SECURITIES AND EXCHANGE COMMISSION

FORM SC 14D9

Tender offer solicitation / recommendation statements filed under Rule 14d-9

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SUBJECT COMPANY

TRIANGLE PACIFIC CORP

CIK:**230602**| IRS No.: **942998971** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **SC 14D9** | Act: **34** | File No.: **005-07633** | Film No.: **98650916**
SIC: **2400** Lumber & wood products (no furniture)

Mailing Address
16803 DALLAS PKWY
DALLAS TX 75266-0100

Business Address
16803 DALLAS PKWY
DALLAS TX 75266-0100
2148872000

FILED BY

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14D-9

SOLICITATION/RECOMMENDATION STATEMENT
PURSUANT TO SECTION 14(D)(4) OF
THE SECURITIES EXCHANGE ACT OF 1934

TRIANGLE PACIFIC CORP.
(NAME OF SUBJECT COMPANY)

TRIANGLE PACIFIC CORP.
(NAME OF PERSON FILING STATEMENT)

COMMON STOCK, PAR VALUE $.01 PER SHARE
(TITLE OF CLASS OF SECURITIES)

89591210
(CUSIP NUMBER OF CLASS OF SECURITIES)

E. DWAIN PLASTER
VICE PRESIDENT, TREASURER AND CHIEF FINANCIAL OFFICER
TRIANGLE PACIFIC CORP.
16803 DALLAS PARKWAY
DALLAS, TX 75248
(214) 887-2000
(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON AUTHORIZED TO
RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF
THE PERSON FILING STATEMENT)

WITH A COPY TO:

JEFFREY J. ROSEN, ESQ.
O'MELVENY & MYERS LLP
153 EAST 53RD STREET, 53TH FLOOR
NEW YORK, NY 10022
(212) 326-2000

ITEM 1. SECURITY AND SUBJECT COMPANY

The name of the subject company is Triangle Pacific Corp., a Delaware corporation (the "Company"). The address of the principal executive offices of

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the Company is 16803 Dallas Parkway, Dallas, TX 75248. The title of the class of equity securities to which this Statement relates is the common stock, par value $.01 per share, of the Company (the "Company Common Stock" or the "Shares").

ITEM 2. TENDER OFFER OF THE BIDDER

This Statement relates to the tender offer by Sapling Acquisition, Inc. ("Merger Sub" or "Purchaser"), a Delaware corporation and a wholly owned subsidiary of Armstrong World Industries, Inc., a Pennsylvania corporation ("Armstrong" or "Parent"), disclosed in a Tender Offer Statement on Schedule 14D-1 (the "Schedule 14D-1") dated June 19, 1998 offering to purchase all of the outstanding Shares at a price of $55.50 per Share, net to the seller in cash (the "Offer Price"), upon the terms and subject to the conditions set forth in the Offer to Purchase dated June 19, 1998 (the "Offer to Purchase") and the related Letter of Transmittal (which, together with the Offer to Purchase, constitute the "Offer").

The Offer is being made pursuant to an Agreement and Plan of Merger dated as of June 12, 1998 (the "Merger Agreement") by and among Armstrong, Merger Sub and the Company. The Merger Agreement provides for the making and consummation of the Offer. In addition it provides, among other things, that following satisfaction or waiver of the conditions set forth in the Merger Agreement, Merger Sub shall be merged with and into the Company (the "Merger"), the separate corporate existence of Merger Sub shall cease, and the Company shall continue as the surviving corporation (the "Surviving Corporation") and a direct wholly owned subsidiary of Armstrong. A copy of the Merger Agreement is filed as Exhibit A to this Statement and is incorporated herein by reference.

As set forth in the Schedule 14D-1, the principal executive offices of Armstrong are located at 313 W. Liberty Street, P.O. Box 3001, Lancaster, Pennsylvania 17604 and the principal executive offices of Merger Sub are located at 313 W. Liberty Street, P.O. Box 3001, Lancaster, Pennsylvania 17604.

ITEM 3. IDENTITY AND BACKGROUND

(a) The name and address of the Company, which is the person filing this Statement, are set forth in Item 1 above.

(b) Except as set forth in this Item 3(b), to the knowledge of the Company, there are no material contracts, agreements, arrangements or understandings and no actual or potential conflicts of interest between the Company or its affiliates and (i) the Company's executive officers, directors or affiliates or (ii) Armstrong or Merger Sub or their respective executive officers, directors or affiliates.

EMPLOYMENT AGREEMENTS; COMPENSATION ARRANGEMENTS

Certain contracts, agreements, arrangements and understandings between the Company and certain of its directors and executive officers are described under the sections entitled "Compensation of Directors" and "Executive Compensation" of the Company's Proxy Statement dated April 2, 1998, relating to the Company's 1998 Annual Meeting of Stockholders held on May 5, 1998 (the "1998 Proxy Statement"). Copies of the relevant pages of such sections of the 1998 Proxy Statement are filed as Exhibit B hereto and are incorporated herein by reference.

George A. Lorch, Chairman and Chief Executive Officer of Armstrong and Frank A. Riddick, Chief Financial Officer of Armstrong, have had discussions with

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Floyd F. Sherman, Chairman of the Board and Chief Executive Officer of the Company, and Joseph McHugh, President of the Company, concerning the roles Messrs. Sherman and McHugh will play following the consummation of the Offer. They have reached an understanding that, following receipt of certain payments due to them upon a voluntary termination following a change of control, Messrs. Sherman and McHugh will remain with the Company, for a one-year period, most likely in their current or similar positions and will not compete with or select employees for a one-year period after their employment. It is anticipated that Mr. Sherman also will become President of Armstrong's wood flooring and cabinet operations. Approximately one year after the transaction, Mr. McHugh expects to retire.

SPECIAL SEVERANCE PROGRAM

Pursuant to the Special Severance Program (the "Severance Program"), certain executive officers and other employees of the Company, but not including those executive officers who have employment agreements with the Company, will receive a lump sum payment (the "Severance Payment") and certain medical, dental and group term life insurance benefits from the Company if they are involuntarily terminated (other than for cause) within one year after a change of control. The Severance Payment equals two weeks' pay for each full and fractional year of an eligible employee's service with the Company, a subsidiary or its successor, as applicable, prior to the employee's termination, subject to a minimum payment of 2 weeks' pay and a maximum payment of 100 weeks' pay, and provided further that the Severance Payment for a Vice President of the Company who is an eligible employee under the Severance Program will equal at least 26 weeks' pay. Medical, dental and group term life insurance benefits will continue for the number of weeks equal to the number of weeks of pay for which the Severance Payment is calculated. A copy of the Severance Program is filed as Exhibit C hereto and is incorporated herein by reference.

EMPLOYEE OPTIONS

Pursuant to the terms of the Company's 1992 Stock Option Plan (the "1992 Option Plan"), 1993 Long-Term Incentive Compensation Plan (as amended, the "Incentive Compensation Plan" and, together with the 1992 Option Plan, the "Employee Plans") and the Company's Non-employee Director Stock Option Plan (as amended, the "Director Option Plan"), certain executive officers, other employees and certain directors of the Company have been granted options to purchase shares of Company Common Stock. The 1992 Option Plan, the Incentive Compensation Plan and the Director Option Plan are filed as Exhibits D, E and F to this Statement, respectively, and are incorporated herein by reference. Pursuant to the Merger Agreement, all outstanding options to purchase Company Common Stock held by all current and former employees and directors of the Company ("Company Stock Options") granted to such employees and directors under the Employee Plans and the Director Option Plan, whether or not then exercisable, shall be made fully vested and exercisable and canceled by the Company immediately before the earlier of (x) the consummation of the Offer or (y) the Effective Time (as defined in the Merger Agreement), and thereafter, the holders' sole right shall be to, and the holders thereof shall, receive from the Company, for each Share subject to such Company Stock Option, an amount in cash equal to the difference between the Offer Price and the exercise price per share of such Company Stock Option, which amount shall be paid by the Company at the time such Company Stock Option is canceled. The Company will use its best efforts to obtain any necessary consents and make any amendments to the terms of the Company Stock Options to the extent such consents or amendments are necessary to give effect to the foregoing. Prior to

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the Effective Time the Employee Plans and the Director Option Plan will be terminated and provisions in any other benefit plan providing for the issuance or grant of any other interest in respect of the Company's capital stock or any subsidiary shall be deleted. In addition, upon consummation of the Offer, Armstrong has agreed to make a loan to the Company, on commercially reasonable terms, in an amount sufficient for the Company to make payments to the holders of the Company Stock Options, or, if such amount cannot be borrowed by the Company for any reason, to contribute such amount to the Company. The following executive officers hold options under the Employee Plans at various exercise prices: Floyd F. Sherman: 266,318 shares; M. Joseph McHugh: 165,118 shares; Robert J. Symon: 88,118 shares; Michael J. Kearins: 99,776 shares; and Charles A. Engle: 88,931 shares; Allen Silver: 55,286 shares; James T. Fidler: 48,398 shares; John W. Esch: 25,000 shares; Dwain Plaster: 67,001; James Price: 87,040 shares; Richard Terhaar: 11,400 shares; Jennifer Wisdom: 10,000 shares; and Paul Barrett: 5,000 shares. In addition, the following directors hold stock options under the Director Option Plan at various exercise prices: Jack L. McDonald: 9,500 shares; B. William Bonnivier: 9,500 shares; David R. Henkel: 9,500 shares; Charles M. Hansen: 9,500 shares; Karen Gordon Mills: 9,500 shares; and Carson R. Mckissick: 9,500.

DIRECTORS' AND OFFICERS' INDEMNIFICATION

Section 145 of Delaware General Corporation Law (the "DGCL") authorizes a court to award, or a corporation's board of directors to grant, indemnity to directors and officers in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities (including reimbursement for expenses incurred) arising under the Securities Act of 1933, as amended (the "Act").

In accordance with Delaware Law, Article Sixth of the Restated Certificate of Incorporation of the Company eliminates the personal liability of a director of the Company for monetary damages for breaches of fiduciary duty as a director. A copy of such Article Sixth is filed as Exhibit G to this Statement and is incorporated herein by reference. Subject to certain limitations, Article VII of the Amended and Restated Bylaws of the Company also provides for indemnification of officers and directors of the Company. A copy of such Article VII is filed as Exhibit H to this Statement and is incorporated herein by reference. In addition, the Company has entered into indemnification agreements with certain of its officers and directors by which the Company provides such persons with the maximum indemnification allowed under applicable law. These agreements also resolve certain procedural and substantive matters which are not covered, or are covered in less detail, in the Company's Restated Certificate of Incorporation and Amended and Restated Bylaws. A copy of the form of such indemnification agreement is filed as Exhibit I to this Statement and is incorporated herein by reference.

ARRANGEMENTS WITH ARMSTRONG, MERGER SUB OR THEIR AFFILIATES

The Merger Agreement

The following is a summary of certain provisions of the Merger Agreement. Such summary is qualified in its entirety by reference to the Merger Agreement. Capitalized terms not otherwise defined in the following summary have the respective meanings ascribed to them in the Merger Agreement.

The Offer. The Merger Agreement provides that the Purchaser will commence the Offer and that, upon the terms and subject to the prior satisfaction or waiver of certain conditions to the Offer (the "Offer Conditions") (which are

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set forth below under "Certain Conditions of the Offer"), the Purchaser will purchase all Shares validly tendered pursuant to the Offer. The Merger Agreement provides that the Purchaser may modify and extend the terms of the Offer. Subject to the terms and conditions of the Offer, the Purchaser shall pay, as soon as reasonably practicable after it is permitted to do so under applicable law, for all Shares validly tendered and not withdrawn.

The Merger. The Merger Agreement provides that, subject to the terms and conditions thereof, and in accordance with Delaware law, the Purchaser will be merged with and into the Company as soon as practicable after satisfaction or waiver of the conditions set forth in the Merger Agreement (the "Effective Time"), with the Company continuing as the Surviving Corporation in the Merger. In the Merger, each issued and outstanding Share (other than Shares owned directly or indirectly by the Parent, Purchaser or any of their subsidiaries or by the Company as treasury stock and Shares the holder of which has perfected appraisal rights under the DGCL) will be converted into the right to receive $55.50 per Share, without interest.

The Merger Agreement provides that the certificate of incorporation and bylaws of the Company at the Effective Time will be the certificate of incorporation and bylaws of the Surviving Corporation until thereafter amended as provided by law. The Merger Agreement provides that the directors of the Purchaser at the Effective Time will be the directors of the Surviving Corporation, and the officers of the Company at the Effective Time will be the officers of the Surviving Corporation.

The Company's Board of Directors. The Merger Agreement provides that, commencing upon the purchase of Shares pursuant to the Offer, and from time to time thereafter, Parent will be entitled to designate such number of directors, rounded up to the next whole number, on the Board of Directors of the Company as is equal to the product of (i) the total number of directors on the Board (giving effect to any directors elected as described in this sentence) and (ii) the percentage that (A) the aggregate number of shares of Common Stock beneficially

owned by Purchaser or any of its affiliates (including Shares accepted for payment in the Offer, provided funds therefor have been deposited with the Depositary) is to (B) the total number of Shares then outstanding. The Company has agreed to take any and all actions within the Company's power necessary to cause the Purchaser's designees to be appointed to the Company's Board of Directors (including by increasing the size of such Board using its best efforts to cause incumbent directors to resign). The Company also has agreed to use its best efforts to cause persons designated by the Purchaser to constitute the same percentage of each committee of the Board of Directors of the Company, each board of directors of each subsidiary of the Company and each committee of each such board as such persons represent on the Board of Directors of the Company. In the Merger Agreement, the Company has agreed to mail to the Company's stockholders an Information Statement containing the information required by Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder, and, if
necessary, seeking the resignation of one or more existing directors. However, the Merger Agreement further provides that until the Effective Time, the Company will retain as members of its Board of Directors at least two directors who are directors of the Company at the date of the Merger Agreement ("Company Designees"). The Merger Agreement also provides that following the time that the Purchaser's designees to the Company's Board of Directors constitute a majority of the Board, any amendment of the Merger Agreement, any termination of the Merger Agreement by the Company, any extension of time for

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performance of any of the obligations of the Purchaser or Parent under the Merger Agreement, any waiver of any condition to the obligations of the Company or of any of the Company's rights under the Merger Agreement or other action by the Company under the Merger Agreement may be effected only by the action of a majority of the Company Designees, provided that if there shall be no such Company Designees, such actions may be effected by unanimous vote of the entire Board of Directors.

Company Stock Options. Pursuant to the Merger Agreement, all outstanding options held by all current and former employees and directors of the Company to purchase Common Stock (the "Company Stock Options") granted under any employee stock option or compensation plan or arrangement of the Company (the "Company Stock Plans"), whether or not then exercisable, will be made fully vested and exercisable and cancelled by the Company immediately before the earlier of (i) the consummation of the Offer or (ii) the Effective Time, and thereafter, each holder's sole right shall be to, and each holder will, be paid by the Company for each Share subject to such Company Stock Option an amount in cash (subject to any applicable withholding taxes) equal to the difference between the Offer Price and the exercise price per share of such Company Stock Option, which amount shall be paid by the Company at the time such Company Stock Option is cancelled. The Company will use its best efforts to obtain any necessary consents and make any amendments to the terms of the Company Stock Plans to the extent such consents or amendments are necessary to give effect to the foregoing. Prior to the Effective Time the Company Stock Plans will be terminated and provisions in any other benefit plan providing for the issuance or grant of any other interest in respect of the Company's capital stock or any subsidiary shall be deleted. In addition, upon consummation of the Offer, Parent has agreed to make a loan to the Company, on commercially reasonable terms, in an amount sufficient for the Company to make payments to the holders of the Company Stock Options, or, if such amount cannot be borrowed by the Company for any reason, to contribute such amount to the Company.

Warrants. Pursuant to the Merger Agreement, all outstanding Warrants of the Company (other than the Bank Warrants (as defined below) which shall be treated as described herein, and Warrants owned by Parent, the Purchaser or any other direct or indirect subsidiary of Parent, which Warrants shall be cancelled and extinguished at the Effective Time, with no payment being made with respect to such Warrants) shall, following the Effective Time, be exercisable only for an amount in cash equal to the product of (i) the number of Shares issuable upon exercise of such Warrant and (ii) the difference between the Offer Price and the per Share exercise price per Warrant, without interest, which amount shall be paid from and after the Effective Time upon surrender to the paying agent for the Offering of the warrant certificates for cancellation. The Company has agreed to take all actions necessary to ensure that following the Effective Time the Warrants shall represent only the right to receive the consideration specified in the preceding sentence, all agreements with respect to the Warrants shall be terminated and cancelled and no party to such Warrant agreements shall have the right to acquire any capital stock of the Company, Parent, the Surviving Corporation or any of their respective subsidiaries. In addition, with

respect to certain rights held by certain banks and other financial institutions (the "Bank Warrants") entitling them to receive an aggregate of not more than 4,858 Shares (upon payment of $.01 per Share) upon the exercise of the Warrants described above, the Company has agreed to use its best efforts to (i) obtain prior to the Effective Time, consents or waivers from each bank and financial institution whereby such institutions agree to

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receive, upon presentment of their Bank Warrants, cash equal to the product of (x) the number of Shares issuable upon exercise of such Bank Warrant and (y) the difference between the Offer Price and the per Share exercise price per Bank Warrant, without interest, (ii) ensure that following the Effective Time (A) the Bank Warrants shall represent only the right to receive cash in an amount equal to the per share Offer Price less $.01 per Share, (B) the agreement with respect to the Bank Warrants is terminated and cancelled and (C) no party to such agreements shall have the right to acquire any capital stock of the Company, Parent, the Surviving Corporation or any of their respective subsidiaries.

Approval Required; Stockholders Meeting. The DGCL requires, among other things, that the adoption of any plan of merger or consolidation of the Company must be approved by the Board of Directors of the Company and, if the "short form" merger procedure described below is not available, by the holders of a majority of the Company's outstanding Shares. The Board of Directors of the Company has approved the Offer, the Merger and the Merger Agreement; consequently, the only additional action of the Company that may be necessary to effect the Merger is approval by such stockholders if the "short-form" merger procedure described below is not available. Under the DGCL, the affirmative vote of holders of a majority of the outstanding Shares (including any Shares owned by the Purchaser), is generally required to approve the Merger. If the Purchaser acquires, through the Offer or otherwise, voting power with respect to at least a majority of the outstanding shares, it would have sufficient voting power to effect the Merger without the vote of any other stockholder of the Company. However, the DGCL also provides that if a parent company owns at least 90% of each class of stock of a subsidiary, the parent company can effect a short-form merger with that subsidiary without the action of the other stockholders of the subsidiary. Accordingly, if, as a result of the Offer or otherwise, the Purchaser acquires or controls the voting power of at least 90% of the outstanding Shares, the Purchaser could (and, under the Merger Agreement, is required to) effect the Merger using the "short-form" merger procedures without prior notice to, or any action by, any other stockholder of the Company.

Pursuant to the Merger Agreement, the Company will, if required by applicable law in order to consummate the Merger, duly call and hold a special meeting of its stockholders (the "Special Meeting") as soon as practicable following the consummation of the Offer, for the purpose of voting upon the Merger and the adoption of the Merger Agreement. The Merger Agreement provides that in connection with the Special Meeting, the Company will (i) as soon as reasonably practicable after the consummation of the Offer, prepare and file with the Commission a proxy statement and other proxy materials relating to the Merger and the Merger Agreement and (ii) use its best efforts to have such proxy statement and any supplement or amendment thereto cleared by the Commission. If the Purchaser acquires at least a majority of the outstanding Shares, the Purchaser will have sufficient voting power to approve the Merger, even if no other stockholder votes in favor of the Merger. The Company has agreed, subject to its fiduciary duties under applicable law, to include in the proxy statement the recommendation of the Board of Directors that stockholders of the Company vote in favor of the approval of the Merger and the adoption of the Merger Agreement.

