

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **1996-06-14** | Period of Report: **1996-05-30**
SEC Accession No. **0000950130-96-002238**

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FILER

CHICAGO MINIATURE LAMP INC

CIK: **942138** | IRS No.: **731412000** | State of Incorpor.: **OK** | Fiscal Year End: **1127**
Type: **8-K** | Act: **34** | File No.: **000-25848** | Film No.: **96581086**
SIC: **3679** Electronic components, nec

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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): May 30, 1996

CHICAGO MINIATURE LAMP, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN CHARTER)

OKLAHOMA
(STATE OF INCORPORATION)

0-25848
(COMMISSION
FILE NUMBER)

73-1412000
(IRS EMPLOYER
IDENTIFICATION NO.)

500 Chapman Street, Canton, Massachusetts
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

02021
(ZIP CODE)

Registrant's telephone number, including area code: (617) 828-2948

NONE

(FORMER NAME OR FORMER ADDRESS, IF CHANGED SINCE LAST REPORT)

Item 2. Acquisition or Disposition of Assets

On May 30, 1996, Chicago Miniature Lamp, Inc. (the "Registrant") and its recently formed subsidiary, Alba Speziallampen Holding GmbH, a German limited liability company ("Alba Holding") acquired capital stock and partnership interests in several companies and partnerships, more particularly described below and referred to herein collectively as the "Alba-Albrecht Group." The capital stock and partnership interests were acquired in a series of related transactions (the "Acquisitions"). The Sellers were Werner A. Arnold, Petra Albrecht-Arnold and Willy Paul Albrecht (the "Individual Sellers") and certain members of the Alba-Albrecht Group which were owned directly or indirectly by one or more of the Individual Shareholders (the "Alba Group Sellers"). The Individual Sellers and the Alba Group Sellers are collectively referred to as the "Sellers".

The Sellers are all individuals, companies or partnerships located in Germany, and none of them had any relationship with the Registrant or any of its affiliates, officers or directors prior to the closing of the Acquisitions. Effective with the closing Mr. Werner A. Arnold, one of the Sellers, was retained as President and Managing Director of Alba Holding, pursuant to an Employment Agreement, and, on June 7, 1996, was elected as a director of the Registrant.

The name, jurisdiction of formation, type of entity, and percent of direct and indirect ownership by the Registrant for each member of the Alba-Albrecht Group acquired in the Acquisitions are as follows:

<TABLE>

<CAPTION>

Name -----	Jurisdiction -----	Type of Entity -----	% Ownership By Registrant -----
<S>	<C>	<C>	<C>
Alba Speziallampen GmbH	Germany	Limited Liability Company	100%
W. Albrecht GmbH u. Co KG	Germany	Partnership	100%
W. Albrecht Grundstücksgesellschaft GmbH u. Co GbR	Germany	Partnership	100%
Arnold GmbH	Germany	Limited Liability Company	100%
BSC Arnold GmbH & Co Softwareentwicklung und-beratung	Germany	Partnership	100%
Alba Light Design GmbH	Germany	Limited Liability Company	100%
A&S Electric, spol.s.r.o (GmbH) (CZ)	Czech Republic	Limited Liability Company	60%
Alba Technology (M) Sdn. Bhd.	Malaysia	Corporation	70%
Alba Lamps, Inc.	Illinois	Corporation	100%

</TABLE>

The Acquisitions were consummated pursuant to the terms of four separate but related agreements between one or more of the Sellers and the Registrant and Alba Holding. The aggregate consideration for the acquisitions was 100,000 shares of common stock of the

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Company and DM 13,150,000 cash. The sources of funds for the cash portion of the purchase price for the Acquisitions were loans made to Registrant by BANK IV Oklahoma, N.A., under the Third Amended and Restated Credit Agreement with said Bank.

The Registrant and Alba Holding intend to continue the operations of the various members of the Alba-Albrecht Group in the businesses of designing, manufacturing, marketing, trading and exporting miniature lamps, value-added miniature lighting assemblies and other miniature lighting products.

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

(a) Financial Statements of Businesses Acquired.

It is impracticable at this time to provide the required financial statements for the businesses acquired in the acquisition described in Item 2 above. The Registrant is in the process of preparing those financial statements. None are available at this time. It is anticipated that such financial statements will be available within 60 days from the date of this report, and in any event will be filed as an amendment to this report as soon as practicable, but no later than 60 days after this report has been filed.

(b) Pro Forma Financial Information.

No pro forma financial information with respect to the acquisition described in Item 2 above is available at this time. It is anticipated that the required pro forma financial information will be available within 60 days from the date of this report, and in any event will be filed as an amendment to this report as soon as practicable, but no later than 60 days after this report has been filed.

(c) Exhibits.

10.27 Notarial Deed with Agreement on the Sale and Transfer of Shares and Interests in the ALBA/Albrecht Group, dated May 15, 1996

10.28 Contract for Purchase and Sale of Stock of Alba Lamps, Inc. dated May 15, 1996 (Alba-U.S.)

10.29 Contract for Exchange of Stock for Alba Lamps, Inc. dated May 15, 1996 (Alba-U.S.)

10.30 Contract for Purchase and Sale of Stock of Alba Technology (M) Sdn. Bhd., dated May 15, 1996 (Alba-Malaysia)

10.31 Employment Agreement with Werner Arnold dated May 30, 1996

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CHICAGO MINIATURE LAMP, INC.

By /s/ Ronald S. Goldstein

Ronald S. Goldstein
Chief Financial Officer

Date: June 14, 1996

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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

EXHIBITS TO
FORM 8-K

CHICAGO MINIATURE LAMP, INC.

INDEX TO EXHIBITS

EXHIBIT
NUMBER

DESCRIPTION

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OFFENTLICHE URKUNDE
-----NOTARIAL DEED

Before me, Dr. Thomas Gelzer, notary public in the Canton of Basle-City (Switzerland), the following persons have appeared today:

Mr Dr. Thomas O.J. Burkert, Attorney-at-law, born 25th March 1958, German

citizen, domiciled at Reutlinger Strasse 87, D-71732 Tamm, business address Jahnstrasse 43, D-70597 Stuttgart, identified by his Passport No. 6170100991

and

Mr John Joseh Stinson, Attorney-at-law, born 14th January 1956, American

citizen, domiciled at Duisburger Strasse 5B, D-70376 Stuttgart, business address Mittlerer Pfad 15, D-70597 Stuttgart identified by his American Passport No. Z 5965149

Mr Dr. Thomas O.J. Burkert is not acting in his own name but according to the power of attorney dated 6th May 1996, which is attached to this notarial deed as annex A, on behalf of

a) Mr Wemer A. Arnold, Dipl.-Ingenieur

Wildensorger Hauptstrasse 8, D-96049 Bamberg

b) Mrs Petra Albrecht-Arnold

Wildensorger Hauptstrasse 8, D-96049 Bamberg

c) Mr Willy Paul Albrecht

Stauffenbergstrasse 43, D-96052 Bamberg

Mr. John Joseph Stinson is not acting in his own name but according to the Secretary's Certificate and power of attorney, both dated 8th May 1996, which are attached to this notarial deed as annex B, on behalf of

Mr Frank M. Ward, engineer,
27 Elm Street, Canton (MA), U.S.A.

The persons appearing requested the notarisation of the following notarial deed:

1. Mr Werner A. Arnold, is herein acting on his own behalf and as
a limited partner in BSC Arnold GmbH u. Co.
Softwareentwicklung und -beratung, and

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(ii) as the duly authorized managing director with power of sole representation of ALBA Light Design GmbH, ALBA Speziallampen Gesellschaft mit beschränkter Haftung, and Arnold GmbH;

2. Mr. Willy Paul Albrecht, is herein

acting on his own behalf and as a limited partner in W. Albrecht GmbH u. Co KG;

3. Mrs. Petra Albrecht-Arnold, is herein

acting on her own behalf and as a limited partner in W. Albrecht GmbH u. Co KG and as a partner in W. Albrecht Grundstücksgesellschaft GmbH & Co GbR and as a shareholder in Arnold GmbH, and as a shareholder in Alba Speziallampen GmbH;

4. Mr. Frank M. Ward, Engineer, address 27 Elm Street, Canton, MA, U.S.A.

not acting on his own behalf but

(i) as a duly authorized member of the board of directors of ALBA Speziallampen Holding GmbH i.G. with power of sole representation; and

(ii) as the duly authorized President with sole power of representation of Chicago Miniature Lamp, Inc. (hereinafter "CML"), a corporation validly existing under the laws of Massachusetts, with its seat in Canton, Massachusetts.

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Agreement on the Sale and Transfer of Shares and Interests
in the ALBA/Albrecht Group

1. General Provisions

Whereas

- (1) W. Albrecht GmbH u. Co KG, with its statutory seat in Bamberg, is a

partnership under German law, with a fully-paid partnership capital of DM2,400,000.00, registered in the Commercial Registry of the Bamberg Municipal Court under the number HRA 8480, the partners of which are

- ALBA Speziallampen Gesellschaft mit beschränkter Haftung as general partner with a capital interest of DM 2,400.00,
- Willy Paul Albrecht as a limited partner with a capital interest of DM 1,173,600.00,
- Petra Albrecht-Arnold
as a limited partner with a capital interest of DM 1,224,000.00;

and whereas

- (2) Alba Speziallampen Gesellschaft mit beschränkter Haftung, with its statutory seat in Bamberg, is a limited liability company under German law, with a fully paid share capital of DM 60,000.00, registered in the Commercial Registry of the Bamberg Municipal Court under the number HRB" 865, the only shareholder of which is
- Petra Albrecht-Arnold with shares in an aggregate amount of DM 60,000.00;

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and whereas

- (3) Alba Light Design GmbH, with its statutory seat in Bamberg, is a limited liability company under German law, with a fully paid share capital of DM 50,000.00, registered in the Commercial Registry of the Bamberg Municipal Court under the number HRB 2812, the only shareholder of which is
- W. Albrecht GmbH u. Co KG with shares in an aggregate amount of DM 50,000.00;

and whereas

- (4) A & S Electric, spol.s.r.o. (GmbH) (CZ), with its statutory seat in Hranice (RoBbach), is a limited liability company (spolecnost s rucenim omezenym) under Czech law, with a fully paid share capital of Kc 100,000.00, registered in the Commercial Registry at Plzen (Pilsen) under the identification number 45 35 83 54, the shareholders of which are
- Ladislav Sejrek with a share capital of Kc 40,000.00; and
 - W. Albrecht GmbH u. Co KG with a share capital of Kc 60,000.00.

A & S Electric spol.s.r.o. (GmbH) (CZ) is the owner of certain real estate, which real estate is unencumbered;

and whereas

(5) W. Albrecht Grundstücksgesellschaft GmbH u. Co GbR, with its statutory seat in Bamberg, is a partnership under German law, with a fully-paid partnership capital of DM 1,800,000.00, the partners of which are

- ALBA Speziallampen GmbH as general partner with a capital interest of DM 1,800.00; and

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- Petra Albrecht-Amold as a limited partner whose liability is limited to her partnership assets, with a capital interest of DM 1,798,200.00.

The GbR is the owner of real estate as contained in Volume 568 Page 23357 of the Real Property Registry at the Municipal Court of Bamberg:

a) entry 6:

lot # 5983/6 Kirschackerstr. 9
Wohn- und Fabrikgebäude, Hofraum 50 ar 70 qm,

b) entry 8:

lot # 5973 Am Furstenwiesenweg
Fabrikgelände I ha 14 ar 62 qm,

a) entry # 9:

lot # 6042/2 Bei der Kirschackerstraße
Hof- und Gebäudeflächen 9 ar 40 qm,

encumbered by three mortgages in the aggregate amount of DM 5,000,000.00;

and whereas

(6) BSC Arnold GmbH & Co Softwareentwicklung und -beratung, with its statutory seat in Bamberg, is a partnership under German law, with a fully-paid partnership capital of DM 30,000.00, registered in the Commercial Registry of the Bamberg Municipal Court under the number HRA 9385, the partners of which are

- Arnold GmbH as general partner with no capital interest; and
- Wemer Arnold as a limited partner with a capital interest of DM 30,000.00;

and whereas

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(7) Arnold GmbH, with its statutory seat in Bamberg, is a limited liability company under German law, with a share capital of DM50,000.00, DM 25,250.00 thereof being paid in, and the remaining part of DM 24,750.00 still open, registered in the Commercial Registry of the Bamberg Municipal Court under the number HRB 1266, the shareholders of which are

- Wemer Arnold with a share capital of DM 49,500.00; and
- Petra Albrecht-Arnold with a share capital of DM 500.00;

and whereas

(8) the aforementioned corporations and partnerships are hereinafter collectively referred to as the "Acquired Entities";

and whereas

(9) Alba Speziallampen Holding GmbH i.G., hereinafter referred to alternatively as "GmbH" or "Buyer," with its statutory seat in Bamberg, is a limited liability, company in formation under German law, with a fully-paid share capital of DM 50,000.00, not yet registered, the shareholders of which are

- Chicago Miniature Lamp, Inc., with a share capital of DM 49,500.00; and
- ALBA Speziallampen GmbH with a share capital of DM 500.00;

and whereas

(10) Willy Paul Albrecht, Petra Albrecht-Arnold, and Wemer Arnold, hereinafter collectively referred to as the Sellers, intend to sell all their shares and interests in the Acquired Entities, and Alba Speziallampen Holding GmbH i.G. intends to acquire all these shares and interests;

and whereas

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(II) the Sellers have shareholders' and partners' loans in some of the Acquired Entities and certain partners' accounts with the Acquired Entities some of which have a positive balance and others have a negative balance which shall also be subject to the purchase contemplated in this Agreement;

and whereas

(12) Wemer Arnold intends to offer his services to Alba Speziallampen Holding GmbH i.G. for at least 3 years;

and whereas

(13) Willy Paul Albrecht is the owner of the patents, patents pending and trademarks listed in the Schedule to roman numeral I para. (13), and he intends to contribute and transfer these patents, patents pending and trademarks to W. Albrecht GmbH u. Co KG for no specific consideration. Willy Paul Albrecht holds no ownership or other interest in any other patents, patents pending, trademarks or other intellectual property which is related to the businesses of the Aquired Entities.

and whereas

(14) Petra Albrecht-Arnold holds no ownership or other interest in any patents, patents pending, trademarks or other intellectual property which is related to the businesses of the Aquired Entities.

and whereas

(15) Wemer Arnold holds no ownership or other interest in any patents, patents pending, trademarks or other intellectual property which is related to the businesses of the Aquired Entities.

and whereas

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(16) Alba Speziallampen GmbH intends to sell and transfer its interest in W. Albrecht Grundstücksgesellschaft GmbH u. Co GbR to CML;

now, therefore, this being said, the parties enter into the covenants and mutual agreements as indicated below:

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II. AGREEMENT ON SALE AND TRANSFER OF SHARES AND INTERESTS

Section I

Sale, TRANSFER, and Consent

(1) The Sellers sell their shares and interests as describ6d under roman numeral I., above, with all related rights attaching and all of their shareholders' and partners' loans, as well as all of their accounts (including the one

with the negative balance), to the Buyer. The shareholders' and partners' loans and the partners' accounts sold under this paragraph (1) are sold on a consolidated basis, wherein the Sellers warrant and represent that a positive balance will exist upon sale to the Buyer.

- (2) Alba Speziallampen GmbH hereby sells and transfers its interest in W. Albrecht Grundstücksgesellschaft GmbH u. Co GbR to CML, which accepts such sale and transfer.
- (3) Petra Albrecht-Arnold and Werner Arnold hereby transfer their shares, loans and accounts in Arnold GmbH to Buyer, who accepts such transfer.
- (4) Willy Paul Albrecht and Petra Albrecht-Arnold hereby transfer their interests in W. Albrecht GmbH u. Co KG and all of their partners' loans and accounts with W. Albrecht GmbH u. Co. KG to Buyer by way of special succession (Sonderrechtsnachfolge), who accepts such transfer. Internally, such transfer shall become effective as of the Takeover Date, externally, the transfer shall become effective only upon entry of the Buyer as a limited partner by way of special succession (im Wege der Sonderrechtsnachfolge) in the Commercial Register. Sellers shall fully cooperate with Buyer in any filing with the Commercial Register to be effected only after Closing.

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- (5) Petra Albrecht-Arnold hereby transfers her interest in W. Albrecht Grundstücksgesellschaft GmbH & Co GbR and all of her partners' loans and accounts with W. Albrecht Grundstücksgesellschaft GmbH & Co. GbR to the Buyer, who accepts such transfer.
- (6) Petra Albrecht-Arnold hereby transfers her share, loans and accounts in Alba Speziallampen Gesellschaft mit beschränkter Haftung to Buyer, who accepts the transfer.
- (7) Wemer Arnold hereby transfers his interest in BSC Arnold GmbH u. Co Softwareentwicklung und -beratung and all of his partners' loans and accounts with BSC Arnold GmbH u. Co. Softwareentwicklung und -beratung to Buyer by way of special succession (Sonderrechtsnachfolge), who accepts the transfer. Internally, such transfer shall become effective as of the Takeover Date, externally, the transfer shall become effective only upon entry of the Buyer as a limited partner by way of special succession (im Wege der Sonderrechtsnachfolge) in the Commercial Register. Sellers shall fully cooperate with Buyer in any filing with the Commercial Register.
- (8) Any consents to the transfer of shares and interests necessary under the pertinent Articles of Association have been given and are confirmed hereby.
- (9) Willy Paul Albrecht hereby contributes and transfers the patents, patents pending and trademarks, together with any licences granted to the Acquired Entities indicated under roman numeral 1, para. (13) above to W. Albrecht

GmbH u. Co KG, and W. Albrecht GmbH u. Co KG accepts such contribution and transfer.

Willy Paul Albrecht shall deliver to the Buyer on the Closing Date proper forms of transfer and assignment, duly executed, for all the above mentioned rights. Willy Paul Albrecht further agrees to provide such other assignments, notices, and forms after the Closing as shall be necessary or appropriate to effectuate and record such transfers to Buyer.

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(10) Buyer and Sellers agree that the shareholders' and partners' loans as well as any partners' accounts with the Acquired Entities are sold on a consolidated basis and that

(i) all positive balances as of the Takeover Date due to Sellers shall be transferred to the benefit of Buyer and the Sellers shall not be entitled to claim any amounts under such positive accounts after the execution of this Agreement and

(ii) save Section 1 para. (1) Sentence 2, all negative balances as of the Takeover Date due to any of the Acquired Entities shall be claimed by the Acquired Entities against the Buyer after the execution of this Agreement and the Acquired Entities and the Buyer hereby release the Sellers from any claims that might arise of, or in connection with, such negative balances, and the Sellers hereby accept this release.

Section 2

PURCHASE PRICE, PAYMENT OF PURCHASE PRICE

(1) The overall purchase price for the shares and interests, shareholders' and partners' loans and partners' accounts and the intellectual property sold shall be DM 9,700,000.00 (nine million seven hundred thousand German Marks) payable in the following manner:

- a) 90 percent by the transfer of funds into a bank account, to be specified by the Sellers, at Closing;
- b) 10 percent by the transfer of funds into a bank account, to be specified by the Sellers, within 30 days after Closing (the "Post Closing Payment").

