entered into an Administrative Consent Order with the Department of Environmental Protection, Bureau of Industrial Site Evaluation for the conduct of the ECRA review of Sybron's Birmingham, Haledon and Clifton, New Jersey facilities. Sampling plans and other information with regard to the individual sites have already been submitted to the Department of Environmental Protection for review.

The sale of SCI will require a new administrative consent order with the New Jersey Department of Environmental Protection and the buyer. The Department has advised the company's ECRA counsel that because of the recent order issued in connection with the Forstmann Little & Co. purchase, a new order will be issued within two to three weeks after notice to the State of a new sale transaction. The State has indicated they will require an agreement to continue the presently agreed upon compliance program and will required evidence of financial capability to continue that program.

## MANUFACTURING AND FACILITIES DESCRIPTION

### Birmingham, New Jersey

The Birmingham plant and SCI's main offices are located on 75 acres, of a total of over 500 acres owned in Birmingham, New Jersey. Birmingham is located about 35 miles east of Philadelphia, PA. All transportation of materials in and out of the plant is by truck.

The plant produces four major product lines. The largest of these, using about 35% of the plant space and labor, is cation ion exchange resin, with an annual capacity in excess of 350,000 cubic feet, including production of several million pounds of precursor suspension polymer, and sulfonation/neutralization of the polymer. Next largest, using about 30% of the plant space and labor, is an anion ion exchange resin area, with a capacity in excess of 60,000 cubic feet, including polymerization, chloromethylation, and amination plants. The anion and cation ion exchange plants are currently operating at capacity. Textile finishing chemicals utilize 10% of the space and labor, including reactors for emulsion polymers, condensate polymers, and blends, with a total potential annual capacity of over 25 million pounds. Toner polymers, with an annual capacity in excess of 3.5 million pounds, is the other major plant area. Other production lines include dental polymers, acrylate emulsion polymers and specialty organic chemicals.

Substantial excess capacity exists for all utilities, except electricity, where any significant expansion will require additional power distribution capability. No significant external environmental problems (landfills, etc.) are known to exist. The plant has an excellent safety record, winning the New Jersey Business and Industry "Excellence in Safety Award" and also winning the New Jersey "Workplace Standard Award." Currently the

plant has gone almost one year and over 300,000 man-hours since the last lost-time accident.

The major plant raw materials include styrene (multiple sources, with one contract with very favorable pricing), sulfuric acid (one source due to the need to return spent acid), divinyl benzene (one source at present, a contracted toll manufacturing arrangement), and sodium hydroxide (multiple sources). All major raw materials are stored in bulk tanks.

Birmingham plant workers are unionized (along with hourly laboratory employees) with the present contract extending through March, 1987. This is the only union representation in the U.S.

**Wellford, South Carolina**

The Wellford plant is located on about 30 acres near Route I-85 between Greenville and Spartanburg, South Carolina. Materials are transported to and from the plant by truck, and a leased rail siding near the plant is available for use in conjunction with trucks. The plant is not unionized.

The plant is divided into two major areas. In the Formulation Plant, blends of solvents and surfactants are produced for the textile, marine, and industrial businesses. Current production on a 1-1/2 shift, 5-day basis, is about 30 million pounds per year. In the Organics Plant, alkylation and esterification reactions are completed, followed by purification in one of the two 15,000 gallon distillation units. The plant capacity is greater than 7 million pounds. This plant is serviced by a high temperature hot oil system.

Major raw materials purchased include biphenyl (either a crude stream upgraded in the distillation unit, or a purified stream purchased under favorable contract terms), caustic potash and phosphoric acid, benzyl chloride, and nonylphenol based surfactants. All major raw materials are stored in extensive tank farm areas.

No significant environmental issues exist. This plant also has an extraordinary safety record, with more than three years and 350,000 man-hours since the last lost time accident.

**Salem, Virginia**

The Salem facility is located on approximately two acres just outside of Roanoke, Virginia. The plant produces selectively-adapted biological cultures in two forms, solid and liquid. The solids area, including packaging, utilizes most of the plant space. Production capacity for liquid cultures has been reached, and a project to double the capacity has recently gone onstream. No major operating problems exist at the facility. No known environmental issues exist.

**Vernon, France**

The three acre plant is 35 miles northwest of Paris. The plant manufactures fuel oil additives for the marine and industrial markets, marine and industrial cleaners, water treatment formulations and descaling agents. The plant capacity on a one shift, five-days-a-week basis is 7,000 metric/tons per year of formulated products and powders plus 1,500 metric tons of reacted organometallic combustion catalysts.

The facility is in compliance with all environmental regulations. All raw materials are readily available from local sources at competitive prices.

**Binasco, Italy**

The 25 acre plant is located near Milan, Italy, and manufactures ion exchange resins. The plant consists of :

5,500,000 liter/year sulphonation plan (cation exchange resin)
1,700,000 kg/year polymerization plant (intermediate for ion exchange)
1,000,000 liter/year acrylic/carboxilic resins plant (including expansion of 40,000 lt/month to be completed by late September).

The plant has a waste water treatment facility and air pollution control equipment designed to comply with the strict limitations mandated by the Italian Government.

The major raw materials used by the plant are styrene, divinylbenzene, sulphuric acid, caustic soda, and acrylonitrile. These are all readily available from several competitive sources.

**Ede, Holland**

This five acre facility, located near Amsterdam, manufactures textile chemical auxiliaries. The plant capacity based on a one shift, five day week is 8,200 metric tons per year of formulated products and approximately 1,300 metric tons of intermediates. The plant's product line consists of dye carriers, cotton dyeing preparations, levelers, auxiliaries, detergents, surfactants and printing gums.

The main raw materials used are non-ionic surfactants, trichlorobenzene, benzyl chloride, tertiary fatty amines, petroleum derived solvents and biphenyl. All of these raw materials are readily available from several highly competitive sources. The facility is in compliance with all regulations under the environmental protection statutes.

## MANAGEMENT'S DISCUSSION OF FINANCIAL RESULTS

Volume for the first half of 1986 is 12% ahead of the same period in 1985. Strong sales increases have been achieved in textile chemicals, biochemicals, organic chemicals and polymers.

Income for the first six months is slightly behind last year's performance. This is mainly due to a weak first quarter in 1986 vs. a very strong first quarter in 1985. Gross margin suffered from start-up of a new anion exchange process and textile finishing chemical production at Birmingham, and from a decline in industrial chemical volume and pricing in Europe. However, in the second quarter, with the new processes and production fully on stream, volume growth accelerating and other process and raw material cost reduction steps achieved, margins were well ahead of last year's rate. Consequently, income for the second quarter of 1986 was 24% ahead of the same period last year and 122% over the first quarter of this year. Also, profits for the first half of 1986 are 128% ahead of the last half of 1985. This favorable trend has continued into July, usually a weak month, where income is more than $600,000 (600%) over last July. This makes the seven-month year-to-date results essentially equivalent to 1985, supporting the projected increase in 1986 income over 1985.

## OUTLOOK AND FUTURE OPPORTUNITIES

Management anticipates the positive momentum built up in the second quarter of 1986 to continue into the future as SCI's key businesses gain market share through proven product and marketing strengths, the biochemical business moves out from its established base position and the constant emphasis on value, cost control and cost reduction continue to counteract resistance to pricing increases. SCI's projections generally are based on a continuation of the moderate inflation and economic growth experienced over the past eighteen months.

While the ion exchange markets should increase far more rapidly if there is a resurgence in capital spending, SCI currently anticipates its growth to come primarily from increased market penetration as new products gain more widespread acceptance and the strong customer-oriented approach as "the ion exchange company" achieves even greater market loyalty.

The Company's technological strength in the dyehouse chemicals field and increased usage of its unique liquid-for-solids, printing and cotton preparation systems should enable it to increase its market share in America and Europe. SCI anticipates continued penetration of its finishing products into the southern U.S. textile market and full-year margin benefits from the recent relocation of the finishing production to the Birmingham plant.

Renewed growth in the industrial fuel additive business should come from increased burning of oil due to lower oil prices and greater penetration outside of the traditional French market and into the relatively newer applications of waste fuel and coal

treatment. The marine chemicals market is currently expected to remain relatively flat for the short term.

While volume is forecasted to double over the next three years in the biochemical business, this is actually an extremely conservative outlook based on a scenario of relatively slow market acceptance of SCI's proprietary technology for solving waste problems and limited regulatory pressure to clean up contaminated soil. In fact, management believes that there is a strong potential for explosive growth in this market in the near future.

Management also expects better than average growth in its organics business due to the full effects of additional market penetration gained in 1986 and in its equipment business due to the addition of several new products to the line.

Gross margin improvements should continue due to the cost-reduction processes that have been implemented and the continued successes SCI has realized in developing alternative, lower cost raw material sources. Most of the businesses are staffed properly for the future, with major additions anticipated in the biochemical sales, marketing and technical areas, ion exchange marketing and research, and process development engineering.

Management does not anticipate the need for any unusual capital expenditures in the next three-four years to maintain its facilities or remain in compliance with environmental regulations. In some cases where the plants are approaching full capacity, the Company is exploring new process opportunities to increase capacity with relatively limited additional capital expenditures. However, even in cases where that is not possible,

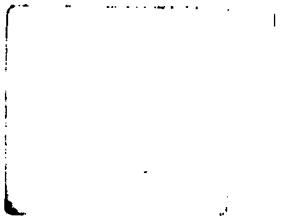
management believes that the capital requirements for capacity and anticipated new products will not require substantial cash outlays.