Interim Operations. The Company has agreed that during the period from the date of the Merger Agreement until the Effective Time (except as expressly permitted by the Merger Agreement or as otherwise indicated, or as required by a governmental entity or agreed to in writing by Parent) the business of the Company and its subsidiaries shall be conducted only in the ordinary course in all material respects, in substantially the same manner as previously conducted and the Company and its subsidiaries will use reasonable efforts to

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preserve intact their present lines of business and keep available the services of their current officers and employees and preserve their relationships with customers, suppliers, licensors, licensees, distributors, and others having business dealings with them. In addition, subject to the exceptions described above, each of the Company and its subsidiaries will not:

(i) (x) declare or pay any dividends on, or make any other distributions (whether in stock, cash or property) in respect of, any of its capital stock, except dividends by a wholly owned direct or indirect subsidiary of the Company to such subsidiary's parent, (y) split, combine or reclassify any of its capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for, shares of its capital stock, except for any such transaction by a wholly owned subsidiary of the Company which remains a wholly owned subsidiary after consummation of such transaction, or (z) repurchase, redeem or otherwise acquire any shares of capital stock or any securities convertible into or exercisable for any shares of its capital stock except to the extent required under the Company's employment agreements;

(ii) issue, deliver, sell, pledge or otherwise encumber any shares of its capital stock or authorize or propose the issuance, delivery, sale, pledge or encumbrance of, any shares of its capital stock of any class, any Company voting debt instruments (collectively, "Company Voting Debt"), or any securities convertible into or exercisable for, or any rights, warrants or options to acquire, any such shares or Company Voting Debt, or enter into any agreement with respect to the foregoing, other than (A) the issuance of Common Stock upon the exercise of stock options of the Company outstanding on the date of the Merger Agreement in accordance with their present terms or upon the exercise of Warrants or (B) issuances by a wholly owned subsidiary of the Company of capital stock to such subsidiary's parent;

(iii) except to the extent required to comply with its obligations under the Merger Agreement, required by law or required by the rules and regulations of the Nasdaq National Market, amend their respective certificates of incorporation, bylaws or other governing documents;

(iv) acquire or agree to acquire by merging or consolidating with, or by purchasing a substantial equity interest in or substantial portion of the assets of, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof or otherwise acquire or agree to acquire any assets (other than the acquisition of assets used in the operations of the business of the Company and its subsidiaries in the ordinary course); provided, however, that the foregoing shall not prohibit (A) internal reorganizations or consolidations involving existing wholly owned subsidiaries of the Company or (B) the creation of new subsidiaries of the Company organized to conduct or continue activities otherwise permitted by the Merger Agreement that in the case of clause (A) or (B) would not otherwise be prohibited by or result in a breach of these provisions. Other than (x) internal reorganizations or consolidations involving existing wholly owned subsidiaries of the Company and (y) as may be required by or in conformance with law or regulation in order to permit or facilitate the transactions contemplated by the Merger Agreement, the Company shall not, and shall not permit any wholly owned subsidiary of the Company to, sell, lease, encumber or otherwise dispose of, or agree to sell, lease, encumber or otherwise dispose of, any of its assets (including capital stock of wholly owned subsidiaries of the Company) which are material, individually or in the aggregate, to the

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Company other than sales of inventory in the ordinary course of business.

(v) (A) create, assume or incur any indebtedness, guarantee or endorse any such indebtedness of another person, issue any debt securities, warrants or other rights to acquire any debt securities of the Company or any of its Subsidiaries, or guarantee any debt securities of another person, other than indebtedness incurred under the Company's existing credit agreement or other indebtedness in an aggregate amount not to exceed $500,000, (B) except in the ordinary course of business consistent with past practice make any loans, advances or capital contributions to, or investments in, any other person, other than by the Company or a wholly owned subsidiary of the Company to or in the Company or any wholly owned subsidiary of the Company or (C) except in the ordinary course of business consistent with past practice pay, discharge or satisfy any claims, liabilities or obligations (absolute, accrued, asserted or unasserted, contingent or otherwise), provided, however, that the Company may refinance indebtedness under its existing credit agreement;

(vi) other than in accordance with the provisions of the Merger Agreement and unless required by law or to maintain the tax qualification of any Company benefit plan, (A) increase any employee benefits

provided to, or, except in the ordinary course of business consistent with past practices, increase the compensation or fringe benefits payable to, any employee or former employee of the Company or any subsidiary of the Company, (B) adopt, enter into, terminate or amend in any material respect any employment contract, collective bargaining agreement or Company benefit plan; (C) pay any benefit not provided for under any Company benefit plan or any other benefit plan or arrangement of the Company and its subsidiaries; or (D) increase in any manner the severance or termination pay of any officer or employee;

(vii) change its methods of accounting in effect as December 31, 1997, except as required by changes in U.S. generally accepted accounting principles as concurred in by the Company's independent auditors;

(viii) enter into any agreement of a nature that would be required to be filed as an exhibit to Form 10-K under the Exchange Act, other than contracts for the sale of the Company's or its subsidiaries' products in the ordinary course of business; or

(ix) knowingly take any actions that would make any representation or warranty of the Company contained in the Merger Agreement untrue or incorrect in any material respect as of the date when made or as of the closing date of the Merger;

(x) authorize any of, or commit to agree to take any of the foregoing actions.

Employee Benefits. Parent has agreed to cause the Surviving Corporation to maintain until December 31, 1999 employee benefit plans or policies (other than those based on shares of Common Stock) for the benefit of the employees of the Company and its subsidiaries (other than those employees who are employed pursuant to a collective bargaining agreement or who are members of a collective bargaining unit or labor union) which are substantially comparable in the aggregate to the employee benefit plans of the Company in effect on the date of the Merger Agreement (other than stock-based plans or stock-based provisions in the plans). The Company's employees shall be given credit, for

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purposes of any service requirements for participation in the Parent employee benefit plans for which they become eligible, if any, for their period of service with the Company prior to the Effective Time. Parent has acknowledged that the transactions contemplated by the Merger Agreement will constitute a change of control under certain employment agreements and accordingly require certain payments thereunder.

No Solicitations. In the Merger Agreement, the Company has agreed that, except as provided below, until the earlier of the termination of the Merger Agreement or the Effective Date, neither the Company nor any of its subsidiaries shall, and that it shall direct and use its reasonable best efforts to cause its and its subsidiaries' directors, officers, employees, agents and representatives (including any investment banker, attorney or accountant retained by it or any of its subsidiaries) not to, directly or indirectly, initiate, solicit, encourage or knowingly facilitate (including by way of furnishing information) any inquiries or the making of any proposal or offer with respect to a merger, reorganization, share exchange, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving, or any purchase or sale of all or a significant portion of the assets of it or any of its subsidiaries or any purchase or sale of more than 25% of the equity securities of the Company or any equity securities of any Significant Subsidiary (as that term is defined in Rule 405 under the Securities Act of 1933, as amended) (any such proposal or offer whether or not in writing or in sufficient detail to be accepted and whether or not conditional (other than a proposal or offer made by Parent or an affiliate thereof) being hereinafter referred to as an "Acquisition Proposal"). In addition, the Company agreed that neither it nor any of its subsidiaries shall, and that it shall direct and use its reasonable best efforts to cause its and its subsidiaries' directors, officers, employees, agents and representatives (including any investment banker, attorney or accountant retained by it or any of its subsidiaries) not to, directly or indirectly, have any discussion with or provide any confidential information or data to any person relating to an Acquisition Proposal, or engage in any negotiations concerning an Acquisition Proposal, or knowingly facilitate any effort or attempt to make or implement an Acquisition Proposal or accept an Acquisition Proposal. Notwithstanding the foregoing, the Company or its Board of Directors is permitted to, at any time prior to the acceptance for payment of the Shares pursuant to the Offer, (i) engage in discussions or negotiations with, or provide information to, any person in response to an unsolicited Acquisition Proposal by such person if (A) the Board of Directors of the Company concludes in good faith that such Acquisition Proposal constitutes or could reasonably be expected to lead to a

Superior Proposal (as defined below) and (B), before providing any information to such person, the Board of Directors receives from such person an executed confidentiality agreement; and (ii) if the Board of Directors concludes in good faith that such unsolicited Acquisition Proposal constitutes a Superior Proposal (x) recommend approval of such Superior Proposal, (y) in response to such Superior Proposal, withdraw or modify in an adverse manner the approval of the Company's Board of Directors, or (z) enter into an agreement in principle or a definitive agreement with respect to such Superior Proposal, provided, however, that, in the case of either (i) or (ii) the Board of Directors of the Company determines in good faith after consultation with outside counsel that it should take such action consistent with its fiduciary duties under applicable law. The Company has agreed to (i) notify Parent promptly after receipt of any Acquisition Proposal (or any indication that any person is considering making an Acquisition Proposal) or any decision to provide non-public information relating to the Company or any of its

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subsidiaries to any person that may be considering making, or has made, an Acquisition Proposal, including a description of the material terms thereof. For the purposes hereof, a "Superior Proposal" means a bona fide unsolicited Acquisition Proposal which the Company's Board of Directors concludes in good faith (after consultation with its financial advisors and legal counsel), taking into account all legal, financial, regulatory and other aspects of the proposal and the person making the proposal, provides for a transaction that, taking into account its likelihood of completion, is more favorable to the Company's stockholders (in their capacity as stockholders), than the transactions contemplated by the Merger Agreement.

Directors' and Officers' Insurance; Indemnification. The Merger Agreement provides that until the expiration of all applicable statutes of limitations, from and after the consummation of the Offer, the Company shall and Parent shall cause the Company to, and from and after the Effective Time, Parent and Surviving Corporation (each, an "Indemnifying Party") shall indemnify, defend and hold harmless the present and former officers and directors of the Company and its subsidiaries ("Indemnified Parties") against all losses, claims, damages, liabilities, fees, penalties and expenses (including reasonable fees and disbursements of counsel and judgments, fines, losses, claims, liabilities and amounts paid in settlement arising out of actions or omissions occurring at or before the consummation of the Offer) (including losses incurred in connection with such person's serving as a trustee or other fiduciary in any entity if such service was at the request or for the benefit of the Company or any of its subsidiaries), to the fullest extent permitted by Delaware law, such right to include the right to advancement of expenses incurred in the defense of any action or suit promptly after statements therefor are received to the fullest extent permitted by law; provided that the Indemnified Party to whom expenses are advanced provides an undertaking to repay such advance if it is ultimately determined that such party is not entitled to indemnification. Notwithstanding the foregoing, an Indemnifying Party shall not be liable for any settlement of any claim effected without such Indemnifying Party's written consent, which consent shall not be unreasonably withheld.

The Merger Agreement also provides that the Surviving Corporation shall until the sixth anniversary of the Effective Time, cause to be maintained in effect, to the extent available, the policies of directors' and officers' liability insurance maintained by the Company and its subsidiaries as of the date of the Merger Agreement (or policies of at least the same coverage and amounts containing terms that are no less favorable to the insured parties), in each case including for claims arising from facts or events that occurred at or before the consummation of the Offer. In addition, the Merger Agreement provides that the provisions relating to indemnification contained in the Company's certificate of incorporation and bylaws (and following the Effective Time, the Surviving Corporation) will not for a period of ten years following the Effective Time, be amended, repealed or otherwise modified in any manner that would adversely affect the rights thereunder of individuals who on or before the consummation of the Offer were entitled to advances, indemnification or exculpation thereunder.

Conditions to the Merger. The Merger Agreement provides that the respective obligations of the Company, Parent and the Purchaser to consummate the Merger are subject to the satisfaction or waiver of the following conditions: (i) no laws shall have been adopted or promulgated, and no temporary restraining order, preliminary or permanent injunction or other order issued by a court or governmental entity of competent jurisdiction shall be in effect, having the effect of making the Merger illegal or otherwise prohibiting

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consummation of the Merger; (ii) any applicable waiting period (and any extension thereof) under the HSR Act relating to the Merger shall have expired or been terminated; (iii) Parent, the Purchaser or their affiliates shall have purchased Shares pursuant to the Offer; and (iv) the Merger Agreement having been adopted by the requisite vote of the stockholders of the Company, if required by applicable law, in order to consummate the Merger. In addition, the obligations of (A) Parent and the Purchaser to consummate the Merger are subject to the satisfaction or waiver of the following additional conditions: (x) each of the representations and warranties of the Company contained in the Merger Agreement being true and correct on the closing date of the Merger; and (y) performance or compliance in all material respects with all agreements and covenants required to be performed by the Company under the Merger Agreement at or before the closing of the Merger and (B) the Company to consummate the Merger are subject to the satisfaction or waiver of the following additional conditions: (1) each of the representations and warranties of Parent and the Purchaser contained in the Merger Agreement being true and correct on the closing date of the Merger and (2) performance or compliance in all material respects with all agreements and covenants required to be performed by Parent and the Purchaser under the Merger Agreement at or before the closing of the Merger.

Representations and Warranties. In the Merger Agreement, the Company has made customary representations and warranties to Parent and the Purchaser with respect to, among other things, its organization, capitalization, financial statements, public filings, conduct of business, compliance with laws, litigation, title to property, non-contravention, consents and approvals, opinions of financial advisors, undisclosed liabilities and the absence of certain changes with respect to the Company since January 2, 1998.

Termination; Fees. The Merger Agreement may be terminated at any time prior to the Effective Time, whether before or after approval by the stockholders of the Company: (i) by the mutual written consent of the Company and Parent, by action of their respective boards of directors; (ii) by either of the Company, on the one hand, or Parent and Merger Sub, on the other hand (A) if Shares shall not have been purchased pursuant to the Offer on or before the Extension Date, (B) if any governmental entity shall have issued an order, decree or ruling or taken any other action (which order, decree, ruling or other action the parties shall use their respective reasonable best efforts to lift), in each case permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by the Merger Agreement, and such order, decree, ruling or other action shall have become final and nonappealable, (C) if, due to the failure of one of the Offer Conditions (other than the condition set forth in paragraph (g) of "Certain Conditions of the Offer" below) to occur, Parent, the Purchaser or any of their affiliates shall have failed to commence the Offer on or before five business days following the date of the initial public announcement of the Offer or (D) if, due to a failure of any of the Offer Conditions, the Offer is terminated or expires in accordance with its terms and the terms of the Merger Agreement without Parent or Merger Sub, as the case may be, purchasing any Shares thereunder; (iii) by the Company (A) if, before the purchase of Shares pursuant to the Offer, the Board of Directors either shall (x) have entered into an agreement with respect to a Superior Proposal, (y) have recommended a Superior Proposal or (z) have withdrawn or modified in an adverse manner to Parent or the Purchaser its approval or recommendation of the Offer, this Agreement or the Merger (or the Board of Directors resolves to do any of the foregoing) or (B) if Parent or the Purchaser shall have terminated the Offer, or the Offer shall have expired in accordance with its terms and the terms of the Merger Agreement without Parent or the Purchaser, as the case may be, purchasing any Shares pursuant thereto; (iv) by Parent and the Purchaser if, before the purchase of Shares

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pursuant to the Offer, the Board of Directors of the Company shall (A) have recommended an Acquisition Proposal, (B) have withdrawn or modified in a manner adverse to Parent or Merger Sub its approval or recommendation of the Offer, the Merger Agreement or the Merger or (C) have executed an agreement in principle or definitive agreement relating to an Acquisition Proposal or similar business combination with a person other than Parent, the Purchaser or their affiliates (or the Board of Directors of the Company resolves to do any of the foregoing).

In the event that (i) the Company terminates the Merger Agreement pursuant to clause (iii)(A) of the previous paragraph, or if Parent terminates the Merger Agreement pursuant to clause (iv) of the previous paragraph or (ii) the Merger Agreement is terminated for any other reason (other than the breach of this Agreement by Parent or the Purchaser and other than by mutual agreement of the parties thereto) and, in the

case of this clause (ii) only, (A) at the time of such termination there was pending an Acquisition Proposal from a third party and (B) the transactions contemplated by such Acquisition Proposal with such third party are consummated with such third party within one year after such termination, then the Company shall pay to Parent a termination fee in an amount equal to $28 million.

Credit Agreement. In connection with the Credit Agreement, the Company has agreed to use its best efforts to obtain all necessary waivers and consents prior to the consummation of the Offer so that the transactions contemplated by the Merger Agreement will not result in or constitute a default under the Credit Agreement. In the event that (i) such waivers and consents are not obtained; (ii) the transactions contemplated by the Merger Agreement result in a default under the Credit Agreement and the lenders thereunder accelerate the payment of outstanding indebtedness thereunder; and (iii) the Company, after using its best efforts, is unable to refinance or repay such indebtedness, then, Parent has agreed following the consummation of the Offer, to make a loan to the Company in an amount sufficient for the Company to repay the outstanding indebtedness
under the Credit Agreement and any other obligations under the Credit Agreement, or, if such amount cannot be borrowed by the Company for any reason, to contribute such amount to the Company.

Fees and Expenses. The Merger Agreement provides that, except as provided above under "Termination; Fees", all expenses incurred in connection with the Merger Agreement and the transactions contemplated thereby will be paid by the party incurring such expenses, except (i) if the Merger is consummated, the Surviving Corporation shall pay, or cause to be paid, any and all property or transfer taxes imposed on the Company or its subsidiaries; (ii) expenses incurred in connection with the filing, printing and mailing of the Offer materials, the Schedule 14D-9 and, if required, the Proxy Statement, which shall be shared equally by Parent and the Company; and (iii) amounts loaned or contributed by Parent to the Company as described herein, shall be repaid by the Company or the Surviving Corporation, as the case may be, on commercially reasonable terms.

Stock Tender Agreement. The following is a summary of the material terms of the Stock Tender Agreement. This summary is qualified in its entirety by reference to the Stock Tender Agreement which is incorporated herein by reference, a copy of which has been filed with the Commission as an exhibit to the Schedule 14D-1. The Stock Tender Agreement may be examined and copies may be obtained at the place and in the manner as set forth in Section 8 of the

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Offer to Purchase.

After the execution of the Merger Agreement, the Purchaser, Parent and the Stock Tender Parties entered into the Stock Tender Agreement. Pursuant to such Agreement, so long as the Company, Parent or the Purchaser has not terminated the Merger Agreement, the Stock Tender Parties have agreed to validly tender (and not thereafter withdraw) the Shares owned by them pursuant to and in accordance with the terms of the Offer. As of June 9, 1998, the Stock Tender Parties owned a total of 5,909,184 Shares, representing approximately 35% of the outstanding Shares calculated on a fully diluted basis.

In connection with the Stock Tender Agreement, the Stock Tender Parties have made certain customary representations, warranties and covenants, including with respect to (i) ownership of the Shares, (ii) the Stock Tender Parties' authority to enter into and perform their respective obligations under the Stock Tender Agreement, (iii) the ability of the Stock Tender Parties to enter into the Stock Tender Agreement without violating other agreements to which they are party, (iv) the absence of liens and encumbrances on and in respect of the Stock Tender Parties' Shares and (v) restrictions on the transfer of the Stock Tender Parties' Shares.

Certain Conditions of the Offer. Notwithstanding any other provisions of the Offer, and in addition to (and not in limitation of) the Purchaser's rights pursuant to the Merger Agreement to extend and amend the Offer at any time, in its sole discretion, the Purchaser shall not be required to accept for payment or, subject to any applicable rules and regulations of the Commission, including Rule 14e-1(c) under the Exchange Act (relating to the Purchaser's obligation to pay for or return tendered Shares promptly after termination or withdrawal of the Offer), pay for, and may delay the acceptance for payment of or, subject to the restriction referred to above, the payment for, any tendered Shares, and may terminate the Offer, if, in the sole judgment of the Purchaser (i) any

applicable waiting period under the HSR Act has not expired or been terminated, (ii) the Minimum Condition (as defined in the Merger Agreement) has not been satisfied or (iii) at any time on or after the date of this Offer to Purchase and before the time of acceptance of Shares for payment pursuant to the Offer, any of the following events shall occur:

(a) there shall have been any statute, rule, regulation, judgment, decision, action, order or injunction promulgated, entered, enforced, enacted or issued applicable to the Offer or the Merger by any federal or state governmental regulatory or administrative agency or authority or court or legislative body or commission that (1) prohibits the consummation of the Offer or the Merger, (2) prohibits Parent's or the Purchaser's ownership or operation of all or a majority of the Company's businesses or assets, or imposes any material limitations on Parent's or the Purchaser's ownership or operation of all or a majority of the Company's businesses or assets or would have a material adverse effect on the Company and its subsidiaries taken as a whole or (3) imposes material limitations on the ability of Parent or Merger Sub to acquire or hold, or exercise full rights of ownership of, any Shares to be accepted for payment pursuant to the Offer including, without limitation, the right to vote such Shares on all matters properly presented to the stockholders of the Company or any federal or state governmental regulatory or administrative agency or authority shall have commenced or threatened to commence litigation or another proceeding intended to achieve the results set forth in clauses (1) through (3) above; provided, that the parties shall have used their

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reasonable best efforts to cause any such statute, rule, regulation, judgment, order or injunction to be vacated or lifted;

(b) (1) the representations and warranties of the Company set forth in the Merger Agreement shall not be true and accurate as of the date of the Merger Agreement and at the scheduled or extended expiration of the Offer (except for those representations and warranties that address matters only as of a particular date or only with respect to a specified period of time which need only be true and accurate as of such date or with respect to such time period), except where the failure of such representations or warranties to be true and accurate, individually or in the aggregate, does not have a material adverse effect on the Company and its subsidiaries taken as a whole or (2) the Company shall have breached or failed to perform or comply in any material respect with any covenant required by the Merger Agreement to be performed or complied with by it;

(c) the Merger Agreement shall have been terminated in accordance with its terms;

(d) it shall have been publicly disclosed that any person, entity or "group" (as defined in Section 13(d)(3) of the Exchange Act) shall have acquired beneficial ownership (as determined pursuant to Rule 13d-3 promulgated under the Exchange Act) of more than a majority of the then-outstanding Shares, through the acquisition of stock, the formation of a group or otherwise;

(e) the Board of Directors of the Company (or any committee thereof) shall have withdrawn or modified in a manner adverse to Parent or Merger Sub its approval or recommendation of the Offer or the Merger or the adoption of the Merger Agreement or recommended an Acquisition Proposal other than the one contemplated by the Merger Agreement, or shall have executed an agreement in principle or a definitive agreement relating to such an Acquisition Proposal or similar business combination with a person or entity other than Parent, the Purchaser or their affiliates, or the Board of Directors of the Company shall have adopted a resolution to do the foregoing;

(f) there shall have occurred and be continuing (1) any general suspension of trading of securities on any national securities exchange or in the over-the-counter market, (2) the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States (whether or not mandatory) or (3) any limitation (whether or not mandatory) by a United States governmental authority or agency on the extension of credit by banks or other financial institutions which in the reasonable judgment of Parent or the Purchaser, in any such case, makes it inadvisable to proceed with the Offer or with such acceptance for payment or payments;

(g) all consents, registrations, approvals, permits, authorizations, notices, reports or other filings required to be obtained or made by the Company, Parent or the Purchaser with or from any governmental

entity in connection with the execution, delivery and performance of the Merger Agreement, the Offer and the consummation of the transactions contemplated by the Merger Agreement shall not have been made or obtained and such failure is reasonably likely to have a material adverse effect on the Company and its subsidiaries taken as a whole or; or

(h) any change shall have occurred since the date of the Merger Agreement

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that individually or in the aggregate constitutes a material adverse effect on the Company and its subsidiaries taken as a whole.