(2) The overall purchase price shall be allocated as follows:

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- a) an amount of DM 49,500.00 to Werner Arnold's share of par value DM 49,500.00 in Arnold GmbH,
- b) an amount of DM 500.00 to Petra Albrecht-Arnold's share of par value DM 500.00 in Arnold GmbH,
- c) an amount of DM 250,000.00 to Werner Arnold's interest of par value DM 30,000.00 in BSC Arnold GmbH u. Co Softwareentwicklung und -beratung,
- d) an amount of DM 6,000,000.00 to Petra Albrecht-Arnold's interest of par value DM 1,798,200.-- in W. Albrecht Grundstücksgesellschaft GmbH & Co GbR,
- e) an amount of DM 60,000.00 to Petra Albrecht-Arnold's share of par value DM 60,000.00 in Alba Speziallampen Gesellschaft mit beschränkter Haftung,
- f) an amount of DM 1,631,600.00 to Petra Albrecht-Arnold's interest of par value DM 1,224,000.-- in W. Albrecht GmbH u. Co KG,
- g) an amount of DM 1,708,400.00 to Willy Paul Albrecht's interest of par value DM 1,736,000.-- in W. Albrecht GmbH u. Co KG.

No additional consideration shall be allocated to shareholders' and partners' loans and partners' accounts and intellectual property rights.

As an additional part of the purchase price Buyer agrees and commits that it will bear and pay the attorneys' fees up to DM 300,000.00 plus V.A.T. of Sellers' attorneys Hennerkes, Jeschke, Kirchdorfer & Partner, Stuttgart, Germany. Immediately after Closing, the attorneys will send a bill of their fees showing the net amount, the V.A.T. attributable into the net amount, and the gross amount to the Buyer, and the Buyer will promptly pay the gross amount to the attorneys as shown in their bill. After full payment of the billed amount

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the Buyer shall have fully performed, and be released from, its duty to pay under this paragraph.

- (3) Should the consolidated equity of the Acquired Entities as determined in the Takeover Balance Sheets according to Section 4 of this agreement fall short of the consolidated equity of these entities as determined in the 1995 Balance Sheets the shortfall, to the extent that it exceeds DM 2,000,000.00 shall be deducted from the purchase price.
- (4) The purchase price for the interest of Alba Speziallampen GmbH in W. Albrecht Grundstücksgesellschaft GmbH u. Co GbR sold to CML shall be DM 9,000.00 and such amount shall be transferred to a bank account specified by Alba Speziallampen GmbH.

Section 3

TAKEOVER DATE, EXECUTION DATE, CLOSING

- (1) The Takeover Date shall be May 1, 1996. Economic ownership in the shares and interests shall change as of the Takeover Date. Dividends distributed after Takeover Date by the acquired corporate entities shall inure to the benefit of Buyer. Profits of the Acquired Entities made between December 31, 1995 and the Takeover Date shall belong to the Buyer, and taxes attributable to these profits shall be borne by the Buyer. For the purposes of this paragraph, the profits will be calculated by Schitag Ernst & Young on the basis of the 1995 Balance Sheets and the Takeover Balance Sheets, and an agreed tax rate of 50% shall be applied irrespective of the ultimate tax liability of the Sellers.
- (2) Execution Date shall be the date of the notarization of this Agreement.
- (3) Closing shall be within 15 days of the execution of this Agreement, or sooner, if the parties agree, but in no event before the execution of a service agreement

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between Werner Arnold and the Buyer. Closing shall be contingent on the simultaneous closing on the acquisition of all shares of Alba Lamps, Inc. and Alba Technology (M) Sdn. Bhd., Malaysia ("Related Agreements").

- (4) Once this Agreement and the Related Agreements have been closed on, the parties shall give each other written confirm to this effect.

Section 4

Takeover Balance Sheets

- (1) The parties charge Schitag Ernst & Young (and/or affiliated auditing firms, collectively referred to as "Schitag Ernst & Young"), to present the parties on or before May 31, 1996, with the audited consolidated Balance Sheets and inventory counts of the Acquired Entities upon December 31, 1995, ("1995 Balance Sheets") and upon Takeover Date ("Takeover Balance Sheets"). The costs for the preparation and the confirmation of the 1995 Balance Sheets and the Takeover Balance Sheets are to be borne by the Buyer.
- (2) The 1995 Balance Sheets and the Takeover Balance Sheets are to be presented and confirmed on the basis of GAAP applicable in the country of the audited Acquired Entity, under the preservation of balance continuity, on a

consolidated basis, on a "going concern" basis and without a view to the transaction contemplated by this Agreement.

- (3) Before finalizing the preparation and confirmation of the 1995 Balance Sheets and the Takeover Balance Sheets Schitag Ernst & Young will present drafts to the Buyer and the Sellers and explain how they have found their results and particularly how they have exercised any discretion available under the applicable GAAP. The Sellers may raise reasonable objections to the drafts, and Sellers and Buyer shall agree on such objections.

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- (4) If the Sellers and the Buyer cannot agree on Sellers' objections according to para. 3 above, Schitag Ernst & Young shall finalize their balance sheets and Sellers shall appoint another auditing firm to present the Sellers' version of the same balance sheets under the same rules as outlined hereabove in this Section 4 and at their own cost. If the two auditors cannot agree on the outcome of these examinations, the dispute shall finally be settled by an Arbitrator who must be an auditor certified under the laws of Germany (the "Arbitrator") and shall be appointed by both parties. In case that the parties cannot agree on the Arbitrator, the Chamber of Commerce of Bamberg shall appoint the Arbitrator. The Arbitrator shall also determine who of the parties shall bear the fees and costs of the arbitration (including the reasonable attorneys' fees) taking into account who of the parties has won or lost, or partially won or lost, the arbitration.
- (5) For purposes of determining the shortfall of consolidated equity to be paid by the Sellers according to Section 2 para. (3) of this Agreement, the parties agree that Buyer shall be entitled to any amount he would be entitled to under Section 2 para. (3) of this Agreement if the balance sheets of the Sellers' auditor were to be applied. The parties further agree that after Schitag Ernst & Young and the Sellers' auditor have agreed on a matter or after the Arbitrator has ruled on the dispute, according to Section 4 para. (4) of this Agreement the Buyer shall be entitled to the amount he is entitled to under Section 2 para. (3) of this Agreement after taking into account the agreement of the auditors or the ruling of the Arbitrator. If the amount is more than already paid by the Sellers to the Buyer according to this paragraph, the Sellers shall pay the balance due to the Buyer. If the amount is less than already paid by the Sellers to the Buyer according to this paragraph, the Buyer shall pay the balance due to the Sellers.

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Section 5

WARRANTIES AND REPRESENTATIONS (ZUSICHERUNGEN)

- (1) The Sellers warrant and represent, that upon the Execution Date of this

Agreement and at the Closing, the assertions made under roman numeral 1. of this Agreement are correct, the shares and interests are fully-paid unless otherwise indicated in roman numeral 1. of this Agreement, non-assessable, not encumbered with third parties' rights or options, at the Sellers' free disposal, and that no repayments on such shares and interests have been made.

- (2) The Sellers warrant and represent, that upon the Execution Date of this Agreement and at Closing
- a) the balance sheets and profit & loss statements of the Acquired Entities for the fiscal years 1994 and 1995 (hereinafter "Financial Statements") have been determined under principles of the pertinent national GAAP (German GAAP for all Acquired Entities except for A & S Electric, spol.s.r.o. (GmbH), whose financial statements have been determined under principles of Czech GAAP), and that such financial statements are a reflection of the actual relations in the asset and financial situation of the Acquired Entities;
 - b) the fixed and current assets shown in the Financial Statements were/are the property of the Acquired Entities, were/are not encumbered with the rights of third parties (except for customary retained rights („Eigentumsvorbe-halte") given in the normal course of business) and included all economic goods that were necessary for the operation of the Acquired Entities;
 - c) the fixed assets are in a proper and workable condition and the necessary replacements and repair have been carried out;
 - d) the Financial Statements show all pension and fringe benefit obligations and all liabilities in accordance with the pertinent national GAAP;
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- e) the Financial Statements include sufficient provision for all tax liabilities accruing to the Acquired Entities for the periods through December 31, 1995;
 - f) that the Schedule to roman numeral I. para. (13) and the representations made in roman numeral I. pares. (1 3), (14) and (1 5) are correct;
 - g) the execution and implementation of this Agreement does not entail the revocability of government grants, subsidies or loans.
- 3) The Sellers further warrant and represent that in the time period from December 31, 1995 through the Closing:
- a) the Acquired Entities have conducted business in a reasonable and

ordinary course, and will continue to do so, and have engaged in no extraordinary transactions (in particular additional borrowings or liabilities of any kind), nor will they do so;

- b) the scope and content of the business activities of the Acquired Entities have not substantially varied from those of the preceding fiscal year, nor will they do so;
- c) the fixed and current assets of the Acquired Entities have been and/or will be maintained and supplemented under the principles of reasonable and ordinary business behavior, and the amount of the claims, which needs to be reserved (Forderungswertberichtigungen), has not risen and is not rising and new pension obligations have been or are being undertaken only in the usual scope;
- d) no extraordinary events have occurred or are threatened to occur which could deleteriously affect the current or future business activities or the economic outcome of the Acquired Entities, such as a price reduction of more than 10 percent;

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- e) no repayments on shareholders' or partners' loans have been made except of the payment of the first installment in the amount of DM 30,000.00 on a loan given by Willy Paul Albrecht to A & S Electric, Spol.s.r.o. (GmbH) (CZ) and due on December 31, 1995.

(4) The Sellers finally warrant and represent (sichern zu), that upon the Closing, as far as not disclosed in the Schedule to Section 5 para. 4 and in this Agreement,

- a) the Acquired Entities are not bound to agreements with the Sellers or any persons or entities related to the Sellers;
- b) the Acquired Entities are not bound by contracts with managing directors, employees, counsel or other persons which contemplate a yearly remuneration of more than DM 100,000.00 gross except of fringe benefits and car use, or any turnover or profit participation;
- c) the Acquired Entities are not bound on any lease agreements, rental agreements or other agreements which have a term of more than one year or would lead respectively to a yearly expense of more than DM 100,000.00 gross (except of inter-company agreements);
- d) the Acquired Entities are not bound as licensors or as licensees on agreements regarding intellectual property or other unprotected knowledge or inventions (know-how), and are, or will be at closing, the rightful owners of all patents, patents pending, trademarks and other intellectual property used in their business operations.

- e) the Acquired Entities are not bound by any sales agents or distribution contracts;
- f) the Acquired Entities are not bound by agreements which can be cancelled, changed or supplemented by third parties as a result of the sale of the shares and/or interests;

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- g) the Acquired Entities are in possession of all government/administrative permits and allowances, that are necessary to the continuation of the operation of the businesses of the Acquired Entities; these permits and allowances have not been cancelled or rescinded and no situation is present which gives reason to believe that such rescission or cancellation of these would happen and the operation of the businesses of the Acquired Entities is being conducted in accordance with these permits and allowances; the Acquired Entities do not infringe, to the actual or constructive knowledge of the Seller, any third parties' rights under the law or under any agreement;
- h) the Acquired Entities are not engaged in any processes before a court or administrative agency nor in any arbitration proceedings with an amount in controversy of over DM 10,000.00; nor is any such process or proceeding threatened or impending;
- i) the Acquired Entities are not bound by any agreements which could reasonably be of interest for the Buyer as far as the businesses of the Acquired Entities are concerned;
- j) the Acquired Entities have fulfilled all their contractual and public obligations including tax filings and payments;
- k) all products manufactured or sold before the Takeover Date by the Acquired Entities are in accordance with the applicable technical regulations and with the latest product standards, and no facts, circumstances, or conditions exist which are reasonably probable to give rise to product recall and the Acquired Entities are not anticipating such product recalls within the next three years;
- l) the Acquired Entities' insurance coverage extends to damages relating to products sold on or before the Closing Date, if such damages are raised within three years after Closing;

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- m) there are no silent partnership agreements between the Acquired Entities and the Sellers or third parties and that the thus existing silent partnerships have been converted to equity at no cost for the respective Acquired Entities;

- n) all members of Supervisory Boards of the Acquired Entities shall have resigned, evidenced by resigning letters, unless requested otherwise within ten days after the execution of this Agreement;
- o) the quantities contained in the inventory counts of the Acquired Entities as of the Takeover Date are correct;
- p) the employees currently with the Acquired Entities, the periods of the contracts concluded with such employees and their major remuneration entitlements and pension rights are correctly reflected in Schedule to Sectioti 5 para. (4) and no claims under the Law on Employee Inventions (Arbeitnehmererfindergesetz) have been raised.
- q) the Acquired Entities own neither land nor buildings other than that described under roman numeral I. paras. (4) and (5) and that such land and buildings are not environmentally contaminated, and that the assessed value (Einheitswert) according to the most recent Taxation Notice of Assessment (Einheitswertbescheid) of January 1, 1987, (Wertfortschreibung auf 1.1.87), and unchanged since then is DM 1,426,800.00 in the aggregate.
- r) the indebtedness secured by the mortgages described under roman numeral I. para. 5 (in the aggregate amount of DM 5,000,000.00) are included in the bank indebtedness of approximately DM 7,587,000.00 reflected on the December 31, 1995 financial statements.

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SECTION 6 LIABILITY

- (1) Should one of the warranties and/or representations made in Section 5 of this Agreement remain fully or partially unfulfilled, the Buyer can reduce the purchase price in the amount of the value of the breach, as long as the Buyer has demanded in written form from the Sellers, that within ten calendar days of receipt of the demand the Sellers put the Buyer in such a position as if the warranty were completely fulfilled and this deadline, for whatever reason, expires having borne no fruit. Should the purchase price be reduced as set forth above, the Post Closing Payment shall be reduced by the amount of such reduction in the purchase price, and should such reduction exceed the unpaid amount of the Post Closing Payment or should the Post Closing Payment have been previously made, then the Sellers shall remain liable to the Buyer for the amounts not satisfied and the Sellers shall make prompt payment of said amounts.
- (2) Should any of the warranties and/or representations in Section 5 paras 2 through 4 of this Agreement remain partially or fully unfulfilled, the Buyer can renounce its right to a reduction of the purchase price and instead demand that the Acquired Entities be put in such a position as it would be

if the warranty had been fulfilled.

- (3) The claims of the Buyer under paras. 1 and 2 of this Section can only be raised if they exceed a value of DM 100,000.00 in the aggregate.

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SECTION 7

DEFENSE OF CLAIMS

- (1) The Buyer is obligated to immediately notify the Sellers, if a third party makes or threatens to make any claim that could lead to the liability of the Sellers under Section 6 of this Agreement. The Buyer must give the Sellers access to all relevant documentation and all relevant information and must allow the Sellers to view the books and written documents of the Acquired Entities insofar as this is necessary to make a judgement on the righteousness of any claim that has been made or threatened.
- (2) The parties will inform one another regarding the defense of claims under para. 1. The Sellers must be given the reasonable opportunity to participate in the defense of these claims. The Buyer must permit the Sellers to defend the claims in their own names and at their own cost, if the Buyer, regardless of reason, is not prepared to take up the defense of claims himself, and the defense of claims does not conflict with the Buyer's commercial interests.
- (3) Should the Buyer not notify the Seller as provided for in paras. (1) and (2) of this Section, the Sellers shall be released from their liability under Section 6 of this Agreement with respect to such claims, unless the Buyer can prove that his omission was immaterial for the defense of such claims.

SECTION 8

LIMITATION PERIODS

- (1) The claims of the Buyer which are based on one of the warranties and/or representations made in Section 5 of this Agreement expire (erloschen), unless otherwise specified in para. 2 of this Section, six months from the point in

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time, at which the Buyer has come into the knowledge of the unfulfillment of a warranty or representation, and at the latest June 30, 1997.

- (2) The claims of the Buyer which are based on the unfulfillment of a warranty

or representation in Section 5 para. 1 of this Agreement or on other grounds not covered by this Section 8 and referred to in Section 9 of this Agreement expire five years after the Closing.

- (3) The expiration of claims shall be prevented by a first written notification of claim (setting forth in reasonable detail the facts and circumstances of the cause of the claim) made to the Sellers. In this case, claims lapse (verjdhren) one year after the written notice of claim.

SECTION 9

LIMITATION OF LIABILITY

The Buyer can, insofar as not otherwise explicitly provided for in this Agreement, bring no claim against the Sellers, regardless of reason, for the breach of contractual or pre-contractual obligations or obligations under law unless the Sellers, the Sellers' management or employees breached any such obligation intentionally or the Sellers or the Sellers' management breached any such obligation with gross negligence.

In any event, the liability of the Sellers under this Agreement, especially Sections 6 and 9, shall be limited to the purchase price.

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SECTION 10

NON-COMPETE AGREEMENT

- (1) The Sellers are obligated not to compete with the Acquired Entities, directly or indirectly, on any substantive or geographical market in Europe, on which the Acquired Entities are doing business upon the execution of this Agreement, for a period of five years after the disassociation of Werner Arnold with the Buyer, the Acquired Entities, or CML. This obligation not to compete does not, however, prevent the Sellers from acquiring and/or holding passive minority investments in publicly traded shares (including those of the Buyer and/or CML).
- (2) The Sellers warrant, that at the time of Closing, they have no other businesses or participations in other corporations or partnerships (except for participations in Alba Lamps, Inc. and Alba Technology (M) Sdn. Bhd., Malaysia, which shall be sold to the Buyer in a separate deed), other than those contemplated by this Agreement, shares in CML or the Buyer, and a 60% share in Witte GmbH, Katzhutte (Thuringen), which is a manufacturer of metal bases for lamps and does other assembly work.
- (3) The Sellers will pay liquidated damages in the amount of DM 1,000,000.00 for

every breach of the non-compete agreement. By continuing breach of the noncompete agreement, every successive calendar month shall be deemed a separate violation. The proof of an actual damage greater than the liquidated damages shall not be barred.

- (4) Any claims arising out of or in connection with any violation of the Sellers' duties and obligations under this Section 10 shall be finally barred if the Buyer does not notify the Seller of any such claim within a period of three months of the time that the Buyer first learns of such a violation of this non-compete agreement.

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SECTION 11

NAME OF THE ACQUIRED ENTITIES AND BUYER

The Acquired Entities and Buyer have the right to use any reference to the names Albrecht, Arnold, and Alba, in their corporate or partnership names and logos at their full discretion, provided, however, that such use shall not violate public policy.

SECTION 12

CONFIDENTIALITY, PRESS RELEASES, INFORMATIONAL RIGHTS

- (1) The parties are obligated to keep the substance of this Agreement, especially the purchase price, strictly confidential and inaccessible to third parties, other than their respective advisors (lawyers, tax advisors, auditors) and unless required by law or necessary under the applicable tax laws.
- (2) The parties shall agree on the full scope of any declarations which they intend to make public regarding the execution of this Agreement.
- (3) The Sellers shall assure that the Acquired Entities, upon execution of this Agreement, will give the Buyer and the Buyer's employees access (together with representatives of Sellers if requested so by Sellers) to the Acquired Entities' property, access to books and documents of the Acquired Entities as well as access to Acquired Entities workers, during normal working hours, in order that the Buyer may inform itself of the Acquired Entities' legal, technical and financial/economic factors. The Sellers shall also assure that the Acquired Entities continually inform the Buyer of all essential business matters of the Acquired Entities.

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SECTION 13

ACCESS TO BUSINESS DOCUMENTS

The Buyer shall assure that the Sellers and the Sellers' counsel obligated to professional confidentiality will be given on demand within a reasonable scope and reasonable time the opportunity to examine the books and records of the Acquired Entities relating to the time period up through the Closing, and that the Buyer will prepare the necessary copies of these records insofar as such is necessary to enable the Sellers the ordinary, timely fulfillment of the Sellers' tax or other legal/administrative obligations.

SECTION 14

EFFECTIVENESS OF THIS AGREEMENT

This Agreement - with the exception of the provisions of roman numeral II Section 1 para. (9), Section 4, and Section 12 - which become effective immediately - becomes effective at Closing, if the Closing conditions are fulfilled.