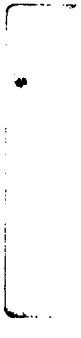
SCI believes significant additional opportunities exist for the future which are not reflected in the projected financial results. These include:

- o major cost reduction programs in cation and anion manufacturing at Birmingham (projected savings in excess of $500,000 per year);
- o significant penetration of the Far East textile market (projected sales of several million dollars per year);
- o extension of SCI's problem-solving/formulation capabilities to the paper industry (currently underway with near-term potential in excess of $1 million annually in sales);
- o capturing a significant share of the market for new types of polymers for toners in new copying machines and laser printers (development work underway with several-million-dollar market potential);
- o final successful commercialization of new ion exchange resin and membrane products currently under development (including new macroporous resins, acrylic anions, selective resins and a lower cost anion resin);
- o new lines of products that can be distributed through the existing, well positioned marine and industrial sales forces and extension of marine chemical sales into eastern Europe, China and the rest of the Third World;

- worldwide capitalization on a unique juice-debitterizing process that has been developed and commercialized in New Zealand/Australia.

EXHIBIT 1





SYBRON CHEMICAL

Exhibit 1

Consolidated Income Statement (a)
(dollars in thousands)

| | Historical | | | | | | Projected | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 (6 Months) | 1986 | 1987 | 1988 | 1989 |
| Net Sales | $97,341 | $85,846 | $88,284 | $92,270 | $96,487 | $54,841 | $108,469 | $114,406 | $119,940 | $125,377 |
| Cost of Sales | 57,914 | 52,487 | 53,517 | 56,248 | 60,573 | 33,948 | 66,972 | 70,314 | 73,471 | 76,482 |
| Gross Margin | 39,427 | 33,359 | 34,767 | 36,022 | 35,914 | 20,893 | 41,498 | 44,093 | 46,469 | 48,894 |
| % of Sales | 40.5% | 38.9% | 39.4% | 39.0% | 37.2% | 38.1% | 38.3% | 38.5% | 38.7% | 39.0% |
| Selling | 17,803 | 17,939 | 18,080 | 18,624 | 18,893 | 11,127 | 22,393 | 23,404 | 24,598 | 25,958 |
| Administration | 8,413 | 8,260 | 6,424 | 6,419 | 6,325 | 3,619 | 7,222 | 7,478 | 7,753 | 8,040 |
| Research & Development | 2,135 | 2,254 | 2,507 | 2,677 | 2,598 | 1,420 | 2,884 | 3,015 | 3,173 | 3,346 |
| Other (Inc)/Exp | 140 | 40 | (28) | (26) | 458 | 339 | 41 | 164 | 164 | 164 |
| Total SA&D | 28,491 | 28,493 | 26,983 | 27,694 | 28,274 | 16,505 | 32,540 | 34,061 | 35,688 | 37,508 |
| % of Sales | 29.3% | 33.2% | 30.6% | 30.0% | 29.3% | 30.1% | 30.0% | 29.8% | 29.8% | 29.9% |
| Income before other Operating Credits/(Charges) | 10,936 | 4,866 | 7,784 | 8,328 | 7,640 | 4,388 | 8,957 | 10,031 | 10,781 | 11,386 |
| Other Operating Credits/(Charges) (b) | 195 | (86) | (441) | (692) | (242) | 111 | 50 | (214) | (264) | (314) |
| Operating Profit (pre-LIFO) | $11,131 | $ 4,780 | $ 7,343 | $ 7,636 | $ 7,398 | $ 4,499 | $ 9,007 | $ 9,817 | $ 10,517 | $ 11,072 |
| % of Sales | 11.4% | 5.6% | 8.3% | 8.3% | 7.7% | 8.2% | 8.3% | 8.6% | 8.8% | 8.8% |

(a) For years ending December 31; numbers may not equal total due to rounding.
(b) Consists primarily of removal of interest and currency charges and addback of headquarter's costs.

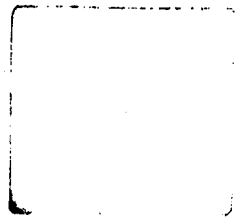


EXHIBIT 2

**SYBRON CHEMICALS**

**EXHIBIT 2**

**Ion Exchange**

**Summary of Operations(a)**
**(dollars in thousands)**

| | Historical | | | | | | Projections | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 (6 Months)(b) | 1986 | 1987 | 1988 | 1989 |
| Revenue | $27.195 | $23.312 | $24.081 | $28.691 | $29.833 | $15.878 | $31.100 | $33.000 | $34.700 | $36.100 |
| Cost of Sales | 18.903 | 16.700 | 17.950 | 20.551 | 22.394 | 11.785 | 22.983 | 24.255 | 25.400 | 26.317 |
| Gross Margin | $ 8.292 | $ 6.612 | $ 6.131 | $ 8.140 | $ 7.439 | $ 4.093 | $ 8.117 | $ 8.745 | $ 9.300 | $ 9.783 |
| % of Sales | 30.5% | 28.4% | 25.5% | 28.4% | 24.9% | 25.8% | 26.1% | 26.5% | 26.8% | 27.1% |
| Selling | 1.893 | 1.931 | 1.993 | 2.115 | 2.320 | 1.281 | 2.740 | 2.932 | 3.137 | 3.357 |
| Administration | 818 | 1.017 | 707 | 744 | 816 | 459 | 936 | 983 | 1.032 | 1.084 |
| Research & Development | 751 | 857 | 762 | 977 | 556 | 292 | 641 | 679 | 720 | 763 |
| Other (Inc)/Exp | 249 | 58 | (180) | 218 | 191 | 285 | 100 | 100 | 100 | 100 |
| Total SA&D | $3.711 | $3.863 | $3.282 | $4.054 | $3.883 | $2.317 | $4.417 | $4.694 | $4.989 | $5.304 |
| % of Sales | 13.6% | 16.6% | 13.6% | 14.1% | 13.0% | 14.6% | 14.2% | 14.2% | 14.4% | 14.7% |
| Income before other Operating Credits/(Charges) | 4.581 | 2.749 | 2.849 | 4.086 | 3.556 | 1.776 | 3.700 | 4.051 | 4.310 | 4.480 |
| Other Operating Credits/(Charges) (c) | (45) | (282) | (75) | (119) | (121) | 60 | 53 | (25) | (41) | (58) |
| Operating Profit (pre-LIFO) | $4.536 | $2.467 | $2.774 | $3.967 | $3.435 | $1.836 | $3.753 | $4.026 | $4.269 | $4.422 |
| % of Sales | 16.7% | 10.6% | 11.5% | 13.8% | 11.5% | 11.6% | 12.1% | 12.2% | 12.3% | 12.2% |

(a) For years ending December 31; numbers may not total due to rounding.
(b) For six months ending June 30.
(c) Consists primarily of removal of interest and currency charges and addback of chemical headquarter's costs.

SYBRON CHEMICALS

EXHIBIT 2

Textile

Summary of Operations(a)
(dollars in thousands)

| | Historical | | | | | | Projections | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 (6 Months)(b) | 1986 | 1987 | 1988 | 1989 |
| Revenue | $29.522 | $26.168 | $28.271 | $28.997 | $31.997 | $19.088 | $36.510 | $37.800 | $39.100 | $40.500 |
| Cost of Sales | 18.514 | 16.492 | 17.388 | 17.930 | 19.879 | 11.284 | 21.723 | 22.453 | 23.225 | 24.057 |
| Gross Margin | $11.008 | $ 9.676 | $10.883 | $11.067 | $12.118 | $ 7.804 | $14.787 | $15.347 | $15.875 | $16.443 |
| % of Sales | 37.3% | 37.0% | 38.5% | 38.2% | 37.9% | 40.9% | 40.5% | 40.6% | 40.6% | 40.6% |
| Selling | 5.859 | 5.570 | 5.674 | 5.820 | 6.258 | 3.966 | 7.932 | 8.249 | 8.579 | 8.922 |
| Administration | 2.241 | 2.137 | 1.987 | 1.862 | 1.751 | 1.020 | 2.040 | 2.122 | 2.206 | 2.295 |
| Research & Development | 793 | 764 | 690 | 652 | 846 | 505 | 1.010 | 1.050 | 1.092 | 1.136 |
| Other (Inc)/Exp | (133) | (152) | 34 | 133 | 291 | 94 | 124 | 124 | 124 | 124 |
| Total SA&D | $8.760 | $8.319 | $8.385 | $8.379 | $9.001 | $5.585 | $11.170 | $11.612 | $12.071 | $12.549 |
| % of Sales | 29.7% | 31.8% | 28.9% | 26.5% | 47.9% | 29.3% | 30.4% | 30.5% | 30.7% | 30.8% |
| Income before other Operating Credits/(Charges) | 2.248 | 1.357 | 2.498 | 2.600 | 2.972 | 2.219 | 3.681 | 3.802 | 3.872 | 3.966 |
| Other Operating Credits/(Charges) (c) | 61 | 150 | 16 | (42) | (12) | 5 | (44) | (105) | (118) | (130) |
| Operating Profit | $2.309 | $1.507 | $2.514 | $2.558 | $2.960 | $2.224 | $3.637 | $3.696 | $3.755 | $3.836 |
| % of Sales | 7.8% | 5.8% | 8.9% | 8.8% | 9.3% | 11.7% | 10.0% | 9.8% | 9.6% | 9.5% |

(a) For years ending December 31; numbers may not total due to rounding.
(b) For six months ending June 30.
(c) Consists primarily of removal of interest and currency charges and addback of chemical headquarter's costs.