The Merger Agreement provides that the foregoing conditions are for the sole benefit of the Purchaser and Parent and may be asserted by Parent and the Purchaser, in their sole discretion, regardless of the circumstances (including any action or omission by Parent or the Purchaser) giving rise to any such conditions and (except for the Minimum Condition, which may be waived only with the consent of the Company) may be waived by Parent or the Purchaser, in their sole discretion, in whole or in part, at any time and from time to time, subject to the terms of the Merger Agreement. The failure by the Parent or the Purchaser at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time. Any determination by the Purchaser concerning any condition or event described herein under "Certain Conditions of the Offer" shall be final and binding upon all parties.

ITEM 4. THE SOLICITATION OR RECOMMENDATION

(a) RECOMMENDATION OF THE BOARD OF DIRECTORS

The Board of Directors of the Company (with one director absent) has unanimously approved the Merger Agreement and the transactions contemplated thereby and determined that the Offer and the Merger, taken together, are fair to and in the best interests of the Company and its stockholders. THE BOARD OF DIRECTORS (WITH ONE DIRECTOR ABSENT) UNANIMOUSLY RESOLVED TO RECOMMEND THE ACCEPTANCE OF THE OFFER AND APPROVAL AND ADOPTION OF THE MERGER AGREEMENT AND THE MERGER BY THE STOCKHOLDERS OF THE COMPANY. THIS RECOMMENDATION IS BASED IN PART UPON A JUNE 12, 1998 OPINION OF SALOMON BROTHERS INC AND SMITH BARNEY INC., COLLECTIVELY DOING BUSINESS AS SALOMON SMITH BARNEY ("SALOMON SMITH BARNEY") THAT AS OF SUCH DATE AND BASED UPON AND SUBJECT TO CERTAIN MATTERS STATED IN SUCH OPINION, THE CONSIDERATION TO BE RECEIVED BY THE COMPANY'S STOCKHOLDERS IN THE OFFER AND THE MERGER WAS FAIR TO THE STOCKHOLDERS FROM A FINANCIAL POINT OF VIEW (THE "FAIRNESS OPINION"). THE FAIRNESS OPINION CONTAINS A DESCRIPTION OF THE FACTORS CONSIDERED, THE ASSUMPTIONS MADE, AND THE QUALIFICATIONS AND LIMITATIONS ON OF THE REVIEW UNDERTAKEN BY SALOMON SMITH BARNEY IN RENDERING ITS OPINION. THE FULL TEXT OF THE FAIRNESS OPINION IS ATTACHED HERETO AS EXHIBIT K TO THIS STATEMENT AND IS INCORPORATED HEREIN BY REFERENCE. STOCKHOLDERS ARE URGED TO READ THE FAIRNESS OPINION IN ITS ENTIRETY.

A letter to the Company's stockholders communicating the Board's recommendation and a press release announcing the execution of the Merger Agreement are filed herewith as Exhibits L and M, respectively, and are incorporated herein by reference.

(b) BACKGROUND; REASONS FOR THE RECOMMENDATION OF THE COMPANY'S BOARD OF DIRECTORS

Background.

In January 1997, Floyd F. Sherman, the Company's Chairman and Chief Executive Officer was contacted by George A. Lorch, Armstrong's Chairman and Chief Executive Officer and met with him to discuss the possibility of a business combination.

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On March 20, 1997, Mr. Sherman, M. Joseph McHugh (the Company's President and Chief Operating Officer) and Robert Symon (the Company's Chief Financial Officer at that time) met with Mr. Lorch, Frank A. Riddick, Armstrong's Senior Vice President and Chief Financial Officer and Robert J. Shannon, President of Armstrong's Worldwide Floor Products Operations. Mr. Sherman stated that if Armstrong wanted to make an offer, the Board of the Company would consider it.

The Company received a letter dated March 26, 1997, from Mr. Lorch to Mr. Sherman, submitting a preliminary non-binding proposal with respect to the acquisition of all of the common stock of the Company at a price of $32.00 per share through an all cash tender offer that would not be contingent upon financing.

By letter dated April 7, 1997 from Mr. Sherman to Mr. Lorch, Mr. Sherman advised that Armstrong's unsolicited proposal was discussed with the directors of the Company, that the Company was not for sale at that time and that the Board had no interest in pursuing Armstrong's proposal.

At its board meeting on February 18, 1998, there was a discussion about the Company's status and prospects. In the course of that discussion, directors noted the Company's success in increasing revenues, cash flow and income, the fact that the Company operated in a cyclical business environment, and the low volumes in which the Company's stock traded--in part because of large institutional holdings. The directors explored whether it was an appropriate time to seek alternatives for maximizing shareholder value. After considerable discussion about the prospects for the Company remaining independent and the types of potential acquisition transactions that might be available, the Board adopted a resolution instructing management to initiate discussions with investment banking firms with a view to retaining an investment banker to conduct a market test to determine what price could be available if the Company were willing to be sold.

As a result of that resolution, management retained Salomon Smith Barney. In late February and early March, Salomon Smith Barney prepared a confidential memorandum and, in discussions with management, prepared and refined a list of 13 potential acquirors that Salomon Smith Barney and management believed were the parties most likely to have an interest in the Company. Included were six financial buyers and seven strategic or industry buyers, including Armstrong.

In late March or early April of 1998, a representative from Salomon Smith Barney called Armstrong to say that the Company would likely be put up for sale through an auction process and that an invitation to participate would be forthcoming.

During March and April, Salomon Smith Barney and the Company negotiated confidentiality agreements with the prospective buyers, including Armstrong (which executed a confidentiality agreement on April 6, attached hereto as Exhibit J), prepared management presentations, agreed on procedures for seeking initial indications of interest and began preparation of a data room. By letter dated April 6, 1998, a representative of Salomon Smith Barney invited Armstrong to participate in a bidding process and to submit a preliminary indication of interest relating to the acquisition of the Company. At that time Armstrong received general information on the Company. On April 24, five potential buyers, including Armstrong, submitted initial, non-binding indications of interest, only three of which were in writing.

On May 5, the Board met to discuss the results of the procedures undertaken thus far. In addition to the directors and various officers of the Company. Representatives of Salomon Smith Barney and counsel to the corporation were

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present. The Company's outside counsel explained to the Board its fiduciary duties when considering a sale of the Company. Representatives of Salomon Smith Barney described the process that had been undertaken thus far and went on to describe the indications of interest that had been received. In addition, Salomon Smith Barney made an extensive preliminary presentation as to valuation, explaining the different methods of valuation and the ranges of value that could be derived from each. There followed a discussion of the options facing the Board, the price levels at which various directors might regard a sale of the Company as

attractive and the benefits and risks of continuing to operate independently. Ultimately it was the sense of the directors that Salomon Smith Barney should continue with the process but only after sending a strong signal that, at the levels of interest expressed, the Company was not for sale.

Thereafter, Salomon Smith Barney notified Armstrong by telephone that Armstrong would be included as one of the bidders in the auction process and invited Armstrong to conduct due diligence.

In mid-May, management made presentations to buyer groups and the buyer groups visited the data room. Further due diligence was conducted with accountants, bankers and lawyers of the parties. Over the same time period, a draft of a merger agreement, as well as final bid instructions, were distributed to the potential buyers. The instructions stated that the final bids were due by June 5, 1998.

Armstrong submitted a bid on June 5, 1998, together with a comprehensive mark-up of the draft agreement. Another bidder indicated at that point that it was still working on preparing a structure and financing package. There were no other bids or continuing expressions of interest.

On June 8, 1998, Salomon Smith Barney notified Armstrong and J.P. Morgan and Co. Incorporated, Armstrong's financial advisor, that Armstrong would be given an opportunity to conduct plant tours and to meet with counsel to the Company to discuss the Merger Agreement.

On June 9, 1998 meetings among representatives to the Company, Armstrong and Sapling were held during which negotiations on the Merger Agreement were conducted and additional legal and financial due diligence regarding the Company was conducted by Armstrong. Negotiations with respect to the Merger Agreement addressed, among other things, the circumstances under which the termination fee would be payable, the amount of the termination fee, provisions imposing restrictions on the Company's ability to enter into a competing transaction, representations and warranties and the conditions to the Offer. On June 9 and June 10, members of Armstrong's due diligence team conducted additional due diligence at several of the Company's plants.

Armstrong and the other bidder were advised that the Board of Directors of the Company would analyze various offers submitted by bidders with respect to the Company on June 10, 1998. At Armstrong's request on the morning of June 10, Armstrong had discussions with Messrs. Sherman and McHugh and reached a general understanding regarding their respective roles with the Company following consummation of the Merger.

On June 10, 1998, the Board held a meeting at which Salomon Smith Barney made a presentation analyzing the offer from Armstrong and the continuing oral indication of interest from another bidder. The Salomon Smith Barney representatives noted that the other potential bidder's communications never

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included a firm structure or price, and that any proposal from that bidder would likely be contingent on financing. In addition, they stated that, based on their communications with representatives of the other party, the value of the consideration (which would not be all cash) that the other potential bidder had in mind would be below the Armstrong bid. Armstrong, in contrast, was prepared to launch an all-cash tender offer for all the shares with no financing contingency. Salomon Smith Barney provided a detailed analysis of the value of the Company and submitted information about Armstrong's financial resources.

The Board carefully considered the advantages of selling the Company as well as the competitive situation surrounding the Armstrong offer. Ultimately, the Board instructed Salomon Smith Barney to make a final effort to improve the price and reduce the break up fee in the Armstrong offer. The June 10 meeting was adjourned to June 12. On June 11, the Armstrong bid was increased to $55.50 per share, Armstrong agreed to reduce the breakup fee to $28 million and lawyers for the Company and Armstrong reached consensus on the fundamental terms of the merger agreement.

At the meeting on June 12 the Board again received a briefing on the status of negotiations with Armstrong. At that meeting, Salomon Smith Barney continued its analysis of the value of the Company and delivered its opinion that, as of such date and based upon and subject to certain matters stated in such opinion, the offer price

and merger consideration of $55.50 per share was fair to the Company's shareholders from a financial point of view. Salomon Smith Barney again discussed the other potential bidder and reiterated that any offer it would make would likely be contingent on financing, would not involve prompt delivery of consideration and would be at a value lower than the revised Armstrong bid. Thereafter the Board formally resolved to (i) execute the Merger Agreement, (ii) recommend that the shareholders tender their shares and approve the Merger and (iii) authorize all actions necessary to proceed with the transaction with Armstrong. Later that evening the Company and Armstrong executed the Merger Agreement. The following day the Company and Armstrong issued press releases announcing the execution of the Merger Agreement.

Reasons for the Recommendation of the Company's Board of Directors

In light of the Board of Directors' review of the Company's competitive and financial position, recent operating results and prospects, the Board determined that the Offer and the Merger, taken together, are fair to, and in the best interests of, the Company and its stockholders. In making such recommendation and in approving the Merger Agreement and the transactions contemplated thereby, the Board considered a number of factors, including, but not limited to, the following:

(1) the terms and conditions of the Merger Agreement, including the parties' representations, warranties and covenants, the conditions to their respective obligations, the limited ability of Armstrong and Merger Sub to terminate the Offer or the Merger Agreement and the provision for payment of all cash with no financing condition;

(2) the financial condition, results of operations, cash flows and prospects of the Company;

(3) the prospects of the Company if the Company were to remain independent and the risks inherent in remaining independent, including the

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fact that the Company is in a cyclical business and in a business that is consolidating;

(4) the extensive arms-length negotiations between the Company and Armstrong that resulted in the $55.50 per Share price;

(5) the history of the Company's discussions with other parties, including, without limitation, (i) the opportunity provided to other parties to submit proposals to the Company and (ii) the fact that the only other indication of interest was far more conditional, had greater uncertainty and appeared likely to deliver a lower value than the agreement with Armstrong;

(6) that the agreement with Armstrong provides for a prompt cash tender offer for all Shares to be followed by a merger for the same consideration, thereby enabling the Company's stockholders to obtain the benefits of the transaction in exchange for their Shares at the earliest possible time;

(7) the current status of the industries in which the Company competes;

(8) the recent trading price and volume of the Shares and the fact that the $55.50 per Share to be paid in the Offer and as the consideration in the Merger represents a premium of approximately 26.86% over the closing sale price of the Shares on the NASDAQ on June 12, 1998;

(9) that, in view of the efforts of the Company and Salomon Smith Barney to find potential acquirors, as well as the notice to each potential bidder of the need to make their best proposal by June 5, 1998, it was highly unlikely that an unconditional superior offer would be made;

(10) the financial presentations of Salomon Smith Barney and the opinion of Salomon Smith Barney delivered to the Board to the effect that, as of the date of such opinion and based upon and subject to certain matters stated in such opinion, the cash consideration of $55.50 per Share to be received by holders of Shares in the Offer and the Merger was fair, from a financial point of view, to such holders;

(11) the fact that the Merger Agreement permits the Board, in the exercise of its fiduciary duties, to furnish information and data, and enter into discussions and negotiations, in connection with an unsolicited acquisition proposal and recommend an unsolicited acquisition proposal to the Company's stockholders;

(12) the fact that the Merger Agreement permits the Company Board, in the exercise of its fiduciary duties, to terminate the Merger Agreement in favor of a superior proposal; upon such termination, the Company must pay Armstrong a fee of $28 million (representing approximately 2.45% of the transaction value and 3% of the total value of the consideration to be paid to stockholders and option holders under the agreement with Armstrong); and

(13) the business reputation of Armstrong and its management, and Armstrong's financial strength, including its ability to finance the Offer.

The Company's Board of Directors did not assign relative weights to the above factors or determine that any factor was of particular importance. Rather, the Board viewed its position and recommendations as being based on the totality of the information presented to and considered by it. In addition, it is possible that different members of the Board assigned

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different weights to the factors.

The Company's Board of Directors recognized that, while the consummation of the Offer gives the Company's stockholders the opportunity to realize a significant premium over the price at which the Shares were traded before the public announcement of the Offer, tendering in the Offer would eliminate the opportunity for stockholders to participate in the future growth and profits of the Company. The Board believes that the loss of the opportunity to participate in the growth and profits of the Surviving Corporation was reflected in the Offer Price of $55.50 per Share. The Board also recognized that there can be no assurance as to the level of growth or profits to be attained by the Surviving Corporation in the future.

It is expected that, if the Shares are not purchased by Merger Sub in accordance with the terms of the Offer or if the Merger is not consummated, the Company's current management, under the general direction of the Board of Directors, will continue to manage the Company as an ongoing business.

ITEM 5. PERSONS RETAINED, EMPLOYED OR TO BE COMPENSATED

The Company entered into a letter agreement (the "Salomon Smith Barney Agreement") with Salomon Smith Barney dated March 11, 1998, pursuant to which Salomon Smith Barney agreed to act as financial advisor to the Company in connection with the possible sale of the Company or an interest in the Company to another corporation or other business entity (a "Buyer") in a transaction taking the form of a merger of the Company with, or sale of all or a substantial portion of its assets or at least 40% of its equity securities (on a fully diluted basis) (a "Sale") to, a Buyer. As financial advisor, Salomon Smith Barney agreed, among other things, to assist the Company to analyze the business and financial condition of the Company, formulate an appropriate strategy, advise in connection with negotiations and aid in the consummation of a transaction.

Pursuant to the Salomon Smith Barney Agreement, the Company agreed to pay Salomon Smith Barney the following fees: (a) $150,000, payable following the Company's execution of the Salomon Smith Barney Agreement; plus (b) an additional fee of $750,000, payable for the fairness opinion rendered by Salomon Smith Barney; plus (c) an additional fee equal to the applicable percentage of the Aggregate Consideration (as defined below) defined as follows: 0.48% of the Aggregate Consideration for a Sale with a per share equity price less than $50; 0.55% of the Aggregate Consideration for a Sale with a per share equity price equal to or greater than $50 but less than or equal to $52; or 0.62% of the Aggregate Consideration for a Sale with a per share equity price greater than $52 (in each case this additional fee shall be reduced by any amounts payable under the immediately preceding clauses (a) and (b)), such additional fee to be contingent upon the consummation of a Sale and payable at the closing thereof.

Under the Salomon Smith Barney Agreement, the term Aggregate Consideration means the total amount of cash and the fair market value (on the date of payment) of all other property paid or payable directly or indirectly to the Company or its security holders by a Buyer in connection with a Sale (including, without limitation, amounts paid by the Company or a Buyer (A) pursuant to covenants not to compete, employment contracts, employee benefit plans or other similar arrangements not in effect on the date hereof and (B) to holders of any

warrants, stock purchase rights or convertible securities of the Company and

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to holders of any options or stock appreciation rights issued by the Company (whether or not vested). Aggregate Consideration also includes the principal amount of any indebtedness for borrowed money or capital leases (other than the lease of the West Virginia facility) (x) repaid or retired in connection with or anticipation of a Sale or (y) existing on the Company's balance sheet at the time of a Sale (if such Sale takes the form of a merger or a sale of stock) or assumed by a Buyer in connection with a Sale (if such Sale takes the form of a sale of assets), provided that if the Sale results in a sale of less than two-thirds but greater than or equal to 40% of the equity securities (on a fully-diluted basis), Aggregate Consideration includes only that portion of such liabilities equal to the percentage of equity sold.

In addition to any fees that may be payable to Salomon Smith Barney under the Salomon Smith Barney Agreement and regardless of whether any Sale is proposed or consummated, the Company has agreed, from time to time upon request, to reimburse Salomon Smith Barney for all reasonable fees and disbursements of Salomon Smith Barney's counsel and all of Salomon Smith Barney's reasonable travel and other out-of-pocket expenses incurred in connection with any actual or proposed Sale or otherwise arising out of Salomon Smith Barney's engagement under the Salomon Smith Barney Agreement.

In addition, Salomon Smith Barney and the Company have also entered into a separate letter agreement, dated March 11, 1998, providing for the indemnification of Salomon Smith Barney by the Company against certain liabilities and expenses relating to or arising out of Salomon Smith Barney's engagement under the Salomon Smith Barney Agreement, including certain liabilities under the federal securities laws.

Salomon Smith Barney or its affiliates had previously rendered certain investment banking and financial advisory services to the Company and Armstrong, for which such entity received customary compensation. In addition, in the ordinary course of its business, Salomon Smith Barney may hold or actively trade the debt and equity securities of the Company and Armstrong for its own account and for the accounts of customers and, accordingly, may at any time hold a long or short position in such securities.

Except as disclosed herein, neither the Company nor any person acting on its behalf has employed, retained or agreed to compensate any person to make solicitations or recommendations to the stockholders concerning the Offer or the Merger.

ITEM 6. RECENT TRANSACTIONS AND INTENT WITH RESPECT TO SECURITIES

(a) During the past 60 days, no transactions in Shares have been effected by the Company or, to the best of the Company's knowledge, by any of its executive officers, directors, affiliates or subsidiaries.

(b) To the best knowledge of the Company, all of its executive officers, directors, affiliates and subsidiaries currently intend to tender pursuant to the Offer all Shares held of record or beneficially owned by such persons (other than shares issuable upon the exercise of stock options and Shares, if any, which if tendered could cause such persons to incur liability under the provisions of Section 16(b) of the Exchange Act), subject to and consistent with any fiduciary obligations of such persons. TCW Special Credits Fund IIIb, a California limited partnership, TCW Special Credits Trust, a California collective investment trust, TCW Special Credits Trust V, a California limited partnership, Weyerhaeuser Company Master Retirement Trust, a special account, The Common Fund for Bond Investment, a special account and TCW Asset Management Company, a California corporation the ("Stock Tender Parties"), each entered into a Stock Tender Agreement (the "Stock Tender Agreement"),

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dated as of June 12, 1998, with Armstrong and Merger Sub. The Stock Tender Parties collectively own 5,909,184, or approximately 35% of the outstanding Shares calculated on a fully diluted basis as of June 12, 1998. Pursuant to the Stock Tender Agreement, the Stock Tender Parties have agreed, so long as the Board of Directors of the Company, Armstrong or the Merger Sub have not terminated the Merger Agreement, to tender pursuant to the Offer, and not withdraw, all Shares which are owned of record or beneficially by them prior to the Expiration Date (as defined in the Stock Tender Agreement).

ITEM 7. CERTAIN NEGOTIATIONS AND TRANSACTIONS BY THE SUBJECT COMPANY

(a) Except as set forth in this Statement, the Company is not engaged in any negotiation in response to the Offer that relates to or would result in (i) an extraordinary transaction, such as a merger or reorganization, involving the Company or any subsidiary of the Company; (ii) a purchase, sale or transfer of a material amount of assets by the Company or any subsidiary of the Company; (iii) a tender offer for or other acquisition of securities by or of the Company; or (iv) any material change in the present capitalization or dividend policy of the Company.

(b) Except as described in Item 3(b) or 4 (the provisions of which are hereby incorporated by reference), there are no transactions, Board of Directors resolutions, agreements in principle, or signed contracts in response to the Offer that relate to or would result in one or more of the events referred to in Item 7(a) above.