SECTION 15

NOTARIAL AND OTHER STATUTORY FEES, COSTS

The notarial and other statutory fees which are or become applicable as a result of the execution and implementation of this Agreement shall be borne by the Buyer. Each party shall bear the costs of its own counsel, except as provided for under Section 2 para. (2).

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SECTION 16

FEDERAL CARTEL OFFICE ANNOUNCEMENT

The parties agree that the prospective acquisition is not subject to examination by the Bundeskartellamt due under Sections 23 et seq Anti-Trust Code (Gesetz gegen Wettbewerbsbeschränkungen).

SECTION 17

NOTICES, KNOWLEDGE, JOINT AND SEVERAL LIABILITY

(1) Notices required to be given to or by the Sellers or any one of the Sellers

shall be effective when made to or by Werner Arnold, Wildensorgerstr. 8, 96049 Bamberg, Germany.

- (2) Notices required to be given to or by the Buyer shall be effective when made to or by the President of Chicago Miniature Lamp, Inc., 500 Chapman Street, Canton, MA 02021, USA.
- (3) Constructive knowledge shall be defined as that knowledge that a reasonable person would be deemed to have under similar circumstances.
- (4) Actual or constructive knowledge of any relevant circumstance of any one Seller shall be attributed to any and all other Sellers.
- (5) Actual or constructive knowledge of Werner Arnold shall not be attributable to the Buyer on the ground of his being managing director of Buyer.
- (6) Sellers shall be jointly and severally liable for all obligations deriving from this Agreement, except that Werner Arnold shall not be liable for any obligation incumbent upon Willy Paul Albrecht and/or Petra Albrecht-Amold, and Willy

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Paul Albrecht and/or Petra Albrecht-Arnold shall not be liable for any obligation incumbent on Werner Arnold.

SECTION 18

TAXES, TAX AUDIT

- (1) The Acquired Entities have filed all tax returns in a due and proper manner. All taxes due up to the Takeover Date and other commercial duties ("sonstige betriebliche Abgaben") including tax payments in advance and social security payments have been duly and properly paid or provisions therefor have been made in the respective Takeover Balance Sheets.
- (2) In the event that additional payments are required in respect of the period up until the Takeover Date as the result of a tax audit, the Sellers shall indemnify the Acquired Entities in respect of any sum paid by the Acquired Entities in respect of such additional payments together with all costs, claims, loss and damage arising therefrom.
- (3) In the event that the tax authorities attribute to the Sellers or the Acquired Entities, regardless of the actual or legal reasons therefor, any hidden dividends or do not recognize expenses in respect of transactions up until the Takeover Date, the Sellers shall indemnify the Acquired Entities in respect of any sum paid by the Acquired Entities in respect of such additional payments together with all costs, claim, loss and damage arising therefrom.

- (4) The Sellers shall be entitled to take part in any external tax audit ("steuerliche Außenprüfung") which relates to the periods before the Takeover Date. In case of a dispute with the tax authorities on matters that might lead to tax claims against the Sellers or claims by the Buyer against the Sellers under this Section 18 of this Agreement, the Sellers may, at their discretion, risk, and

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cost, oppose to such matters and file the appropriate appeals with the competent tax authorities and/or tax courts unless the Buyer opposes to such matters and/or files the appropriate appeals with the competent tax authorities and/or tax courts. In the case that the Buyer makes an opposition or filing as mentioned above, the Sellers have to be informed by the Buyer on the current status of the proceedings and are entitled to participate as far as legally possible in such proceedings and/or make proposals as to the facts, arguments, and objections that might be raised as a defense against tax claims. Should the Buyer not accept the Sellers' proposals the Buyer shall save harmless the Sellers for any loss, damage, or claims they suffer as a result of the final settlement, order or judgment in such proceedings unless the Buyer can prove that Sellers' proposal would not have avoided such loss, damage or claims. Should the Buyer accept the Sellers' proposals the Sellers shall save harmless the Buyer for any loss, damage, or claims it suffers as a result of the final settlement, order or judgment in such proceedings.

- (5) Personal income taxes of the Sellers shall be borne by the individual Seller or Sellers.
- (6) External tax audits shall leave the 1995 Balance Sheets and the Takeover Balance Sheets under this Agreement unaffected.

SECTION 19

SURETYSHIP OF CML

CML shall serve as a surety on first demand for the purchase-price obligations of the Buyer under this Agreement. In case that the Sellers have and/or will incur any liability as shareholder and/or managing director and/or person acting (including refraining from acting) on behalf or in the interest of the Buyer for any activities of, and/or attributable to, the Buyer, particularly arising out of or in connection with the

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establishment of the Buyer (the "Liability"), CML shall release the Sellers from any such Liability and save the Sellers harmless from and against any claims,

demands, actions, causes of action, damage, loss, deficiency, cost (including reasonable attorneys' fees), liability and expense which may be made or brought against the Sellers or which the Sellers may suffer or incur as a result of, in respect of or arising out of such Liability.

SECTION 20

PARTIAL INVALIDITY, FORM OF WRITINGS, VENUE,
APPLICABLE LAW, LETTER OF INTENT

- (1) Should any provision of this Agreement become ineffective or unenforceable, the validity of this Agreement shall not otherwise be affected. The ineffective or unenforceable provision shall be substituted with an effective and enforceable provision, which approaches the economic result of the ineffective or unenforceable provision as far as possible.
- (2) Changes and supplementations of this Agreement require notarized form.
- (3) This Agreement shall, by the extent permitted by law, be subject to the exclusive jurisdiction (ausschließliche Gerichtsbarkeit) of the court for commercial matters (KAMMERFÜR Handelssachen) of Bamberg.
- (4) The law applicable to this Agreement is the law of the Federal Republic of Germany.
- (5) The Letter of Intent between the parties of April 4, 1996, shall be deemed consummated by the execution of this Agreement.

The Notary has instructed the parties as to the legal implications of this document.

IN WITNESS THEREOF, this notarial deed as well as the annexes were read aloud to the persons appearing, approved by them and signed by each of them before me, the notary public, who also signed and fixed the official seal.

BASLE, this 15. (fifteenth) May 1996 (nineteen hundred and ninety-six)

[NOTARY SEAL APPEARS HERE]

/s/
/s/
/s/

Allg.Prot.Nr.44/1996

CONTRACT FOR PURCHASE AND SALE OF STOCK

THIS CONTRACT, made and entered into this 15th day of May, 1996, by and between WERNER A. ARNOLD (the "Seller") and CHICAGO MINIATURE LAMP, INC., an Oklahoma corporation (the "Buyer").

W I T N E S S E T H:

WHEREAS, the Seller is the beneficial and record owner of all of the issued and outstanding shares of capital stock of ALBA LAMPS, INC., an Illinois corporation (the "Company") and desires to sell 50% of such shares of capital stock (the "Shares") pursuant to this Agreement; and

WHEREAS, the Seller desires to sell to the Buyer and the Buyer desires to purchase from the Seller the Shares on the terms and subject to the conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and of the covenants, terms and conditions herein contained, the Seller and the Buyer hereby agree as follows:

ARTICLE II
Sale of Shares

The Seller agrees to sell to the Buyer and the Buyer agrees to purchase from the Seller the Shares. The Seller shall transfer the Shares to the Buyer on the Closing Date (as hereinafter defined), and immediately prior to the transfer the Shares shall be duly and validly issued in the name of the Seller, fully paid and nonassessable, and free and clear of any claim, lien or encumbrance of any kind.

ARTICLE II
Purchase Price for the Shares

The purchase price to be paid by the Buyer to the Seller for the Shares shall be DM 3,100,000 in cash to be paid by the Buyer to the Seller by wire transfer on the Closing Date.

ARTICLE III
Representations, Warranties and Covenants of the Seller

The Seller represents, warrants and covenants as follows:

3.1 Stock and Stockholdings. The authorized capital stock of the

Company consists of 10,000 shares of common stock (no par value), 1,000 shares of which constitute the Shares and, as of the Closing Date, shall be outstanding and issued to the Seller. Except for the Shares, there are no other shares of capital stock of the Company issued and outstanding except for an additional 1,000 shares of common stock of the Company owned by the Seller. The Shares have been duly and legally issued to the Seller, are fully paid and nonassessable and are free and clear of any mortgage, pledge, hypothecation, lien, encumbrance or burden of any kind. There are no other classes of stock authorized, and there are not authorized, issued or outstanding, any options, warrants or other rights to purchase or otherwise acquire from the Company or the Seller any shares of stock or other securities of the Company, except for agreements with the Buyer. The Seller

is subject to no agreement with any other person or entity relating in any respect to the Company, the Shares or the sale or transfer of the Shares. The Seller has full power, capacity and authority to sell, assign and transfer the Shares to the Buyer.

3.2 Financial Statements. The Seller has heretofore delivered to the

Buyer financial statements consisting of (i) an unaudited Balance Sheet for the Company, as of December 31, 1995, (ii) an unaudited Profit and (Loss) Statement for the Company for the fiscal year ended December 31, 1995 and (iii) an unaudited Balance Sheet for the Company as of April 30, 1996. Such financial statements present fairly the financial condition of the Company, as of the respective dates of such financial statements, and except as disclosed in said financial statements, as of the respective dates of such financial statements, the Company had no liabilities of any nature, whether accrued, absolute, direct, contingent, unliquidated or otherwise.

3.3 Employment and Labor Matters. Schedule 3.3 contains a list of all

employees, their commissions, accrued vacation pay, sick pay, severance pay and other accrued employee benefits through December 31, 1995. Except as set forth on Schedule 3.3 or shown as liabilities on the April 30, 1996 balance sheet of the Company provided to the Buyer, the Company is not liable to any of its employees for any amount of commissions, bonuses, profit sharing payments, severance pay, accrued vacation, or any other similar payments, and from April 30, 1996 to the Closing Date no additional accruals shall occur for any obligations to the Company's employees (except for salaries). Except as set forth on Schedule 3.3, the Company is not a party to any pension, profit sharing, retirement or other deferred compensation plan or agreement. Prior to the Closing Date, the Company's profit sharing plan and 401(k) Plan will have been terminated, and neither the Company nor the Buyer shall be liable for any expense or liability as a result of such termination. The Company has not incurred any unfunded deficiency or liability within the meaning of the Employee Retirement Income Security Act of 1974 ("ERISA"), has not incurred any liability to the Pension Benefit Guaranty Corporation established under ERISA in connection with any employee benefit plan and has no outstanding obligations or liabilities under any employee benefit plan. The Company has not been a party to a "prohibited transaction," which would subject it to any tax or penalty. Except as set forth on Schedule 3.3, there are no collective bargaining agreements or negotiations therefor, labor grievances or arbitration proceedings against the Company pending or threatened, and to the knowledge of the Seller,

there are no union organizing activities currently pending or threatened against or involving the Company.

3.4 Material Contracts. Except as set forth in Schedule 3.4, the Company

has no purchase, sale, commitment, or other contract, the breach or termination of which would have a materially adverse effect on the business, financial condition, results of operations, assets, liabilities, or prospects of the Company.

3.5 Compliance with Environmental Laws. The Company is in compliance

with all applicable pollution control and environmental laws, rules and regulations. Schedule 3.5 describes all environmental licenses, permits and other authorizations held by the Company relative to compliance with environmental laws, rules and regulations, each of which is valid and in full force and effect.

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3.6 No Litigation. There are no actions, suits, claims, complaints or

proceedings pending or threatened against the Company, at law or in equity, or before or by any governmental department, commission, court, board, bureau, agency or instrumentality; and there are no facts which would provide a valid basis for any such action, suit or proceeding. There are no orders, judgments or decrees of any governmental authority outstanding which specifically apply to the Company or any of its assets.

3.7 No Adverse Changes. Since December 31, 1995, there have been no

actual or threatened developments of a nature that is materially adverse to or involves any materially adverse effect upon the business, financial condition, results of operations, assets, liabilities, or prospects of the Company. The amount of stockholders equity of the Company on the Closing Date (determined in a manner consistent with that used in the preparation of the April 30, 1996 balance sheet provided to Buyer) shall be equal to or greater than the amount of stockholders equity shown on the April 30, 1996 balance sheet.

3.8 Taxes. Except as set forth in Schedule 3.8, the Company has filed

all federal, state, local and national tax and other returns and reports which were required to be filed with respect to all taxes, levies, imposts, duties, licenses and registration fees, charges or withholdings of every nature whatsoever ("Taxes"), and there exists a substantial basis in law and fact for all positions taken in such reports. All Taxes in respect of the operations of the Company have been paid. No waivers of periods of limitation are in effect with respect to any taxes arising from and attributable to the ownership of properties or operations of the business of the Company.

3.9 Properties. The Company has good and marketable title to all its

personal property, equipment, processes, patents, copyrights, trademarks, franchises, licenses and other properties and assets, including all patents,

licenses and other intellectual property used in the business of the Company and all property reflected in the Company's financial statements provided to the Buyer (except for assets reflected therein which have been sold in the normal course of its business where the proceeds from such sale or other disposition have been properly accounted for in the financial statements of the Company), in each case free and clear of all liens, claims and encumbrances of every kind and character, except as set forth in Schedule 3.9. The Company owns no real property. The assets and properties owned, operated or leased by the Company and used in its business are in good operating condition, reasonable wear and tear excepted, and suitable for the uses for which intended. Schedule 3.9 also contains a list of all leases of real and personal property used by the Company. All such leases are valid and binding in accordance with their respective terms, and there are no defaults or events of default or events which with giving of notice or lapse of time which would constitute a default on the part of the Company.

3.10 Inventories. The inventory of raw materials and supplies of the

Company is useable in the ordinary course of its business. Inventory of finished goods and work-in-process of the Company is saleable in the ordinary course of its business without discount.

3.11 Accounts Receivable. The amount shown as accounts receivable in the

Company's financial statements provided to the Buyer and all accounts receivable arising thereafter have been collected or represent good and collectible receivables within 120 days after the invoice date.

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3.12 Changes. From December 31, 1995 to the Closing Date:

(a) The Company has operated and will operate its business in the usual, regular and ordinary course and not otherwise and has performed and will perform the usual and normal maintenance of and upon its property so as to keep it in good order, repair and condition.

(b) The Company has kept and will keep in full force and effect all of the fire, casualty, liability, product liability and other insurance, and all bonds on personnel, which it was carrying on December 31, 1995.

(c) The Company has not sold, disposed of, mortgaged or encumbered, nor will it sell, dispose of, mortgage or encumber any of its property or assets or interests therein other than products sold in the usual, regular and ordinary course of business from its inventory. The Company has not acquired nor will it acquire, any property or assets other than inventory and products used in the usual, regular and ordinary course of business.

(d) Except as set forth on Schedule 12(d), the Company has not entered into any employment contract, collective bargaining agreement, consultation agreement or employees' pension, retirement, insurance, profit sharing or stock plan or other contract or agreement, nor will it

enter into any such contracts or agreements or into negotiations with respect to any such contracts or agreements without the prior written consent of the Buyer.

(e) Seller will use its best efforts to cause the Company to preserve its present organizations intact and to keep available the services of its present employees and agents.

(f) The Company has not incurred nor will it incur any indebtedness for borrowed moneys. Except as set forth on Schedules 3.3, 3.9 and 3.12(d), the Company has not become nor will it become a guarantor or surety or otherwise become responsible in any manner with respect to any undertaking of another person or entity.

(g) The Company has not authorized, declared, paid or made nor will it authorize, declare, pay or make any dividends on capital stock or any distribution, liquidating or otherwise, on or with respect to its capital stock (whether in property or money). The Company has not authorized or made nor will it authorize or make any direct or indirect redemption, purchase, or acquisition of any of its capital stock or any split-up, combination, or other reclassification of any of such stock.

(h) The Company has not authorized nor will it authorize the issuance of any capital stock or other securities.

(i) The Company has not authorized or entered into, nor will it authorize or enter into any merger, consolidation, reorganization, dissolution or other action or transaction which would change its corporate or capital structure.

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(j) The Company has maintained and will maintain all books, accounts and records in the usual, regular and ordinary manner on a basis consistent with prior periods.

(k) There has not occurred and there shall not occur any increase (or discussion of any increase) in the compensation payable or to become payable by the Company to any of its officers and employees, and, except as set forth on Schedule 3.3, no bonus has been discussed or paid or will be paid to, any of its officers or employees.

(l) There has not occurred and shall not occur any transaction or event which adversely affects the financial condition, results of operations, assets, liabilities, or prospects of the Company in any material adverse respect.

(m) There has not occurred and shall not occur any amendment or changes in the by-laws or certificate of incorporation or organization of the Company.

PROVIDED, however, that the Buyer may in writing waive or approve noncompliance by the Seller with any provision of this Section 3.12 or any action by the Company which would result in a breach of this Section 3.12, and such

noncompliance or action, so waived or approved, shall not be deemed a breach hereof.

3.13 Right of Inspection. The Seller hereby covenants and agrees with

the Buyer that during the period between the date hereof and the Closing Date, the Buyer and its employees, agents, consultants, attorneys and auditors, shall be permitted full access during normal business hours to all of the properties, books, contracts, charter documents, documents of title, accounts and other financial data and all related business records of the Company and that the Buyer shall be furnished during such period with all information concerning the affairs of the Company as the Buyer may reasonably request. It is expressly understood and agreed that in the event the transactions contemplated by this Contract shall not close as herein set forth, all information acquired pursuant to this Contract or otherwise shall remain confidential to the parties and shall not be disclosed to any third parties.

ARTICLE IV

Representations, Warranties and Covenants of the Buyer

The Buyer represents, warrants and covenants as follows:

4.1 Authority. The execution and delivery of this Contract and the

consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Buyer.

4.2 Investment Intent. Buyer is acquiring the Shares for investment for

its own account, and not with a view to the sale or distribution thereof, and Buyer has no present intention of selling, assigning, transferring or otherwise distributing the same. Buyer understands that the transaction in which it is purchasing the Shares has not been registered under the Securities Act of 1933, as amended or applicable state securities laws.

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ARTICLE V

Trade Secrets; Nonsolicitation; and Non-Competition

The Seller hereby agrees that for a period of five years after the later of (i) the Closing Date or (ii) the termination of his employment with the Company or any other subsidiaries or affiliates of the Buyer, the Seller will not, directly or indirectly, through a family member, a business controlled by himself or a family member, as an employee, associate, partner, manager, agent or otherwise:

(a) divulge in any manner to persons outside the Buyer's organization any of the trade secrets of the Company and the Buyer, including all patents, patent applications, designs, blueprints, business methods and procedures, names of customers and suppliers, pricing information, training and operating manuals and any other items

considered as trade secrets under applicable law;

(b) compete, directly or indirectly, with the Buyer or the Company in any business activities in which either the Company or the Buyer was engaged on the date of this Contract;

(c) influence or attempt to influence any employee of the Buyer or of the Company on the date of this Contract to terminate his or her employment or to work for any competitor of the Company or the Buyer;

(d) engage directly or indirectly in sales of products or services similar to or competitive with those of the Company or the Buyer on the date of this contract;

(e) solicit customers for, or otherwise aid or assist, anyone engaged in a business or businesses which market products or services similar to or competitive with the Company or the Buyer on the date of this Contract;

(f) have or acquire an interest in any business operation which markets products or services similar to or competitive with those of the Company or the Buyer on the date of this Contract; provided, however, that this obligation shall not prevent the Seller from holding the 60% share in Witte GmbH, Katzhutte (Thuringen), he is actually holding at the signing of this Contract, and provided, further that this obligation shall not prevent the Seller from acquiring and/or holding passive investments in publicly traded companies (not to exceed 5% of the capital stock of any such company); or

(g) solicit any customer or active dealers or sales representatives of the Company or the Buyer, except on behalf of the Buyer.