**SYBRON CHEMICALS**

**EXHIBIT 2**

**Industrial**

**Summary of Operations(a)**
**(dollars in thousands)**

| | Historical | | | | | | Projections | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 (6 Months)(b) | 1986 | 1987 | 1988 | 1989 |
| Revenue | $19.017 | $17.522 | $16.349 | $16.488 | $16.333 | $9.069 | $19.100 | $20.100 | $20.800 | $21.400 |
| Cost of Sales | 9.314 | 9.199 | 8.019 | 8.397 | 8.220 | 4.690 | 9.856 | 10.311 | 10.629 | 10.893 |
| Gross Margin | $ 9.703 | $ 8.323 | $ 8.330 | $ 8.091 | $ 8.113 | $4.379 | $ 9.244 | $ 9.789 | $10.171 | $10.507 |
| % of Sales | 51.0% | 47.5% | 51.0% | 49.1% | 49.7% | 48.3% | 48.4% | 48.7% | 48.9% | 49.1% |
| Selling | 4.930 | 4.684 | 4.771 | 4.901 | 4.911 | 3.048 | 6.046 | 6.288 | 6.539 | 6.801 |
| Administration | 3.107 | 3.047 | 1.984 | 1.835 | 1.926 | 1.188 | 2.346 | 2.440 | 2.537 | 2.639 |
| Research & Development | 249 | 214 | 531 | 386 | 406 | 228 | 436 | 453 | 472 | 490 |
| Other (Inc)/Exp | 125 | 147 | (85) | (56) | 162 | 154 | (14) | (14) | (14) | (14) |
| Total SA&D | $ 8.411 | $ 8.092 | $ 7.201 | $ 6.987 | $ 7.178 | $ 4.464 | $ 8.816 | $ 9.169 | $ 9.537 | $ 9.919 |
| % of Sales | 44.2% | 46.2% | 44.0% | 42.9% | 45.3% | 50.9% | 46.1% | 45.6% | 45.8% | 46.3% |
| Income before other Operating Credits/(Charges) | 1.292 | 231 | 1.129 | 1.025 | 708 | (239) | 430 | 622 | 637 | 591 |
| Other Operating Credits/(Charges) (c) | 301 | 235 | 0 | (86) | 155 | 134 | 239 | 203 | 196 | 190 |
| Operating Profit | $1.593 | $466 | $1.129 | $ 939 | $ 863 | $(105) | $ 670 | $ 824 | $ 833 | $ 781 |
| % of Sales | 8.4% | 2.7% | 6.9% | 5.7% | 5.3% | (1.2)% | 3.5% | 4.1% | 4.0% | 3.6% |

(a) For years ending December 31: numbers may not total due to rounding.
(b) For six months ending June 30.
(c) Consists primarily of removal of interest and currency charges and addback of chemical headquarter's costs.

SYBRON CHEMICALS

EXHIBIT 2

Marine

Summary of Operations(a)
(dollars in thousands)

| | Historical | | | | | | Projections | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 (6 Months)(b) | 1986 | 1987 | 1988 | 1989 |
| Revenue | $15.463 | $13.135 | $12.927 | $11.752 | $10.889 | $5.347 | $10.600 | $10.900 | $11.050 | $11.200 |
| Cost of Sales | 7.941 | 6.846 | 6.807 | 5.962 | 5.541 | 2.781 | 5.311 | 5.450 | 5.525 | 5.600 |
| Gross Margin | $ 7.522 | $ 6.289 | $ 6.120 | $ 5.790 | $ 5.348 | $2.566 | $ 5.289 | $ 5.450 | $ 5.525 | $ 5.600 |
| % of Sales | 48.6% | 47.9% | 47.3% | 49.3% | 49.1% | 49.9% | 49.9% | 50.0% | 50.0% | 50.0% |
| Selling | 4.431 | 4.716 | 4.509 | 4.707 | 4.021 | 2.038 | 4.040 | 4.081 | 4.121 | 4.163 |
| Administration | 1.912 | 1.774 | 1.475 | 1.598 | 1.547 | 766 | 1.519 | 1.534 | 1.549 | 1.565 |
| Research & Development | 210 | 154 | 230 | 242 | 221 | 114 | 228 | 230 | 233 | 235 |
| Other (Inc)/Exp | (365) | (231) | (78) | (204) | (148) | (23) | (46) | (46) | (46) | (46) |
| Total SA&D | $ 6.188 | $ 6.413 | $ 6.136 | $ 6.172 | $ 5.510 | $ 2.848 | $ 5.743 | $ 5.801 | $ 5.859 | $ 5.918 |
| % of Sales | 40.0% | 48.8% | 47.5% | 52.5% | 50.6% | 53.3% | 54.2% | 53.2% | 53.0% | 52.8% |
| Income before other Operating Credits/(Charges) | 1.334 | (124) | (16) | (382) | (162) | (282) | (543) | (351) | (334) | (318) |
| Other Operating Credits/(Charges) (c) | (58) | (93) | (286) | (272) | (174) | (64) | (106) | (167) | (173) | (180) |
| Operating Profit | $1.276 | $(217) | $(302) | $(654) | $(336) | $(346) | $(560) | $(518) | $(508) | $(498) |
| % of Sales | 8.3% | (1.7)% | (2.3)% | (5.6)% | (3.1)% | (6.5)% | (5.3)% | (4.7)% | (4.6)% | (4.4)% |

(a) For years ending December 31; numbers may not total due to rounding.
(b) For six months ending June 30.
(c) Consists primarily of removal of interest and currency charges and addback of chemical headquarter's costs.

SYBRON CHEMICALS

EXHIBIT 2

Organics

Summary of Operations(a)
(dollars in thousands)

| | Historical | | | | | | Projections | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 (6 Months)(b) | 1986 | 1987 | 1988 | 1989 |
| Revenue | $3,295 | $3,252 | $3,424 | $3,875 | $4,025 | $2,381 | $4,500 | $5,000 | $5,500 | $6,100 |
| Cost of Sales | 2,351 | 2,404 | 2,474 | 2,946 | 3,140 | 1,866 | 3,510 | 3,885 | 4,257 | 4,703 |
| Gross Margin | $ 944 | $ 848 | $ 950 | $ 929 | $ 885 | $ 515 | $ 990 | $1,115 | $1,243 | $1,397 |
| % of Sales | 28.6% | 26.1% | 27.7% | 24.0% | 22.0% | 21.6% | 22.0% | 22.3% | 22.6% | 22.9% |
| Selling | 45 | 91 | 78 | 79 | 72 | 50 | 94 | 129 | 136 | 147 |
| Administration | 111 | 78 | 41 | 59 | 42 | 30 | 57 | 60 | 64 | 68 |
| Research & Development | 68 | 99 | 144 | 252 | 287 | 97 | 183 | 192 | 202 | 212 |
| Other (Inc)/Exp | 0 | 6 | 16 | 0 | 1 | 0 | | | | |
| Total SA&D | $ 224 | $ 274 | $ 279 | $ 390 | $ 408 | $ 177 | $ 335 | $ 382 | $ 402 | $ 427 |
| % of Sales | 6.8% | 8.4% | 8.1% | 10.1% | 10.1% | 7.4% | 7.4% | 7.6% | 7.3% | 6.9% |
| Income before other Operating Credits/(Charges) | 720 | 574 | 671 | 539 | 477 | 338 | 655 | 733 | 841 | 975 |
| Other Operating Credits/(Charges) (c) | (30) | (46) | (48) | (48) | (57) | (30) | (55) | (51) | (55) | (58) |
| Operating Profit | $690 | $528 | $623 | $491 | $420 | $308 | $601 | $682 | $787 | $916 |
| % of Sales | 20.9% | 16.2% | 18.2% | 12.7% | 10.4% | 12.9% | 13.3% | 13.6% | 114.3% | 15.0% |

(a) For years ending December 31, numbers may not total due to rounding
(b) For six months ending June 30
(c) Consists primarily of removal of interest and currency charges and addback of chemical headquarter's costs

**SYBRON CHEMICALS**

**EXHIBIT 2**

**Polymers and Toners**

**Summary of Operations(a)**
**(dollars in thousands)**

| | Historical | | | | | | Projections | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 (6 Months)(b) | 1986 | 1987 | 1988 | 1989 |
| Revenue | $2.923 | $2.363 | $3.326 | $2.998 | $2.580 | $2.095 | $4.512 | $4.700 | $4.900 | $5.100 |
| Cost of Sales | 2.395 | 1.964 | 2.636 | 2.563 | 2.231 | 1.675 | 3.610 | 3.760 | 3.920 | 4.080 |
| Gross Margin | $528 | $399 | $690 | $435 | $349 | $420 | $902 | $940 | $980 | $1.020 |
| % of Sales | 18.1% | 16.9% | 20.7% | 14.5% | 13.5% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% |
| Selling | 101 | 82 | 155 | 123 | 112 | 64 | 138 | 143 | 149 | 155 |
| Administration | 140 | 88 | 55 | 74 | 62 | 38 | 82 | 85 | 89 | 92 |
| Research & Development | 0 | 25 | 37 | 50 | 48 | 43 | 93 | 96 | 100 | 104 |
| Other (Inc)/Exp | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total SA&D | $241 | $195 | $247 | $247 | $222 | $145 | $312 | $325 | $338 | $351 |
| % of Sales | 8.2% | 8.3% | 7.4% | 8.2% | 8.6% | 6.9% | 6.9% | 6.9% | 6.9% | 6.9% |
| Income before other Operating Credits/(Charges) | 287 | 204 | 443 | 188 | 127 | 275 | 590 | 615 | 642 | 669 |
| Other Operating Credits/(Charges) (c) | (21) | (27) | (24) | (22) | (35) | (15) | (27) | (26) | (27) | (29) |
| Operating Profit | $266 | $177 | $419 | $166 | $ 92 | $260 | $563 | $590 | $615 | $640 |
| % of Sales | 9.1% | 7.5% | 12.6% | 5.5% | 3.6% | 12.4% | 12.5% | 12.5% | 12.5% | 12.5% |

(a) For years ending December 31; numbers may not total due to rounding.
(b) For six months ending June 30.
(c) Consists primarily of removal of interest and currency charges and addback of chemical headquarter's costs.