ITEM 8. ADDITIONAL INFORMATION TO BE FURNISHED

INFORMATION STATEMENT

The Information Statement attached hereto as Annex A is being furnished in connection with the contemplated designation by Merger Sub, pursuant to the Merger Agreement, of certain persons to be appointed to the Board of Directors of the Company other than at a meeting of the Company's stockholders following the purchase by Merger Sub of the number of Shares pursuant to the Offer necessary to satisfy the Minimum Condition.

SENIOR NOTES

In accordance with the terms of the Indenture, dated as of August 1, 1993 (the "Indenture"), between Triangle Pacific Corp., as issuer, and First Trust National Association, as trustee (the "Trustee"), with respect to the Company's 10 1/2% Senior Notes due 2003 (the "Senior Notes"), within five days following the acquisition by Armstrong or Merger Sub of beneficial ownership, directly or indirectly, of more than 50% of the Company Common Stock, the Company shall, in accordance with the Indenture, notify the Trustee and, the Company or the Surviving Corporation, as the case may be, within 20 business days prior to the Final Change of Control Put Date (as defined in the Indenture), give written notice to each holder of the Senior Notes, stating, among other things, (i) that a Change of Control (as defined in the Indenture) has occurred, (ii) that each holder of the Senior Notes has the right to require the Company to repurchase such holder's Senior Notes at a purchase price in cash in an amount equal to 101% of the principal amount of such Senior Notes, plus accrued and unpaid interest thereon, if any, to the purchase date thereof and (iii) the date on which such Senior Notes shall be purchased which shall be a business day no later than 40 business days after the occurrence of a Change of Control. Armstrong shall loan or contribute to

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the Surviving Corporation an amount in cash necessary to repurchase all such Senior Notes.

CREDIT AGREEMENT

The Company entered into a Credit Agreement dated as of August 4, 1993 by and among the Company, Lenders, Bank of America NT & SA, as Co-Agent for Lenders and The Bank of Nova Scotia, as the Agent for Lenders (the "Credit Agreement"), which provides for up to $105 million of revolving loans for working capital and general corporate purposes and for letters of credit. Availability of borrowings under the Credit Agreement is based upon a formula related to inventory and accounts receivable. At June 12, 1998, the Company had approximately $76.4 million of borrowings and approximately $18 million in letters of credit issued to the Company under the Credit Agreement. Borrowings under the Credit Agreement bear interest at the agent's prime rate plus 0.375% (8.875% at June 12, 1998) or, at the Company's option, at certain alternate floating rates, and are secured by a pledge of the Company's inventory and accounts receivable. The Credit Facility expires on December 21, 2000.

The execution of the Merger Agreement is an event of default under the Credit Agreement. Upon the occurrence of an event of default under the Credit Facility, at least three of the lenders holding at least 60% of

the principal indebtedness outstanding under the Credit Agreement may declare all amounts thereunder immediately due and payable, except that such amounts automatically become immediately due and payable in the event of certain bankruptcy, insolvency or similar defaults.

In accordance with the terms of the Merger Agreement, the Company will use its best efforts to obtain all necessary waivers and consents prior to the consummation of the Offer so that the execution of the Merger Agreement and the consummation of the transactions contemplated thereby do not result in an event of default by the Company. The Company expects to receive applicable waivers of such defaults. In the event that (i) such waiver and consent is not obtained, (ii) the transactions contemplated hereby result in a default and the Lenders under the Credit Agreement accelerate the payment of outstanding indebtedness thereunder, and
(iii) the Company, after using its best efforts, is unable to refinance or repay such indebtedness, then, following the consummation of the Offer, Armstrong agrees to make a loan to the Company in an amount sufficient for the Company to repay the outstanding Indebtedness (as defined in the Credit Agreement) and any other obligations under the Credit Agreement, or, if such amount cannot be borrowed by the Company for any reason, to contribute such amount to the Company.

LITIGATION

On June 15, 1998, Pinna Yosevitz ("Plaintiff") filed a putative class action in the Court of Chancery for the State of Delaware in and for the County of New Castle (the "Complaint"). The Complaint asserts a cause of action sounding in breach of fiduciary duty against the Company, each of the Company's directors (the "Director Defendants") and Armstrong.

The Complaint alleges that the Director Defendants, in agreeing to the Merger, breached their fiduciary duties owed to the Company's stockholders to take all necessary steps to ensure that the stockholders will receive the maximum value realizable for their shares in any merger or acquisition of the Company. For example, Plaintiff alleges that the Director Defendants failed to

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adequately evaluate the Company's value as a potential merger or acquisition candidate and/or did not act to enhance the Company's value as such a candidate, and failed to implement "an auction process or active market check" for other potential bidders. The Complaint alleges that Armstrong agreed to deal exclusively with Armstrong and thereby breach their fiduciary obligation, which allegedly makes Armstrong and the Company liable to Plaintiff and the class. The Complaint also alleges that the Director Defendants engaged in all or part of the allegedly unlawful acts, plans, schemes or transactions complained of and thus aided and abetted the alleged breach of fiduciary duty. The Complaint seeks, among other things, to have the Court declare the suit a proper class action, an injunction preventing the Merger-Sub and Armstrong from consummating the Offer, an injunction preventing the Company and Armstrong from consummating the Merger Agreement and unspecified monetary damages, together with costs and disbursements.

The Company believes that the lawsuit is without merit. A copy of the Complaint is filed herewith as Exhibit N and is incorporated herein by reference.

ITEM 9. MATERIALS TO BE FILED AS EXHIBITS

<TABLE>

<C>	<S>
Exhibit A	Agreement and Plan of Merger dated as of June 12, 1998 by and among Armstrong, Merger Sub and the Company
Exhibit B	Information under the sections entitled "Compensation of Directors" and "Executive Compensation" of the Company's 1998 Proxy Statement dated April 2, 1998
Exhibit C	Special Severance Program
Exhibit D	Triangle Pacific Corp. 1992 Stock Option Plan
Exhibit E	Triangle Pacific Corp. 1993 Long-Term Incentive Compensation Plan
Exhibit F	Triangle Pacific Corp. Non-employee Director Stock Option Plan
	Article Sixth of the Restated Certificate of Incorporation of the
Exhibit G	Company
Exhibit H	Article VII of the Amended and Restated Bylaws of the Company
Exhibit I	Form of Indemnity Agreement
	Confidentiality Agreement dated as of April 16, 1998 between
Exhibit J	Armstrong and the Company
Exhibit K	Opinion of Salomon Smith Barney, dated June 12, 1998*
Exhibit L	Form of letter to stockholders of the Company*
Exhibit M	Press Release dated June 13, 1998
Exhibit N	Complaint filed in the Court of Chancery of the State of Delaware in and for New Castle County in an action titled Pinna Yosevitz on behalf of herself and all others similarly situated v. Floyd F. Sherman et al.

</TABLE>

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* Included in copies mailed to stockholders of the Company.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

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Triangle Pacific Corp.

By: /s/ E. Dwain Plaster

Name: E. Dwain Plaster
Title: Vice President, Treasurer and Chief Financial Officer

Dated: June 19, 1998

ANNEX A

INFORMATION STATEMENT PURSUANT TO SECTION 14(F) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 14F-1 THEREUNDER

This Information Statement is being mailed on or about June 19, 1998 as part of the Solicitation/ Recommendation Statement on Schedule 14D-9 (the "Schedule 14D-9") of Triangle Pacific Corp., a Delaware corporation (the "Company"), to the holders of record of shares of common stock, par value $.01 per share, of the Company (the "Common Stock" or the "Shares"). You are receiving this Information Statement in connection with the possible election of persons designated by Parent (as defined below) to the Board of Directors of the Company (the "Board").

On June 12, 1998, the Company, Armstrong World Industries, Inc., a Pennsylvania corporation ("Parent"), and Sapling Acquisition, Inc., a Delaware corporation and a wholly owned subsidiary of Parent ("Purchaser"), entered into an Agreement and Plan of Merger (the "Merger Agreement") pursuant to which (i) Purchaser will commence a tender offer (the "Offer") for all of the outstanding Shares at a price of $55.50 per Share, net to the seller in cash, and (ii) Purchaser will be merged with and into the Company (the "Merger"), with the Company continuing as the surviving corporation.

The Merger Agreement provides that, promptly upon the purchase of Shares by Parent or any of its Subsidiaries (as defined in the Merger Agreement) pursuant to the Offer, Parent shall be entitled to designate such number of directors ("Parent Designees"), rounded up to the next whole number, on the Board as is equal to the product of the total number of directors on such Board (giving effect to the directors designated by Parent pursuant to this sentence) multiplied by the percentage that the aggregate number of Shares beneficially owned by Purchaser, Parent and any of their affiliates bears to the total number of shares of Company Common Stock then outstanding. The Company shall, upon request of Purchaser, take any and all actions within the Company's power which are necessary to cause Parent's designees to be appointed to the Board (including by increasing the size of the Board or using its best efforts to cause incumbent directors to resign). At such time, the Company shall use its best efforts to cause persons designated by Parent to constitute the same percentage of each committee of the Board, each board of directors of each Subsidiary and each committee of each such board as such persons represent on the Board. Notwithstanding the foregoing, until the Effective Time (as defined in the Merger Agreement), the Company shall retain as members of its Board at least two directors who are directors of the Company on the date of the Merger Agreement. The Company's obligations with respect to the foregoing provisions shall be subject to Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder. The Company shall promptly take all actions required pursuant to such Section 14(f) and Rule 14f-1 in

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order to fulfill its obligations with respect to the foregoing provisions, including mailing to stockholders the information required to by such Section 14(f) and Rule 14f-1 as is necessary to enable Parent's designees to be elected to the Company's Board of Directors. Parent or Merger Sub will supply the Company any information with respect to either of them and their nominees, officers, directors and affiliates required by such Section 14(f) and Rule 14f-1.

This Information Statement is required by Section 14(f) of the Securities Exchange Act of 1934, as amended, and Rule 14f-1 promulgated thereunder.

You are urged to read this Information Statement carefully. You are not, however, required to take any action in connection with this Information Statement. Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Schedule 14D-9.

The information contained in this Information Statement concerning Parent and Purchaser has been furnished to the Company by Parent. The Company assumes no responsibility for the accuracy or completeness of such information.

INFORMATION WITH RESPECT TO THE COMPANY

OUTSTANDING VOTING STOCK

The only outstanding voting security of the Company is its Common Stock. There were 14,766,575 shares of common stock, par value $.01 per share ("Common Stock"), of the Company outstanding on June 9, 1998, and each share is entitled to one vote on each matter presented to the stockholders for a vote.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table sets forth as of March 23, 1998 information with respect to the only persons who were known to the Company to be the beneficial owners of more than five percent of the outstanding shares of Common Stock.

<TABLE>
<CAPTION>

	COMMON STOCK BENEFICIALLY OWNED (1)	
NAME AND ADDRESS OF BENEFICIAL OWNER	NUMBER OF SHARES	PERCENT OF CLASS
<S>	<C>	<C>
The TCW Group, Inc. (through certain affiliates which act as general partners of limited partnerships, trustees of certain trusts and investment managers of third party accounts which hold shares of Common Stock) (2).................... 865 South Figueroa Street Los Angeles, California 90017	5,909,184	40.1%
Hibridge Capital Corporation (3).................... Seven Mile Beach Grand Cayman, Cayman Islands British West Indies	804,146	5.5%
United High Income Fund, Inc. and United High Income		

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Fund II, Inc. .... 6300 Lamar Avenue P. O. Box 29217 Shawnee Mission, Kansas 66201-9217	788,286	5.3%
BEA Associates..................................... 153 East 53rd Street One City Corp. Center New York, New York 10022	774,879	5.3%

</TABLE>

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(1) The information contained in this table with respect to beneficial ownership reflects "beneficial ownership" as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Certain information with respect to the beneficial ownership of any beneficial owner is based upon filings made by such beneficial owner with the Securities and Exchange Commission (the "SEC") and, unless otherwise indicated, each beneficial owner has sole voting and investment power with respect to shares listed as beneficially owned by such beneficial owner.

(2) The TCW Group, Inc. ("TCW") and its affiliates may be deemed to be beneficial owners of all shares of Common Stock currently held by such limited partnerships, third party accounts and trusts for purposes of the reporting requirements of the Exchange Act. In the most recent Schedule 13D filed by TCW, TCW stated that the filing of the Schedule 13D shall not be construed as an admission that TCW or any of its affiliates is, for purposes of Section 13(d) or for any other purpose under the Exchange Act, the beneficial owner of any securities covered by the Schedule 13D. Oaktree and TCW affiliates provide investment advice and management services to entities that own 5,570,131 of the shares of Common Stock included in the table. Oaktree may be deemed to be a beneficial owner of an additional 159,716 shares of Common Stock owned by a third party managed account for which Oaktree provides investment advisory and management services.

(3) Hibridge Capital Corporation may be deemed to beneficially own the number of shares of Common Stock shown opposite its name in the table by virtue of the ownership of certain warrants to purchase such shares which have exercise prices that range from $22.39 to $37.31 per share.

SECURITY OWNERSHIP OF MANAGEMENT

The following table sets forth, as of March 23, 1998, the beneficial ownership of Common Stock by each director of the Company, each named executive officer listed in the Summary Compensation Table appearing elsewhere herein, and all directors and executive officers as a group.

<TABLE>
<CAPTION>

	COMMON STOCK BENEFICIALLY OWNED (1)	
	NUMBER OF	PERCENT OF

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NAME	SHARES	CLASS
DIRECTORS		
B. William Bonnivier (2)	13,000	*
Charles M. Hansen, Jr. (2)	8,000	*
David R. Henkel (2)	13,000	*
Bruce A. Karsh (3)	124,278	*
Jack L. McDonald (2)	8,000	*
M. Joseph McHugh (4)	176,831	1.2%
Carson R. McKissick (2)	9,000	*
Karen Gordon Mills (2)	10,867	*
Floyd F. Sherman (4)	225,618	1.5%
NAMED EXECUTIVE OFFICERS (EXCLUDING ANY DIRECTOR NAMED ABOVE)		
Robert J. Symon (4)	135,331	*
Michael J. Kearins (4)	91,102	*
Charles A. Engle (4)	66,862	*
All directors and executive officers as a group (20 persons)	1,116,539	7.6%

</TABLE>

* less than 1%

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(1) The information contained in this table with respect to beneficial ownership reflects "beneficial ownership" as defined in Rule 13d-3 under the Exchange Act. All information with respect to the beneficial ownership of any director or named executive officer has been furnished by such director or named executive officer and, unless otherwise indicated, each director or named executive officer has sole voting and investment power with respect to shares listed as beneficially owned by such director or named executive officer.

(2) The number of shares set forth above as being beneficially owned by Mrs. Mills and Messrs. Bonnivier, Hansen, Henkel, McKissick and McDonald include 8,000 shares issuable to each of such individuals upon exercise of stock options granted to them under the Company's Non-employee Director Stock Option Plan.

(3) Does not include 5,729,847 shares (38.9%) of the outstanding Common Stock of which Oaktree or TCW and its affiliates may be deemed the beneficial owners, as further described in footnote (2) under "Security Ownership of Certain Beneficial Owners" above.

(4) The number of shares set forth above as being beneficially owned by Messrs. Sherman, McHugh, Symon, Kearins and Engle include 163,818, 107,618, 78,118, 59,776 and 48,391 shares, respectively, issuable to such individuals upon exercise of stock options held by them, as determined in accordance with Rule 13d-3 under the Exchange Act.

BOARD OF DIRECTORS

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The Certificate of Incorporation and Bylaws of the Company provide for three classes of directors, designated Class I, Class II and Class III, with approximately one-third of the directors constituting each class. Directors serve for staggered terms of three years each. Information with respect to the directors as of June 12, 1998 is presented below.

CLASS I DIRECTORS

Floyd F. Sherman............. Age 58, director since 1982	Mr. Sherman has served as Chairman of the Board and Chief Executive Officer since July 1992. Prior to November 1994, he served as President of the Company since 1981. Prior to 1981, he served as Executive Vice President of the Company. He has been an employee of the Company since 1973.
M. Joseph McHugh............. Age 60, director since 1986	Mr. McHugh has served as President and Chief Operating Officer of the Company since November 1994. Prior thereto, he served as Senior Executive Vice President and Treasurer of the Company since 1981. Prior to 1981, he served as Executive Vice President of the Company. He has been an employee of the Company since 1976. Mr. McHugh is also a director of Pillowtex Corporation. Pillowtex Corporation manufactures and markets textile furnishings for the bedroom and bathroom.
Bruce A. Karsh............... Age 43, director since 1997	Mr. Karsh currently serves as President and Principal of Oaktree Capital Management, LLC ("Oaktree"), an investment management firm which he co-founded in April 1995. He also serves as a general partner of TCW Special Credits ("Special Credits"), a general partnership of which TCW Asset Management Company ("TAMCO") is the managing general partner, since September 1988. Prior to the founding of Oaktree, he served as a Managing Director of TAMCO and its affiliated entity Trust Company of the West. Oaktree and Special Credits provide investment advice and asset management services, primarily to institutional investors. Mr. Karsh is a director of Furniture Brands International, the parent company of the Broyhill, Lane and Thomasville furniture companies and Littelfuse, Inc., a manufacturer of fuses for electronic products and automobiles.

CLASS II DIRECTORS

David R. Henkel.............. Age 47, director since 1992	Mr. Henkel is a private investor. From 1994 to 1997, he was with 7th Level, Inc., an interactive entertainment company; serving from 1995 to 1997 as Chief Operating Officer and from 1994 to 1995 as Executive Vice President and Chief Financial Officer. Mr. Henkel had also been a director of 7th Level from 1993 to 1997. Prior thereto, Mr. Henkel had been Senior Vice President and Chief Financial Officer of

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Value-Added Communications, Inc., since April 1993. From April 1991 to April 1993, Mr. Henkel served as Executive Vice President, Chief Financial Officer and a director of Micrografx, Inc., a personal computer graphics software company. Prior thereto, he was an audit partner at Arthur Andersen LLP.

Karen Gordon Mills...........
Age 44, director
since 1988

Mrs. Mills has been President of MMP Group, a management advisory company to leveraged buyouts and company owners, since January 1993. From December 1983 to January 1993, she was a Managing Director of E.S. Jacobs & Company and Chief Operating Officer of its Industrial Group. Prior thereto, Mrs. Mills had been a consultant with McKinsey & Co. and a product manager with General Foods Corp. Mrs. Mills is also a director of Arrow Electronics, Inc. and The Scotts Company.

Carson R. McKissick..........
Age 65, director
since 1993

Mr. McKissick has been Managing Director of Corporate Development Company since 1992. From 1992 to December 1996 he has been a Senior Advisor of Trust Company of the West, an investment management company. Mr. McKissick is also a director of Alexander & Baldwin, Inc. and Peregrine Real Estate Trust.

CLASS III DIRECTORS

B. William Bonnivier.........
Age 55, director
since 1992

Mr. Bonnivier has been President, Chief Executive Officer and a director of Chatham Technologies, Inc. ("Chatham"), a company that he co-founded in August 1997. Chatham designs, manufacturers and markets custom, integrated electronic enclosures, primarily for the global telecommunications industry. Mr. Bonnivier has been Vice Chairman and a Director of Maxim Technologies, Inc., an environmental consulting firm since May 1995. Prior thereto, he had been the Chairman and Chief Executive Officer of Princeton Packaging, Inc. since March 1991. Prior thereto, Mr. Bonnivier was President, Chief Operating Officer and a director of Snyder General Corporation, a manufacturer of heating and air conditioning products.

Charles M. Hansen, Jr.......
Age 57, director
since 1992

Mr. Hansen has been President of Pillowtex Corporation since 1974 and, in addition, became Chairman of the Board and Chief Executive Officer of that company in December 1992. Pillowtex Corporation manufactures and markets textile furnishings for the bedroom and bathroom.

Jack L. McDonald.............
Age 64, director

Mr. McDonald has been Chairman of the Board and Chief Executive Officer of New Millennium

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since 1992	Homes, L.L.C. since September 1997. Prior thereto, Mr. McDonald was a private investor and consultant for over five years. He also served as President and Chief Operating Officer of Centex Corporation from 1978 until his retirement from Centex in 1985. Mr. McDonald is a director of Bally's Grand, Inc. and American Home Star Corp.

BOARD MEETINGS AND COMMITTEES

During 1997, the Board of Directors held seven meetings. Each director of the Company attended at least 75% of the aggregate number of meetings of the full Board and of the Board committees on which he or she served in 1997, with the exception of Mr. Karsh.

The Company has a standing Finance/Audit Committee and a standing Compensation Committee. The Company does not have a standing nominating committee. The members of the committees, number of meetings

held by each committee in 1997 and a brief description of the functions performed by each committee are set forth below:

Finance/Audit Committee (two meetings). The Finance/Audit Committee consists of four non-employee directors, Messrs. Bonnivier, Henkel (Chairman), Karsh and McDonald. This committee is primarily responsible for reviewing the quality of the financial reporting of the Company and the effectiveness of the audit of the Company's financial statements by its independent public accountants; reviewing the scope and results of such audits; reviewing the organization and scope of the Company's internal systems of accounting and financial control; and establishing the accounting standards and principles to be followed by the Company.