The scope of the foregoing prohibited actions includes all of North America, Europe, Malaysia and any other relevant markets of the Company or the Buyer on the date of this Contract. The Seller hereby acknowledges that any of the actions prohibited above would cause irreparable harm to the Company and to the Buyer, and the Seller hereby consents to the entry of a restraining order or injunction prohibiting any such solicitation or interference. For

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purposes of this Article V, the Company shall mean the Company and any successor corporation into which it may be merged or consolidated, and the Buyer shall mean the Buyer and each of its subsidiaries or affiliates and any successor corporation into which any of them may be merged or consolidated. The covenants contained in this Article V shall survive the Closing Date.

ARTICLE VI

Conditions to Obligations of the Buyer

The obligations of the Buyer to complete the transactions contemplated by this Contract and to acquire the Shares are subject, at the Buyer's option, to satisfaction of the following conditions on or before the Closing Date:

6.1 The representations, warranties and covenants of the Seller contained herein shall be true, complete and correct on and as of the Closing Date as though such representations, warranties and covenants were made on and as of the Closing Date, and the Seller shall not be in default under any of the provisions of this Contract on or prior to the Closing Date.

6.2 The Seller shall have transferred and delivered to the Buyer stock certificates for the Shares, with stock powers attached, duly endorsed in blank, all properly executed in proper form.

6.3 The Buyer shall have received the written resignation of all members of the boards of directors of the Company as Buyer shall request and of such officers of each of the Company as Buyer shall request.

6.4 The Buyer shall have received possession or control of all corporate and other records of the Company including but not limited to minute books, stock transfer books and registers, books of account, leases and material contracts.

6.5 Seller shall have entered into an employment agreement with Buyer or its subsidiaries or affiliates for a term of 36 months, on terms acceptable to the Buyer and the Seller, and a separate agreement on the same terms as the Seller's agreement in Article V hereof.

6.6 Daniel S. Savocchia shall have entered into an employment agreement with Buyer or its subsidiaries or affiliates for a term of 36 months, on terms acceptable to the Buyer and Mr. Savocchia, and an agreement on the same terms (except made applicable to Mr. Savocchia) as the Seller's agreement in Article V hereof.

6.7 All obligations and indebtedness of the Company to the Seller, to any other shareholder or prior shareholder of the Company, or to any affiliate of the Company (except of W. Albrecht GmbH & Co KG, Alba Speziallampen GmbH, Alba Light Design GmbH, A&S Electric Production, W. Albrecht Grundstücksgesellschaft GbR, Arnold GmbH, BSC Arnold GmbH & Co KG, Alba Technology (M) Sdn, Bhd) (except for salaries and the items described on Schedule 3.3 including the repaid loan to Daniel S. Savocchia) shall have been converted to capital of the Company.

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6.8 The transactions described in (i) the Agreement on the Sale and Transfer of Shares and Interests in the ALBA/Albrecht Group, among Seller, Willy Paul Albrecht, Petra Albrecht-Arnold, Buyer and Alba Speziallampen Holding GmbH and (ii) the Contract for Exchange of Stock between the Seller and the Buyer, relating to the remaining capital stock of the Company, shall have been completed simultaneously with the closing of the transactions described in this Agreement.

6.9 The foregoing provisions of this Article VI shall be for the exclusive benefit of the Buyer but such provisions, or any of them, may be waived in whole or in part by the Buyer and if any condition contained in this Article VI is not fulfilled, the Buyer shall have the right to cancel this

Contract in addition to any other rights or remedies it may have hereunder, or otherwise.

ARTICLE VII
Conditions to Obligations of the Seller

The obligations of the Seller to complete the transactions contemplated by this Contract and to sell the Shares are subject, at the Seller's option, to satisfaction of the following conditions on or before the Closing Date:

7.1 The representations, warranties and covenants of the Buyer set forth herein shall be true, complete and correct on and as of the Closing Date as though such representations, warranties and covenants were made on and as of the Closing Date, and the Buyer shall not be in default under any of the provisions of this Contract on or prior to the Closing Date.

7.2 The Buyer shall have made payment of DM 3,100,000 to the Seller by wire transfer.

7.3 The transactions described in (i) the Agreement on the Sale and Transfer of Shares and Interests in the ALBA/Albrecht Group, among Seller, Willy Paul Albrecht, Petra Albrecht-Arnold, Buyer and Alba Speziallampen Holding GmbH and (ii) the Contract for Exchange of Stock between the Seller and the Buyer, relating to the remaining capital stock of the Company, shall have been completed simultaneously with the closing of the transactions described in this Agreement.

7.4 The foregoing provisions of this Article VII shall be for the benefit of the Seller and such provisions, or any of them, may be waived in whole or in part by the Seller and if any condition contained in this Article VII is not fulfilled the Seller shall have the right to cancel this Contract in addition to any other rights or remedies he may have hereunder, or otherwise.

ARTICLE VIII
Closing

The closing of the transactions contemplated by this Contract shall take place on the Closing Date at such location as the Seller and the Buyer may mutually agree. The "Closing Date", as used in this Contract, shall mean ten o'clock A.M. (applicable time then

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in effect at the location of the closing) on May 29, 1996, provided that the Seller and the Buyer may by mutual written agreement set an earlier or later time for the Closing Date.

ARTICLE IX
Termination or Failure to Close

9.1 Voluntary Termination. This Contract may be terminated and purchase

of the Shares abandoned before Closing by the mutual consent of the Seller and the Buyer.

9.2 Failure of Buyer to Close. Should the conditions set forth in

Article VII hereof fail to be met on or before the Closing Date, at the option of the Seller, the Contract shall be deemed terminated and abandoned. Such termination shall not prohibit any claims by the Seller against the Buyer for damages.

9.3 Failure of Seller to Close. Should the conditions set forth in

Article VI hereof fail to be met on or before the Closing Date, at the option of the Buyer, the Contract shall be deemed terminated and abandoned. Such termination shall not prohibit any claims by the Buyer against the Seller for damages.

ARTICLE X

Survival and Limitations of Representations and Warranties

10.1 Survival of Warranties by the Seller. The representations and

warranties made by the Seller and contained in this Contract will survive the closing of the purchase of the Shares provided for herein and, notwithstanding such closing or any investigation made by or on behalf of the Buyer or any other person or any knowledge of the Buyer or any other person, shall continue in full force and effect for the benefit of the Buyer, subject to the following provisions of this section.

(a) Except as provided in (b) and (c) of this section, no warranty claim may be made or brought by the Buyer after the date which is the earlier of (i) six months after the Buyer received actual knowledge of the breach of the representation or warranty, and (ii) June 30, 1997.

(b) Any warranty claim which is based upon or relates to the tax liability of the Company for a particular taxation year may be made or brought by the Buyer at any time prior to ninety days after the expiration of the period (if any) during which an assessment, reassessment or other form of recognized document assessing liability for tax, interest or penalties in respect of such taxation year under applicable tax legislation could be issued.

(c) Any warranty claim which is based upon or relates to the title to the Shares or which is based upon intentional misrepresentation or fraud by the Seller may be made or brought by the Buyer at any time prior to June 30, 2001.

After the expiration of the period of time referred to in (a) of this section, the Seller will be released from all obligations and liabilities in respect of the representations and warranties made by the Seller and contained in this Contract or in any document or certificate given in

order to carry out the transactions contemplated hereby, except with respect to any warranty claims made by the Buyer in writing (setting forth in reasonable detail the facts and circumstances of the cause of the claim) prior to the expiration of such period and subject to the rights of the Buyer to make any claim permitted by (b) and/or (c) of this section. For purposes of this Section 10.1 "Buyer" shall refer to the Buyer, its successors and assigns, and any affiliates or other entities controlled directly or indirectly by the Buyer.

10.2 Survival of Warranties by Buyer. The representations and warranties

made by the Buyer and contained in this Contract will survive the closing of the purchase and sale of the Shares provided for herein and, notwithstanding such closing or any investigation made by or on behalf of the Seller or any other person or any knowledge of the Seller or any other person, shall continue in full force and effect for the benefit of the Seller; provided that no warranty claim may be made or brought by the Seller after the date which is the earlier of (i) six months after the Buyer received actual knowledge of the breach of the representation or warranty, and (ii) June 30, 1997.

10.3 Limitations on Warranty Claims. The Buyer shall not be entitled to

make a warranty claim if the Buyer has received written notice prior to the Closing Date of the inaccuracy, non-performance, non-fulfillment or breach which is the basis for such warranty claim and the Buyer completes the transactions hereunder notwithstanding such inaccuracy, non-performance, non-fulfillment or breach.

ARTICLE XI
Indemnity

11.1 Indemnity by the Seller.

(a) The Seller hereby agrees to indemnify and save the Buyer harmless from and against any claims, demands, actions, causes of action, damage, loss, deficiency, cost, liability and expense which may be made or brought against the Buyer or which the Buyer may suffer or incur as a result of, in respect of or arising out of:

(i) any non-performance or non-fulfillment of any covenant or agreement on the part of the Seller contained in this Contract or in any document given in order to carry out the transactions contemplated hereby;

(ii) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Seller contained in this Contract; and

(iii) all costs and expenses including, without limitation, legal fees incidental to or in respect of the foregoing.

(b) The obligations of indemnification by the Seller pursuant to this section will be:

(i) subject to the limitations referred to in Section 10.1 hereof with respect to the survival of the representations and warranties by the Seller;

(ii) subject to the limitations referred to in Section 10.3 hereof; and

(iii) limited, in any case whatsoever (including any punitive damages and similar rights or remedies of the Buyer), to the amount of DM 3,000,000.

For purposes of this Section 11.1 "Buyer" shall refer to the Buyer, its successors and assigns, and any affiliates or other entities controlled directly or indirectly by the Buyer.

11.2 Indemnity by the Buyer.

(a) The Buyer hereby agrees to indemnify and save the Seller harmless from and against any claims, demands, actions, causes of action, damage, loss, deficiency, cost, liability and expense which may be made or brought against the Seller or which the Seller may suffer or incur as a result of, in respect of or arising out of:

(i) any non-performance or non-fulfillment of any covenant or agreement on the part of the Buyer contained in this Contract or in any document given in order to carry out the transactions contemplated hereby;

(ii) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Buyer contained in this Contract; and

(iii) all costs and expenses including, without limitation, legal fees incidental to or in respect of the foregoing.

(b) The obligations of indemnification by the Buyer pursuant to this section will be subject to the limitations referred to in Section 10.2 hereof with respect to the survival of the representations and warranties by the Buyer.

11.3 Rights of Indemnitors.

notwithstanding, in no case shall any indemnitor under this Contract be liable under this Contract with respect to any action, claim or proceeding by a third party against any indemnitee ("Indemnified Party") under this Contract, unless the Indemnified Party shall notify the indemnifying party ("Indemnifying Party") of the assertion or commencement of such action, claim or proceeding within a reasonable period of time or, if citation or service of process has been made, within twenty (20) days thereafter. The Indemnifying Party may, at its option and at its sole expense, participate in the defense of and contest any such

action, claim or proceeding, provided that the Indemnified Party shall at all times also have the right to participate fully therein. If the Indemnifying Party, within a reasonable time after receiving such notice, fails to participate, the Indemnified Party shall have the right, but shall not be obligated, to undertake the defense of the action, claim or proceeding for the account of and at the risk of the Indemnifying Party; provided, however, that in the event that the

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Indemnified Party shall determine to compromise or settle (exercising its judgment in good faith) any such action, claim or proceeding, the Indemnified Party shall be required to give the Indemnifying Party fifteen (15) days notice of such determination. If the Indemnifying Party shall not undertake the defense of such action, claim or proceeding prior to the expiration of such fifteen day period, the Indemnified Party shall then be entitled to compromise or settle the action, claim or proceeding for the account of and at the risk of the Indemnifying party. The parties agree that any Indemnified Party may join any Indemnifying Party in any action, claim or proceeding brought by a third party, as to which any right of indemnity created by this Agreement would or might apply, for the purpose of enforcing any right of the indemnity granted to such Indemnified Party pursuant to this Contract.

11.4 Additional Rights. Any right of indemnity of any party pursuant to -----
this Article XI of this Contract shall be in addition to and shall not operate as a limitation on any other right to indemnity of such party pursuant to this Contract, any document or instrument executed in connection with the consummation of the transaction contemplated hereby, or otherwise.

ARTICLE XII
Notices

All notices, requests, demands and other communications hereunder shall be in writing and will be deemed to have been duly given when delivered or faxed (with a contemporaneous mailing, first class postage prepaid):

(1) If to the Seller, to:

Werner A. Arnold
Wildensorgerstr. 8
96049 Bamberg, Germany
Telephone: (0951) 9338-166
FAX: (001) 951-500323

with a copy to:

Dr. Thomas O.J. Burkert
Hennerkes, Jeschke, Kirchorfer & Partner
Jahnstrasse 43
70597 Stuttgart, Germany
Telephone: (0711) 725790
FAX: (0711) 7257920

(2) If to Buyer, to:

Chicago Miniature Lamp, Inc.
P.O. Box 101
500 Chapman Street
Canton, Massachusetts 02021, USA
Attention: Frank M. Ward
Telephone: (617) 828-2948
FAX: (617) 828-2012

with copy to:

Gary H. Baker
Baker & Hoster
800 Kennedy Building
Tulsa, Oklahoma 74103, USA
Telephone: (918) 592-5555
FAX: (918) 587-6152

These addresses may be changed from time to time by written notice to the other parties.

ARTICLE XIII
Miscellaneous

13.1 Further Assurances. Each party hereto shall with reasonable

diligence do all things and provide such reasonable assurances as may be required to consummate the transactions contemplated herein and each party hereto shall provide such further documents or instruments requested by any other party as may be reasonably necessary or desirable to effect the purposes of this Contract and carry out its provisions, whether before or after the Closing Date.

13.2 Costs and Expenses. Each party shall bear all of its costs and

expenses incurred in connection with this Contract and the transactions contemplated hereby.

13.3 Brokerage. Each of the parties represents and warrants to the other

that it has not in any way incurred any liability for any finder's fee or other remuneration to any broker, finder or agent, or made any arrangement whereby it or any other party hereto might become liable for any such fee or remuneration and if any such fee or other remuneration becomes payable as a result of any arrangements made by it, the party concerned agrees to indemnify the other parties hereto in respect of such liability.

13.4 Governing Law. This Contract shall be construed and governed in

accordance with the laws of the State of Illinois.

13.5 JURISDICTION; PROCESS; CHOICE OF FORUM. EACH PARTY HEREBY CONSENTS

TO THE JURISDICTION OF ANY OF THE LOCAL, STATE OR FEDERAL COURTS LOCATED WITHIN
LAKE COUNTY, ILLINOIS AND WAIVES ANY OBJECTION WHICH THE

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PARTY MAY HAVE BASED ON IMPROPER VENUE OR FORUM NON CONVENIENS TO THE CONDUCT OF

ANY PROCEEDING IN ANY SUCH COURT AND WAIVES PERSONAL SERVICE OF ANY AND ALL
PROCESS UPON THE UNDERSIGNED, AND COVENANTS THAT ALL SUCH SERVICE OF PROCESS BE
MADE BY MAIL OR MESSENGER DIRECTED TO THE RESPECTIVE PARTIES AT THE ADDRESSES
SET FORTH IN ARTICLE XII ABOVE AND THAT SERVICE SO MADE SHALL BE DEEMED TO BE
COMPLETED UPON THE EARLIER OF ACTUAL RECEIPT OR FIVE (5) BUSINESS DAYS AFTER
MAILED OR DELIVERED BY MESSENGER.

13.6 Headings. The titles and headings of the Articles and Sections of

the Contract are inserted herein for convenience of reference only and shall not
affect the interpretation or construction of this Contract.

13.7 Entire Agreement; Amendments; Waivers. This Contract, together with

any schedules and exhibits attached hereto, constitute the entire agreement
between the parties with respect to the subject matters hereof and supersede all
prior and contemporaneous agreements, understandings, negotiations and
discussions, whether oral or written. No supplement, modification or waiver of
this Contract shall be binding unless executed in writing by the parties. No
waiver of any of the provisions of this Contract shall be deemed or shall
constitute a waiver of any other provision hereof, nor shall such waiver
constitute a continuing waiver unless otherwise expressly provided.

13.8 Inurement. This Contract shall inure to the benefit of and be

binding upon the parties hereto and their respective heirs, personal
representatives, successors and assigns.

13.9 Modification and Severability. If a court of competent jurisdiction

declares that any provision of this Contract is illegal, invalid or
unenforceable, then such provision shall be modified automatically to the extent
necessary to make such provision fully enforceable. If such court does not
modify any such provision as contemplated herein, but instead declares it to be
wholly illegal, invalid or unenforceable, then such provision shall be severed
from this Contract and such declaration shall in no way affect the legality,
validity and enforceability of the other provisions of this Contract to which
such declaration does not relate. In that event, this Contract shall be
construed as if it did not contain the particular provision held to be illegal,
invalid or unenforceable, the rights and obligations of the parties hereto shall
be construed and enforced accordingly, and this Contract shall remain in full
force and effect.

13.10 Counterparts. This Contract may be executed in multiple

counterparts by the various parties hereto, each of which shall constitute an original counterpart, and all of which when taken together shall constitute but one and the same Contract.

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IN WITNESS WHEREOF, the parties have executed this Contract on the day and year first above written.

BUYER: CHICAGO MINIATURE LAMP, INC.

By /s/ Frank M. Ward

President

SELLER:

/s/ Werner A. Arnold

WERNER A. ARNOLD

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SCHEDULE 3.3

EMPLOYMENT, PENSION AND LABOR MATTERS

The Company has a 401(k) Plan which will be terminated prior to the Closing Date.

DUE AS OF 12/31/95

<TABLE>
<CAPTION>

Employee	Salary Due	Commission Due	Accrued Vacation	Bonus due for 1995	Profit Sharing due for 1995
<S> Paul Albrecht	<C> 0.00	<C> 0.00	<C> 0.00	<C> 12000.00	<C> 0.00
Werner Arnold	0.00	41459.35	0.00	12119.32	22500.00
Giovanni Fioccoia	0.00	0.00	0.00	4000.00	0.00
Daniel S. Savocchia	0.00	103648.37	4153.86	163000.00	22500.00
Peggy Cook	0.00	0.00	0.00	11917.88	7082.02
Jack Wicks	0.00	18095.39	0.00	3946.15	15053.85

TOTALS 0.00 163203.11 4153.86 206983.35 67135.87

</TABLE>

Commissions due paid on 03/29/96
 Accrued vacations to Daniel S. Savocchia paid 4/29/96
 Bonuses for 1995 operations paid 03/15/96
 Profit Sharing for 1995 operations paid 4/29/96 (Profit Sharing Plan will be terminated prior to Closing)
 Loan to Daniel S. Savocchia repaid 4/29/96
 Loan to Werner Arnold still outstanding as of 5/08/96.

COMMISSIONS FOR 1ST QUARTER 1996

<TABLE>

<CAPTION>

Employee	Commissions Due
Paul Albrecht	0.00
Werner Arnold	28543.14
Giovanni Fioccoia	0.00
Daniel S. Savocchia	85629.44
Peggy Cook	0.00
Jack Wicks	16615.07
TOTALS	130787.65

</TABLE>

Commissions for 1st Quarter were paid on 04/29/96.