**SYBRON CHEMICALS**

**EXHIBIT 2**

**Equipment**

**Summary of Operations(a)**
**(dollars in thousands)**

| | Historical | | | | | | Projections | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 (6 Months)(b) | 1986 | 1987 | 1988 | 1989 |
| Revenue | $1.778 | $1.700 | $1.654 | $1.690 | $2.290 | $1.370 | $2.500 | $2.800 | $3.200 | $3.600 |
| Cost of Sales | 1.035 | 1.066 | 921 | 930 | 1.284 | 764 | 1.400 | 1.568 | 1.792 | 2.016 |
| Gross Margin | $ 743 | $ 634 | $ 733 | $ 760 | $1.006 | $ 606 | $1.100 | $1.232 | $1.408 | $1.584 |
| % of Sales | 41.8% | 37.3% | 44.3% | 45.0% | 43.9% | 44.2% | 44.0% | 44.0% | 44.0% | 44.0% |
| Selling | 200 | 240 | 270 | 320 | 520 | 278 | 556 | 608 | 723 | 788 |
| Administration | 39 | 41 | 60 | 60 | 83 | 48 | 96 | 100 | 104 | 108 |
| Research & Development | 5 | 27 | 44 | 13 | 36 | 41 | 82 | 85 | 89 | 92 |
| Other (Inc)/Exp | (11) | (10) | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total SA&D | $ 233 | $ 298 | $ 383 | $ 393 | $ 639 | $ 367 | $ 734 | $ 793 | $ 915 | $ 989 |
| % of Sales | 13.1% | 17.5% | 23.2% | 23.3% | 27.9% | 26.8% | 29.4% | 28.3% | 28.6% | 27.5% |
| Income before other Operating Credits/(Charges) | 510 | 336 | 350 | 367 | 367 | 239 | 366 | 439 | 493 | 595 |
| Other Operating Credits/(Charges) (c) | (9) | (16) | (17) | (15) | (40) | (9) | (35) | (33) | (35) | (37) |
| Operating Profit | $ 501 | $ 320 | $ 333 | $ 352 | $ 327 | $ 230 | $ 331 | $ 406 | $ 458 | $ 558 |
| $ of Sales | 28.2% | 18.8% | 20.1% | 20.8% | 14.3% | 16.8% | 13.3% | 14.5% | 14.3% | 15.5% |

(a) For years ending December 31; numbers may not total due to rounding.
(b) For six months ending June 30.
(c) Consists primarily of removal of interest and currency charges and addback of chemical headquarter's costs.

SYBRON CHEMICALS

EXHIBIT 2

Biochemical

Summary of Operations(a)
(dollars in thousands)

| | Historical | | | | | | Projections | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 (6 Months)(b) | 1986 | 1987 | 1988 | 1989 |
| Revenue | $1,208 | $1,386 | $1,497 | $1,317 | $1,234 | $ 837 | $1,917 | $2,500 | $3,200 | $4,000 |
| Cost of Sales | 517 | 583 | 541 | 516 | 567 | 397 | 849 | 1,025 | 1,232 | 1,440 |
| Gross Margin | $ 691 | $ 803 | $ 956 | $ 801 | $ 667 | $ 440 | $1,068 | $1,475 | $1,968 | $2,560 |
| % of Sales | 57.2% | 57.9% | 63.9% | 60.8% | 54.1% | 52.6% | 55.7% | 59.0% | 61.5% | 64.0% |
| Selling | 344 | 625 | 630 | 609 | 45 | 402 | 847 | 974 | 1,214 | 1,630 |
| Administration | 45 | 78 | 115 | 181 | 142 | 69 | 145 | 153 | 170 | 189 |
| Research & Development | 59 | 115 | 69 | 129 | 192 | 100 | 211 | 228 | 265 | 312 |
| Other (Inc)/Exp | 0 | (14) | 0 | 0 | 98 | (287) | (287) | 0 | 0 | 0 |
| Total SA&D | $448 | $ 803 | $ 814 | $ 919 | $ 1,077 | $ 284 | $ 916 | $1,354 | $1,649 | $2,131 |
| % of Sales | 37.1% | 47.9% | 54.4% | 69.8% | 87.3% | 33.9% | 47.8% | 54.2% | 51.5% | 53.3% |
| Income before other Operating Credits/(Charges) | 243 | 0 | 142 | (118) | (410) | 165 | 152 | 121 | 319 | 429 |
| Other Operating Credits/(Charges) (c) | (4) | (7) | (7) | (8) | (11) | (6) | (11) | (10) | (11) | (12) |
| Operating Profit | $ 238 | $ (7) | $ 135 | $ (126) | $ (421) | $ 150 | $ 141 | $ 111 | $ 308 | $ 418 |
| % of Sales | 19.8% | (0.5)% | 9.0% | (9.6)% | (34.1)% | 17.9% | 7.3% | 4.4% | 9.6% | 10.4% |

(a) For years ending December 31; numbers may not total due to rounding.
(b) For six months ending June 30.
(c) Consists primarily of removal of interest and currency charges and addback of chemical headquarter's costs.

EXHIBIT 3

## SYBRON CHEMICAL

### Exhibit 3

### Cash Flow Analysis
(dollars in thousands)

| | Historical | | | | Projected | | | |
|---|---|---|---|---|---|---|---|---|
| | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 |
| **Operating Profit** | $4,780 | $7,343 | $7,636 | $7,398 | $9,007 | $9,817 | $10,517 | $11,072 |
| LIFO | 238 | 54 | 132 | 14 | 266 | 100 | 0 | 0 |
| Operating Profit After LIFO | 5,018 | 7,397 | 7,768 | 7,412 | 9,273 | 9,917 | 10,517 | 11,072 |
| Taxes After LIFO | (2,308) | (3,403) | (3,573) | (3,410) | (4,266) | (4,562) | (4,838) | (5,093) |
| **Net Operating Income After LIFO** | $2,710 | $3,994 | $4,195 | $4,002 | $5,007 | $5,355 | $ 5,679 | $ 5,979 |
| Depreciation & Amortization | 1,667 | 1,650 | 1,794 | 2,220 | 2,691 | 3,050 | 3,350 | 3,650 |
| LIFO Provision | 237) | (54) | (132) | (14) | (266) | (100) | 0 | 0 |
| **Cash Provided By Operations** | $4,140 | $5,590 | $5,847 | $6,208 | $7,432 | $8,305 | $ 9,029 | $ 9,629 |
| Change In Net Working Capital | 3,107 | 135 | 879 | (1,941) | 2,286 | (989) | (922) | (906) |
| Capital Expenditures | (1,670) | (1,655) | (2,018) | (4,264) | (3,100) | (3,000) | (3,000) | (3,000) |
| **Net Cash Flow From Operations** | $5,577 | $4,070 | $4,718 | $ 3 | $2,046 | $4,316 | $ 5,107 | $ 5,723 |

EXHIBIT 4

SYBRON CHEMICAL

Exhibit 4

Property, Plant and Equipment Analysis (a)
(dollars in thousands)

| | 1984 | 1985 |
|---|---|---|
| **Gross, P, P & E:** | | |
| Land & Land Improvements | $ 611 | $ 679 |
| Buildings | 4.908 | 5.240 |
| Machinery and Equipment | 20.719 | 25.728 |
| Leasehold Improvements | 553 | 736 |
| **Total Gross P, P & E** | $26.791 | $32.383 |
| **Allowance for Depreciation:** | | |
| Land Improvements | $ 55 | $ 62 |
| Buildings | 2.967 | 3.423 |
| Machinery and Equipment | 11.136 | 13.418 |
| Leasehold Improvements | 346 | 477 |
| **Total Allowance** | $14.504 | $17.380 |
| **Net P, P & E** | $12.287 | $15.003 |

(a) For years ending December 31.