Compensation Committee (two meetings). The Compensation Committee consists of four non-employee directors, Messrs. Hansen, McDonald (Chairman) and McKissick and Mrs. Mills. This committee approves the compensation of officers and makes awards under the Company's 1993 Long-Term Incentive Compensation Plan.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Mr. McHugh, an executive officer of the Company, serves as a director of Pillowtex Corporation. As an outside director, Mr. McHugh participated in reviewing and approving target goals under Pillowtex Corporation's annual management incentive compensation plan. Mr. Hansen, a director of the Company and a member of the Company's Compensation Committee, is an executive officer and director of Pillowtex Corporation.

COMPENSATION OF DIRECTORS

Directors who are not also employees of the Company receive an annual retainer of $30,000, or $35,000 in the event that the director is a committee chairman, for serving as such plus $1,000 per meeting attended for each meeting of the Finance/Audit Committee or the Compensation Committee not held in conjunction with a regularly scheduled quarterly meeting of the Board of Directors.

EXECUTIVE OFFICERS OF THE REGISTRANT

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Set forth below as of June 12, 1998 are the names, ages and principal occupations of the executive officers of the Company, as well as certain other information concerning their business experience.

Floyd F. Sherman............. Chairman of the Board of Directors and Chief Executive Officer	Mr. Sherman has served as Chairman of the Board and Chief Executive Officer since July 1992. Prior to November 1994 he served as President of the Company since 1981. Prior to 1981, he served as Executive Vice President of the Company. Mr. Sherman is 58 years old and became a director of the Company in 1982.
M. Joseph McHugh............. Director, President and Chief Operating Officer	Mr. McHugh has served as President and Chief Operating Officer of the Company since November 1994. Prior thereto, he served as Senior Executive Vice President and Treasurer of the Company since 1981. Prior to 1981, he served as Executive Vice President of the Company. He became a director of the Company in 1986. Mr. McHugh is also a director of Pillowtex Corporation. He is 60 years old.
Robert J. Symon.............. Executive Vice President	Mr. Symon has served as Executive Vice President, since February 1998. Prior thereto, he served as Executive Vice President, Treasurer and Chief Financial Officer since November 1994. Prior thereto, he served as Vice President--Controller of the Company since 1978. Mr. Symon is 67 years old and served as a Director of the Company from December 1988 to June 1992.

E. Dwain Plaster............. Vice President, Treasurer and Chief Financial Officer	Mr. Plaster has served as a Vice President, Treasurer and Chief Financial Officer of the Company since February 1998. Prior thereto, he served as Vice President since November 1994 and had been the Controller of Bruce Hardwood Floors since 1977. Mr. Plaster is 48 years old.
Paul L. Barrett.............. Vice President, Secretary and General Counsel	Mr. Barrett has served as Vice President, Secretary and General Counsel of the Company since November 1997. Prior thereto for more than the past five years he served as Vice President, Secretary and General Counsel of Redman Industries Inc. Mr. Barrett is 62 years old.
Charles A. Engle............. Vice President	Mr. Engle has served as a Vice President of the Company since 1979. He has also served as President of the Cabinet group since January 1996. Mr. Engle is 54 years old.
John W. Esch................. Vice President	Mr. Esch has served as a Vice President of the Company since November 1994. He has been Controller of the Cabinet group since 1977. Mr. Esch is 54 years old.

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James T. Fidler............. Vice President	Mr. Fidler has served as a Vice President of the Company since 1981. He has been Vice President--Operations since August 1995. Prior thereto, he was Director--Management Information Operations for the Company. Mr. Fidler is 55 years old.
Michael J. Kearins.......... Vice President	Mr. Kearins has served as a Vice President of the Company since 1985 and has primary responsibility for sales and marketing of flooring products. Prior to 1983, he had been a Regional Sales Manager of the Company. Mr. Kearins is 52 years old.
James E. Price.............. Vice President	Mr. Price has served as a Vice President of the Company since November 1994. He has been Vice President of manufacturing of flooring products since March 1993. Prior thereto, he was General Manager since 1984. He had been a Plant Manager of the Company since 1979. Mr. Price is 56 years old.
Allen Silver................ Vice President	Mr. Silver has served as a Vice President of the Company since 1985. Prior to that time he had been a Vice President of manufacturing of cabinet products. Mr. Silver is 59 years old.
Richard A. TerHaar.......... Vice President	Mr. TerHaar has served as Vice President of the Company since May 1997. He has been Director of Management Information Systems since 1995. Prior thereto he served as Manager of Systems and Programming since 1981. Mr. TerHaar is 49 years old.
Jennifer E. Wisdom.......... Vice President	Ms. Wisdom has served as Vice President of the Company since May 1997. She has been Director of Human Resources since 1994. Prior thereto, Ms. Wisdom was Director of Human Resources at Varo, Inc. since 1986. Ms. Wisdom is 51 years old.

EXECUTIVE COMPENSATION

The following table sets forth summary compensation data for the Chief Executive Officer of the Company and each of the other four most highly-paid executive officers of the Company (collectively, the "named executive officers" for the 1997 fiscal year).

SUMMARY COMPENSATION TABLE

<TABLE>
<CAPTION>

	ANNUAL COMPENSATION		LONG TERM COMPENSATION	
			OPTIONS	
		OTHER	(NUMBER	
NAME AND PRINCIPAL		ANNUAL	OF	ALL OTHER

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POSITION	YEAR	SALARY	BONUS	COMPENSATION	SHARES)	COMPENSATION(1)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Floyd F. Sherman	1997	$400,000	$448,720	$45,280	--	$12,638
Chairman of the Board	1996	350,000	394,940	50,484	45,000	12,210
and Chief Executive Officer	1995	300,000	275,000	52,070	--	12,037
M. Joseph McHugh	1997	$300,000	$352,230	$22,296	--	$12,638
President and	1996	265,000	299,026	22,106	35,000	12,206
Chief Operating Officer	1995	225,000	200,000	25,221	--	12,037
Robert J. Symon	1997	$240,000	$281,784	$24,722	--	$12,638
Executive Vice President, Treasurer	1996	215,000	242,606	23,151	20,000	12,203
and Chief Financial Officer	1995	190,000	135,000	24,789	--	12,037
Michael J. Kearins	1997	$168,000	$185,842	$27,609	20,000	$12,638
Vice President	1996	160,000	169,824	26,510	20,000	12,201
	1995	155,000	104,718	29,064	--	12,037
Charles A. Engle	1997	$178,333	$109,613	$28,980	20,000	$12,638
Vice President	1996	165,000	82,533	21,799	20,000	12,201
	1995	123,000	84,194	23,525	--	9,496

</TABLE>

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(1) Amounts shown for each officer consist of amounts contributed by the Company to the Company's Profit Sharing Plan and to the Company's Supplemental Profit Sharing and Deferred Compensation Plan that are allocable to such officer for fiscal 1995, 1996 and 1997.

OPTIONS GRANTED IN 1997

<TABLE>
<CAPTION>

NAME	NUMBER OF SHARES	% OF TOTAL OPTIONS GRANTED	EXERCISE PRICE	EXPIRATION DATE	POTENTIAL REALIZED VALUE AT ASSUMED RATES OF STOCK PRICE APPRECIATION FOR STOCK OPTION TERMS	
					5%	10%
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Floyd F. Sherman..........	--	--	--	--	--	--
M. Joseph McHugh..........	--	--	--	--	--	--
Robert J. Symon...........	--	--	--	--	--	--
Michael J. Kearins........	20,000	7.2%	$28.375	5/07/07	$ 356,898	$ 904,449
Charles A. Engle..........	20,000	7.2%	$28.375	5/07/07	$ 356,898	$ 904,449

</TABLE>

The following table sets forth certain information with respect to options exercised and value realized during the 1997 fiscal year, and the unexercised options held at January 2, 1998, and the value thereof, by each of the named executive officers.

OPTION EXERCISES IN LAST FISCAL YEAR AND OPTION VALUES AT JANUARY 2, 1998

<TABLE>

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<CAPTION>

NAME	DATE OF GRANT	SHARES ACQUIRED ON EXERCISE	VALUE REALIZED	OPTION AT 1/2/98 (NUMBER OF SHARES) EXER-CISABLE	UNEXER-CISABLE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT 1/2/98 EXER-CISABLE	UNEXER-CISABLE
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Floyd F. Sherman	6/10/92	--	--	35,018	--	$ 1,081,531	--
	2/16/94	--	--	6,300	--	118,125	--
	3/21/94	--	--	75,000	25,000	1,457,813	$ 485,938
	2/15/96	--	--	11,250	33,750	196,875	590,625
M. Joseph McHugh	6/10/92	8,600	$243,036	26,418	--	$ 815,920	--
	2/16/94	--	--	3,700	--	69,375	--
	3/21/95	--	--	45,000	15,000	874,688	$ 291,563
	2/15/96	--	--	8,750	26,250	153,125	459,375
Robert J. Symon	6/10/92	3,400	$ 93,534	28,418	--	$ 877,690	--
	2/16/94	--	--	3,700	--	69,375	--
	3/21/95	--	--	30,000	10,000	583,125	$ 194,375
	2/15/96	--	--	5,000	15,000	87,500	262,500
Michael J. Kearins	6/10/92	2,500	$ 72,838	7,076	--	$ 218,542	--
	2/16/94	--	--	2,700	--	50,625	--
	3/21/95	--	--	26,250	8,750	510,234	$ 170,078
	2/15/96	--	--	5,000	15,000	87,500	262,500
	5/7/97	--	--	--	20,000	--	110,000
Charles A. Engle	6/10/92	1,000	$ 28,260	8,931	--	$ 275,834	--
	3/21/94	--	--	18,750	6,250	364,453	$ 121,484
	2/15/96	--	--	5,000	15,000	87,500	262,500
	5/7/97	--	--	--	20,000		110,000

</TABLE>

EMPLOYMENT AGREEMENTS

In March 1995, the Company entered into amended and restated employment agreements with Floyd F. Sherman, M. Joseph McHugh and Robert J. Symon, and new employment agreements with Michael J. Kearins, Charles A. Engle and five other current executive officers of the Company (each an "Employment Agreement" and collectively the "Employment Agreements"). The Employment Agreements provide for base compensation at the employees' then current annual rates through the end of 1995, with annual percentage increases not less than the percentage increase in the Consumer Price Index, as defined in the Employment Agreements. In addition, the Employment Agreements provide that the employees are entitled to participate in the Annual Cash Incentive Bonus System and all other incentive compensation plans for executive employees in effect from time to time.

Each Employment Agreement provides for an initial employment term of three years (for Messrs. Sherman, McHugh and Symon) or two years (for Messrs. Kearins, Engle and other executive officers). On each anniversary of the effective date of the Employment Agreements (March 8, 1995), the employment term will be automatically extended for one year, unless either party gives notice not to extend. The Company may terminate the executive's employment for "cause," "total disability" or "inadequate performance" (except for Mr. Sherman), and the executive may terminate his employment for any reason within six months following a "change of control" or at any time for "good reason" (as such events permitting termination are defined in the Employment Agreements). Mr. Symon's agreement has been modified to the extent that it

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will remain in full force and effect except as amended to allow for his retirement on December 31, 1998, whereupon it will terminate. Thereafter, Mr. Symon will provide services for a period of five months as a consultant to the Company.

If the Company terminates the executive's employment other than for cause, total disability, or inadequate performance, or employment of the executive terminates (other than voluntarily) within six months following a change of control, or if the executive terminates employment for good reason, the Company is required to pay the executive certain amounts, including a lump sum cash payment equal to three times (for Messrs. Sherman, McHugh and Symon) or two times (for the other executives) the executive's average annual compensation for the preceding five years and certain benefits under the incentive compensation plans. If the Company terminates the executive's employment for inadequate performance, or if the executive voluntarily terminates employment following a change of control, the Company is required to pay the executive certain amounts, including a lump sum cash payment equal to two times (for Messrs. Sherman, McHugh and Symon) or one and one-half times (for the other executives) the executive's average annual compensation and certain benefits under the incentive compensation plans. If any executive's employment is terminated by reason of death or total disability, the executive or his estate is entitled to receive a lump sum payment equal to the sum of (i) one year's base salary plus (ii) the incentive compensation that would have accrued to the executive's benefit at the end of the year of termination had his employment continued until then.

In addition, if the Company terminates the executive's employment (other than for cause, total disability or inadequate performance), or if the executive terminates employment for good reason, or if a change of control occurs during the term of the Employment Agreements, (i) all stock options and other awards the executives hold under any Company incentive compensation or benefit plans will become fully vested and exercisable or their market value payable and (ii) the executive will have the right to sell to the Company any or all shares of Common Stock held by the executive at market value. The total payments to be received by the executive pursuant to the Employment Agreement following a change of control are restricted to the maximum amount which could be deducted by the Company for federal income tax purposes.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires directors and officers of the Company, and persons who own more than 10 percent of the Common Stock, to file with the SEC initial reports of ownership and reports of changes in ownership of the Common Stock. Directors, officers and more than 10 percent shareholders are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file. Based solely on a review of the copies of such reports furnished to the Company, the Company believes that all Section 16(a) filing requirements applicable to its directors, officers and more than 10 percent beneficial owners were complied with.

INFORMATION WITH RESPECT TO THE PARENT DESIGNEES

Parent has informed the Company that it will choose the Parent Designees from the directors of Purchaser listed in the following table, which contains certain biographical information regarding such directors.

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Robert J. Shannon, Jr...	Age 50; President, Worldwide Floor Products Operations of Armstrong since February 1, 1997; President Floor Products Operations International February 1, 1996, through February 1, 1997; President American Olean Tile Company, Inc. March 1, 1992 through December 29, 1995.
Deborah K. Owen.........	Age 46; Senior Vice President, Secretary and General Counsel of Armstrong since January 1, 1998; Attorney, Law Offices of Deborah K. Owen, Columbia, MD, September 1996-September 1997; Partner, Arent Fox Kintner Poltkin & Kahn law firm, Washington DC, August 1994-August 1996; Commissioner, Federal Trade Commission, Washington, DC, October 1989-August 1994.
Frank A. Riddick, III...	Age 41; Senior Vice President, Finance and Chief Financial Officer of Armstrong since April 1995; and the following positions with FMC Corporation, Chicago, IL (chemicals, machinery): Controller May 1993-March 1995; Treasurer December 1990-May 1993. Mr. Riddick has also acted as interim Treasurer since April 27, 1998.
Edward R. Case..........	Age 51; Vice President and Controller of Armstrong since April 27, 1998; Prior to such date Mr. Case had served as Vice President and Treasurer since May 8, 1996; and the following positions with Campbell Soup Company (branded food products): Director, Corporate Development October 1994-May 1996; Director, Financial Planning, U.S. Soup May 1993-September 1994; Deputy Treasurer September 1991-April 1993.
George A. Lorch.........	Age 56; Director of Armstrong since March 1988; Mr. Lorch is a graduate of Virginia Polytechnic Institute. He began his Armstrong association in 1963. He has served as the Company's Chairman of the Board since April 1994. Prior to his election as President and Chief Executive Officer in September 1993, he served as Executive Vice President from 1988. After various assignments in marketing (1963-1983) with Armstrong and an Armstrong subsidiary, he served as Group Vice President for Carpet Operations during the period 1983 to 1988. Mr. Lorch is also a Director of Household International, Inc., R.R. Donnelley & Sons Company and Warner-Lambert Company. He is a member of The Policy Committee of the Business Roundtable and a member of the Conference Board and The Pennsylvania Business Roundtable.

</TABLE>

EXHIBIT INDEX

<TABLE>

<C>	<S>
Exhibit A	Agreement and Plan of Merger dated as of June 12, 1998 by and among Armstrong, Merger Sub and the Company
Exhibit B	Information under the sections entitled "Compensation of Directors" and "Executive Compensation" of the Company's 1998 Proxy Statement dated April 2, 1998
Exhibit C	Special Severance Program
Exhibit D	Triangle Pacific Corp. 1992 Stock Option Plan

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Exhibit E	Triangle Pacific Corp. 1993 Long-Term Incentive Compensation Plan
Exhibit F	Triangle Pacific Corp. Non-employee Director Stock Option Plan
Exhibit G	Article Sixth of the Restated Certificate of Incorporation of the Company
Exhibit H	Article VII of the Amended and Restated Bylaws of the Company
Exhibit I	Form of Indemnity Agreement
Exhibit J	Confidentiality Agreement dated as of April 16, 1998 between Armstrong and the Company
Exhibit K	Opinion of Salomon Smith Barney, dated June 12, 1998*
Exhibit L	Form of letter to stockholders of the Company*
Exhibit M	Press Release dated June 13, 1998
Exhibit N	Complaint filed in the Court of Chancery of the State of Delaware in and for New Castle County in an action titled Pinna Yosevitz on behalf of herself and all others similarly situated v. Floyd F. Sherman et al.

</TABLE>

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EXHIBIT 99.(A)

AGREEMENT AND PLAN OF MERGER

DATED AS OF JUNE 12, 1998

AMONG

TRIANGLE PACIFIC CORP.,

ARMSTRONG WORLD INDUSTRIES, INC.

AND

SAPLING ACQUISITION, INC.

LIST OF EXHIBITS

Schedule	Title
1.2(a)	Officers and Directors Tendering
5.5(a)	Employment Agreements
5.5(b)	Severance Plans
5.5(c)	Employee Benefit Plans

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Additional Conditions............	Section 1.1(a)
Agreement........................	Preamble
Bank Warrants....................	Section 2.5(b)

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Business Day..................... Section 8.13(c)
Certificate...................... Section 2.2(b)
Certificate of Merger............ Section 1.6
Certificates..................... Section 2.2(b)
Closing.......................... Section 1.5
Closing Date..................... Section 1.5
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Company Designees................ Section 1.3
Company Disclosure Schedule...... Section 3.1
Company Material Adverse Effect.. Section 3.1(a)
Company SEC Reports.............. Section 3.1(d)
Company Stockholders Meeting..... Section 5.1(a)
Company Stock Options............ Section 2.4
Company Termination Fee.......... Section 7.2(b)
Company Voting Debt.............. Section 3.1(b)(ii)
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Credit Agreement................. Section 5.10
dated hereof..................... Section 8.13(a)
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DGCL............................. Section 1.2
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DOJ.............................. Section 5.3(b)
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ERISA............................ Section 3.1(b)(i)
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Financial Advisor................ Section 3.1(h)
GAAP............................. Section 3.1(d)

Governmental Entity.............. Section 3.1(c)(iii)
HSR Act.......................... Section 3.1(c)(v)
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Indenture........................ Section 5.9
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Merger Sub....................... Preamble
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Minimum Condition................ Section 1.1(a)

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Paying Agent..................... Section 2.2(a)
Permitted Lien................... Section 8.13(g)
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AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER, dated as of June 12, 1998 (this "AGREEMENT"), among TRIANGLE PACIFIC CORP., a Delaware corporation (the "COMPANY"), ARMSTRONG WORLD INDUSTRIES, INC., a Pennsylvania corporation ("PARENT"), and SAPLING ACQUISITION, INC., a Delaware corporation and a direct wholly owned subsidiary of Parent ("MERGER SUB").

W I T N E S S E T H:

WHEREAS, the respective Boards of Directors of the Company, Parent and Merger Sub have each approved, and deem it advisable and in the best interests

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of their respective stockholders to consummate, the acquisition of the Company by Parent and Merger Sub pursuant to the Offer (as defined herein) and the merger of Merger Sub with and into the Company (the "MERGER") upon the terms and subject to the conditions set forth herein; and

WHEREAS, the Company, Parent and Merger Sub desire to make certain representations, warranties, covenants and agreements in connection with the transactions contemplated hereby and also to prescribe various conditions to the transactions contemplated hereby.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I

THE OFFER AND MERGER

1.1 THE OFFER. (a) Provided that this Agreement shall not have been terminated in accordance with Section 7.1 and none of the events set forth in Annex A hereto (other than the events set forth in clause (g) thereof) shall have occurred or be continuing, as promptly as practicable (but in no event later than five business days from the public announcement of the execution hereof), Merger Sub shall commence (within the meaning of Rule 14d-2 under the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT")) an offer (the "OFFER") to purchase for cash all of the issued and outstanding shares of Common Stock, par value $.01 per share (each a "SHARE" and, collectively, the "SHARES" or the "COMPANY COMMON STOCK"), of the Company, at a price of $55.50 per Share, net to the seller in cash (such price, or such higher price per Share as may be paid in the Offer, the "OFFER PRICE"). Merger Sub shall, on the terms and subject only to the prior satisfaction or waiver of the conditions of the Offer set forth in Annex A hereto (except that the Minimum Condition (as defined herein) may not be waived by Parent or Merger Sub without the consent of the

Company), accept for payment and pay for Shares tendered as soon as it is legally permitted to do so under applicable law. The obligations of Merger Sub to accept for payment and to pay for any and all Shares validly tendered on or before the expiration of the Offer and not withdrawn shall be subject only to (i) there being validly tendered and not withdrawn before the expiration of the Offer, that number of Shares which, together with any Shares beneficially owned by Parent or Merger Sub, represent at least a majority of the Shares outstanding on a fully diluted basis (the "MINIMUM CONDITION") and (ii) the other conditions set forth in Annex A hereto (the "ADDITIONAL CONDITIONS" and, together with the Minimum Condition, the "OFFER CONDITIONS"). The Offer shall be made by means of an offer to purchase (the "OFFER TO PURCHASE") containing the terms set forth in this Agreement and the Offer Conditions. Merger Sub shall not amend or waive

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the Minimum Condition and shall not decrease the Offer Price or decrease the number of Shares sought, or amend any other term or condition of the Offer in any manner adverse to the holders of the Shares or, except as provided in the next two sentences, extend the expiration date of the Offer without the prior written consent of the Company. Notwithstanding the foregoing, Merger Sub may, without the consent of the Company, (i) extend the Offer on one or more occasions for an aggregate period of not more than 20 days, if at the scheduled or extended expiration date of the Offer, the Minimum Condition shall not be satisfied, (ii) extend the Offer from time to time until the earlier to occur of (x) the satisfaction or waiver of all Offer Conditions or (y) August 31, 1998;

provided, however, that notwithstanding the foregoing, if all Offer Conditions
-------- -------
other than the HSR Condition (as defined in Annex A hereto) have been satisfied or waived, Merger Sub may, if such HSR Condition is reasonably capable of being satisfied, extend the Offer without the consent of the Company until October 31, 1998 (either such date, as applicable, being the "EXTENSION DATE"), if at the scheduled or extended expiration date of the Offer any of the Offer Conditions (other than the Minimum Condition) which are reasonably capable of being satisfied shall not be satisfied or waived, (iii) extend the Offer for any period required by any rule, regulation, interpretation or position of the United States Securities and Exchange Commission (the "SEC") or the staff thereof applicable to the Offer and (iv) extend the Offer on one or more occasions for an aggregate period of not more than 10 Business Days beyond the latest expiration date that would otherwise be permitted under clause (i), (ii) or (iii) of this sentence, if on such expiration date there shall not have been tendered at least 90% of the outstanding Shares on a fully diluted basis;

provided, however, that if the Offer is extended pursuant to this clause (iv)
-------- -------
hereof, the conditions to the Offer set forth in clauses (b), (f) or (h) of Annex A hereto shall be deemed satisfied at all times thereafter. Notwithstanding the foregoing, if requested by the Company, Merger Sub shall, and Parent agrees to cause Merger Sub to, extend the Offer from time to time until the earlier to occur of (x) the satisfaction or waiver of all Offer Conditions or (y) the Extension Date if, and to the extent that, at the initial expiration date of the Offer, or any extension thereof, all Offer Conditions have not been satisfied or waived and all such conditions are reasonably capable of being satisfied. In addition, the Offer Price may be increased and the Offer may be extended to the extent required by law in connection with such increase, in each case without the consent of the Company.