VACATIONS FOR 1996 WILL ACCRUE UNTIL CLOSING (APPROXIMATELY 6/01/96)

<TABLE>

<CAPTION>

Employee	Weeks	Additional Vacation due 6/01/96
Paul Albrecht	0	0.00
Werner Arnold	0	0.00
Giovanni Fioccoia	2	760.00
Daniel S. Savocchia	3	4153.86

Peggy Cook	3	2019.24

James Boch	2	1730.76

Jack Wicks	3	1730.79

TOTALS		10394.65
=====		

</TABLE>

SCHEDULE 3.4

MATERIAL CONTRACTS

Agency Agreement, dated February 10, 1995, between W. Albrecht GmbH and Co KG and Alba Lamps, Inc.

SCHEDULE 3.5

ENVIRONMENTAL LICENSES AND PERMITS

NONE

SCHEDULE 3.8

UNPAID TAXES

Tax returns for Federal and Illinois State Income Taxes for 1995 have not been filed as of the date of the Agreement. An extension until September 15, 1996, for filing such returns has been obtained. The taxes due for the periods covered by the 1995 returns have been paid.

SCHEDULE 3.9

ENCUMBRANCES AND LEASES

Lease, dated October 23, 1995, between Anita Foertsch (Lessor) and Alba Lamps, Inc. (Lessee) relating to approximately 1300 sq. ft. of office and warehouse space at 5230 Wesley Terrace, Rosemont, Illinois, with a termination date of October 31, 1997.

SCHEDULE 3.12(D)

Alba Lamps, Inc. entered into an Employment Agreement with James Boch, as sales manager, dated February 19, 1996, with an annual compensation of \$40,000 plus 1%

of net sales commission and employee benefits of approximately \$8,000 plus medical benefits.

CONTRACT FOR EXCHANGE OF STOCK

THIS CONTRACT, made and entered into this 15th day of May, 1996, by and between WERNER A. ARNOLD (for purposes of identification only hereinafter called the "Seller") and CHICAGO MINIATURE LAMP, INC., an Oklahoma corporation (for purposes of identification only hereinafter called the "Buyer").

W I T N E S S E T H:

WHEREAS, the Seller is the beneficial and record owner of all of the issued and outstanding shares of capital stock of ALBA LAMPS, INC., an Illinois corporation (the "Company") and desires to exchange 50% of such shares of capital stock (the "Shares") for a certain number of shares of the Buyer's stock pursuant to this Agreement; and

WHEREAS, the Seller and the Buyer desire to exchange the Shares for the CHML Shares (hereinafter defined) on the terms and subject to the conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and of the covenants, terms and conditions herein contained, the Seller and the Buyer hereby agree as follows:

ARTICLE II
Transfer of Shares

The Seller agrees to exchange and transfer to the Buyer the Shares and the Buyer agrees to issue the CHML Shares to the Seller in exchange for the Shares. The Seller shall transfer the Shares to the Buyer on the Closing Date (as hereinafter defined), and immediately prior to the transfer the Shares shall be duly and validly issued in the name of the Seller, fully paid and nonassessable, and free and clear of any claim, lien or encumbrance of any kind.

ARTICLE II
Consideration for the Shares

In consideration of the transfer of the Shares to the Buyer, the Buyer shall transfer to the Seller 100,000 shares of the Buyer's common stock (\$.01 par value) on the Closing Date by the delivery by the Buyer to the Seller of a stock certificate for the number of 100,000 shares (the "CHML Shares"). The CHML Shares may be evidenced by a temporary certificate, which shall be presented by the Seller to the Buyer's stock transfer agent in exchange for a new certificate within ten days after the Closing Date. The Seller acknowledges that the CHML Shares have not been registered under the Securities Act of 1933 or applicable state securities laws; that the CHML Shares are "restricted stock"; and that the certificates evidencing the CHML Shares shall bear a restrictive legend to such effect. Reference is also made to the

acknowledgments of Seller set forth in Section 3.14 hereof.

ARTICLE III
Representations, Warranties and Covenants of the Seller

The Seller represents, warrants and covenants as follows:

3.1 Stock and Stockholdings. The authorized capital stock of the

Company consists of 10,000 shares of common stock (no par value), 1,000 shares of which constitute the Shares and, as of the Closing Date, shall be outstanding and issued to the Seller. Except for the Shares, there are no other shares of capital stock of the Company issued and outstanding, except for an additional 1,000 shares of common stock of the Company owned by the Seller. The Shares have been duly and legally issued to the Seller, are fully paid and nonassessable and are free and clear of any mortgage, pledge, hypothecation, lien, encumbrance or burden of any kind. There are no other classes of stock authorized, and there are not authorized, issued or outstanding, any options, warrants or other rights to purchase or otherwise acquire from the Company or the Seller any shares of stock or other securities of the Company, except for agreements with the Buyer. The Seller is subject to no agreement with any other person or entity relating in any respect to the Company, the Shares or the sale or transfer of the Shares. The Seller has full power, capacity and authority to sell, assign and transfer the Shares to the Buyer.

3.2 Financial Statements. The Seller has heretofore delivered to the

Buyer financial statements consisting of (i) an unaudited Balance Sheet for the Company, as of December 31, 1995, (ii) an unaudited Profit and (Loss) Statement for the Company for the fiscal year ended December 31, 1995 and (iii) an unaudited Balance Sheet for the Company as of April 30, 1996. Such financial statements present fairly the financial condition of the Company, as of the respective dates of such financial statements, and except as disclosed in said financial statements, as of the respective dates of such financial statements, the Company had no liabilities of any nature, whether accrued, absolute, direct, contingent, unliquidated or otherwise.

3.3 Employment and Labor Matters. Schedule 3.3 contains a list of all

employees, their commissions, accrued vacation pay, sick pay, severance pay and other accrued employee benefits through December 31, 1995. Except as set forth on Schedule 3.3 or shown as liabilities on the April 30, 1996 balance sheet of the Company provided to the Buyer, the Company is not liable to any of its employees for any amount of commissions, bonuses, profit sharing payments, severance pay, accrued vacation, or any other similar payments, and from April 30, 1996 to the Closing Date no additional accruals shall occur for any obligations to the Company's employees (except for salaries). Except as set forth on Schedule 3.3, the Company is not a party to any pension, profit sharing, retirement or other deferred compensation plan or agreement. Prior to the Closing Date, the Company's profit sharing plan and 401(k) Plan will have been terminated, and neither the Company nor the Buyer shall be liable for any expense or liability as a result of such termination. The Company has not incurred any unfunded deficiency or liability within the meaning of the Employee Retirement Income Security Act of 1974 ("ERISA"), has not incurred any liability

to the Pension Benefit Guaranty Corporation established under ERISA in connection with any employee benefit plan and has no outstanding obligations or liabilities under any employee benefit plan. The Company has not been a party to a "prohibited transaction," which would subject it to any tax or penalty. Except as set forth on Schedule 3.3, there are no collective bargaining agreements or negotiations therefor, labor grievances or arbitration proceedings against the Company pending or threatened, and to the knowledge of the Seller, there are no union organizing activities currently pending or threatened against or involving the Company.

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3.4 Material Contracts. Except as set forth in Schedule 3.4, the Company

has no purchase, sale, commitment, or other contract, the breach or termination of which would have a materially adverse effect on the business, financial condition, results of operations, assets, liabilities, or prospects of the Company.

3.5 Compliance with Environmental Laws. The Company is in compliance

with all applicable pollution control and environmental laws, rules and regulations. Schedule 3.5 describes all environmental licenses, permits and other authorizations held by the Company relative to compliance with environmental laws, rules and regulations, each of which is valid and in full force and effect.

3.6 No Litigation. There are no actions, suits, claims, complaints or

proceedings pending or threatened against the Company, at law or in equity, or before or by any governmental department, commission, court, board, bureau, agency or instrumentality; and there are no facts which would provide a valid basis for any such action, suit or proceeding. There are no orders, judgments or decrees of any governmental authority outstanding which specifically apply to the Company or any of its assets.

3.7 No Adverse Changes. Since December 31, 1995, there have been no

actual or threatened developments of a nature that is materially adverse to or involves any materially adverse effect upon the business, financial condition, results of operations, assets, liabilities, or prospects of the Company. The amount of stockholders equity of the Company on the Closing Date (determined in a manner consistent with that used in the preparation of the April 30, 1996 balance sheet provided to Buyer) shall be equal to or greater than the amount of stockholders equity shown on the April 30, 1996 balance sheet.

3.8 Taxes. Except as set forth in Schedule 3.8, the Company has filed

all federal, state, local and national tax and other returns and reports which were required to be filed with respect to all taxes, levies, imposts, duties, licenses and registration fees, charges or withholdings of every nature whatsoever ("Taxes"), and there exists a substantial basis in law and fact for all positions taken in such reports. All Taxes in respect of the operations of the Company have been paid. No waivers of periods of limitation are in effect with respect to any taxes arising from and attributable to the ownership of

properties or operations of the business of the Company.

3.9 Properties. The Company has good and marketable title to all its

personal property, equipment, processes, patents, copyrights, trademarks, franchises, licenses and other properties and assets, including all patents, licenses and other intellectual property used in the business of the Company and all property reflected in the Company's financial statements provided to the Buyer (except for assets reflected therein which have been sold in the normal course of its business where the proceeds from such sale or other disposition have been properly accounted for in the financial statements of the Company), in each case free and clear of all liens, claims and encumbrances of every kind and character, except as set forth in Schedule 3.9. The Company owns no real property. The assets and properties owned, operated or leased by the Company and used in its business are in good operating condition, reasonable wear and tear excepted, and suitable for the uses for which intended. Schedule 3.9 also contains a list of all leases of real and personal property used by the Company. All such leases are valid and binding in accordance with their respective terms,

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and there are no defaults or events of default or events which with giving of notice or lapse of time which would constitute a default on the part of the Company.

3.10 Inventories. The inventory of raw materials and supplies of the

Company is useable in the ordinary course of its business. Inventory of finished goods and work-in-process of the Company is saleable in the ordinary course of its business without discount.

3.11 Accounts Receivable. The amount shown as accounts receivable in the

Company's financial statements provided to the Buyer and all accounts receivable arising thereafter have been collected or represent good and collectible receivables within 120 days after the invoice date.

3.12 Changes. From December 31, 1995 to the Closing Date:

(a) The Company has operated and will operate its business in the usual, regular and ordinary course and not otherwise and has performed and will perform the usual and normal maintenance of and upon its property so as to keep it in good order, repair and condition.

(b) The Company has kept and will keep in full force and effect all of the fire, casualty, liability, product liability and other insurance, and all bonds on personnel, which it was carrying on December 31, 1995.

(c) The Company has not sold, disposed of, mortgaged or encumbered, nor will it sell, dispose of, mortgage or encumber any of its property or assets or interests therein other than products sold in the usual, regular and ordinary course of business from its inventory. The Company has not acquired nor will it acquire, any property or assets other than inventory and products used in the usual, regular and ordinary course of

business.

(d) Except as set forth on Schedule 12(d), the Company has not entered into any employment contract, collective bargaining agreement, consultation agreement or employees' pension, retirement, insurance, profit sharing or stock plan or other contract or agreement, nor will it enter into any such contracts or agreements or into negotiations with respect to any such contracts or agreements without the prior written consent of the Buyer.

(e) Seller will use its best efforts to cause the Company to preserve its present organizations intact and to keep available the services of its present employees and agents.

(f) The Company has not incurred nor will it incur any indebtedness for borrowed moneys. Except as set forth on Schedules 3.3, 3.9 and 3.12(d), the Company has not become nor will it become a guarantor or surety or otherwise become responsible in any manner with respect to any undertaking of another person or entity.

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(g) The Company has not authorized, declared, paid or made nor will it authorize, declare, pay or make any dividends on capital stock or any distribution, liquidating or otherwise, on or with respect to its capital stock (whether in property or money). The Company has not authorized or made nor will it authorize or make any direct or indirect redemption, purchase, or acquisition of any of its capital stock or any split-up, combination, or other reclassification of any of such stock.

(h) The Company has not authorized nor will it authorize the issuance of any capital stock or other securities.

(i) The Company has not authorized or entered into, nor will it authorize or enter into any merger, consolidation, reorganization, dissolution or other action or transaction which would change its corporate or capital structure.

(j) The Company has maintained and will maintain all books, accounts and records in the usual, regular and ordinary manner on a basis consistent with prior periods.

(k) There has not occurred and there shall not occur any increase (or discussion of any increase) in the compensation payable or to become payable by the Company to any of its officers and employees, and, except as set forth on Schedule 3.3, no bonus has been discussed or paid or will be paid to, any of its officers or employees.

(l) There has not occurred and shall not occur any transaction or event which adversely affects the financial condition, results of operations, assets, liabilities, or prospects of the Company in any material adverse respect.

(m) There has not occurred and shall not occur any amendment or changes in the by-laws or certificate of incorporation or organization of

the Company.

PROVIDED, however, that the Buyer may in writing waive or approve noncompliance by the Seller with any provision of this Section 3.12 or any action by the Company which would result in a breach of this Section 3.12, and such noncompliance or action, so waived or approved, shall not be deemed a breach hereof.

3.13 Right of Inspection. The Seller hereby covenants and agrees with

the Buyer that during the period between the date hereof and the Closing Date, the Buyer and its employees, agents, consultants, attorneys and auditors, shall be permitted full access during normal business hours to all of the properties, books, contracts, charter documents, documents of title, accounts and other financial data and all related business records of the Company and that the Buyer shall be furnished during such period with all information concerning the affairs of the Company as the Buyer may reasonably request. It is expressly understood and agreed that in the event the transactions contemplated by this Contract shall not close as herein set forth, all information acquired pursuant to this Contract or otherwise shall remain confidential to the parties and shall not be disclosed to any third parties.

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3.14 CHML Shares; Investment Purpose; Restrictions on Transfer; and

Securities Law Matters.

(i) The Seller understands and acknowledges that (A) the CHML Shares have not been registered under the Securities Act of 1933, as amended (the "Federal Act") or under any state securities laws, in reliance upon exemptions provided thereunder and (B) the representations, warranties and acknowledgments of Seller contained herein are being relied upon by the Buyer as a basis for the exemption of the offer and sale or exchange of the CHML Shares pursuant to this Agreement from the registration requirements of the Federal Act and any applicable state securities laws. The Seller is acquiring the CHML Shares for the Seller's own account, for investment, and without a view to or intent to participate directly or indirectly in any resale or distribution thereof.

(ii) The certificate or certificates representing the "restricted" CHML Shares to be issued to Seller will be stamped or otherwise imprinted with a legend substantially in the following form (in addition to any legend required under applicable state securities laws):

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1993 (THE "ACT") OR APPLICABLE STATE SECURITIES LAWS. SUCH SHARES MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS, OR AN OPINION OF COUNSEL SATISFACTORY TO THE CORPORATION AS TO THE AVAILABILITY OF AN EXEMPTION FROM REGISTRATION.

(iii) The Seller agrees that he will not sell, transfer, assign,

convey, pledge, hypothecate or otherwise dispose of any of the CHML Shares except in a transaction that is (i) the subject of an effective registration statement under the Federal Act and any applicable state securities laws or regulations, or (ii) preceded by an opinion of counsel, which counsel and opinion of counsel shall be reasonably satisfactory to the Buyer, to the effect that any such registration is not required.

(iv) The Seller is an "accredited investor" as defined in Regulation D promulgated under the Federal Act. The Seller's overall commitments to investments that are not readily marketable is not disproportionate to the Seller's net worth, and the Seller's investment in the CHML Shares will not cause such overall commitment to become excessive, and the Seller has adequate means of providing for his current needs and personal contingencies and has no need for liquidity in his investment in the CHML Shares.

(v) The Seller has been furnished (and has reviewed) copies of the Buyer's Annual Report on Form 10-K for its year ended December 3, 1995, its 1995 Annual Report to Shareholders, its proxy statement relating to such year and its Quarterly Report on Form 10-Q, for the three months ended March 3, 1996. The

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Seller has made its decision to purchase, exchange and receive the CHML Shares solely on the basis of the information contained in such documents.

(vi) The Seller has sufficient knowledge and experience in business and financial matters to capably evaluate the merits and risks of the investment decision contemplated by the receipt of the CHML Shares and the exchange of such CHML Shares for the Shares, and the Seller has had the opportunity to ask questions and receive answers concerning the investment decision.

(vii) The Seller has not, nor has any other person or entity on the Seller's behalf, paid or given or agreed to pay or give, directly or indirectly, any brokerage fee, commission or other remuneration of any kind whatsoever to any person or entity in respect or issuance of the CHML Shares or the transactions contemplated by this Agreement.

ARTICLE IV

Representations, Warranties and Covenants of the Buyer

The Buyer represents, warrants and covenants as follows:

4.1 Authority. The execution and delivery of this Contract and the

consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Buyer.

4.2 Investment Intent. Buyer is acquiring the Shares for investment for

its own account, and not with a view to the sale or distribution thereof, and Buyer has no present intention of selling, assigning, transferring or otherwise distributing the same. Buyer understands that the transaction in which it is purchasing the Shares has not been registered under the Securities Act of 1933, as amended or applicable state securities laws.

ARTICLE V
Trade Secrets; Nonsolicitation; and Non-Competition

The Seller hereby agrees that for a period of five years after the later of (i) the Closing Date or (ii) the termination of his employment with the Company or any other subsidiaries or affiliates of the Buyer, the Seller will not, directly or indirectly, through a family member, a business controlled by himself or a family member, as an employee, associate, partner, manager, agent or otherwise:

(a) divulge in any manner to persons outside the Buyer's organization any of the trade secrets of the Company and the Buyer, including all patents, patent applications, designs, blueprints, business methods and procedures, names of customers and suppliers, pricing information, training and operating manuals and any other items considered as trade secrets under applicable law;

(b) compete, directly or indirectly, with the Buyer or the Company in any business activities in which either the Company or the Buyer was engaged on the date of this Contract;

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(c) influence or attempt to influence any employee of the Buyer or of the Company on the date of this Contract to terminate his or her employment or to work for any competitor of the Company or the Buyer;

(d) engage directly or indirectly in sales of products or services similar to or competitive with those of the Company or the Buyer on the date of this contract;

(e) solicit customers for, or otherwise aid or assist, anyone engaged in a business or businesses which market products or services similar to or competitive with the Company or the Buyer on the date of this Contract;

(f) have or acquire an interest in any business operation which markets products or services similar to or competitive with those of the Company or the Buyer on the date of this Contract; provided, however, that this obligation shall not prevent the Seller from holding the 60% share in Witte GmbH, Katzhutte (Thuringen), he is actually holding at the signing of this Contract, and provided, further that this obligation shall not prevent the Seller from acquiring and/or holding passive investments in publicly traded companies (not to exceed 5% of the capital stock of any such company); or

(g) solicit any customer or active dealers or sales representatives of the Company or the Buyer, except on behalf of the Buyer.

The scope of the foregoing prohibited actions includes all of North America, Europe, Malaysia and any other relevant markets of the Company or the Buyer on the date of this Contract. The Seller hereby acknowledges that any of the actions prohibited above would cause irreparable harm to the Company and to the Buyer, and the Seller hereby consents to the entry of a restraining order or injunction prohibiting any such solicitation or interference. For purposes of this Article V, the Company shall mean the Company and any successor corporation into which it may be merged or consolidated, and the Buyer shall mean the Buyer and each of its subsidiaries or affiliates and any successor corporation into which any of them may be merged or consolidated. The covenants contained in this Article V shall survive the Closing Date.

ARTICLE VI
Conditions to Obligations of the Buyer

The obligations of the Buyer to complete the transactions contemplated by this Contract and to acquire the Shares in exchange for the CHML Shares are subject, at the Buyer's option, to satisfaction of the following conditions on or before the Closing Date:

6.1 The representations, warranties and covenants of the Seller contained herein shall be true, complete and correct on and as of the Closing Date as though such representations, warranties and covenants were made on and as of the Closing Date, and the Seller shall not be in default under any of the provisions of this Contract on or prior to the Closing Date.