EXHIBIT 5

## SYBRON CHEMICAL

### Exhibit 5

Operating Assets Analysis (a)
(dollars in thousands)

| | Actual | |
|---|---|---|
| | 1984 | 1985 |
| Accounts Receivable - Net | $15,802 | $19,383 |
| Days Outstanding | 67.6 | 68.6 |
| Inventory (Pre-LIFO) | 13,128 | 13,351 |
| Turns | 4.37x | 4.72x |
| Accounts Payable | 9,526 | 11,876 |
| Days Outstanding | 61.1 | 61.1 |
| Net Working Capital (Pre-LIFO) | 14,991 | 16,932 |
| Turns | 5.61x | 5.91x |
| Net Operating Assets Including Leases | 29,044 | 33,622 |
| Return on NOA (b) | 26.3% | 22.0% |

(a) All ratios are based on a year-to-year 2 point average.
(b) Operating profit (pre-LIFO) divided by net operating assets.

EXHIBIT 6

## SYBRON CHEMICAL

### Exhibit 6

1985 Market Share Analysis (a)
(dollars in thousands)

| | Market Size ($)/Market Share (%) | |
|---|---|---|
| | U.S. | Europe |
| **Ion Exchange** | $150,000 | $65,000 |
| Sybron | 17% | 6% |
| Rohm & Hass | 40 | 63 |
| Dow | 30 | 15 |
| Purolite | 10 | 1 |
| Bayer | - | 15 |
| **Textile Dyehouse Auxiliaries** | $100,000 | $165,000 |
| Sybron | 13% | 6% |
| Highpoint | 9 | - |
| Lyndal | 11 | - |
| Others | 67 | - |
| Bayer | - | 14 |
| Henkel | - | 14 |
| Hoechst | - | 14 |
| Basf | - | 12 |
| CHT | - | 8 |
| Others (Numerous) | - | 32 |
| **Industrial** | $60,000 | $35,000 |
| Sybron | 2% | 12% |
| Nalco | 25 | - |
| Betz | 10 | 18 |
| Martin-Marietta | 5 | - |
| Pentol | - | 6 |
| Others (Numerous) | 58 | 64 |
| **Marine (b)** | $85,000 | |
| Sybron | 10% | - |
| Drew | 33 | - |
| Vecom | 10 | - |
| Rochem | 9 | - |
| Perolin | 9 | - |
| Magnus | 9 | - |
| Others (Numerous) | 29 | - |
| **Other (c)** | $30,000 | |
| Sybron | 24% | - |
| Koch | 28 | - |
| Kureta | 11 | - |
| Polytribo | 10 | - |
| ICI | 8 | - |
| Polyvinyl | 7 | - |
| Hatco | 7 | - |
| Hercules | 4 | - |
| Other | 1 | - |

(a) From internal company estimates.
(b) Worldwide figures only.
(c) Includes U.S. Carbonless Solvents ($15 million), Toner Polymers ($10 million), and Capacitor Fluids ($5 million). Market shares based on internal company estimates.

EXHIBIT 7

SYBRON CHEMICAL

Exhibit 7

Management Profiles

Name: Richard M. Klein Birthdate: November 10, 1937

No. of Years with Sybron Chemicals Inc.: 17

Title & Years in Position: President & CEO (7-1/2 years)

Brief Description of Responsibilities:

Overall responsibility for P & L, assets, development, growth and strategy of the business. Sets objectives and priorities.

Previous Positions at SCI & Dates:

1975-79 President, Ionac Div. & President, Gamlen America Div.
1970-79 President, Ionac Div.
1969-70 International Manager, Tanatex Div.

Previous Industrial Experience:

| Company | Position | Years |
|---|---|---|
| Rohm and Haas Company | Asst. Managing Director, R&H South Africa | 1968-69 |
| Rohm and Haas Company | International Devel. Mgr. | 1966-68 |

Academic Background:

| College/University | Degree | Years |
|---|---|---|
| University of Illinois | Ph.D. Inorganic Chemistry | 1963 |
| Williams College | B.A. Chemistry | 1959 |

Name: Stephen R. Adler Birthdate: April 24, 1949

No. of Years with Sybron Chemicals Inc.: 2

Title & Years in Position: Vice Pres. Human Resources, America Div. (2 years)

Brief Description of Responsibilities:

Responsible for personnel administration, organizational planning and development, benefits administration and, in some cases, benefits selection for the U.S. Creates and implements human resource programs, including some on a worldwide basis.

Previous Positions at SCI & Dates:

9/4/84 Vice President Human Resources (hired)

Previous Industrial Experience:

| Company | Position | Years |
|---|---|---|
| The N.Y. Times Co., NYT Cable TV | Personnel Director | 7/78-8/84 |
| The Grand Union Company | Personnel Benefits Supvr. | 3/73-7/78 |

Academic Background:

| College/University | Degree | Years |
|---|---|---|
| Franklin & Marshall College | B.A. | 1967-71 |
| Columbia University | M.B.A. | 1971-73 |

Name: C. Charles Ciesla **Birthdate: February 15, 1930**

**No. of Years with Sybron Chemicals Inc.:** 19

**Title & Years in Position:** Vice Pres. Controller, America Div. (7-1/2 years)

**Brief Description of Responsibilities:**

Responsible for financial control, accounting, EDP, budgeting and reporting for America Division. Oversees Far East controller. Takes special assignments relative to maintaining and enhancing control in Europe.

**Previous Positions at SCI & Dates:**

| | |
|---|---|
| 1/1/79 | Vice President Controller - U.S. |
| 10/15/75 | Vice President Administration |
| 1/1/74 | Controller, Ionac |
| 1/1/69 | Manager of Accounting |
| 9/1/67 | Staff Accountant (hired) |

**Previous Industrial Experience:**

| Company | Position | Years |
|---|---|---|
| General Motors | Budget Analyst | 1962-67 |
| Ciesla Hardware Co. | General Manager | 1955-62 |

**Academic Background:**

| College/University | Degree | Years |
|---|---|---|
| Wilkes College | B.S. Acctg., Commerce & Fin. | 1952-55 |

**Name: W. Michael Langhart** **Birthdate: June 6, 1938**

**No. of Years with Sybron Chemicals Inc.:** 12

**Title & Years in Position:** President, Far East Div. (7-1/2 years)

**Brief Description of Responsibilities:**

Overall P & L responsibility for Far East profit center, dealing through local managers. Supervises manager of equipment business in U.S. Located in San Francisco.

**Previous Positions at SCI & Dates:**

1/1/79 President, Far East Division
9/1/77 Vice President, Operations - Gamlen
9/16/74 Marketing Manager, Gamlen (hired)

**Previous Industrial Experience:**

| Company | Position | Years |
|---|---|---|
| Union Carbide Corporation | International Manager (last position held) | 1961-74 |

**Academic Background:**

| College/University | Degree | Years |
|---|---|---|
| Louisiana State University | B.S. Chemical Engineering | 1956-60 |

**Name: Thomas J. Reardon** **Birthdate: January 5, 1947**

**No. of Years with Sybron Chemicals Inc.:** 5-1/2

**Title & Years in Position:** Business Group Vice President, America Div. (1-1/2 years)

**Brief Description of Responsibilities:**

Responsible for overall business management (primarily sales, marketing and research) and strategic thinking for textile, biochemical, industrial and marine business. Has business unit vice president reporting to him and works closely with production management on objectives and priorities.

**Previous Positions at SCI & Dates:**

1/1/85 Business Group Vice President, Textile/Biochemical/Industrial/Marine
1/1/83 SBU Vice President, Textile Chemicals
3/1/81 SBU Vice President, U.S. & Canadian Dyehouse (hired)

**Previous Industrial Experience:**

| Company | Position | Years |
|---|---|---|
| Sun Chemical Company | Product Manager | 5/76-2/81 |
| Ciba-Geigy Corporation | Mktg. & Devel. Supervisor (last position held) | 6/71-5/76 |

**Academic Background:**

| College/University | Degree | Years |
|---|---|---|
| Phila. College of Textiles & Sci. | B.S. Textile Chemistry | 1964-68 |
| Clemson University | M.S. Textile Chemistry | 1969-71 |

**Name: Jose M. Rodriguez** **Birthdate: June 24, 1945**

**No. of Years with Sybron Chemicals Inc.:** 16-1/2

**Title & Years in Position:** President, Europe Div. (3 years)

**Brief Description of Responsibilities:**

Responsible for P & L, manpower, asset and resource utilization, and strategic planning recommendations for Europe. Hands-on operating management in business and engineering/manufacturing areas where necessary. Located outside of Paris, France.

**Previous Positions at SCI & Dates:**

| | |
|---|---|
| 9/1/83 | President, Europe Division |
| 9/1/80 | Vice President Manufacturing, Chemical Group |
| 2/1/80 | Project Director, Chemical Group |
| 5/2/72 | General Manger, Tanatex Mexicana |
| mid-71 | Mgr. of Chemical Div., PPSA |
| 2/2/70 | Asst. to Mgr. Chem. Div., PPSA (hired) |

**Previous Industrial Experience:**

| Company | Position | Years |
|---|---|---|
| Kimberly Clark, Mexico | Mgr. Process Control Dept. (last position held) | 1965-70 |

**Academic Background:**

| College/University | Degree | Years |
|---|---|---|
| Mexico City National University | B.S. Chemical Engineering | 1964-68 |

**Name: John Schroeder** **Birthdate: December 30, 1950**

**No. of Years with Sybron Chemicals Inc.:** 6

**Title & Years in Position:** Vice Pres. Manufacturing. America Div. (3 years) and Dir. Birmingham Lab (new)

**Brief Description of Responsibilities:**

Has U.S. manufacturing plants, engineering, environmental and purchasing reporting to him. Also has Birmingham, New Jersey laboratory (ion exchange, organics, polymers) under his direction.