(b) As soon as practicable on the date the Offer is commenced, Parent and Merger Sub shall file with the SEC a Tender Offer Statement on Schedule 14D-1 with respect to the Offer (together with all amendments and supplements thereto and including the

exhibits thereto, the "SCHEDULE 14D-1"). The Schedule 14D-1 will include, as

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exhibits, the Offer to Purchase and a form of letter of transmittal and summary advertisement (collectively, together with any amendments and supplements thereto, the "OFFER DOCUMENTS"). The Offer Documents will comply in all material respects with the provisions of applicable federal securities laws and, on the date filed with the SEC and on the date first published, sent or given to the Company's stockholders, shall not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except that no representation is made by Parent or Merger Sub with respect to information supplied by the Company or any of its stockholders in writing for inclusion or incorporation by reference in the Offer Documents. Each of Parent and Merger Sub further agrees to take all steps necessary to cause the Offer Documents to be filed with the SEC and to be disseminated to holders of Shares, in each case as and to the extent required by applicable federal securities laws. Each of Parent and Merger Sub, on the one hand, and the Company, on the other hand, agrees promptly to correct any information provided by it for use in the Offer Documents if and to the extent that it shall have become false or misleading in any material respect, and Merger Sub further agrees to take all steps necessary to cause the Offer Documents as so corrected to be filed with the SEC and to be disseminated to holders of Shares, in each case as and to the extent required by applicable federal securities laws. The Company and its counsel shall be given a reasonable opportunity to review the initial Schedule 14D-1 before it is filed with the SEC. In addition, Parent and Merger Sub agree to provide the Company and its counsel in writing with any comments or other communications that Parent, Merger Sub or their counsel may receive from time to time from the SEC or its staff with respect to the Offer Documents promptly after the receipt of such comments or other communications.

(c) Parent shall provide or cause to be provided to Merger Sub all of the funds necessary to purchase any shares of Company Common Stock that Merger Sub becomes obligated to purchase pursuant to the Offer.

(d) Upon the consummation of the Offer, Parent agrees to make a loan to the Company, on commercially reasonable terms, in an amount sufficient for the Company to make payments to holders of Company Stock Options as set forth in Section 2.4 hereof, or, if such amount cannot be borrowed by the Company for any reason, to contribute such amount to the Company.

1.2 COMPANY ACTIONS. (a) The Company hereby approves of and consents to the Offer and represents that the Board of Directors (as defined in Section 8.13(b)), at a meeting duly called and held, has duly and unanimously (i) approved this Agreement and the transactions contemplated hereby, including the Offer and the Merger (as defined in the Recitals hereto) (collectively, the "TRANSACTIONS") and (ii) determined, as of the date of such resolutions, that the terms of the Offer and the Merger are fair to, and in the best interests of the Company's stockholders, and resolved to recommend that the stockholders of the Company accept the Offer, tender their Shares thereunder to Merger Sub and approve and adopt this Agreement and the Merger (if required) and (iv) taken all necessary steps to render Section 203 of the Delaware General Corporation Law

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(the "DGCL") inapplicable to the Merger (it being understood that

(x) nothing in this Agreement shall prevent or prohibit the Company from complying with Rule 14d-9 and Rule 14(e)(2) under the Exchange Act with respect to an Acquisition Proposal and (y) such recommendation may be withdrawn, modified or amended as provided in Section 5.4 hereof). The Company has been advised by each of its directors and executive officers listed on Schedule 1.2(a) annexed hereto that each such person currently intends to tender all Shares beneficially owned by such person pursuant to the Offer.

(b) As promptly as practicable following the commencement of the Offer and in all events not later than 10 business days following such commencement, the Company shall file with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9 (together with all amendments and supplements thereto and including the exhibits thereto, the "SCHEDULE 14D-9") which shall, subject to the provisions of this Agreement, contain the recommendation referred to in clause (ii) of Section 1.2(a) hereof. The Schedule 14D-9 will comply in all material respects with the provisions of applicable federal securities laws and, on the date filed with the SEC and on the date first published, sent or given to the Company's stockholders, shall not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except that no representation is made by the Company with respect to information supplied by Parent or Merger Sub in writing for inclusion in the Schedule 14D-9. The Company further agrees to take all steps necessary to amend or supplement the Schedule 14D-9 and to cause the Schedule 14D-9 to be filed with the SEC and to be disseminated to holders of Shares, in each case as and to the extent required by applicable federal securities laws. Each of the Company, on the one hand, and Parent and Merger Sub, on the other hand, agrees promptly to correct any information provided by it for use in the Schedule 14D-9 if and to the extent that it shall have become false or misleading in any material respect, and the Company further agrees to take all steps necessary to cause the Schedule 14D-9 as corrected to be filed with the SEC and to be disseminated to holders of the Shares, in each case as and to the extent required by applicable federal securities laws. Parent and its counsel shall be given a reasonable opportunity to review the initial Schedule 14D-9 before it is filed with the SEC. In addition, the Company agrees to provide Parent, Merger Sub and their counsel in writing with any comments or other communications that the Company or its counsel may receive from time to time from the SEC or its staff with respect to the Schedule 14D-9 promptly after the receipt of such comments or other communications.

(c) In connection with the Offer and the Merger, the Company will promptly furnish or cause to be furnished to Merger Sub mailing labels, security position listings and any available listing or computer file containing the names and addresses of the record holders of the Shares as of a recent date, and

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shall furnish Merger Sub with such additional information (including updated lists of holders of Shares and their addresses, mailing labels and lists of security positions) and such other assistance as Merger Sub or its agents may reasonably request in communicating the Offer to the record and beneficial stockholders of the Company. Except for such steps as are necessary to disseminate the Offer Documents and as required by applicable law, each of Parent and Merger Sub shall hold in confidence the information contained in any of such labels and lists and the additional information referred to in the

preceding sentence, will use such information only in connection with the Offer and the Merger, and, if this Agreement is terminated, will upon request of the Company deliver, and use its reasonable best efforts to cause its agents and representatives to deliver to the Company all copies of such information then in its possession or the possession of its agents or representatives.

1.3 DIRECTORS. (a) Promptly upon the purchase of and payment for Shares by Parent or any of its Subsidiaries (as defined in Section 8.13(j)) pursuant to the Offer, Parent shall be entitled to designate such number of directors, rounded up to the next whole number, on the Board of Directors of the Company as is equal to the product of the total number of directors on such Board (giving effect to the directors designated by Parent pursuant to this sentence) multiplied by the percentage that the aggregate number of Shares beneficially owned by Merger Sub, Parent and any of their affiliates bears to the total number of shares of Company Common Stock then outstanding. The Company shall, upon request of Merger Sub take any and all actions within the Company's power which are necessary to cause Parent's designees to be appointed to the Board of Directors (including by increasing the size of the Board of Directors or using its best efforts to cause incumbent directors to resign). At such time, the Company shall use its best efforts to cause persons designated by Parent to constitute the same percentage of each committee of the Board of Directors, each board of directors of each Subsidiary and each committee of each such board as such persons represent on the Board of Directors. Notwithstanding the foregoing, until the Effective Time (as defined in Section 1.6 hereof), the Company shall retain as members of its Board of Directors at least two directors who are directors of the Company on the date hereof (the "COMPANY DESIGNEES"). The Company's obligations under this Section 1.3(a) shall be subject to Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder. The Company shall promptly take all actions required pursuant to such Section 14(f) and Rule 14f-1 in order to fulfill its obligations under this Section 1.3(a), including mailing to stockholders the information required to by such Section 14(f) and Rule 14f-1 as is necessary to enable Parent's designees to be elected to the Company's Board of Directors. Parent or Merger Sub will supply the Company any information with respect to either of them and their nominees, officers, directors and affiliates required by such Section 14(f) and Rule 14f-1.

(b) From and after the time, if any, that Parent's designees constitute a majority of the Board of Directors and until the Effective Time any

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amendment of this Agreement, any termination of this Agreement by the Company, any extension of time for performance of any of the obligations of Parent of Merger Sub hereunder, any waiver of any condition or any of the Company's rights hereunder or other action by the Company hereunder may be effected only by the action of a majority of the directors of the Company then in office who are Company Designees, which action shall be deemed to constitute the action of the full Board of Directors; provided, that if there shall be no such directors (other than in breach hereof), such actions may be effected by unanimous vote of the entire Board of Directors of the Company.

1.4 THE MERGER. Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the Delaware General Corporation Law (the "DGCL"),

Merger Sub shall be merged with and into the Company at the Effective Time. Following the Merger, the separate corporate existence of Merger Sub shall cease, and the Company shall continue as the surviving corporation (the "SURVIVING CORPORATION") under the name "Triangle Pacific Corp."

1.5 CLOSING. The closing of the Merger (the "CLOSING") will take place on the fifth Business Day after the satisfaction or waiver (subject to applicable law) of the conditions (excluding conditions that, by their terms, cannot be satisfied until the Closing Date) set forth in Article VI (the "CLOSING DATE"), unless another time or date is agreed to in writing by the parties hereto. The Closing shall be held at the offices of O'Melveny & Myers LLP, 153 East 53rd Street, New York, NY 10022, unless another place is agreed to in writing by the parties hereto.

1.6 EFFECTIVE TIME. As soon as practicable following the Closing, the parties shall (i) file a certificate of merger (the "CERTIFICATE OF MERGER") in such form as is required by and executed in accordance with the relevant provisions of the DGCL and (ii) make all other filings or recordings required under the DGCL. The Merger shall become effective at such time as the Certificate of Merger is duly filed with the Delaware Secretary of State or at such subsequent time as the Company and Parent shall agree and be specified in the Certificate of Merger (the date and time the Merger becomes effective being the "EFFECTIVE TIME").

1.7 EFFECTS OF THE MERGER. At and after the Effective Time, the Merger will have the effects set forth in the DGCL. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time all the property, rights, privileges, powers and franchises of the Company and Merger Sub shall be vested in the Surviving Corporation, and all debts, liabilities and duties of the Company and Merger Sub shall become the debts, liabilities and

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duties of the Surviving Corporation.

1.8 CERTIFICATE OF INCORPORATION. The certificate of incorporation of the Company, as in effect immediately before the Effective Time, shall be the certificate of incorporation of the Surviving Corporation, until thereafter changed or amended as provided therein or by applicable law.

1.9 BYLAWS. The bylaws of the Company as in effect at the Effective Time shall be the bylaws of the Surviving Corporation until thereafter changed or amended as provided therein or by applicable law.

1.10 OFFICERS AND DIRECTORS OF SURVIVING CORPORATION. The officers of the Company as of the Effective Time shall be the officers of the Surviving Corporation, until the earlier of their resignation or removal or otherwise ceasing to be an officer or until their respective successors are duly elected and qualified, as the case may be. The directors of Merger Sub as of the Effective Time shall be the directors of the Surviving Corporation until the earlier of their resignation or removal or otherwise ceasing to be a director or until their respective successors are duly elected and qualified.

1.11 VOTE TO APPROVE MERGER. Parent agrees that it will vote, or cause to be voted, all of the Shares then owned by it, Merger Sub or any of its other Subsidiaries and affiliates in favor of the approval of the Merger and the adoption of this Agreement.

1.12 MERGER WITHOUT MEETING OF STOCKHOLDERS. If permitted by the DGCL, in the event that Parent, Merger Sub or any other Subsidiary of Parent shall acquire at least 90% of the outstanding shares of each class of capital stock of the Company, pursuant to the Offer or otherwise, the parties hereto agree to take all necessary and appropriate action to cause the Merger to become effective as soon as practicable after such acquisition, without a meeting of stockholders of the Company.

ARTICLE II

CONVERSION OF SECURITIES

2.1 CONVERSION OF CAPITAL STOCK. As of the Effective Time, by virtue of the Merger and without any action on the part of the holders of any shares of Company Common Stock or common stock of Merger Sub (the "MERGER SUB COMMON STOCK"):

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(a) Merger Sub Common Stock. Each issued and outstanding share of Merger Sub Common Stock shall be converted into and become one fully paid and nonassessable share of common stock, par value $.01 per share, of the Surviving Corporation.

(b) Cancellation of Treasury Stock and Parent-Owned Stock. Each share of Company Common Stock owned by the Company or any Subsidiary of the Company and each share of Company Common Stock owned by Parent, Merger Sub or any other wholly owned Subsidiary of Parent shall be cancelled and retired and shall cease to exist and no consideration shall be delivered in exchange therefor.

(c) Exchange of Shares. Each issued and outstanding share of Company Common Stock (other than Shares to be cancelled in accordance with Section 2.1(b) hereof and any Dissenting Shares (as defined in Section 2.3 hereof, if applicable)), shall be converted into the right to receive the Offer Price, payable to the holder thereof, without interest (the "MERGER CONSIDERATION"), upon surrender of the certificate formerly representing such share of Company Common Stock in the manner provided in Section 2.2 hereof. All such shares of Company Common Stock, when so converted, shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist, and each holder of a certificate representing any such shares shall cease to have any rights with respect thereto, except the right to receive the Merger Consideration therefor upon the surrender of such certificate in accordance with Section 2.2 hereof, without interest, or to perfect any rights of appraisal as a holder of Dissenting Shares that such holder may have pursuant to Section 262 of the DGCL.

2.2 EXCHANGE OF CERTIFICATES.

(a) Paying Agent. Parent shall designate a bank or trust company reasonably acceptable to the Company to act as agent in order for the holders of shares of Company Common Stock and the holders of Warrants in connection with the Merger (the "PAYING AGENT") to receive the funds to which all such holders shall become entitled pursuant to Section 2.1(c) or 2.5 hereof. Before the Effective Time, Parent shall deposit or cause to be deposited with the Paying Agent such funds for timely payment hereunder. Such funds shall be invested by the Paying Agent as directed by Parent or the Surviving Corporation.

(b) Exchange Procedures. Parent shall instruct the Paying Agent to, as soon as reasonably practicable after the Effective Time but in no event more than three business days thereafter, mail to each holder of record of a

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certificate, which immediately before the Effective Time represented outstanding shares of Company Common Stock (a "CERTIFICATE," or, collectively, the "CERTIFICATES"), whose shares were converted pursuant to Section 2.1 hereto into the right to receive the Merger Consideration (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon delivery of the Certificates to the Paying Agent and shall be in such form and have such other provisions as Parent may reasonably specify) and (ii) instructions for use in effecting the surrender of the Certificates in exchange for payment of the Merger Consideration. Upon surrender of a Certificate for cancellation to the Paying Agent or to such other agent or agents as may be appointed by Parent, together with such letter of transmittal, duly executed, the holder of such Certificate shall be entitled to receive in exchange therefor the Merger Consideration payable for each share of Company Common Stock formerly represented by such Certificate and the Certificate so surrendered shall forthwith be cancelled. If payment of the Merger Consideration is to be made to a person other than the person in whose name the surrendered Certificate is registered, it shall be a condition of payment that the Certificate so surrendered shall be properly endorsed or shall be otherwise in proper form for transfer and that the person requesting such payment shall have paid any transfer and other taxes required by reason of the payment of the Merger Consideration to a person other than the registered holder of the Certificate surrendered or shall have established to the satisfaction of the Surviving Corporation that such tax either has been paid or is not applicable. Until surrendered as contemplated by this Section 2.2, each Certificate shall be deemed at any time after the Effective Time to represent only the right to receive the Merger Consideration in cash as contemplated by this Section 2.2. No interest will be paid or accrue on the cash payable upon the surrender of any Certificate.

(c) Transfer Books; No Further Ownership Rights in Company Common Stock. At the Effective Time, the stock transfer books of the Company shall be closed and thereafter there shall be no further registration of transfers of shares of Company Common Stock on the records of the Company. From and after the Effective Time, the holders of Certificates evidencing ownership of shares of Company Common Stock outstanding immediately before the Effective Time shall cease to have any rights with respect to such Shares, except as otherwise provided for herein or by applicable law. If, after the Effective Time, Certificates are presented to the Surviving Corporation for any reason, they shall be cancelled and exchanged as provided in this Article II.

(d) Termination of Fund; No Liability. At any time following one year after the Effective Time, the Surviving Corporation shall be entitled to require the Paying Agent to deliver to it any funds (including any interest received with respect thereto) which had been made available to the Paying Agent and which have not been disbursed to holders of Certificates, and thereafter such

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holders shall be entitled to look to the Surviving Corporation (subject to abandoned property, escheat or other similar laws) only as general creditors thereof with respect to the Merger Consideration payable upon due surrender of their Certificates, without any interest thereon. Notwithstanding the foregoing, neither the Surviving Corporation nor the Paying Agent shall be liable to any holder of a Certificate for Merger Consideration delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

2.3 DISSENTING SHARES. Notwithstanding anything in this Agreement to the contrary, Shares outstanding immediately before the Effective Time and held by a holder who has not voted in favor of the Merger or consented thereto in writing and who has demanded appraisal for such Shares in accordance with the DGCL ("DISSENTING SHARES") shall not be converted into a right to receive the Merger Consideration, unless such holder fails to perfect or withdraws or otherwise loses his or her right to appraisal. A holder of Dissenting Shares shall be entitled to receive payment of the appraised value of such Shares held by him or her in accordance with the provisions of Section 262 of the DGCL, unless, after the Effective Time, such holder fails to perfect or withdraws or loses his or her right to appraisal, in which case such Shares shall be treated as if they had been converted as of the Effective Time into a right to receive the Merger Consideration, without interest thereon. The Company shall give Parent (i) prompt notice of any demands for appraisal of Shares received by the Company and (ii) the opportunity to participate in and direct all negotiations and proceedings with respect to any such demands. The Company shall not, without the prior written consent of Parent, make any payment with respect to, or settle, offer to settle or otherwise negotiate, any such demands.

2.4 COMPANY OPTION PLANS.

(a) All outstanding options to purchase Company Common Stock held by all current and former employees and directors of the Company ("COMPANY STOCK OPTIONS") granted to such employees and directors under any Company Benefit Plan (as defined in Section 3.1(b)(i)), whether or not then exercisable, shall be made fully vested and exercisable and canceled by the Company immediately before the earlier of (x) the consummation of the Offer or (y) the Effective Time, and thereafter, the holders' sole right shall be to, and the holders thereof shall, receive from the Company, for each Share subject to such Company Stock Option, an amount in cash equal to the difference between the Offer Price and the exercise price per share of such Company Stock Option, which amount shall be paid by the Company at the time such Company Stock Option is canceled. The Company will use its best efforts to obtain any necessary consents and make any amendments to the terms of the Company Benefit Plans to the extent such consents or amendments are necessary to give effect to the foregoing. All applicable withholding taxes attributable to the payments made hereunder shall be deducted from the amounts payable under this Section 2.4.

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(b) Prior to the Effective Time, the Company's employee stock benefit plans shall be terminated and the provisions in any other Company Benefit Plan providing for the issuance or grant of any other interest in respect of the capital stock of the Company or any Subsidiary shall be deleted. The Company shall take all actions necessary to ensure that following the Effective Time no holder of a Company Stock Option or any participant in any Company Benefit Plan shall have the right thereunder to acquire any capital stock of the Company, Parent, the Surviving Corporation or any of their respective Subsidiaries, except as provided in this Section 2.4.