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6.2 The Seller shall have transferred and delivered to the Buyer stock certificates for the Shares, with stock powers attached, duly endorsed in blank, all properly executed in proper form.

6.3 The Buyer shall have received the written resignation of all members of the boards of directors of the Company as Buyer shall request and of such officers of each of the Company as Buyer shall request.

6.4 The Buyer shall have received possession or control of all corporate and other records of the Company including but not limited to minute books, stock transfer books and registers, books of account, leases and material contracts.

6.5 Seller shall have entered into an employment agreement with Buyer or its subsidiaries or affiliates for a term of 36 months, on terms acceptable to the Buyer and the Seller, and a separate agreement on the same terms as the Seller's agreement in Article V hereof.

6.6 Daniel S. Savocchia shall have entered into an employment agreement with Buyer or its subsidiaries or affiliates for a term of 36 months, on terms acceptable to the Buyer and Mr. Savocchia, and an agreement on the same terms (except made applicable to Mr. Savocchia) as the Seller's agreement in Article V hereof.

6.7 All obligations and indebtedness of the Company to the Seller, to

any other shareholder or prior shareholder of the Company, or to any affiliate of the Company (except of W. Albrecht GmbH & Co KG, Alba Speziallampen GmbH, Alba Light Design GmbH, A&S Electric Production, W. Albrecht Grundstuckgesellschaft GbR, Arnold GmbH, BSC Arnold GmbH & Co KG, Alba Technology (M) Sdn, Bhd) (except for salaries and the items described on Schedule 3.3 including the repaid loan to Daniel S. Savocchia) shall have been converted to capital of the Company.

6.8 The transactions described in (i) the Agreement on the Sale and Transfer of Shares and Interests in the ALBA/Albrecht Group, among Seller, Willy Paul Albrecht, Petra Albrecht-Arnold, Buyer and Alba Speziallampen Holding GmbH and (ii) the Contract for Purchase and Sale of Stock between the Seller and the Buyer, relating to the remaining capital stock of the Company, shall have been completed simultaneously with the closing of the transactions described in this Agreement.

6.9 The foregoing provisions of this Article VI shall be for the exclusive benefit of the Buyer but such provisions, or any of them, may be waived in whole or in part by the Buyer and if any condition contained in this Article VI is not fulfilled, the Buyer shall have the right to cancel this Contract in addition to any other rights or remedies it may have hereunder, or otherwise.

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ARTICLE VII
Conditions to Obligations of the Seller

The obligations of the Seller to complete the transactions contemplated by this Contract and to sell the Shares are subject, at the Seller's option, to satisfaction of the following conditions on or before the Closing Date:

7.1 The representations, warranties and covenants of the Buyer set forth herein shall be true, complete and correct on and as of the Closing Date as though such representations, warranties and covenants were made on and as of the Closing Date, and the Buyer shall not be in default under any of the provisions of this Contract on or prior to the Closing Date.

7.2 The Buyer shall have transferred and delivered to the Seller stock certificates for the CML Shares, as described in Article II hereof.

7.3 The transactions described in (i) the Agreement on the Sale and Transfer of Shares and Interests in the ALBA/Albrecht Group, among Seller, Willy Paul Albrecht, Petra Albrecht-Arnold, Buyer and Alba Speziallampen Holding GmbH and (ii) the Contract for Purchase and Sale of Stock between the Seller and the Buyer, relating to the remaining capital stock of the Company, shall have been completed simultaneously with the closing of the transactions described in this Agreement.

7.4 The foregoing provisions of this Article VII shall be for the benefit of the Seller and such provisions, or any of them, may be waived in whole or in part by the Seller and if any condition contained in this Article VII is not fulfilled the Seller shall have the right to cancel this Contract in addition to any other rights or remedies he may have hereunder, or otherwise.

ARTICLE VIII

Closing

The closing of the transactions contemplated by this Contract shall take place on the Closing Date at such location as the Seller and the Buyer may mutually agree. The "Closing Date", as used in this Contract, shall mean ten o'clock A.M. (applicable time then in effect at the location of the closing) on May 30, 1996, provided that the Seller and the Buyer may by mutual written agreement set an earlier or later time for the Closing Date.

ARTICLE IX

Termination or Failure to Close

9.1 Voluntary Termination. This Contract may be terminated and purchase

of the Shares abandoned before Closing by the mutual consent of the Seller and the Buyer.

9.2 Failure of Buyer to Close. Should the conditions set forth in

Article VII hereof fail to be met on or before the Closing Date, at the option of the Seller, the Contract shall be deemed terminated and abandoned. Such termination shall not prohibit any claims by the Seller against the Buyer for damages.

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9.3 Failure of Seller to Close. Should the conditions set forth in

Article VI hereof fail to be met on or before the Closing Date, at the option of the Buyer, the Contract shall be deemed terminated and abandoned. Such termination shall not prohibit any claims by the Buyer against the Seller for damages.

ARTICLE X

Survival and Limitations of Representations and Warranties

10.1 Survival of Warranties by the Seller. The representations and

warranties made by the Seller and contained in this Contract will survive the closing of the purchase of the Shares provided for herein and, notwithstanding such closing or any investigation made by or on behalf of the Buyer or any other person or any knowledge of the Buyer or any other person, shall continue in full force and effect for the benefit of the Buyer, subject to the following provisions of this section.

(a) Except as provided in (b) and (c) of this section, no warranty claim may be made or brought by the Buyer after the date which is the earlier of (i) six months after the Buyer received actual knowledge of the breach of the representation or warranty, and (ii) June 30, 1997.

(b) Any warranty claim which is based upon or relates to the tax liability of the Company for a particular taxation year may be made or brought by the Buyer at any time prior to ninety days after the expiration of the period (if any) during which an assessment, reassessment or other form of recognized document assessing liability for tax, interest or penalties in respect of such taxation year under applicable tax legislation could be issued.

(c) Any warranty claim which is based upon or relates to the title to the Shares or which is based upon intentional misrepresentation or fraud by the Seller may be made or brought by the Buyer at any time prior to June 30, 2001.

After the expiration of the period of time referred to in (a) of this section, the Seller will be released from all obligations and liabilities in respect of the representations and warranties made by the Seller and contained in this Contract or in any document or certificate given in order to carry out the transactions contemplated hereby, except with respect to any warranty claims made by the Buyer in writing (setting forth in reasonable detail the facts and circumstances of the cause of the claim) prior to the expiration of such period and subject to the rights of the Buyer to make any claim permitted by (b) and/or (c) of this section. For purposes of this Section 10.1 "Buyer" shall refer to the Buyer, its successors and assigns, and any affiliates or other entities controlled directly or indirectly by the Buyer.

10.2 Survival of Warranties by Buyer. The representations and warranties

made by the Buyer and contained in this Contract will survive the closing of the purchase and sale of the Shares provided for herein and, notwithstanding such closing or any investigation made by or on behalf of the Seller or any other person or any knowledge of the Seller or any other person, shall continue in full force and effect for the benefit of the Seller; provided that no warranty claim may be made or brought by the Seller after the date which is the earlier

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of (i) six months after the Buyer received actual knowledge of the breach of the representation or warranty, and (ii) June 30, 1997.

10.3 Limitations on Warranty Claims. The Buyer shall not be entitled to

make a warranty claim if the Buyer has received written notice prior to the Closing Date of the inaccuracy, non-performance, non-fulfillment or breach which is the basis for such warranty claim and the Buyer completes the transactions hereunder notwithstanding such inaccuracy, non-performance, non-fulfillment or breach.

ARTICLE XI
Indemnity

11.1 Indemnity by the Seller.

(a) The Seller hereby agrees to indemnify and save the Buyer

harmless from and against any claims, demands, actions, causes of action, damage, loss, deficiency, cost, liability and expense which may be made or brought against the Buyer or which the Buyer may suffer or incur as a result of, in respect of or arising out of:

(i) any non-performance or non-fulfillment of any covenant or agreement on the part of the Seller contained in this Contract or in any document given in order to carry out the transactions contemplated hereby;

(ii) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Seller contained in this Contract; and

(iii) all costs and expenses including, without limitation, legal fees incidental to or in respect of the foregoing.

(b) The obligations of indemnification by the Seller pursuant to this section will be:

(i) subject to the limitations referred to in Section 10.1 hereof with respect to the survival of the representations and warranties by the Seller;

(ii) subject to the limitations referred to in Section 10.3 hereof; and

(iii) limited, in any case whatsoever (including any punitive damages and similar rights or remedies of the Buyer), to the amount of DM 2,000,000.

For purposes of this Section 11.1 "Buyer" shall refer to the Buyer, its successors and assigns, and any affiliates or other entities controlled directly or indirectly by the Buyer.

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11.2 Indemnity by the Buyer.

(a) The Buyer hereby agrees to indemnify and save the Seller harmless from and against any claims, demands, actions, causes of action, damage, loss, deficiency, cost, liability and expense which may be made or brought against the Seller or which the Seller may suffer or incur as a result of, in respect of or arising out of:

(i) any non-performance or non-fulfillment of any covenant or agreement on the part of the Buyer contained in this Contract or in any document given in order to carry out the transactions contemplated hereby;

(ii) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Buyer contained in this Contract; and

(iii) all costs and expenses including, without limitation, legal fees incidental to or in respect of the foregoing.

(b) The obligations of indemnification by the Buyer pursuant to this section will be subject to the limitations referred to in Section 10.2 hereof with respect to the survival of the representations and warranties by the Buyer.

11.3 Rights of Indemnitors. Anything in this Contract to the contrary

notwithstanding, in no case shall any indemnitor under this Contract be liable under this Contract with respect to any action, claim or proceeding by a third party against any indemnitee ("Indemnified Party") under this Contract, unless the Indemnified Party shall notify the indemnifying party ("Indemnifying Party") of the assertion or commencement of such action, claim or proceeding within a reasonable period of time or, if citation or service of process has been made, within twenty (20) days thereafter. The Indemnifying Party may, at its option and at its sole expense, participate in the defense of and contest any such action, claim or proceeding, provided that the Indemnified Party shall at all times also have the right to participate fully therein. If the Indemnifying Party, within a reasonable time after receiving such notice, fails to participate, the Indemnified Party shall have the right, but shall not be obligated, to undertake the defense of the action, claim or proceeding for the account of and at the risk of the Indemnifying Party; provided, however, that in the event that the Indemnified Party shall determine to compromise or settle (exercising its judgment in good faith) any such action, claim or proceeding, the Indemnified Party shall be required to give the Indemnifying Party fifteen (15) days notice of such determination. If the Indemnifying Party shall not undertake the defense of such action, claim or proceeding prior to the expiration of such fifteen day period, the Indemnified Party shall then be entitled to compromise or settle the action, claim or proceeding for the account of and at the risk of the Indemnifying party. The parties agree that any Indemnified Party may join any Indemnifying Party in any action, claim or proceeding brought by a third party, as to which any right of indemnity created by this Agreement would or might apply, for the purpose of enforcing any right of the indemnity granted to such Indemnified Party pursuant to this Contract.

11.4 Additional Rights. Any right of indemnity of any party pursuant to

this Article XI of this Contract shall be in addition to and shall not operate as a limitation on any other right to indemnity of such party pursuant to this Contract, any document or instrument executed in connection with the consummation of the transaction contemplated hereby, or otherwise.

ARTICLE XII

Notices

All notices, requests, demands and other communications hereunder shall be in writing and will be deemed to have been duly given when delivered or faxed (with a contemporaneous mailing, first class postage prepaid):

- (1) If to the Seller, to:

Werner A. Arnold
Wildensorgerstr. 8
96049 Bamberg, Germany
Telephone: (0951) 9338-166
FAX: (001) 951-500323

with a copy to:

Dr. Thomas O.J. Burkert
Hennerkes, Jeschke, Kirchdorfer & Partner
Jahnstrasse 43
70597 Stuttgart, Germany
Telephone: (0711) 725790
FAX: (0711) 7257920

(2) If to Buyer, to:

Chicago Miniature Lamp, Inc.
P.O. Box 101
500 Chapman Street
Canton, Massachusetts 02021, USA
Attention: Frank M. Ward
Telephone: (617) 828-2948
FAX: (617) 828-2012

with copy to:

Gary H. Baker
Baker & Hoster
800 Kennedy Building
Tulsa, Oklahoma 74103, USA
Telephone: (918) 592-5555
FAX: (918) 587-6152

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These addresses may be changed from time to time by written notice to the other parties.

ARTICLE XIII
Miscellaneous

13.1 Further Assurances. Each party hereto shall with reasonable

diligence do all things and provide such reasonable assurances as may be required to consummate the transactions contemplated herein and each party hereto shall provide such further documents or instruments requested by any other party as may be reasonably necessary or desirable to effect the purposes of this Contract and carry out its provisions, whether before or after the Closing Date.

13.2 Costs and Expenses. Each party shall bear all of its costs and

expenses incurred in connection with this Contract and the transactions contemplated hereby.

13.3 Brokerage. Each of the parties represents and warrants to the other

that it has not in any way incurred any liability for any finder's fee or other remuneration to any broker, finder or agent, or made any arrangement whereby it or any other party hereto might become liable for any such fee or remuneration and if any such fee or other remuneration becomes payable as a result of any arrangements made by it, the party concerned agrees to indemnify the other parties hereto in respect of such liability.

13.4 Governing Law. This Contract shall be construed and governed in

accordance with the laws of the State of Illinois.

13.5 JURISDICTION; PROCESS; CHOICE OF FORUM. EACH PARTY HEREBY CONSENTS

TO THE JURISDICTION OF ANY OF THE LOCAL, STATE OR FEDERAL COURTS LOCATED WITHIN LAKE COUNTY, ILLINOIS AND WAIVES ANY OBJECTION WHICH THE PARTY MAY HAVE BASED ON IMPROPER VENUE OR FORUM NON CONVENIENS TO THE CONDUCT OF ANY PROCEEDING IN ANY

SUCH COURT AND WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON THE UNDERSIGNED, AND COVENANTS THAT ALL SUCH SERVICE OF PROCESS BE MADE BY MAIL OR MESSENGER DIRECTED TO THE RESPECTIVE PARTIES AT THE ADDRESSES SET FORTH IN ARTICLE XII ABOVE AND THAT SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED UPON THE EARLIER OF ACTUAL RECEIPT OR FIVE (5) BUSINESS DAYS AFTER MAILED OR DELIVERED BY MESSENGER.

13.6 Headings. The titles and headings of the Articles and Sections of

the Contract are inserted herein for convenience of reference only and shall not affect the interpretation or construction of this Contract.

13.7 Entire Agreement; Amendments; Waivers. This Contract, together with

any schedules and exhibits attached hereto, constitute the entire agreement between the parties with respect to the subject matters hereof and supersede all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written. No supplement, modification or waiver of this Contract shall be binding unless executed in writing by the parties. No waiver of any of the provisions of this Contract shall be deemed

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or shall constitute a waiver of any other provision hereof, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

13.8 Inurement. This Contract shall inure to the benefit of and be

binding upon the parties hereto and their respective heirs, personal representatives, successors and assigns.

13.9 Modification and Severability. If a court of competent jurisdiction

declares that any provision of this Contract is illegal, invalid or unenforceable, then such provision shall be modified automatically to the extent necessary to make such provision fully enforceable. If such court does not modify any such provision as contemplated herein, but instead declares it to be wholly illegal, invalid or unenforceable, then such provision shall be severed from this Contract and such declaration shall in no way affect the legality, validity and enforceability of the other provisions of this Contract to which such declaration does not relate. In that event, this Contract shall be construed as if it did not contain the particular provision held to be illegal, invalid or unenforceable, the rights and obligations of the parties hereto shall be construed and enforced accordingly, and this Contract shall remain in full force and effect.

13.10 Counterparts. This Contract may be executed in multiple

counterparts by the various parties hereto, each of which shall constitute an original counterpart, and all of which when taken together shall constitute but one and the same Contract.

IN WITNESS WHEREOF, the parties have executed this Contract on the day and year first above written.

BUYER: CHICAGO MINIATURE LAMP, INC.

By /s/ Frank M. Ward

President

SELLER:

/s/ Werner A. Arnold

WERNER A. ARNOLD

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SCHEDULE 3.3

EMPLOYMENT, PENSION AND LABOR MATTERS

The Company has a 401(k) Plan which will be terminated prior to the Closing Date.

DUE AS OF 12/31/95

<TABLE>

<CAPTION>

Employee	Salary Due	Commissions Due	Accrued Vacation	Bonus due for 1995	Profit Sharing due for 1995
<S>	<C>	<C>	<C>	<C>	<C>
Paul Albrecht	0.00	0.00	0.00	12000.00	0.00

Werner Arnold	0.00	41459.35	0.00	12119.32	22500.00
Giovanni Fioccoia	0.00	0.00	0.00	4000.00	0.00
Daniel S. Savocchia	0.00	103648.37	4153.86	163000.00	22500.00
Peggy Cook	0.00	0.00	0.00	11917.88	7082.02
Jack Wicks	0.00	18095.39	0.00	3946.15	15053.85
TOTALS	0.00	163203.11	4153.86	206983.35	67135.87

</TABLE>

Commissions due paid on 03/29/96

Accrued vacations to Daniel S. Savocchia paid 4/29/96

Bonuses for 1995 operations paid 03/15/96

Profit Sharing for 1995 operations paid 4/29/96 (Profit Sharing Plan will be terminated prior to Closing)

Loan to Daniel S. Savocchia repaid 4/29/96

Loan to Werner Arnold still outstanding as of 5/08/96.

COMMISSIONS FOR 1ST QUARTER 1996

<TABLE>

<CAPTION>

Employee	Commissions Due
<S>	<C>
Paul Albrecht	0.00
Werner Arnold	28543.14
Giovanni Fioccoia	0.00
Daniel S. Savocchia	85629.44
Peggy Cook	0.00
Jack Wicks	16615.07
TOTALS	130787.65

</TABLE>

Commissions for 1st Quarter were paid on 04/29/96.

VACATIONS FOR 1996 WILL ACCRUE UNTIL CLOSING (APPROXIMATELY 6/01/96)

<TABLE>

<CAPTION>

Employee	Weeks	Additional Vacation due 6/01/96
<S>	<C>	<C>
Paul Albrecht	0	0.00

Werner Arnold	0	0.00
Giovanni Fioccoia	2	760.00
Daniel S. Savocchia	3	4153.86
Peggy Cook	3	2019.24
James Boch	2	1730.76
Jack Wicks	3	1730.79
TOTALS		10394.65

SCHEDULE 3.4

MATERIAL CONTRACTS

Agency Agreement, dated February 10, 1995, between W. Albrecht GmbH and Co KG and Alba Lamps, Inc.

SCHEDULE 3.5

ENVIRONMENTAL LICENSES AND PERMITS

NONE

SCHEDULE 3.8

UNPAID TAXES

Tax returns for Federal and Illinois State Income Taxes for 1995 have not been filed as of the date of the Agreement. An extension until September 15, 1996, for filing such returns has been obtained. The taxes due for the periods covered by the 1995 returns have been paid.

SCHEDULE 3.9

ENCUMBRANCES AND LEASES

Lease, dated October 23, 1995, between Anita Foertsch (Lessor) and Alba Lamps, Inc. (Lessee) relating to approximately 1300 sq. ft. of office and warehouse space at 5230 Wesley Terrace, Rosemont, Illinois, with a termination date of October 31, 1997.

SCHEDULE 3.12(D)

Alba Lamps, Inc. entered into an Employment Agreement with James Boch, as sales manager, dated February 19, 1996, with an annual compensation of \$40,000 plus 1% of net sales commission and employee benefits of approximately \$8,000 plus medical benefits.