**Previous Positions at SCI & Dates:**

7/1/86 Vice President Manufacturing and Director Birmingham Laboratory
8/1/83 Vice President Manufacturing
4/1/80 Plant Manager

**Previous Industrial Experience:**

| Company | Position | Years |
|---|---|---|
| U.O.P. | Dir. of Operations | 5/74-3/80 |
| Nepera Chemical Company | Utilities/Environ. Proj. Engr. | 1/73-5/74 |

**Academic Background:**

| College/University | Degree | Years |
|---|---|---|
| Stevens Institute of Tech. | B.E. & M.S. Chemical Eng. | 1967-71 - 1973-75 |

Name: Frank Zunino **Birthdate: July 21, 1933**

**No. of Years with Sybron Chemicals Inc.: 17**

**Title & Years in Position:** Business Group Vice President, America Div. (1-1/2 years)

**Brief Description of Responsibilities:**

Responsible for overall business management (primarily sales and marketing) and strategic thinking for ion exchange, organics and polymer businesses. Has business unit vice presidents reporting to him, and works closely with production and research management on objectives and priorities.

**Previous Positions at SCI & Dates:**

| | |
|---|---|
| 3/1/85 | Business Group Vice President, Ion Exchange/Organics/Specialty Polymers |
| 2/1/79 | SBU Vice President, Ion Exchange |
| 10/15/75 | Vice President, Marketing |
| 2/1/75 | General Marketing Manager |
| 2/1/73 | Marketing Manger, Polymers |
| 2/1/72 | Product Manager, Ion Exchange |
| 4/1/69 | Product Manager (hired) |

**Previous Industrial Experience:**

| Company | Position | Years |
|---|---|---|
| Cleaning Chemicals Corp. | Manager | 1/66-3/69 |
| Morton Chemical Company | Sales Representative | 8/64-1/66 |
| Rohm and Haas Company, Phila. | Ion Exchange Dept. | 7/61-7/64 |
| Rohm and Haas Company, Chi. | Sales Representative | 2/59-6/61 |

**Academic Background:**

| College/University | Degree | Years |
|---|---|---|
| Rensselaer Polytechnic Inst. | B.S. Chemical Engineering | 1950-54 |

EXHIBIT 36

Still Dex
RECYCLED

Deloitte
Haskins+Sells

SYBRON CHEMICALS, INC.

Combined Financial Statements as of and
for the Two-Month Period Ended February 27, 1986
and Auditors' Opinion

*****

SYBRON CHEMICALS HOLDINGS, INC.

Combined Financial Statements as of and
for the Ten-Month Period Ended December 31, 1986
and Auditors' Opinion

SYBRON CHEMICALS INC.

Combined Financial Statements as of and for the Two-Month Period Ended February 27, 1986 and Auditors' Opinion

Deloitte
Haskins+Sells

2500 Three Mellon Bank Center
Philadelphia, Pennsylvania 19102-2425
(215) 299-4500
Telex: 757720

AUDITORS' OPINION

Sybron Chemicals Inc.:

We have examined the combined balance sheet of Sybron Chemicals Inc. and subsidiaries and certain affiliates (see Note 1) as of February 27, 1986 and the related combined statements of income, equity and changes in financial position for the two-month period then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As of February 27, 1986 Sybron Chemicals Inc. was a subsidiary of the former Sybron Corporation. The accompanying combined financial statements do not reflect any fair value adjustments related to the sale of the former Sybron Corporation to an affiliate of Forstmann Little & Co. (see Note 11).

In our opinion, such combined financial statements present fairly the financial position of the companies at February 27, 1986 and the results of their operations and the changes in their financial position for the two-month period then ended (period up to the change in control referred to in Note 1 to the financial statements), in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Deloitte Haskins + Sells

March 6, 1987

SYBRON CHEMICALS INC.

COMBINED BALANCE SHEET, FEBRUARY 27, 1986 (In Thousands)

| ASSETS | NOTES | | LIABILITIES AND STOCKHOLDERS' EQUITY | NOTES | |
|---|---|---|---|---|---|
| CURRENT ASSETS: | | | CURRENT LIABILITIES: | | |
| Cash and marketable securities | | $ 2,112 | Accounts payable | | $13,804 |
| Accounts receivable (less allowance for doubtful accounts of $1,168) | | 21,328 | Accrued liabilities | 5,6 | 8,468 |
| Inventories | 1,2 | 10,345 | Customer advances and deferred income | | 111 |
| Prepaid and other current assets | | 839 | Income taxes payable | 1 | 113 |
| Total current assets | | 34,624 | Total current liabilities | | 22,496 |
| PROPERTY, PLANT AND EQUIPMENT - Net | 1,3 | 15,298 | LONG-TERM DEBT | 5 | 145 |
| GOODWILL AND OTHER INTANGIBLE ASSETS | 1 | 173 | OTHER NONCURRENT LIABILITIES | 6 | 1,853 |
| OTHER NONCURRENT ASSETS | | 506 | STOCKHOLDERS' EQUITY: | | |
| | | | Common stock | | 1,991 |
| | | | Additional paid-in capital | | 12,146 |
| | | | Divisional equity | | 16,792 |
| | | | Cumulative translation adjustment | | (4,822) |
| | | | Total stockholders' equity | | 26,107 |
| TOTAL ASSETS | 9 | $50,601 | TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | | $50,601 |

See notes to combined financial statements.

SYBRON CHEMICALS INC.

COMBINED STATEMENT OF INCOME
FOR THE TWO-MONTH PERIOD ENDED FEBRUARY 27, 1986 (IN THOUSANDS)

| | NOTES | |
|---|---|---|
| NET SALES | | $16,933 |
| COST OF SALES | | 10,879 |
| GROSS MARGIN | | 6,054 |
| OPERATING EXPENSES: | 6,8 | |
| Selling | | 3,549 |
| General and administrative | 4 | 1,328 |
| Research and development | 1 | 457 |
| Total | | 5,334 |
| OPERATING INCOME | | 720 |
| OTHER INCOME (EXPENSE): | | |
| Interest income | | 7 |
| Interest expense | | (148) |
| Other expense - net | | (89) |
| INCOME BEFORE INCOME TAXES | | 490 |
| INCOME TAXES | 1,7 | 145 |
| NET INCOME | 9 | $ 345 |

See notes to combined financial statements.

SYBRON CHEMICALS INC.

COMBINED STATEMENT OF EQUITY
FOR THE TWO-MONTH PERIOD ENDED FEBRUARY 27, 1986 (In Thousands)

| | |
|---|---|
| Balance, beginning of period | $20,447 |
| Net income | 345 |
| Transfers from Sybron Corporation - net | 4,774 |
| Change in cumulative translation adjustment | 541 |
| Balance, end of period | $26,107 |

See notes to combined financial statements.

SYBRON CHEMICALS INC.

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE TWO-MONTH PERIOD ENDED FEBRUARY 27, 1986 (IN THOUSANDS)

| | |
|---|---|
| FUNDS PROVIDED BY: | |
| Net income | $ 345 |
| Items not requiring cash - depreciation | 917 |
| Total from operations | 1,262 |
| Transfers from Sybron Corporation - net | 4,774 |
| Change in cumulative translation adjustment | 541 |
| (Increase) decrease in current assets: | |
| Accounts receivable | 5 |
| Inventories | (189) |
| Prepaid and other current assets | (345) |
| Increase (decrease) in current liabilities: | |
| Accounts payable | 1,929 |
| Accrued liabilities | (870) |
| Current portion of long-term debt | 786 |
| Other current liabilities | (2,300) |
| Other - net | 18 |
| Total funds provided | 5,611 |
| FUNDS USED BY: | |
| Additions to property, plant and equipment | 1,212 |
| Reduction of long-term debt | 4,333 |
| Total funds used | 5,545 |
| INCREASE IN CASH AND MARKETABLE SECURITIES | $ 66 |

See notes to combined financial statements.

SYBRON CHEMICALS INC.

NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE TWO-MONTH PERIOD ENDED FEBRUARY 27, 1986

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying combined financial statements include the accounts of Sybron Chemicals Inc., its wholly-owned subsidiaries and the following affiliates included in the Chemicals sector of Sybron Corporation: Sybron Chemical Italia Division of Sybron Italia S.P.A., Gamlen Australasia Pty. Ltd., Gamlen (Japan) Limited, Gamlen Chemie (Nederland) B.V. and Gamlen Norway A/S (collectively, the "Company"). All significant intercompany activity has been eliminated.

Inventories - Inventories are valued at the lower of cost or market. For the U.S. operations, cost is determined utilizing the last-in, first-out (LIFO) method. For foreign operations, cost is determined utilizing the first-in, first-out (FIFO) method.

Property, Plant and Equipment - Property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of depreciable assets (generally 10-40 years for buildings and 3-20 years for machinery and equipment) using the straight-line method.

Intangibles - Intangibles are recorded at cost and are being amortized over their estimated useful lives.

Research and Development Costs - Research and development costs are charged to expense in the year they are incurred.

Income Taxes - The Company is included in the U.S. Federal income tax returns of Sybron Corporation. The Company's share of U.S. Federal and state income taxes is allocated based on rates determined by Sybron Corporation (see Note 7) and are payable to Sybron Corporation.