2.5 WARRANTS.

(a) In accordance with the terms of the ESJ Exchange Agreement dated as of June 5, 1992 among the ESJ Entities, TPC Holding Corp. and the Company and the warrant certificates issued thereunder (the "Warrant Certificates"), all outstanding warrants of the Company issued pursuant thereto (the "ESJ WARRANTS") (other than ESJ Warrants owned by Parent, Merger Sub or any other direct or indirect subsidiary of Parent, which ESJ Warrants shall be canceled and extinguished at the Effective Time, with no payment being made with respect to such ESJ Warrants) shall, following the Effective Time, be exercisable only for an amount of cash equal to the Offer Price and the holders of such ESJ Warrants shall be entitled to receive, upon surrender to the Paying Agent of the warrant certificates for cancellation, cash in an amount equal to the Warrant Consideration. The Company shall take all actions necessary to ensure that following the Effective Time (i) the ESJ Warrants shall represent only the right to receive the Warrant Consideration in lieu of Shares issuable upon exercise thereof, (ii) all warrant agreements shall be terminated and cancelled and (iii) no party to such warrant agreements shall have the right to acquire any capital stock of the Company, Parent, the Surviving Corporation or any of their respective subsidiaries.

(b) In accordance with the terms of the Lenders' Equity Agreement dated as of June 5, 1992 between the Company and certain banks and other financial institutions (the "Banks"), the Banks hold certain rights (the "BANK WARRANTS" and, collectively with the ESJ Warrants, the "WARRANTS") entitling them to receive an aggregate of 4,858 Shares (upon payment of $.01 per Share) upon the exercise of the ESJ Warrants by the holders thereof. The Company agrees to use its best efforts to (i) obtain, prior to the Effective Time, consents or waivers from each Bank whereby such Bank agrees to receive the Warrant Consideration in lieu of Shares issuable upon the exercise of the Bank Warrants and (ii) ensure that following the Effective Times (x) the Bank Warrants shall represent only the right to receive cash in an amount equal to the per share Offer Price less $.01 per share, (y) the Lenders' Equity Agreement shall be terminated and cancelled and (z) no party to such Lenders' Equity Agreement shall have the right to acquire any capital stock of the Company, Parent, the Surviving Corporation or any of their respective Subsidiaries..

(c) As used herein "WARRANT CONSIDERATION" shall mean an amount per Warrant equal to the product of (i) the number of Shares issuable upon exercise

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of such Warrant and (ii) the difference between the Offer Price and the per Share exercise price per Warrant, without interest, which amount shall be paid from and after the Effective Time.

2.6 LOST CERTIFICATES. If any Certificate or Warrant Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate or Warrant Certificate to be lost, stolen or destroyed and, if required by the Surviving Corporation, the posting by such Person of a bond in such reasonable amount as the Surviving Corporation may direct as indemnity against any claim that may be made against it with respect to such Certificate or Warrant Certificate, the Paying Agent will deliver in exchange for such lost, stolen or destroyed Certificate or Warrant Certificate the applicable Merger Consideration or Warrant Consideration, as the case may be, with respect to the shares of Company Common Stock or Warrants formerly represented thereby.

2.7 WITHHOLDING RIGHTS. Each of the Surviving Corporation and Parent shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any holder of shares of Company Common Stock or Warrants such amounts as it is required to deduct and withhold with respect to the making of such payment under the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder and the rules and regulations promulgated thereunder, or any provision of state, local or foreign tax law. To the extent that amounts are so withheld by the Surviving Corporation or Parent, as the case may be, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the shares of Company Common Stock or Warrants in respect of which such deduction and withholding was made by the Surviving Corporation or Parent, as the case may be.

2.8 FURTHER ASSURANCES. At and after the Effective Time, the officers and directors of the Surviving Corporation will be authorized to execute and deliver, in the name and on behalf of the Company or Merger Sub, any deeds, bills of sale, assignments or assurances and to take and do, in the name and on behalf of the Company or Merger Sub, any other actions and things to vest, perfect or confirm of record or otherwise in the Surviving Corporation any and all right, title and interest in, to and under any of the rights, properties or assets acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

3.1 REPRESENTATIONS AND WARRANTIES OF THE COMPANY. Except as set

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forth in the Company SEC Reports (as defined in Section 3.1(d)) filed prior to the date hereof or in the Company Disclosure Schedule delivered by the Company to Parent before the execution of this Agreement (the "COMPANY DISCLOSURE SCHEDULE"), the Company represents and warrants to Parent and Merger Sub as follows:

(a) Organization, Standing and Power. Each of the Company and its Subsidiaries (1) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (2) has all necessary power and authority required to own, lease, license or use its assets and properties now owned, leased, licensed or used and to carry on its

business as now conducted and (3) is duly qualified as a foreign corporation, limited liability company or limited partnership, as the case may be, under the laws of each jurisdiction in which qualification is required either to own, lease, license or use its properties now owned, leased, licensed and used or to carry on its business as now conducted, except where the failure to effect or obtain such qualification, individually or in the aggregate, would not constitute a Company Material Adverse Effect. "COMPANY MATERIAL ADVERSE EFFECT" means, with respect to the Company, any adverse change, circumstance or effect that is reasonably likely to be materially adverse to the business, financial condition or results of operations of the Company and its Subsidiaries taken as a whole or on transactions contemplated hereby, other than any change, circumstance or effect (i) relating to the economy or securities markets in general, (ii) relating to the industries in which the Company operates and not specifically relating to the Company or (iii) resulting from the execution of this Agreement, the announcement of this Agreement and the Transactions contemplated hereby or any change in the value of the Company relating to such execution or announcement. The copies of the certificate of incorporation and bylaws of the Company, which were previously furnished to Parent, are complete copies of such documents as in effect on the date of this Agreement.

(b) Capital Structure.

(i) The authorized capital stock of the Company consists solely of 30,000,000 shares of Company Common Stock and 10,000,000 shares of preferred stock, par value $.01 per share (the "PREFERRED STOCK"). As of June 9, 1998, 14,766,575 shares of Company Common Stock were issued and outstanding, no shares of Preferred Stock were issued and outstanding, no shares of capital stock were held in the treasury of the Company and 2,510,021 shares of Company Common Stock were reserved for issuance pursuant to the Company Benefit Plans and Warrants of the Company. Since such date, there have been no issuances of shares of the capital stock of the Company or any other securities of the Company other than issuances of shares pursuant to options or rights outstanding as of such date under the

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Company Benefit Plans. All issued and outstanding shares of the capital stock of the Company are and all shares reserved for issuance will be, when issued in accordance with the terms specified in the commitments or agreements pursuant to which they are issuable, duly authorized, validly issued, fully paid and nonassessable, and no class of capital stock is entitled to preemptive rights. As of June 9, 1998 except for (i) options representing in the aggregate the right to purchase 1,375,414 shares of Company Common Stock under the Company Benefit Plans and (ii) 809,014 Warrants validly issued and currently exercisable for 809,014 shares of Company Common Stock in the aggregate, there were no, and at the Effective Time (except pursuant to this Agreement) there will not be any, outstanding securities, options, subscriptions, warrants, calls, rights (including "phantom" stock rights), preemptive rights or other contracts, commitments, understandings or arrangements, including any right of conversion or exchange under any outstanding security, instrument or agreement (together, "OPTIONS") obligating the Company or any of its Subsidiaries to issue, deliver or sell or cause to be issued, delivered or sold any shares of capital stock of the Company or to issue, grant, extend or enter into any Option with respect thereto or to repurchase, redeem or otherwise acquire any share of capital stock of the Company. The

Company is not a party to any voting agreement with respect to the voting of any of its securities. "COMPANY BENEFIT PLANS" means each employee benefit plan, program, arrangement and contract (including but not limited to any "employee benefit plan," as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") , whether or not subject to ERISA and any bonus, deferred compensation, incentive, stock appreciation right, phantom stock, stock bonus, stock purchase, restricted stock, stock option, employment, termination, stay agreement or bonus, change in control, severance or other compensatory plan, program, arrangement and contract) all of the foregoing in effect on the date of this Agreement and, in the case of a Company Benefit Plan which is subject to Part 3 of Title I of ERISA, Section 412 of the Code or Title IV of ERISA, at any time during the five-year period preceding the date of this Agreement, to which the Company is a party, which is maintained or contributed to by the Company or a Subsidiary, or with respect to which the Company could incur material liability or which otherwise benefits any employees and directors of the Company or its Subsidiaries. No options or warrants or other rights to acquire capital stock from the Company have been issued or granted since June 9, 1998.

(ii) No bonds, debentures, notes or other indebtedness of the Company having the right to vote (or convertible or exchangeable into or exercisable for securities having the right to vote) on matters on which stockholders of the Company or any of its Subsidiaries may vote ("COMPANY VOTING DEBT") are authorized, issued or outstanding.

(iii) All of the outstanding shares of capital stock of each

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Subsidiary of the Company are duly authorized, validly issued, fully paid and nonassessable and are owned, beneficially and of record, by the Company or a Subsidiary wholly-owned, directly or indirectly, by the Company, free and clear of any liens, claims, mortgages, encumbrances, pledges, security interests, equities and charges of any kind (each, a "LIEN"), other than Permitted Liens described in clauses (i) and (ii) of the definition thereof. Except for interests in its Subsidiaries, neither the Company nor any of its Subsidiaries owns directly or indirectly any interest or investment (whether equity or debt) in any corporation, partnership, joint venture, limited liability company, trust or other entity. There are no outstanding Options obligating the Company or any of its Subsidiaries to issue, deliver or sell or cause to be issued, delivered or sold any shares of capital stock of any Subsidiary of the Company or to issue, grant, extend or enter into any Option with respect thereto, or to repurchase, redeem or otherwise acquire any shares of capital stock of any Subsidiary of the Company.

(c) Authority; No Conflicts.

(i) The Company has all requisite corporate power and authority to enter into this Agreement and to consummate the Transactions contemplated hereby, subject in the case of the consummation of the Merger to the adoption of this Agreement by the Required Company Vote (as defined in Section 3.1(g)), if required by law. The execution and delivery of this Agreement and the consummation of the Transactions contemplated hereby have been duly authorized by all necessary corporate action on the

part of the Company, subject in the case of the consummation of the Merger to the adoption of this Agreement by the Required Company Vote. This Agreement has been duly executed and delivered by the Company and constitutes a valid and binding agreement of the Company, enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws relating to or affecting creditors generally, by general equity principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(ii) The execution and delivery of this Agreement does not and the consummation of the Merger and the other Transactions contemplated hereby will not conflict with, result in any violation of, constitute a default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, amendment, cancellation or acceleration of any obligation or the loss of a material benefit under, or the creation of a Lien on any assets of the Company or any of its Subsidiaries (any such conflict, violation, default, right of termination, amendment, cancellation or acceleration, loss or creation, a "VIOLATION") pursuant to: (A) any provision of the certificate of incorporation or bylaws of the Company or

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any of its Subsidiaries, or (B) except as would not, individually or in the aggregate, constitute a Company Material Adverse Effect and, subject to obtaining or making the Required Consents (as defined in Section 3.1(c)(iv)), any loan or credit agreement, note, mortgage, bond, indenture, lease, benefit plan or other agreement, obligation, instrument, permit, franchise, license, judgment, order, decree, statute, law, ordinance, rule or regulation applicable to the Company or any Subsidiary of the Company or their respective properties or assets.

(iii) No consent, approval, order or authorization of, or registration, declaration or filing with, any national, state, municipal or local government, any instrumentality, subdivision, court, administrative agency or commission or other authority thereof, or any quasi-governmental or private body exercising any regulatory, taxing, importing or other governmental or quasi-governmental authority (a "GOVERNMENTAL ENTITY"), is required by or with respect to the Company or any of its Subsidiaries in connection with the execution and delivery of this Agreement by the Company or the consummation of the Merger and the other Transactions contemplated hereby, except for the Required Consents and such other consents, approvals, orders, authorizations, registrations, declarations and filings the failure of which to make or obtain would not, individually or in the aggregate, constitute a Company Material Adverse Effect.

(iv) The Company and its Subsidiaries are not in violation of any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to the Company or any Subsidiary of the Company or their respective properties or assets except for violations which, individually or in the aggregate, do not constitute a Company Material Adverse Effect.

(v) As used herein, "REQUIRED CONSENTS" shall mean consents, approvals, orders, authorizations, registrations, declarations and filings required under or in relation to (A) the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR ACT"), (B) state securities or "blue sky" laws (the "BLUE SKY LAWS"), (C) the Securities Act of 1933, as amended (the "SECURITIES ACT"), (D) the Exchange Act, (E) the filing of the Certificate of Merger under the DGCL, (F) rules and regulations of NASDAQ, (G) antitrust or other competition laws of other jurisdictions and (H) consents set forth on the Company Disclosure Schedule.

(d) Reports and Financial Statements. The Company and each of its wholly owned Subsidiaries required to file reports under Sections 13 or 15(d) of the Exchange Act has filed all required reports, schedules, forms, statements and other documents required to be filed by it with the SEC since January 1, 1995 (collectively, including all exhibits thereto, and together with such other reports, schedules, forms, statements and other documents, filed by the Company or any Subsidiary with the SEC under the Exchange Act and the Securities Act, including all exhibits thereto, the "COMPANY SEC REPORTS"). None of the Company

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SEC Reports, as of their respective dates, contained or will contain any untrue statement of a material fact or omitted or will omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Each of the financial statements (including the related notes) included in the Company SEC Reports presents fairly, in all material respects, the consolidated financial position and consolidated results of operations and cash flows of the Company and its Subsidiaries as of the respective dates or for the respective periods set forth therein, and were prepared in conformity with United States generally accepted accounting principles ("GAAP") consistently applied during the periods involved except as otherwise noted therein, and subject, in the case of the unaudited interim financial statements, to normal and recurring year-end adjustments that have not been and are not expected to be material in amount. All of the Company SEC Reports, as of their respective dates (and as of the date of any amendment to the respective Company SEC Report), complied as to form in all material respects with the applicable requirements of the Securities Act and the Exchange Act and the rules and regulations promulgated thereunder. Except for matters reflected or reserved against in the balance sheet for the period ended April 3, 1998 included in the financial statements contained in the Company's most recent Form 10-Q, neither the Company nor any of its Subsidiaries has incurred since that date any liabilities or obligations of any nature (whether accrued, absolute, contingent, fixed or otherwise) which would be required under GAAP to be set forth on a consolidated balance sheet of the Company and its consolidated Subsidiaries, except liabilities and obligations which were incurred in the ordinary course of business consistent with past practice since such date.

(e) Information Supplied.

(i) None of the information supplied or to be supplied by the Company for inclusion or incorporation by reference in the Offer Documents, the Schedule 14D-9 or the Proxy Statement, if required, including any amendments or supplements thereto, will, at the respective times the Offer Documents, the Schedule 14D-9 and the Proxy

Statement, as the case may be, are filed with the SEC or first published, sent or given to the Company's stockholders or at the time of the Company Stockholders Meeting contain any untrue statement of material fact, or omit to state any material fact required to be stated therein or necessary in order to make the statements therein in light of the circumstances under which they are made not false or misleading. The Schedule 14D-9 and the Proxy Statement, if required, will comply as to form in all material respects with the requirements of the Exchange Act and the Securities Act and the rules and regulations thereunder.

(ii) Notwithstanding the foregoing provisions of this Section 3.1(e), no representation or warranty is made by the Company with respect

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to statements made or incorporated by reference in the Offer Documents, the Schedule 14D-9 or, if required, the Proxy Statement based on information supplied by Parent for inclusion or incorporation by reference therein.

(f) Board Approval. The Board of Directors of the Company, by resolutions duly adopted at a meeting duly called and held and not subsequently rescinded or modified (the "COMPANY BOARD APPROVAL"), has duly and unanimously (i) determined that this Agreement and the terms of the Offer and the Merger are fair to, in the best interests of the Company and its stockholders, (ii) approved this Agreement, the Offer and the Merger, (iii) determined to recommend that the stockholders of the Company accept the Offer, tender their Shares thereunder to Merger Sub and approve and adopt this Agreement and the Transactions, and (iv) approved the transactions contemplated by the Stock Tender Agreement prior to the execution and delivery of such Stock Tender Agreement and this Agreement. The Company Board Approval constitutes approval by and on behalf of the Company of this Agreement and the Merger for purposes of Section 251 of the DGCL and Section 203 of the DGCL and the provisions of Section 203 of the DGCL will not, before the termination of this Agreement, apply to this Agreement, the Offer, the Merger or the other transactions contemplated hereby.

(g) Vote Required. The affirmative vote of the holders of a majority of the outstanding shares of Company Common Stock, voting together as a single class, to approve the Merger (the "REQUIRED COMPANY VOTE"), if required by applicable law, is the only vote of the holders of any class or series of the Company capital stock or Company Voting Debt necessary to adopt this Agreement and approve the Transactions contemplated hereby.

(h) Brokers or Finders. No agent, broker, investment banker, financial advisor or other firm or Person is or will be entitled to any broker's or finder's fee or any other similar commission or fee in connection with any of the Transactions contemplated by this Agreement, except Salomon Smith Barney (the "FINANCIAL ADVISOR"), whose fees and expenses will be paid by the Company in accordance with the Company's agreement with such firm, which has been disclosed to Parent.

(i) Opinion of the Financial Advisor. The Company has received the opinion of the Financial Advisor, dated the date hereof, to the effect that, as of such date, the Offer Price and the Merger Consideration is fair, from a financial point of view, to the holders of

Company Common Stock, a true and complete copy of which has been delivered to Parent prior to the execution of this Agreement.

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(j) Absence of Certain Changes or Events. Except for the process culminating in the execution of this Agreement and as contemplated by this Agreement, since January 2, 1998 (i) there has not been any change, event or development constituting, individually or in the aggregate, a Company Material Adverse Effect; (ii) the businesses of the Company and its Subsidiaries have been conducted only in the ordinary course consistent with past practice; (iii) the Company has not set aside or declared any dividend or other distribution with respect to its capital stock; and (iv) the Company has not changed, in any material way, its accounting principles, practices or methods.

(k) Title to Properties; Entire Business. The Company and its Subsidiaries have good title or a valid and subsisting leasehold interest in and to or a valid and enforceable license to use all material assets, properties and rights owned, used or held for use by them in the conduct of their respective businesses, in each case, free and clear of any Liens other than Permitted Liens. The Company and its Subsidiaries own or have sufficient right to use all assets and properties necessary to conduct their businesses in the manner in which they are currently conducted.

(l) Litigation. As of the date hereof, there is no suit, action or proceeding pending or, to the knowledge of the Company, threatened against the Company or any of its Subsidiaries that, individually or in the aggregate, constitutes a Company Material Adverse Effect.

3.2 REPRESENTATIONS AND WARRANTIES OF PARENT. Except as set forth in the Parent Disclosure Schedule delivered by Parent to the Company before the execution of this Agreement (the "PARENT DISCLOSURE SCHEDULE"), Parent represents and warrants to the Company hereof as follows:

(a) Organization, Standing and Power. Each of Parent and its Subsidiaries (1) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (2) has all necessary power and authority and all material licenses, authorizations, consents and approvals required to own, lease, license or use its properties now owned, leased, licensed or used and to carry on its business as now conducted and (3) is duly qualified as a foreign corporation, limited liability company or limited partnership, as the case may be, under the laws of each jurisdiction in which qualification is required either to own, lease, license or use its properties now owned, leased, licensed and used or to carry on its business as now conducted, except where the failure to effect or obtain such qualification, individually or in the aggregate, would not constitute a Parent Material Adverse Effect. "PARENT MATERIAL ADVERSE EFFECT" means, with respect to Parent, any adverse change, circumstance or effect that is reasonably likely to be materially adverse to the business, financial condition or results of operations of Parent and its Subsidiaries taken as a whole or on the transactions contemplated hereby, other than any change, circumstance or effect (i) relating

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to the economy or securities markets in general, or (ii) relating to the industries in which Parent and its Subsidiaries operate

and not specifically relating to Parent and its Subsidiaries. The copies of the certificate of incorporation and bylaws of Parent, which were previously furnished to the Company, are complete copies of such documents as in effect on the date of this Agreement.

(b) Authority; No Conflicts.

(i) Parent has all requisite corporate power and authority to enter into this Agreement and to consummate the Transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the Transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Parent. This Agreement has been duly executed and delivered by Parent and constitutes a valid and binding agreement of Parent, enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws relating to or affecting creditors generally, by general equity principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(ii) The execution and delivery of this Agreement does not or will not, as the case may be, and the consummation of the Merger and the other Transactions contemplated hereby will not, conflict with, or result in a Violation pursuant to: (A) any provision of the certificate of incorporation or bylaws of Parent or any Subsidiary of Parent, (B) except as would not, individually or in the aggregate, constitute a Parent Material Adverse Effect and, subject to obtaining or making the consents, approvals, orders, authorizations, registrations, declarations and filings referred to in paragraph (iii) below, any loan or credit agreement, note, mortgage, bond, indenture, lease, benefit plan or other agreement, obligation, instrument, permit, concession, franchise, license, judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Parent or any Subsidiary of Parent or their respective properties or assets.

(iii) No consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Entity is required by or with respect to Parent or any Subsidiary of Parent in connection with the execution and delivery of this Agreement by Parent or the consummation of the Merger and the other Transactions contemplated hereby, except for the Required Consents and such consents, approvals, orders, authorizations, registrations, declarations and filings the failure of which to make or obtain would not, individually or in the aggregate, constitute a Parent Material Adverse Effect.

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(c) Information Supplied.