CONTRACT FOR PURCHASE AND SALE OF STOCK

THIS CONTRACT, made and entered into this 15th day of May, 1996, by and between WERNER A. ARNOLD (the "Seller") and CHICAGO MINIATURE LAMP, INC., an Oklahoma corporation (the "Buyer").

W I T N E S S E T H:

WHEREAS, the Seller is the beneficial and record owner of 70% of the issued and outstanding shares (the "Shares") of capital stock of Alba Technology (M) Sdn. Bhd., a Malaysia corporation (the "Company"); and

WHEREAS, the Seller desires to sell to the Buyer and the Buyer desires to purchase from the Seller the Shares on the terms and subject to the conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and of the covenants, terms and conditions herein contained, the Seller and the Buyer hereby agree as follows:

ARTICLE II
Sale of Shares

The Seller agrees to sell to the Buyer and the Buyer agrees to purchase from the Seller the Shares. The Seller shall transfer the Shares to the Buyer on the Closing Date (as hereinafter defined), and immediately prior to the transfer the Shares shall be duly and validly issued in the name of the Seller, fully paid and nonassessable, and free and clear of any claim, lien or encumbrance of any kind.

ARTICLE II
Purchase Price for the Shares

The purchase price to be paid by the Buyer to the Seller for the Shares shall be DM 50,000 cash payable to Seller by wire transfer on the Closing Date.

ARTICLE III
Representations, Warranties and Covenants of the Seller

The Seller represents, warrants and covenants as follows:

3.1 Stock and Stockholdings. The authorized capital stock of the

Company consists of 100,000 ordinary shares (RM 1.00 per share), 70 shares of which constitute the Shares which are outstanding and issued to the Seller. Except for the Shares, there are no other shares of capital stock of the Company issued and outstanding, except for 30 ordinary shares (RM 1.00 per share) of the Company issued to Ong Swee Guan. The Shares have been duly and legally issued to the Seller, are fully paid and nonassessable and are free and clear of any mortgage, pledge, hypothecation, lien, encumbrance or burden of any kind. There are no other classes of stock authorized, and there are not authorized, issued or outstanding, any options, warrants or other rights to purchase or otherwise acquire from the Company or the Seller any shares of stock or other securities of the Company. The Seller is subject to no agreement with any other person or entity relating in any respect to the Company, the Shares or the sale or transfer of the Shares. The Seller has full power, capacity and authority to sell, assign and transfer the Shares to the Buyer.

3.2 Financial Statements. The Seller has heretofore delivered to the

Buyer financial statements consisting of (i) an audited Balance Sheet for the Company as of December 31, 1995, (ii) an audited Profit and Loss Account for the Company for the period from October 15, 1994 to December 31, 1995 and (iii) an audited Statement of Changes in Financial Position for the Company for the period from October 15, 1994 to December 31, 1995. Such financial statements present fairly the financial condition of the Company, as

of December 31, 1995, and except as disclosed in said financial statements, as of December 31, 1995, the Company had no liabilities of any nature, whether accrued, absolute, direct, contingent, unliquidated or otherwise.

3.3 Employment and Labor Matters. Schedule 3.3 contains a list of all

employees, their commissions, accrued vacation pay, sick pay, severance pay and other accrued employee benefits through December 31, 1995. Except as set forth thereon, the Company is not liable to any of its employees for any amount of commissions, severance pay, accrued vacation, or any other similar payments. Except as set forth on Schedule 3.3, the Company is not a party to any pension, profit sharing, retirement or other deferred compensation plan or agreement.

3.4 Material Contracts. Except as set forth in Schedule 3.4, the Company

has no purchase, sale, commitment, or other contract, the breach or termination of which would have a materially adverse effect on the business, financial condition, results of operations, assets, liabilities, or prospects of the Company.

3.5 Compliance with Environmental Laws. The Company is in compliance

with all applicable pollution control and environmental laws, rules and regulations. Schedule 3.5 describes all environmental licenses, permits and

other authorizations held by the Company relative to compliance with environmental laws, rules and regulations, each of which is valid and in full force and effect.

3.6 No Litigation. There are no actions, suits, claims, complaints or

proceedings pending or threatened against the Company, at law or in equity, or before or by any governmental department, commission, court, board, bureau, agency or instrumentality; and there are no facts which would provide a valid basis for any such action, suit or proceeding. There are no orders, judgments or decrees of any governmental authority outstanding which specifically apply to the Company or any of its assets.

3.7 No Adverse Changes. Since December 31, 1995, there have been no

actual or threatened developments of a nature that is materially adverse to or involves any materially adverse effect upon the business, financial condition, results of operations, assets, liabilities, or prospects of the Company.

3.8 Taxes. Except as set forth in Schedule 3.8, the Company has filed

all federal, state, local and national tax and other returns and reports which were required to be filed with respect to all taxes, levies, imposts, duties, licenses and registration fees, charges or withholdings of every nature whatsoever ("Taxes"), and there exists a substantial basis in law and fact for all positions taken in such reports. All Taxes in respect of the operations of the Company have been paid. No waivers of periods of limitation are in effect with respect to any taxes arising from and attributable to the ownership of properties or operations of the business of the Company.

3.9 Properties. The Company has good and marketable title to all its

personal property, equipment, processes, patents, copyrights, trademarks, franchises, licenses and other properties and assets, including all patents, licenses and other intellectual property used in the business of the Company and all property reflected in the Company's financial statements provided to the Buyer (except for assets reflected therein which have been sold in the normal course of its business where the proceeds from such sale or other disposition have been properly accounted for in the financial statements of the Company), in each case free and clear of all liens, claims and encumbrances of every kind and character, except as set forth in Schedule 3.9. The Company owns no real property. The assets and properties owned, operated or leased by the Company and used in its business are in good operating condition, reasonable wear and tear excepted, and suitable for the uses for which intended. Schedule 3.9 also contains a list of all leases of real and personal property used by the

Company. All such leases are valid and binding in accordance with their respective terms, and there are no defaults or events of default or events which

with giving of notice or lapse of time which would constitute a default on the part of the Company.

3.10 Inventories. The inventory of raw materials and supplies of the

Company is useable in the ordinary course of its business. Inventory of finished goods and work-in-process of the Company is saleable in the ordinary course of its business without discount.

3.11 Accounts Receivable. The amount shown as trade debtor assets in the

Company's financial statements provided to the Buyer and all such trade debtor assets or accounts receivable, arising thereafter have been collected or represent good and collectible receivables within 120 days after the invoice date.

3.12 Changes. From December 31, 1995 to the Closing Date:

(a) The Company has operated and will operate its business in the usual, regular and ordinary course and not otherwise and has performed and will perform the usual and normal maintenance of and upon its property so as to keep it in good order, repair and condition.

(b) The Company has kept and will keep in full force and effect all of the fire, casualty, liability, product liability and other insurance, and all bonds on personnel, which it was carrying on December 31, 1995.

(c) The Company has not sold, disposed of, mortgaged or encumbered, nor will it sell, dispose of, mortgage or encumber any of its property or assets or interests therein other than products sold in the usual, regular and ordinary course of business from its inventory. The Company has not acquired nor will it acquire, any property or assets other than inventory and products used in the usual, regular and ordinary course of business.

(d) The Company has not entered into any employment contract, collective bargaining agreement, consultation agreement or employees' pension, retirement, insurance, profit sharing or stock plan or other contract or agreement, nor will it enter into any such contracts or agreements or into negotiations with respect to any such contracts or agreements without the prior written consent of the Buyer.

(e) Seller will use its best efforts to cause the Company to preserve its present organizations intact and to keep available the services of its present employees and agents.

(f) The Company has not incurred nor will it incur any indebtedness for borrowed moneys. The Company has not become nor will it become a guarantor or surety or otherwise become responsible in any manner with respect to any undertaking of another person or entity.

(g) The Company has not authorized, declared, paid or made nor will it authorize, declare, pay or make any dividends on capital stock or any distribution, liquidating or otherwise, on or with respect to its capital stock (whether in property or money). The Company has not authorized or made nor will it authorize or make any direct or indirect redemption, purchase, or acquisition of any of its capital stock or any split-up, combination, or other reclassification of any of such stock.

(h) The Company has not authorized nor will it authorize the issuance of any capital stock or other securities.

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(i) The Company has not authorized or entered into, nor will it authorize or enter into any merger, consolidation, reorganization, dissolution or other action or transaction which would change its corporate or capital structure.

(j) The Company has maintained and will maintain all books, accounts and records in the usual, regular and ordinary manner on a basis consistent with prior periods.

(k) There has not occurred and there shall not occur any increase (or discussion of any increase) in the compensation payable or to become payable by the Company to any of its officers and employees, and no bonus has been discussed or paid or will be paid to, any of its officers or employees.

(l) There has not occurred and shall not occur any transaction or event which adversely affects the financial condition, results of operations, assets, liabilities, or prospects of the Company in any material adverse respect.

(m) There has not occurred and shall not occur any amendment or changes in the by-laws or certificate of incorporation or organization of the Company.

PROVIDED, however, that the Buyer may in writing waive or approve noncompliance by the Seller with any provision of this Section 3.12 or any action by the Company which would result in a breach of this Section 3.12, and such noncompliance or action, so waived or approved, shall not be deemed a breach hereof.

3.13 Right of Inspection. The Seller hereby covenants and agrees with

the Buyer that during the period between the date hereof and the Closing Date, the Buyer and its employees, agents, consultants, attorneys and auditors, shall be permitted full access during normal business hours to all of the properties, books, contracts, charter documents, documents of title, accounts and other

financial data and all related business records of the Company and that the Buyer shall be furnished during such period with all information concerning the affairs of the Company as the Buyer may reasonably request. It is expressly understood and agreed that in the event the transactions contemplated by this Contract shall not close as herein set forth, all information acquired pursuant to this Contract or otherwise shall remain confidential to the parties and shall not be disclosed to any third parties.

ARTICLE IV

Representations, Warranties and Covenants of the Buyer

The Buyer represents, warrants and covenants as follows:

4.1 Authority. The execution and delivery of this Contract and the

consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Buyer.

4.2 Investment Intent. Buyer is acquiring the Shares for investment for

its own account, and not with a view to the sale or distribution thereof, and Buyer has no present intention of selling, assigning, transferring or otherwise distributing the same. Buyer understands that the transaction in which it is purchasing the Shares has not been registered under the Securities Act of 1933, as amended or applicable state securities laws.

ARTICLE V

Trade Secrets; Nonsolicitation; and Non-Competition

The Seller hereby agrees that for a period of five years after the later of (i) the Closing Date or (ii) the termination of his employment with the Company or any other subsidiaries or affiliates of the Buyer, the Seller will not, directly or indirectly, through a family member, a business controlled by himself or a family member, as an employee, associate, partner, manager, agent or otherwise:

(a) divulge in any manner to persons outside the Buyer's organization any of the trade secrets of the Company and the Buyer, including all patents, patent applications, designs, blueprints, business methods and procedures, names of customers and suppliers, pricing information, training and operating manuals and any other items considered as trade secrets under applicable law;

(b) compete, directly or indirectly, with the Buyer or the Company in any business activities in which either the Company or the Buyer was engaged on the date of this Contract;

(c) influence or attempt to influence any employee of the Buyer or of the Company on the date of this Contract to terminate his or her employment or to work for any competitor of the Company or the Buyer;

(d) engage directly or indirectly in sales of products or services similar to or competitive with those of the Company or the Buyer on the date of this contract;

(e) solicit customers for, or otherwise aid or assist, anyone engaged in a business or businesses which market products or services similar to or competitive with the Company or the Buyer on the date of this Contract;

(f) have or acquire an interest in any business operation which markets products or services similar to or competitive with those of the Company or the Buyer on the date of this Contract; provided, however, that this obligation shall not prevent the Seller from holding the 60% share in Witte GmbH, Katzhutte (Thuringen), he is actually holding at the signing of this Contract, and provided, further that this obligation shall not prevent the Seller from acquiring and/or holding passive investments in publicly traded companies (not to exceed 5% of the capital stock of any such company); or

(g) solicit any customer or active dealers or sales representatives of the Company or the Buyer, except on behalf of the Buyer.

The scope of the foregoing prohibited actions includes all of North America, Europe, Malaysia and any other relevant markets of the Company or the Buyer on the date of this Contract. The Seller hereby acknowledges that any of the actions prohibited above would cause irreparable harm to the Company and to the Buyer, and the Seller hereby consents to the entry of a restraining order or injunction prohibiting any such solicitation or interference. For purposes of this Article V, the Company shall mean the Company and any successor corporation into which it may be merged or consolidated, and the Buyer shall mean the Buyer and each of its subsidiaries or affiliates and any successor corporation into which any of them may be merged or consolidated. The covenants contained in this Article V shall survive the Closing Date.

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ARTICLE VI
Conditions to Obligations of the Buyer

The obligations of the Buyer to complete the transaction contemplated by this Contract and to acquire the Shares are subject, at the Buyer's option, to satisfaction of the following conditions on or before the Closing Date:

6.1 The representations, warranties and covenants of the Seller

contained herein shall be true, complete and correct on and as of the Closing Date as though such representations, warranties and covenants were made on and as of the Closing Date, and the Seller shall not be in default under any of the provisions of this Contract on or prior to the Closing Date.

6.2 The Seller shall have transferred and delivered to the Buyer stock certificates for the Shares, with stock powers attached, duly endorsed in blank, all properly executed in proper form.

6.3 The Buyer shall have received the written resignation of all members of the boards of directors of the Company as Buyer shall request, except for Ong Swee Guan, and of such officers of each of the Company as Buyer shall request.

6.4 The Buyer shall have received possession or control of all corporate and other records of the Company including but not limited to minute books, stock transfer books and registers, books of account, leases and material contracts.

6.5 Seller shall have entered into an employment agreement with Buyer or its subsidiaries or affiliates for a term of 36 months, on terms acceptable to the Buyer and the Seller, and a separate agreement on the same terms as the Seller's agreement in Article V hereof.

6.6 All obligations and indebtedness of the Company to the Seller, to any other shareholder or prior shareholder of the Company, or to any affiliate of the Company (except of W. Albrecht GmbH & Co KG, Alba Speziallampen GmbH, Alba Light Design GmbH, A&S Electric Production, W. Albrecht Grundstücksgesellschaft GbR, Arnold GmbH, BSC Arnold GmbH & Co KG, Alba Technology (M) Sdn, Bhd) (except for salaries and the items described on Schedule 3.3) shall have been converted to capital of the Company.

6.7 The transactions described in the Agreement on the Sale and Transfer of Shares and Interests in the ALBA/Albrecht Group, among Seller, Willy Paul Albrecht, Petra Albrecht-Arnold, Buyer and Alba Speziallampen Holding GmbH shall have been completed simultaneously with the closing of the transactions described in this Agreement.

6.8 The foregoing provisions of this Article VI shall be for the exclusive benefit of the Buyer but such provisions, or any of them, may be waived in whole or in part by the Buyer and if any condition contained in this Article VI is not fulfilled, the Buyer shall have the right to cancel this Contract in addition to any other rights or remedies it may have hereunder, or otherwise.

ARTICLE VII
Conditions to Obligations of the Seller

The obligations of the Seller to complete the transactions contemplated by this Contract and to sell the Shares are subject, at the Seller's option, to satisfaction of the following conditions on or before the Closing Date:

7.1 The representations, warranties and covenants of the Buyer set forth herein shall be true, complete and correct on and as of the Closing Date as though such representations, warranties and covenants were made on and as of the Closing Date, and the Buyer shall not be in default under any of the provisions of this Contract on or prior to the Closing Date.

7.2 The Buyer shall have made payment of DM 50,000 to the Seller by wire transfer.

7.3 The transactions described in the Agreement on the Sale and Transfer of Shares and Interests in the ALBA/Albrecht Group, among Seller, Willy Paul Albrecht, Petra Albrecht-Arnold, Buyer and Alba Speziallampen Holding GmbH shall have been completed simultaneously with the closing of the transactions described in this Agreement.

7.4 The foregoing provisions of this Article VII shall be for the benefit of the Seller and such provisions, or any of them, may be waived in whole or in part by the Seller and if any condition contained in this Article VII is not fulfilled the Seller shall have the right to cancel this Contract in addition to any other rights or remedies he may have hereunder, or otherwise.

ARTICLE VIII

Closing

The closing of the transactions contemplated by this Contract shall take place on the Closing Date at such location as the Seller and the Buyer may mutually agree. The "Closing Date", as used in this Contract, shall mean ten o'clock A.M. (applicable time then in effect at the location of the closing) on May 29, 1996, provided that the Seller and the Buyer may by mutual written agreement set an earlier or later time for the Closing Date.

ARTICLE IX

Termination or Failure to Close

9.1 Voluntary Termination. This Contract may be terminated and purchase

of the Shares abandoned before Closing by the mutual consent of the Seller and the Buyer.

9.2 Failure of Buyer to Close. Should the conditions set forth in

Article VII hereof fail to be met on or before the Closing Date, at the option of the Seller, the Contract shall be deemed terminated and abandoned. Such termination shall not prohibit any claims by the Seller against the Buyer for damages.

9.3 Failure of Seller to Close. Should the conditions set forth in

Article VI hereof fail to be met on or before the Closing Date, at the option of the Buyer, the Contract shall be deemed terminated and abandoned. Such termination shall not prohibit any claims by the Buyer against the Seller for damages.

ARTICLE X

Survival and Limitations of Representations and Warranties

10.1 Survival of Warranties by the Seller. The representations and

warranties made by the Seller and contained in this Contract will survive the closing of the purchase of the Shares provided for herein and, notwithstanding such closing or any investigation made by or on behalf of the Buyer or any other person or any knowledge of the Buyer or any other person, shall continue in full force and effect for the benefit of the Buyer, subject to the following provisions of this section.

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(a) Except as provided in (b) and (c) of this section, no warranty claim may be made or brought by the Buyer after the date which is the earlier of (i) six months after the Buyer received actual knowledge of the breach of the representation or warranty, and (ii) June 30, 1997.

(b) Any warranty claim which is based upon or relates to the tax liability of the Company for a particular taxation year may be made or brought by the Buyer at any time prior to ninety days after the expiration of the period (if any) during which an assessment, reassessment or other form of recognized document assessing liability for tax, interest or penalties in respect of such taxation year under applicable tax legislation could be issued.

(c) Any warranty claim which is based upon or relates to the title to the Shares or which is based upon intentional misrepresentation or fraud by the Seller may be made or brought by the Buyer at any time prior to June 30, 2001.

After the expiration of the period of time referred to in (a) of this section, the Seller will be released from all obligations and liabilities in respect of the representations and warranties made by the Seller and contained in this Contract or in any document or certificate given in order to carry out the transactions contemplated hereby, except with respect to any warranty claims made by the Buyer in writing (setting forth in reasonable detail the facts and circumstances of the cause of the claim) prior to the expiration of such period and subject to the rights of the Buyer to make any claim permitted by (b) and/or (c) of this section. For purposes of this Section 10.1 "Buyer" shall refer to

the Buyer, its successors and assigns, and any affiliates or other entities controlled directly or indirectly by the Buyer.

10.2 Survival of Warranties by Buyer. The representations and warranties

made by the Buyer and contained in this Contract will survive the closing of the purchase and sale of the Shares provided for herein and, notwithstanding such closing or any investigation made by or on behalf of the Seller or any other person or any knowledge of the Seller or any other person, shall continue in full force and effect for the benefit of the Seller; provided that no warranty claim may be made or brought by the Seller after the date which is the earlier of (i) six months after the Buyer received actual knowledge of the breach of the representation or warranty, and (ii) June 30, 1997.