2. INVENTORIES

The components of inventories, net of LIFO reserves of $3,195 thousand, at February 27, 1986 were:

| | Amount (In Thousands) |
|---|---|
| Raw materials | $ 3,359 |
| Work-in-process | 133 |
| Finished goods | 6,853 |
| Total | $10,345 |

3. PROPERTY, PLANT AND EQUIPMENT

The components of property, plant and equipment at February 27, 1986 were:

| | Amount (In Thousands) |
|---|---|
| Land | $ 548 |
| Buildings | 7,796 |
| Machinery and equipment | 24,808 |
| Construction in process | 443 |
| Total | 33,595 |
| Less accumulated depreciation | 18,297 |
| Property, plant and equipment - net | $15,298 |

These amounts include assets under capital leases. See Note 6 for a summary of lease commitments.

4. RELATED PARTY TRANSACTIONS

Included in administrative expenses are charges by Sybron Corporation of $227,000 for the period January 1, 1986 to February 27, 1986. These charges were computed at amounts that are intended to reimburse Sybron Corporation for costs incurred on behalf of the Company relating primarily to the Company's share of pension expense and other employee benefits.

5. LONG-TERM DEBT

Long-term debt at February 27, 1986 consisted of the following:

| | Amount (In Thousands) |
|---|---|
| Subordinated notes payable, interest payable at 13.3%, due in annual instalments through December 29, 1992 | $171 |
| Less - current portion | 26 |
| Total long-term debt | $145 |

6. LEASE COMMITMENTS

As of February 27, 1986, minimum rentals under capital and non-cancellable operating leases were:

| December 31: | Capital | Operating |
|---|---|---|
| 1986 (ten months) | $ 29 | $ 800 |
| 1987 | 96 | 800 |
| 1988 | 85 | 619 |
| 1989 | 64 | 382 |
| 1990 | 49 | 294 |
| Thereafter | 152 | 474 |
| Total | 475 | $3,369 |
| Less amounts representing interest | 34 | |
| Present value of net minimum lease payments | 441 | |
| Less current amount | 96 | |
| Long-term obligations at February 27, 1986 | $ 345 | |

For the two-month period ended February 27, 1986, rental expense relating to operating leases amounted to approximately $166,000.

7. INCOME TAXES

For the two-month period ended February 27, 1986, the income tax provision consisted of the following:

| | Amount (In Thousands) |
|---|---|
| United States | $ 23 |
| Foreign | 122 |
| Total | $145 |

8. EMPLOYEE PENSION PLANS

Employee retirement benefits are provided through various pension plans maintained by Sybron Corporation covering substantially all employees. Pension costs allocated to the Company totaled $70,850 for the period January 1, 1986 to February 27, 1986. There is no separate determination made of the actuarial present value of accumulated plan benefits and the net assets available for benefits for employees of the Company who are included in the pension plans of Sybron Corporation.

9. FOREIGN OPERATIONS

Net income and total assets of foreign operations included in the accompanying combined financial statements aggregated $151,000 and $26,810,000, respectively. Losses on foreign currency transactions were $80,000.

10. CONTINGENCY

The New Jersey Environmental Clean-Up and Responsibility Act (ECRA) requires a comprehensive environmental review of all industrial facilities sold in New Jersey. Due to the acquisition of Sybron Corporation by Forstmann Little & Co., which constituted a sale for purposes of ECRA, Sybron Corporation has letters of credit totaling $6,169,000 which are available to secure the cost, if any, of environmental clean-up as may be required by the New Jersey Department of Environmental Protection.

11. SUBSEQUENT EVENTS

On February 27, 1986, substantially all of the stock of the former Sybron Corporation was purchased by an affiliate of Forstmann Little & Co. The primary effects of this purchase on the Company's successor, Sybron Chemicals Holdings, Inc. and the affiliates referred to in Note 1, were fair value adjustments that increased net assets by $42,402,000.

On July 11, 1986, the former Sybron Corporation was liquidated under Section 332 of the United States Internal Revenue Code. Pursuant to the plan of liquidation, the assets of the U.S. Chemical Division of the former Sybron Corporation were transferred to Sybron Chemicals Holdings, Inc. for the assumption of certain liabilities amounting to $58,392,000 and in cancellation of its investment in the stock of the former Sybron Corporation. The ultimate parent of the companies included in these combined financial statements is presently a corporation, the name of which became after such liquidation, Sybron Corporation.

On February 19, 1987, Sybron Corporation and Sybrac Corporation reached an agreement in principle which provides for Sybron Chemicals Holdings, Inc. and the affiliates referred to in Note 1 to be acquired by Sybrac Corporation. The agreement provides for the transfer of ownership through a stock sale. The aggregate purchase price under this agreement is approximately $70 million.

In connection with the pending sale, Sybrac Corporation will be required to replace the letters of credit (which may differ in amount) that Sybron Corporation has made available to the New Jersey Department of Environmental Protection (see Note 10).

SYBRON CHEMICALS HOLDINGS, INC.

Combined Financial Statements as of and for
the Ten-Month Period Ended December 31, 1986
and Auditors' Opinion

Deloitte
Haskins + Sells

2500 Three Mellon Bank Center
Philadelphia, Pennsylvania 19102-2425
(215) 299-4500
Telex: 757720

AUDITORS' OPINION

Sybron Chemicals Holdings, Inc.:

We have examined the combined balance sheet of Sybron Chemicals Holdings, Inc. and subsidiaries and certain affiliates (see Note 1) as of December 31, 1986 and the related combined statements of income, equity and changes in financial position for the ten-month period then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, such combined financial statements present fairly the financial position of the companies at December 31, 1986 and the results of their operations and the changes in their financial position for the ten-month period then ended (period after the change in control referred to in Note 1 to the financial statements), in conformity with generally accepted accounting principles.

Deloitte Haskins + Sells

March 6, 1987

SYBRON CHEMICALS INC.

COMBINED BALANCE SHEET, FEBRUARY 27, 1986 (In Thousands)

| ASSETS | NOTES | | LIABILITIES AND STOCKHOLDERS' EQUITY | NOTES | |
|---|---|---|---|---|---|
| CURRENT ASSETS: | | | CURRENT LIABILITIES: | | |
| Cash and marketable securities | | $ 2,112 | Accounts payable | | $13,804 |
| Accounts receivable (less allowance for doubtful accounts of $1,168) | | 21,328 | Accrued liabilities | 5,6 | 8,468 |
| Inventories | 1,2 | 10,345 | Customer advances and deferred income | | 111 |
| Prepaid and other current assets | | 839 | Income taxes payable | 1 | 113 |
| Total current assets | | 34,624 | Total current liabilities | | 22,496 |
| PROPERTY, PLANT AND EQUIPMENT - Net | 1,3 | 15,298 | LONG-TERM DEBT | 5 | 145 |
| GOODWILL AND OTHER INTANGIBLE ASSETS | 1 | 173 | OTHER NONCURRENT LIABILITIES | 6 | 1,853 |
| OTHER NONCURRENT ASSETS | | 506 | STOCKHOLDERS' EQUITY: | | |
| | | | Common stock | | 1,991 |
| | | | Additional paid-in capital | | 12,146 |
| | | | Divisional equity | | 16,792 |
| | | | Cumulative translation adjustment | | (4,822) |
| | | | Total stockholders' equity | | 26,107 |
| TOTAL ASSETS | 9 | $50,601 | TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | | $50,601 |

See notes to combined financial statements.

SYBRON CHEMICALS HOLDINGS, INC.

COMBINED STATEMENT OF INCOME
FOR THE TEN-MONTH PERIOD ENDED DECEMBER 31, 1986 (In Thousands)

| | NOTES | |
|---|---|---|
| NET SALES | | $93,502 |
| COST OF SALES | | 56,785 |
| GROSS MARGIN | | 36,717 |
| OPERATING EXPENSES: | | |
| Selling | | 19,209 |
| General and administrative | 4 | 8,184 |
| Research and development | 1 | 2,334 |
| Total | | 29,727 |
| OPERATING INCOME | | 6,990 |
| OTHER INCOME (EXPENSE): | | |
| Interest income | | 348 |
| Interest expense | | (2,163) |
| Other income - net | | 120 |
| INCOME BEFORE INCOME TAXES | | 5,295 |
| INCOME TAXES | 1,8 | 3,013 |
| NET INCOME | 10 | $ 2,282 |

See notes to combined financial statements.

SYBRON CHEMICALS HOLDINGS, INC.

COMBINED STATEMENT OF EQUITY
FOR THE TEN-MONTH PERIOD ENDED DECEMBER 31, 1986 (In Thousands)

| | NOTES | |
|---|---|---|
| Balance, beginning of period | | $26,107 |
| Fair value adjustments | 1 | 42,402 |
| Less liabilities assumed in connection with Section 332 liquidation | 1 | (58,392) |
| Total | | 10,117 |
| Net Income | | 2,282 |
| Transfers to Sybron Corporation - net | | (5,326) |
| Contribution to capital of indebtedness payable to Sybron Corporation | | 26,180 |
| Change in cumulative translation adjustment account | | 1,538 |
| Balance, end of period | | $34,791 |

See notes to combined financial statements.

SYBRON CHEMICALS HOLDINGS, INC.