10.3 Limitations on Warranty Claims. The Buyer shall not be entitled to

make a warranty claim if the Buyer has received written notice prior to the Closing Date of the inaccuracy, non-performance, non-fulfillment or breach which is the basis for such warranty claim and the Buyer completes the transactions hereunder notwithstanding such inaccuracy, non-performance, non-fulfillment or breach.

ARTICLE XI
Indemnity

11.1 Indemnity by the Seller.

(a) The Seller hereby agrees to indemnify and save the Buyer harmless from and against any claims, demands, actions, causes of action, damage, loss, deficiency, cost, liability and expense which may be made or brought against the Buyer or which the Buyer may suffer or incur as a result of, in respect of or arising out of:

(i) any non-performance or non-fulfillment of any covenant or agreement on the part of the Seller contained in this Contract or in any document given in order to carry out the transactions contemplated hereby;

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(ii) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Seller contained in this Contract; and

(iii) all costs and expenses including, without limitation, legal fees incidental to or in respect of the foregoing.

(b) The obligations of indemnification by the Seller pursuant to

this section will be:

(i) subject to the limitations referred to in Section 10.1 hereof with respect to the survival of the representations and warranties by the Seller;

(ii) subject to the limitations referred to in Section 10.3 hereof; and

(iii) limited, in any case whatsoever (including any punitive damages and similar rights or remedies of the Buyer), to the amount of DM 50,000.

For purposes of this Section 11.1 "Buyer" shall refer to the Buyer, its successors and assigns, and any affiliates or other entities controlled directly or indirectly by the Buyer.

11.2 Indemnity by the Buyer.

(a) The Buyer hereby agrees to indemnify and save the Seller harmless from and against any claims, demands, actions, causes of action, damage, loss, deficiency, cost, liability and expense which may be made or brought against the Seller or which the Seller may suffer or incur as a result of, in respect of or arising out of:

(i) any non-performance or non-fulfillment of any covenant or agreement on the part of the Buyer contained in this Contract or in any document given in order to carry out the transactions contemplated hereby;

(ii) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Buyer contained in this Contract; and

(iii) all costs and expenses including, without limitation, legal fees incidental to or in respect of the foregoing.

(b) The obligations of indemnification by the Buyer pursuant to this section will be subject to the limitations referred to in Section 10.2 hereof with respect to the survival of the representations and warranties by the Buyer.

11.3 Rights of Indemnitors. Anything in this Contract to the contrary

notwithstanding, in no case shall any indemnitor under this Contract be liable under this Contract with respect to any action, claim or proceeding by a third party against any indemnitee ("Indemnified Party") under this Contract, unless the Indemnified Party shall notify the indemnifying party ("Indemnifying Party") of the assertion or commencement of such action, claim or proceeding within a reasonable period of time or, if citation or service of process has been made,

within twenty (20) days thereafter. The Indemnifying Party may, at its option and at its sole expense, participate in the defense of and contest any such action, claim or proceeding, provided that the Indemnified Party shall at all times also have the right to participate fully therein. If the Indemnifying Party, within a reasonable time after receiving such notice, fails to participate, the Indemnified Party shall have the right, but shall not be obligated, to undertake the defense of the action, claim or proceeding for the account of and

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at the risk of the Indemnifying Party; provided, however, that in the event that the Indemnified Party shall determine to compromise or settle (exercising its judgment in good faith) any such action, claim or proceeding, the Indemnified Party shall be required to give the Indemnifying Party fifteen (15) days notice of such determination. If the Indemnifying Party shall not undertake the defense of such action, claim or proceeding prior to the expiration of such fifteen day period, the Indemnified Party shall then be entitled to compromise or settle the action, claim or proceeding for the account of and at the risk of the Indemnifying party. The parties agree that any Indemnified Party may join any Indemnifying Party in any action, claim or proceeding brought by a third party, as to which any right of indemnity created by this Agreement would or might apply, for the purpose of enforcing any right of the indemnity granted to such Indemnified Party pursuant to this Contract.

11.4 Additional Rights. Any right of indemnity of any party pursuant to

this Article XI of this Contract shall be in addition to and shall not operate as a limitation on any other right to indemnity of such party pursuant to this Contract, any document or instrument executed in connection with the consummation of the transaction contemplated hereby, or otherwise.

ARTICLE XII
Notices

All notices, requests, demands and other communications hereunder shall be in writing and will be deemed to have been duly given when delivered or faxed (with a contemporaneous mailing, first class postage prepaid):

(1) If to the Seller, to:

Werner A. Arnold
Wildensorgerstr. 8
96049 Bamberg, Germany
Telephone: (0951) 9338-166
FAX: (001) 951-500323

with a copy to:

Dr. Thomas O.J. Burkert
Hennerkes, Jeschke, Kirchdorfer & Partner
Jahnstrasse 43
70597 Stuttgart, Germany
Telephone: (0711) 725790
FAX: (0711) 7257920

(2) If to Buyer, to:

Chicago Miniature Lamp, Inc.
P.O. Box 101
500 Chapman Street
Canton, Massachusetts 02021, USA
Attention: Frank M. Ward
Telephone: (617) 828-2948
FAX: (617) 828-2012

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with copy to:

Gary H. Baker
Baker & Hoster
800 Kennedy Building
Tulsa, Oklahoma 74103, USA
Telephone: (918) 592-5555
FAX: (918) 587-6152

These addresses may be changed from time to time by written notice to the other parties.

ARTICLE XIII
Miscellaneous

13.1 Further Assurances. Each party hereto shall with reasonable

diligence do all things and provide such reasonable assurances as may be required to consummate the transactions contemplated herein and each party hereto shall provide such further documents or instruments requested by any other party as may be reasonably necessary or desirable to effect the purposes of this Contract and carry out its provisions, whether before or after the Closing Date.

13.2 Costs and Expenses. Each party shall bear all of its costs and

expenses incurred in connection with this Contract and the transactions contemplated hereby.

13.3 Brokerage. Each of the parties represents and warrants to the other

that it has not in any way incurred any liability for any finder's fee or other remuneration to any broker, finder or agent, or made any arrangement whereby it or any other party hereto might become liable for any such fee or remuneration and if any such fee or other remuneration becomes payable as a result of any arrangements made by it, the party concerned agrees to indemnify the other parties hereto in respect of such liability.

13.4 Governing Law. This Contract shall be construed and governed in

accordance with the laws of the State of Illinois.

13.5 JURISDICTION; PROCESS; CHOICE OF FORUM. EACH PARTY HEREBY CONSENTS

TO THE JURISDICTION OF ANY OF THE LOCAL, STATE OR FEDERAL COURTS LOCATED WITHIN LAKE COUNTY, ILLINOIS AND WAIVES ANY OBJECTION WHICH THE PARTY MAY HAVE BASED ON IMPROPER VENUE OR FORUM NON CONVENIENS TO THE CONDUCT OF ANY PROCEEDING IN ANY

SUCH COURT AND WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON THE UNDERSIGNED, AND COVENANTS THAT ALL SUCH SERVICE OF PROCESS BE MADE BY MAIL OR MESSENGER DIRECTED TO THE RESPECTIVE PARTIES AT THE ADDRESSES SET FORTH IN ARTICLE XII ABOVE AND THAT SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED UPON THE EARLIER OF ACTUAL RECEIPT OR FIVE (5) BUSINESS DAYS AFTER MAILED OR DELIVERED BY MESSENGER.

13.6 Headings. The titles and headings of the Articles and Sections of

the Contract are inserted herein for convenience of reference only and shall not affect the interpretation or construction of this Contract.

13.7 Entire Agreement; Amendments; Waivers. This Contract, together with

any schedules and exhibits attached hereto, constitute the entire agreement between the parties with respect to the subject matters hereof and supersede all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written. No supplement, modification or waiver of this Contract shall be binding unless executed in

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writing by the parties. No waiver of any of the provisions of this Contract shall be deemed or shall constitute a waiver of any other provision hereof, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

13.8 Inurement. This Contract shall inure to the benefit of and be

binding upon the parties hereto and their respective heirs, personal representatives, successors and assigns.

13.9 Modification and Severability. If a court of competent jurisdiction

declares that any provision of this Contract is illegal, invalid or unenforceable, then such provision shall be modified automatically to the extent necessary to make such provision fully enforceable. If such court does not modify any such provision as contemplated herein, but instead declares it to be wholly illegal, invalid or unenforceable, then such provision shall be severed from this Contract and such declaration shall in no way affect the legality, validity and enforceability of the other provisions of this Contract to which such declaration does not relate. In that event, this Contract shall be construed as if it did not contain the particular provision held to be illegal, invalid or unenforceable, the rights and obligations of the parties hereto shall be construed and enforced accordingly, and this Contract shall remain in full force and effect.

13.10 Counterparts. This Contract may be executed in multiple

counterparts by the various parties hereto, each of which shall constitute an original counterpart, and all of which when taken together shall constitute but one and the same Contract.

IN WITNESS WHEREOF, the parties have executed this Contract on the day and year first above written.

BUYER:

CHICAGO MINIATURE LAMP, INC.

By /s/ Frank M. Ward

President

SELLER:

/s/ Werner A. Arnold

WERNER A. ARNOLD

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SCHEDULE 3.3

EMPLOYMENT, PENSION AND LABOR MATTERS

NONE

SCHEDULE 3.4

MATERIAL CONTRACTS

Agency Agreement, dated February 9, 1995 between W. Albrecht GmbH and Co KG and Alba Technology (M) Sdn Bhd.

SCHEDULE 3.5

ENVIRONMENTAL LICENSES AND PERMITS

NONE

SCHEDULE 3.8

UNPAID TAXES

NONE

SCHEDULE 3.9

ENCUMBRANCES AND LEASES

NONE

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is effective as of the 30th day of May, 1996 (the "Agreement"), by and among Werner Arnold ("Arnold"), ALBA Speziallampen Holding GmbH, a German limited liability company ("ALBA"), and Chicago Miniature Lamp, Inc., an Oklahoma corporation ("CML").

WITNESSETH:

WHEREAS, Arnold wishes to serve as President of ALBA upon the terms and conditions contained herein; and

WHEREAS, ALBA desires to employ Arnold in such capacity upon the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Employment. ALBA agrees to employ Arnold, and Arnold agrees to be so

employed, in the capacity of President. Subject to the provisions for termination as hereinafter provided, employment shall be for a term of thirty six (36) months effective as of May 30, 1996 and shall terminate on May 29, 1999 (the "Initial Term"). The parties hereto may agree to extend the Initial Term of this Agreement for one (1) year upon written notice of such an intent signed by all of the parties hereto, given at least six (6) months before the end of the Initial Term. Thereafter, the parties may agree to extend this Agreement for successive one (1) year periods upon written notice of such an intent signed by all of the parties hereto, given at least six (6) months before the end of the then current term. The period of Arnold's employment, including the Initial Term and any extensions thereof, shall be referred to as the "Employment."

2. Function and Responsibilities. During the Employment, Arnold shall

devote full time to such employment. Arnold shall perform duties customarily incident to the office of President (and the office of a "Geschäftsführer") and all other duties the Boards of Directors of ALBA and CML may from time to time assign to him. Furthermore, Arnold specifically agrees to the following responsibilities:

a. Arnold will manage the business and operations of ALBA and all of its subsidiaries (the "ALBA Group") in Europe and the Far East;

b. Arnold will manage all light-pipe design projects for CML and the

ALBA Group;

c Arnold will assist in the identification and implementation of acquisitions for CML and the ALBA Group in Europe;

d. Arnold will perform all duties in a proper and competent manner in line with the goals and directives set by the Board of Directors of CML under the leadership of Frank Ward; and

e. Arnold will report directly to the President of CML, Frank M. Ward.

3. Compensation.

a. During his Employment, ALBA shall pay to Arnold as compensation for his services the sum of DM 225,000. This amount shall be paid in equal monthly installments of DM 18,750 on the first day of each calendar month. Subject to the provisions of this section of the Agreement, Arnold shall receive no other compensation from ALBA, the ALBA Group or CML. These installments shall be paid irrespective of a possible disability of Arnold (as defined in Section 7.a.) until the Employment has been terminated according to the terms and provisions contained in this Agreement, provided, that any disability benefits which Arnold is entitled pursuant to statutory law and/or any disability plan will be deducted from such installments to the extent such benefits are financed by ALBA.

b. The Stock Option Committee of CML will grant Arnold 50,000 stock options under CML's 1995 Incentive and Non-Statutory Stock Option Plan. These stock options shall have an exercise price of \$36.50 per share. The stock options shall vest on each anniversary date of this Agreement, commencing May 30, 1997, at the rate of 10,000 shares per year. In the event the Employment is terminated before all stock options vest, then all unvested options shall lapse and be of no force or effect.

4. Vacation. Arnold shall be entitled to a yearly paid vacation of 30

working days.

5. Expenses.

a. Reimbursement. ALBA shall reimburse Arnold for all reasonable and necessary expenses incurred in carrying out his duties under this Agreement. Arnold shall present to ALBA from time to time an itemized account of such expenses in any form required by ALBA.

b. Automobile. ALBA will make available to Arnold a first-class car free of charge that can be used privately as well. Arnold shall pay all income taxes attributable to the use of the car.

6. Employee benefits. This Agreement shall not be in lieu of any

rights, benefits and privileges to which Arnold may be entitled as an employee of ALBA under any retirement, pension, profit-sharing, insurance, hospital or other plans which may now be in effect or which may hereafter be adopted. Arnold shall have the same rights and privileges to participate in such plans and benefits as any other employee during his Employment.

7. Termination.

a. Termination Upon Disability. If Arnold becomes totally or substantially unable to perform his duties during the term of this Agreement by reason of illness, disability or incapacity, and such disability continues beyond six (6) consecutive months, then ALBA

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shall have the right, by action of the Board of Directors of CML, to terminate Arnold's employment by giving him notice in writing.

b. Termination Upon Death. This Agreement shall terminate automatically and without notice upon the occurrence of the death of Arnold.

c. Termination by ALBA for Cause. In the event Arnold has committed an act of willful misconduct, fraud or gross negligence in the performance of his duties hereunder or if there has occurred by Arnold a material breach of this Agreement, including, but not limited to, Arnold's failure to comply in a proper and competent manner with any directives set by the Board of Directors of CML under the leadership of Frank Ward and applicable law, ALBA may in any such event, by resolution of the Board of Directors of CML, terminate Arnold's employment by giving Arnold ten (10) days' prior written notice. Upon payment to Arnold of all amounts of compensation and expense reimbursement payable through the effective date of such termination notice, this Agreement shall thereupon terminate and be of no further force and effect and Arnold shall have no further rights to compensation or benefits hereunder.

d. Termination by Arnold for Cause. This Agreement may be terminated by Arnold at any time for cause if there is a material breach by ALBA of its covenants hereunder provided however Arnold provides ALBA with thirty (30) days prior written notice of the termination and the alleged breach and the breach is not cured by the ALBA during said 30 day period. In the event of termination by Arnold for cause pursuant to this section, Arnold shall be entitled to a continuation of his compensation and benefits as provided hereunder for a period of three (3) months after said termination or until the expiration of the term of his Employment, whichever is later.

8. Trade Secrets; Non-Solicitation; and Non-competition. Arnold hereby

agrees that for a period of five (5) years after the termination of the Employment, Arnold will not, directly or indirectly, through a family member, a business controlled by himself or a family member, as an employee, associate, partner, manager, agent or otherwise:

a. Divulge in any manner to persons outside ALBA, the ALBA Group or CML any of the trade secrets of ALBA, the ALBA Group or CML, including all patents, patent applications, designs, blueprints, business methods and procedures, names of customers and suppliers, pricing information, training and operating manuals and any other items considered as trade secrets under applicable law;

b. Compete, directly or indirectly, with ALBA, the ALBA Group or CML in any business activities in which any of ALBA, the ALBA Group or CML was engaged on the date of the termination of the Employment;

c. Influence or attempt to influence any employee of ALBA, the ALBA Group or CML on the date of the termination of the

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Employment to terminate his or her employment or to work for any competitor of ALBA, the ALBA Group or CML;

d. Engage directly or indirectly in sales of products or services similar to or competitive with those of ALBA, the ALBA Group or CML on the date of the termination of the Employment;

e. Solicit customers for, or otherwise aid or assist, anyone engaged in a business or businesses which market products or services similar to or competitive with ALBA, the ALBA Group or CML on the date of the termination of the Employment;

f. Have or acquire an interest in any business operation which markets products or services similar to or competitive with those of ALBA, the ALBA Group or CML on the date of the termination of the Employment; provided, however, that this obligation shall not prevent Arnold from holding the 60% share in Witte GmbH, Katzhutte (Thuringen), he is actually holding at the signing of this Agreement, and provided, further that this obligation shall not prevent Arnold from acquiring and/or holding passive investments in publicly traded companies (not to exceed 5% of the capital stock of any such company); or

g. Solicit any customer or active dealers or sales representatives of ALBA, the ALBA Group or CML, except on behalf of ALBA, the ALBA Group or CML.

The scope of the foregoing prohibited actions includes all of North America, Europe, the Far East and any other relevant markets of ALBA, the ALBA Group or CML on the date of the termination of the Employment. Arnold hereby

acknowledges that any of the actions prohibited above would cause irreparable harm to ALBA, the ALBA Group and/or CML, and Arnold hereby consents to the entry of a restraining order or injunction prohibiting any such solicitation or interference. For purposes of this section, ALBA shall mean ALBA and any successor corporation into which it may be merged or consolidated, the ALBA Group shall mean ALBA and each of its subsidiaries and any successor corporation into which any of them may be merged or consolidated, and CML shall mean CML and each of its subsidiaries or affiliates and any successor corporation into which any of them may be merged or consolidated.

9. Notices. All notices required to be given hereunder shall be given

in writing and delivered, personally or by certified mail, return receipt requested, postage pre-paid, addressed to the parties as follows:

If to CML or ALBA:

Chicago Miniature Lamp, Inc.
500 Chapman Street
Canton, Massachusetts 02021
Attention: Frank M. Ward

and

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Werner Arnold
KirchackerstaBe 9
96052 Bamberg
Germany

10. Governing law. This Agreement shall be governed by and construed,

interpreted and enforced in accordance with the laws of the Germany. In the event of a breach of this Agreement, venue for any legal proceedings shall be proper in Bamberg, Germany.

11. Entire Agreement. This Agreement contains the entire agreement

between the parties hereto and supersedes all agreements previously made between the parties relating to the subject matter of this Agreement.

12. Modification. This Agreement may be modified only by a written

instrument executed by the parties hereto.

13. Severability. If any provision of this Agreement is determined to be

invalid and/or unenforceable by a final decision of a court of competent jurisdiction, the offending provision shall be severed and the remainder of the

Agreement shall survive and remain in full force and effect.

14. Non-waiver. No delay or failure by either party to exercise any

right under this Agreement shall constitute a wavier of that or any other right.

15. Binding effect. This Agreement shall inure to the benefit of, and be

binding upon, ALBA and CML, and their respective affiliates, subsidiaries,
successors and assigns. In addition, this Agreement shall inure to the benefit
of, and be binding upon Arnold, his heirs, personal representatives, successors
and assigns.

16. Headings. Headings used in this Agreement are for convenience only

and shall not be used to interpret or construe its provisions.

17. Counterparts. This Agreement may be executed in counterparts, all of

which taken together shall constitute one and the same instrument.

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

CHICAGO MINIATURE LAMP, INC.

By /s/ Frank M. Ward

Frank M. Ward, President

"CML"

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ALBA SPEZIALLAMPEN HOLDING GmbH

By /s/ Werner Arnold

Werner Arnold, President

"ALBA"

/s/ Werner Arnold

Werner Arnold

"Arnold"

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