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE TEN-MONTH PERIOD ENDED DECEMBER 31, 1986 (In Thousands)

| | |
|---|---|
| FUNDS PROVIDED BY: | |
| Net income | $ 2,282 |
| Items not requiring cash: | |
| Depreciation | 3,317 |
| Amortization | 1,113 |
| Total from operations | 6,712 |
| Capital contributions from Sybron Corporation | 26,180 |
| Change in cumulative translation adjustment | 1,538 |
| Proceeds on disposals of property, plant and equipment | 2,488 |
| (Increase) decrease in current assets: | |
| Accounts receivable | 90 |
| Inventories | (1,548) |
| Increase (decrease) in current liabilities: | |
| Accounts payable | 162 |
| Accrued liabilities | (13,241) |
| Income taxes payable | 5,056 |
| Other - net | (89) |
| Total funds provided | 27,348 |
| FUNDS USED BY: | |
| Additions to property, plant and equipment | 2,005 |
| Reduction of long-term debt | 13,370 |
| Transfers to Sybron Corporation - net | 5,326 |
| Other - net | 618 |
| Total funds used | 21,319 |
| INCREASE IN CASH AND MARKETABLE SECURITIES | $ 6,029 |

See notes to combined financial statements.

SYBRON CHEMICALS HOLDINGS, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE TEN-MONTH PERIOD ENDED DECEMBER 31, 1986

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying combined financial statements include the accounts of Sybron Chemicals Holdings, Inc., its wholly-owned subsidiaries and the following affiliates included in the chemicals sector of Sybron Corporation: Sybron Chemical Italia Division of Sybron Italia S.P.A., Gamlen (Australasia) Pty. Ltd., Gamlen (Japan) Limited, Gamlen Chemie (Nederland) B.V. and Gamlen Norway A/S (collectively, the "Company"). All significant intercompany activity has been eliminated.

On February 27, 1986, substantially all of the stock of the former Sybron Corporation was purchased by an affiliate of Forstmann Little & Co. ("Forstmann Little"). The accompanying combined financial statements reflect the cost basis determined at the date of acquisition of Sybron Corporation by Forstmann Little. The cost in excess of the fair value of net assets acquired has been recorded in the accompanying balance sheet as an intangible asset, "Goodwill".

On July 11, 1986, the former Sybron Corporation was liquidated under Section 332 of the United States Internal Revenue Code. Pursuant to the plan of liquidation, the assets of the U.S. Chemical Division of the former Sybron Corporation were transferred to Sybron Chemicals Holdings, Inc. for the assumption of certain liabilities and in cancellation of its investment in the stock of the former Sybron Corporation. The ultimate parent of the companies included in these combined financial statements is a corporation, the name of which was changed, after such liquidation, to Sybron Corporation.

Inventories - Inventories are valued at the lower of cost or market. For the U.S. operations, cost is determined utilizing the last-in, first-out (LIFO) method. For foreign operations, cost is determined utilizing the first-in, first-out (FIFO) method.

Property, Plant and Equipment - Property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of depreciable assets (generally 10-40 years for buildings and 3-20 years for machinery and equipment) using the straight-line method.

Intangibles - Intangibles are recorded at fair value at date of acquisition by an affiliate of Forstmann Little and are being amortized over their estimated useful lives. Amortization of $1,113,000 was charged against operating income for the ten-month period ended December 31, 1986.

Research and Development Costs - Research and development costs are charged to expense in the year they are incurred.

Income Taxes - The Company is included in the U.S. Federal income tax returns of Sybron Corporation. The Company's share of U.S. Federal and state income taxes are allocated based on rates determined by Sybron Corporation (see Note 8) and are payable to Sybron Corporation.

2. INVENTORIES

The components of inventories, net of LIFO reserves of $15 thousand, at December 31, 1986 were:

| | Amount (In Thousands) |
|---|---|
| Raw materials | $ 5,000 |
| Work-in-process | 220 |
| Finished goods | 10,180 |
| Total | $15,400 |

3. PROPERTY, PLANT AND EQUIPMENT

The components of property, plant and equipment at December 31, 1986 were:

| | Amount (In Thousands) |
|---|---|
| Land | $ 377 |
| Buildings | 6,567 |
| Machinery and equipment | 24,695 |
| Construction in process | 255 |
| Total | 31,894 |
| Less accumulated depreciation | 3,393 |
| Property, plant and equipment - net | $28,501 |

These amounts include assets under capital leases. See Note 7 for a summary of lease commitments.

4. RELATED PARTY TRANSACTION

Included in administrative expenses are charges by Sybron Corporation of $1,047,000 for the period March 1, 1986 to December 31, 1986. These charges were computed at amounts that are intended to reimburse Sybron Corporation for costs incurred on behalf of the Company relating primarily to the Company's share of pension expense and other employee benefits.

5. GOODWILL AND OTHER INTANGIBLE ASSETS

The components of goodwill and other intangible assets net of accumulated amortization at December 31, 1986 were:

| | Amount (In Thousands) | Amortization Period (Years) |
|---|---|---|
| Goodwill | $10,124 | 40 |
| Trademarks | 2,179 | 20 |
| License agreements | 1,123 | 5 |
| Other | 7,603 | 12 |
| Total | $21,029 | |

6. LONG-TERM DEBT

Long-term debt at December 31, 1986 consisted of the following:

| | Amount (In Thousands) |
|---|---|
| Note payable to Sybron Corporation, unsecured, interest payable at either the prime rate plus 1.5% or the Euro-dollar rate plus 2.5%, due on December 31, 1989 | $32,207 |
| Subordinated notes payable, interest payable at 13.3%, due in annual instalments through December 29, 1992 | 164 |
| Total | 32,371 |
| Less current portion | 29 |
| Total long-term debt | $32,342 |

7. LEASE COMMITMENTS

As of December 31, 1986, minimum rentals under capital and noncancellable operating leases were:

| | Capital | Operating |
|---|---|---|
| | (In Thousands) | |
| December 31: | | |
| 1987 | $ 96 | $ 800 |
| 1988 | 85 | 619 |
| 1989 | 64 | 382 |
| 1990 | 49 | 294 |
| 1991 | 34 | 234 |
| Thereafter | 118 | 240 |
| Total | 446 | $2,569 |
| Less amounts representing interest | 34 | |
| Present value of net minimum lease payments | 412 | |
| Less current amount | 96 | |
| Long-term obligations at December 31, 1986 | $316 | |

For the ten-month period ended December 31, 1986, rental expense relating to operating leases amounted to approximately $829,000.

8. INCOME TAXES

Income tax expense includes provisions for U.S. Federal and state income taxes that are based on an allocation determined by Sybron Corporation. The allocation is computed using rates (46% for Federal income taxes and 4%, net of Federal income tax benefits, for state and local taxes) applied to pre-tax financial statement income of domestic operations adjusted for permanent differences. Such differences result primarily from depreciation and amortization of fair value adjustments (see Note 1).

For the ten-month period ended December 31, 1986, the income tax expense consisted of the following:

| | Amount (In Thousands) |
|---|---|
| United States | $1,359 |
| Foreign | 1,654 |
| Total | $3,013 |

9. EMPLOYEE PENSION PLANS

Employee retirement benefits are provided through various pension plans maintained by Sybron Corporation covering substantially all employees. Pension costs allocated to the Company totaled $717,000 for the ten-month period ended December 31, 1986. There is no separate determination made of the actuarial present value of accumulated plan benefits and the net assets available for benefits for employees of the Company who are included in the pension plans of Sybron Corporation.

10. FOREIGN OPERATIONS

Net income and total assets of foreign operations included in the accompanying combined financial statements aggregated $2,322,000 and $35,959,000, respectively. Losses on foreign currency transactions were $368,000.

11. CONTINGENCY

The New Jersey Environmental Clean-Up and Responsibility Act (ECRA) requires a comprehensive environmental review of all industrial facilities sold in New Jersey. Due to the acquisition of Sybron Corporation by Forstmann Little, which constituted a sale for purposes of ECRA, Sybron Corporation has letters of credit totaling $6,169,000 which are available to secure the cost, if any, of environmental clean-up as may be required by the New Jersey Department of Environmental Protection.

12. SUBSEQUENT EVENT

On February 19, 1987, Sybron Corporation and Sybrac Corporation reached an agreement in principle which provides for the Company to be acquired by Sybrac Corporation. The agreement provides for the transfer of ownership through a stock sale. The aggregate purchase price to be paid will be approximately $70 million, less the outstanding principal of the note dated July 11, 1986 plus all accrued and unpaid interest as of the closing date. The balance of the principal outstanding on the note was approximately $32 million as of December 31, 1986.

In connection with the pending sale, Sybrac Corporation will be required to replace the letters of credit (which may differe in amount) that Sybron Corporation has made available to the New Jersey Department of Environmental Protection (see Note 11).

EXHIBIT 37

Still Dex
RECYCLED

Mfg. Op. Helper

St. _____ Fin. _____ Hrs. _____

Remarks:

| | | G | T | N | G | T | N | G | T | N | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| DATE | | | | | | | | | | | |
| LOT # (End Product) | LBS. | | | | | | | | | | |
| DATE | | | | | | | | | | | |
| LOT # (End Product) | LBS. | | | | | | | | | | |

Mfg. Op.

St. _____ Fin. _____ Hrs. _____

Remarks:

| Raw Materials: | | | | | | | | | NO. LEFT |
|---|---|---|---|---|---|---|---|---|---|
| a) | | | | | | | | | |
| b) | | | | | | | | | |
| c) | | | | | | | | | |
| d) | | | | | | | | | |
| e) | | | | | | | | | |
| f) | | | | | | | | | |