(i) None of the information supplied or to be supplied by Parent for inclusion or incorporation by reference in (A) the Offer Documents or the Schedule 14D-9, including any amendments or supplements thereto, will, at the respective times the Offer Documents and the Schedule 14D-9 are filed with the SEC or first published or given to the Company's stockholders contain any untrue statement of material fact, or

omit to state any material fact required to be stated herein or necessary in order to make the statements therein in light of the circumstances under which they were made not false or misleading, and (B) if required, the Proxy Statement will, on the date it is first mailed to Company stockholders or at the time of the Company Stockholders Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(ii) Notwithstanding the foregoing provisions of this Section 3.2(c), no representation or warranty is made by Parent with respect to statements made or incorporated by reference in the Offer Documents, the Schedule 14D-9, or the Proxy Statement, if required, based on information supplied by the Company for inclusion or incorporation by reference therein.

(d) Board Approval. The Board of Directors of Parent, by resolutions duly adopted at a meeting duly called and held and not subsequently rescinded or modified in any way, has duly and unanimously (i) determined that this Agreement and the Merger are fair to and in the best interests of Parent and its stockholders and (ii) approved this Agreement and the Merger.

(e) Brokers or Finders. No agent, broker, investment banker, financial advisor or other firm or Person is or will be entitled to any broker's or finder's fee or any other similar commission or fee in connection with any of the Transactions contemplated by this Agreement based upon arrangements made by or on behalf of Parent, except J.P. Morgan & Company and Bain & Company, whose fees and expenses will be paid by Parent in accordance with Parent's agreement with such firm based upon arrangements made by or on behalf of Parent and previously disclosed to the Company.

3.3 REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUB. Parent and Merger Sub represent and warrant to the Company as follows:

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(a) Organization and Corporate Power. Merger Sub is a corporation duly incorporated, validly existing and in good standing under the laws of Delaware. Merger Sub is a direct wholly owned subsidiary of Parent. The copies of the certificate of incorporation and bylaws of Merger Sub, which were previously furnished to the Company, are complete copies of such documents as in effect on the date of this Agreement.

(b) Corporate Authorization. Merger Sub has all requisite corporate power and authority to enter into this Agreement and to consummate the Transactions contemplated hereby. The execution, delivery and performance by Merger Sub of this Agreement and the consummation by Merger Sub of the Transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Merger Sub. This Agreement has been duly executed and delivered by Merger Sub and constitutes a valid and binding agreement of Merger Sub, enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws

relating to or affecting creditors generally, by general equity principles (regardless or whether such enforceability is considered in a proceeding in equity or at law) or by an implied covenant of good faith and fair dealing.

(c) No Conflicts. The execution, delivery and performance by Merger Sub of this Agreement and the consummation by Merger Sub of the Transactions contemplated hereby do not and will not contravene or conflict with the certificate of incorporation or bylaws of Merger Sub.

(d) No Business Activities. Merger Sub has not conducted any activities other than in connection with the organization of Merger Sub, the negotiation and execution of this Agreement and the consummation of the Transactions contemplated hereby. Merger Sub has no Subsidiaries.

(e) Sufficient Funds. Either Parent or Merger Sub has sufficient funds available to purchase all of the Shares outstanding on a fully diluted basis pursuant to the Offer, to perform their respective obligations under this Agreement including, without limitation, making the loans and/or contributions to the Company as set forth in Section 1.1(d), 5.9 and 5.10 hereof and to pay all fees and expenses related to the Transactions contemplated by this Agreement to be paid by them.

(f) Share Ownership. Except as contemplated by the Stock Tender Agreement, none of Parent, Merger Sub or any of their respective "affiliates" or

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"associates" (as those terms are defined in Rule 12b-2 under the Exchange Act) beneficially owns any Shares.

ARTICLE IV

COVENANTS RELATING TO CONDUCT OF BUSINESS

4.1 COVENANTS OF THE COMPANY. During the period from the date of this Agreement and continuing until the Effective Time, the Company agrees as to itself and its Subsidiaries that (except as expressly contemplated or permitted by this Agreement or as otherwise indicated on the Company Disclosure Schedule or as required by a Governmental Entity or to the extent that Parent shall otherwise consent in writing, such consent not to be unreasonably withheld):

(a) Ordinary Course. The Company and its Subsidiaries shall carry on their respective businesses in the usual, regular and ordinary course in all material respects, in substantially the same manner as heretofore conducted, and shall use all reasonable efforts to preserve intact their present lines of business and keep available the services of their current officers and employees and preserve their relationships with customers, suppliers, licensors, licensees, distributors and others having business dealings with them; provided, however, that no action by the Company or its Subsidiaries covered by any other provision of this Section 4.1

shall be deemed a breach of this Section 4.1(a) unless such action would also constitute a breach of one or more of such other provisions.

(b) Dividends; Changes in Share Capital. The Company shall not, and shall not permit any of its Subsidiaries to, (i) declare or pay any dividends on or make other distributions (whether in stock, cash or property) in respect of any of its capital stock, except dividends by a wholly owned direct or indirect Subsidiary of the Company to such Subsidiary's parent, (ii) split, combine or reclassify any of its capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for, shares of its capital stock, except for any such transaction by a wholly owned Subsidiary of the Company which remains a wholly owned Subsidiary after consummation of such transaction, or (iii) repurchase, redeem or otherwise acquire any shares of its capital stock or any securities convertible into or exercisable for any shares of its capital stock except to the extent required by the Employment Agreements.

(c) Issuance of Securities. The Company shall not, and shall not

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permit any of its Subsidiaries to, issue, deliver, sell, pledge or otherwise encumber (except for Permitted Liens described in clauses (i) and (ii) of the definition thereof), any shares of its capital stock or authorize or propose the issuance, delivery, sale, pledge or encumbrance (except for Permitted Liens described in clauses (i) and (ii) of the definition thereof), of, any shares of its capital stock of any class, any Company Voting Debt or any securities convertible into or exercisable for, or any rights, warrants or options to acquire, any such shares or Company Voting Debt, or enter into any agreement with respect to any of the foregoing, other than (i) the issuance of Company Common Stock upon the exercise of Company Stock Options outstanding on the date hereof in accordance with their present terms or upon the exercise of the Warrants, or (ii) issuances by a wholly owned Subsidiary of the Company of capital stock to such Subsidiary's parent.

(d) Governing Documents. Except to the extent required to comply with their respective obligations hereunder, required by law or required by the rules and regulations of the NASDAQ, the Company and its wholly owned Subsidiaries shall not amend their respective certificates of incorporation, bylaws or other governing documents.

(e) Acquisitions and Divestitures. The Company shall not, and shall not permit any of its Subsidiaries to, acquire or agree to acquire by merging or consolidating with, or by purchasing a substantial equity interest in or a substantial portion of the assets of, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof or otherwise acquire or agree to acquire any assets (other than the acquisition of assets used in the operations of the business of the Company and its Subsidiaries in the ordinary course); provided, however, that the foregoing shall not prohibit (x) internal reorganizations or consolidations involving existing wholly owned Subsidiaries of the Company or (y) the creation of new Subsidiaries of the Company organized to conduct or continue activities otherwise permitted by this Agreement that in the case of clause (x) and (y) would not otherwise be prohibited by or result in a breach of any other provision of this Section 4.1. Other than (i) internal reorganizations or consolidations involving existing wholly owned

Subsidiaries of the Company and (ii) as may be required by or in conformance with law or regulation in order to permit or facilitate the consummation of the Transactions contemplated hereby, the Company shall not, and shall not permit any wholly owned Subsidiary of the Company to, sell, lease, encumber or otherwise dispose of, or agree to sell, lease, encumber or otherwise dispose of, any of its assets (including capital stock of wholly owned Subsidiaries of the Company) which are material, individually or in the aggregate, to the Company other than sales of inventory in the ordinary course of business.

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(f) Indebtedness. The Company shall not, and shall not permit any of its wholly owned Subsidiaries to, (i) create, assume or incur any Indebtedness or issue any debt securities, warrants or other rights to acquire any debt securities of the Company or any of its Subsidiaries, other than Indebtedness incurred under the Credit Agreement or other Indebtedness in an aggregate amount not to exceed $500,000, (ii) except in the ordinary course of business consistent with past practice, make any loans, advances or capital contributions to, or investments in, any other Person, other than by the Company or a wholly owned Subsidiary of the Company to or in the Company or any wholly owned Subsidiary of the Company or (iii) except in the ordinary course of business consistent with past practice, pay, discharge or satisfy any claims, liabilities or obligations (absolute, accrued, asserted or unasserted, contingent or otherwise); provided however, that the Company may refinance Indebtedness under the Credit Agreement.

(g) Compensation. Other than in accordance with the provisions of this Agreement, the Company shall not, and shall not permit any of its Subsidiaries to, unless required by law or to maintain the tax qualification of any Company Benefit Plan, to (i) increase any employee benefits provided to, or, except in the ordinary course of business consistent with past practices, increase the compensation or fringe benefits payable to, any employee or former employee of the Company or any Subsidiary of the Company; (ii) adopt, enter into, terminate or amend in any material respect any employment contract, collective bargaining agreement or Company Benefit Plan; (iii) pay any benefit not provided for under any Company Benefit Plan or any other benefit plan or arrangement of the Company and its Subsidiaries; or (iv) increase in any manner the severance or termination pay of any officer or employee.

(h) Accounting Methods; Income Tax Elections. Except as disclosed in Company SEC Reports filed before the date of this Agreement, or as required by a Governmental Entity, the Company shall not change its methods of accounting in effect at December 31, 1997, except as required by changes in GAAP as concurred in by the Company's independent auditors. The Company shall not (i) change its fiscal year or (ii) make any material tax election, other than in the ordinary course of business consistent with past practice, without consultation with Parent.

(i) Material Agreements. The Company shall not, and shall not permit any of its Subsidiaries to, enter into any agreement of a nature that would be required to be filed as an exhibit to Form 10-K under the Exchange Act, other than contracts for the sale of the Company's or its Subsidiaries' products in the ordinary course of business.

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(j) Representations and Warranties. The Company shall not knowingly take, and shall not permit any of its Subsidiaries knowingly to take, any actions that would make any representation or warranty of the Company contained in this Agreement untrue or incorrect in any material respect as of the date when made or as of the Closing Date.

(k) Agreements or Commitments. The Company shall not, and shall not permit any of its Subsidiaries to, authorize any of, or commit or agree to take any of, the foregoing actions.

4.2 ADVICE OF CHANGES; GOVERNMENTAL FILINGS. Each party shall (a) confer on a regular and frequent basis with the other and (b) report (to the extent permitted by law or regulation or any applicable confidentiality agreement) on operational matters. The Company and Parent shall file all reports required to be filed by each of them with the SEC (and all other Governmental Entities) between the date of this Agreement and the Effective Time and shall (to the extent permitted by law or regulation or any applicable confidentiality agreement) deliver to the other party copies of all such reports, announcements and publications promptly after the same are filed. Subject to applicable laws relating to the exchange of information, each of the Company and Parent shall have the right to review in advance, and will consult with the other with respect to, all the information relating to the other party and each of their respective wholly owned Subsidiaries, which appears in any filings, announcements or publications made with, or written materials submitted to, any third party or any Governmental Entity in connection with the Transactions contemplated by this Agreement. In exercising the foregoing right, each of the parties hereto agrees to act reasonably and as promptly as practicable. Each party agrees that, to the extent practicable and as timely as practicable, it will consult with, and provide all appropriate and necessary assistance to, the other party with respect to the obtaining of all permits, consents, approvals and authorizations of all third parties and Governmental Entities necessary or advisable to consummate the Transactions contemplated by this Agreement and each party will keep the other party apprised of the status of matters relating to completion of the Transactions contemplated hereby.

4.3 CONTROL OF THE COMPANY'S BUSINESS. Nothing contained in this Agreement shall give Parent, directly or indirectly, the right to control or direct the Company's operations before the consummation of the Offer. Before the consummation of the Offer, each of the Company and Parent shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over its respective operations.

ARTICLE V

ADDITIONAL AGREEMENTS

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5.1 STOCKHOLDERS MEETING; PREPARATION OF PROXY STATEMENT. If required by applicable law in order to consummate the Merger, the Company (acting through its Board of Directors in the case of clauses (a) and (b)) shall, as soon as practicable following the

consummation of the Offer in accordance with applicable law, its certificate of incorporation and its bylaws:

(a) duly call, give notice of, convene and hold a special meeting of its stockholders as soon as practicable following the consummation of the Offer for the purpose of considering and taking action upon this Agreement (the "COMPANY STOCKHOLDERS MEETING").

(b) subject to its fiduciary duties under applicable law, include in the proxy statement or information statement prepared by the Company for distribution to stockholders of the Company in advance of the Company Stockholders Meeting in accordance with Regulation 14A or Regulation 14C promulgated under the Exchange Act (the "PROXY STATEMENT") so much of the recommendation of its Board of Directors referred to in Section 1.2(a) hereof as is relevant to the Merger; and

(c) (i) prepare and file a preliminary and definitive Proxy Statement with the SEC, (ii) use its best efforts to, after consultation with Parent, respond promptly to any comments made by the SEC with respect to the Proxy Statement and any preliminary version thereof and cause the Proxy Statement to be mailed to its stockholders following the consummation of the Offer and (iii) take all actions necessary to obtain the necessary approvals of this Agreement by its stockholders.

(d) if there shall occur any event that should be set forth in an amendment or supplement to the Proxy Statement, promptly prepare and mail to its stockholders such an amendment or supplement.

Parent will provide the Company with the information concerning Parent and Merger Sub required to be included in the Proxy Statement and will vote, or cause to be voted, all Shares owned by it or its Subsidiaries in favor of approval and adoption of this Agreement.

5.2 ACCESS TO INFORMATION.

(a) Upon reasonable notice, the Company shall (and shall cause its Subsidiaries to) (i) afford to the officers, employees, accountants, counsel, financial advisors and other representatives of Parent reasonable access during normal business hours, during the period before the consummation of the Offer, to all its officers, key employees, properties, books, contracts, commitments

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and records and, during such period, the Company shall (and shall cause its Subsidiaries to) furnish promptly to Parent, consistent with its legal obligations, all information concerning its business, properties and personnel as Parent may reasonably request and (ii) make available to Parent a copy of each report, schedule, registration statement and other document filed or received by it during such period pursuant to the requirements of the federal or state securities laws or the federal tax laws and all other information concerning its business, properties and personnel as Parent may reasonably request; provided, however, that the Company may restrict the foregoing access to the extent that (i) a Governmental Entity requires the Company or any of its Subsidiaries to restrict access to any properties or information reasonably related to any such contract on the basis of applicable laws and

regulations with respect to national security matters or (ii) any law, treaty, rule or regulation of any Governmental Entity applicable to the Company requires the Company or its Subsidiaries to restrict access to any properties or information.

(b) The parties will hold any such information that is nonpublic in confidence to the extent required by, and in accordance with, the provisions of the letter dated April 6, 1998 between the Company and Parent (the "CONFIDENTIALITY AGREEMENT").

5.3 BEST EFFORTS.

(a) Subject to the terms and conditions of this Agreement, each party will use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate the Offer, the Merger and the other Transactions contemplated by this Agreement as soon as practicable after the date hereof. In furtherance and not in limitation of the foregoing, each party hereto agrees to make, to the extent it has not already done so, an appropriate filing of a Notification and Report Form pursuant to the HSR Act with respect to the Transactions contemplated hereby as promptly as practicable and to supply as promptly as practicable any additional information and documentary material that may be requested pursuant to the HSR Act and to take all other actions necessary to cause the expiration or termination of the applicable waiting periods under the HSR Act as soon as practicable.

(b) Each of the Company and Parent shall, in connection with the efforts referenced in Section 5.3(a) to obtain all requisite approvals and authorizations for the Transactions contemplated by this Merger Agreement under the HSR Act or any other Regulatory Law (as defined below), use its reasonable best efforts to (i) cooperate in all respects with each other in connection with any filing or submission and in connection with any investigation or other inquiry, including any proceeding initiated by a private party, (ii) promptly inform the other party of any communication received by such party from, or

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given by such party to, the Antitrust Division of the Department of Justice (the "DOJ") or any other Governmental Entity and of any material communication received or given in connection with any proceeding by a private party, in each case regarding any of the Transactions contemplated hereby, and (iii) permit the other party to review any communication given by it to, and consult with each other in advance of any meeting or conference with, the DOJ or any such other Governmental Entity or, in connection with any proceeding by a private party, with any other Person, and to the extent permitted by the DOJ or such other applicable Governmental Entity or other Person, give the other party the opportunity to attend and participate in such meetings and conferences. For purposes of this Agreement, "REGULATORY LAW" means the Sherman Act, as amended, the Clayton Act, as amended, the HSR Act, the Federal Trade Commission Act, as amended, and all other federal, state and foreign, if any, statutes, rules, regulations, orders, decrees, administrative and judicial doctrines and other laws that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or lessening of competition through merger or acquisition.

(c) In furtherance and not in limitation of the covenants of the parties contained in Sections 5.3(a) and 5.3(b), if any administrative or judicial action or proceeding, including any proceeding by a private party, is instituted (or threatened to be instituted) challenging any transaction contemplated by this Agreement as violative of any Regulatory Law, each of the Company and Parent shall cooperate in all respects with each other and use its respective reasonable best efforts to contest and resist any such action or proceeding and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order, whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents or restricts consummation of the Transactions contemplated by this Agreement. Notwithstanding the foregoing or any other provision of this Agreement, nothing in this Section 5.3 shall limit a party's right to terminate this Agreement pursuant to Section 7.1(b)(ii) so long as such party has complied in all material respects with its obligations under this Section 5.3.

5.4 ACQUISITION PROPOSALS. The Company agrees that neither it nor any of its Subsidiaries shall, and that it shall direct and use its reasonable best efforts to cause its and its Subsidiaries' directors, officers, employees, agents and representatives (including any investment banker, attorney or accountant retained by it or any of its Subsidiaries) not to, directly or indirectly, initiate, solicit, encourage or knowingly facilitate (including by way of furnishing information) any inquiries or the making of any proposal or offer with respect to a merger, reorganization, share exchange, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving, or any purchase or sale of all or any significant portion of the assets of, it or any of its Subsidiaries or any purchase or sale of more than 25% of the equity securities of the Company or any equity securities of any Significant Subsidiary (as that term is defined in Rule 405 under the Securities

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Act) (any such proposal or offer whether or not in writing or in sufficient detail to be accepted and whether or not conditional (other than a proposal or offer made by Parent or an affiliate thereof) being hereinafter referred to as an "ACQUISITION PROPOSAL"). The Company further agrees that neither it nor any of its Subsidiaries shall, and that it shall direct and use its best efforts to cause its and its Subsidiaries' directors, officers, employees, agents and representatives (including any investment banker, attorney or accountant retained by it or any of its Subsidiaries) not to, directly or indirectly, have any discussion with or provide any confidential information or data to any Person relating to an Acquisition Proposal, or engage in any negotiations concerning an Acquisition Proposal, or knowingly facilitate any effort or attempt to make or implement an Acquisition Proposal or accept an Acquisition Proposal. Notwithstanding the foregoing, the Company or its Board of Directors shall be permitted, at any time prior to the acceptance for payment of the Shares pursuant to the Offer, to (A) engage in discussions or negotiations with, or provide information to, any Person in response to an unsolicited Acquisition Proposal by such Person if (x) the Board of Directors of the Company concludes in good faith that such Acquisition Proposal constitutes or could reasonably be expected to lead to a Superior Proposal and (y), before providing any information to such Person, the Board of Directors receives from such Person an executed confidentiality agreement containing confidentiality provisions substantially similar to those contained in the Confidentiality Agreement; and (B) if the Board of Directors concludes in good faith that such Acquisition Proposal constitutes a Superior Proposal (i) recommend approval of such Superior Proposal, (ii) in response to such Superior Proposal, withdraw or modify in an adverse manner the Company Board Approval, or (iii) enter into an agreement in principle or

a definitive agreement with respect to such Superior Proposal, provided, however, that, in the case of either (A) or (B) the Board of Directors of the Company determines in good faith after consultation with outside counsel that it should take such action consistent with its fiduciary duties under applicable law. In the event the Company shall determine to provide any information as described above, or shall receive any Acquisition Proposal, it shall promptly inform Parent as to the fact that information is to be provided or that an Acquisition Proposal has been received and shall furnish to Parent a description of the material terms thereof. As used in this Agreement, "SUPERIOR PROPOSAL" means a bona fide Acquisition Proposal which the Company Board of Directors concludes in good faith (after consultation with its financial advisors and legal counsel), taking into account all legal, financial, regulatory and other aspects of the proposal and the Person making the proposal, provides for a transaction that, taking into account its likelihood of completion, is more favorable to the Company's stockholders (in their capacities as stockholders), than the Transactions contemplated by this Agreement.

5.5 EMPLOYEE BENEFITS.

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(a) Employment Agreements. Parent has reviewed and is familiar with the terms and provisions of the employment agreements set forth on Schedule 5.5(a) (the "EMPLOYMENT AGREEMENTS") and understands and agrees that such Employment Agreements are in full force and effect and constitute valid and binding agreements of the Company and/or its Subsidiaries. Parent acknowledges that the transactions contemplated by this Agreement will constitute a change of control under such Employment Agreements and that, upon such change of control, and upon any termination of employment of any employee covered by such Employment Agreements following such change of control, the pertinent employee will be entitled to the payments due under the relevant Employment Agreement to such employee upon a change of control, in the first case, and to the payments due thereunder upon a termination following a change of control, in the second case. Parent will cause the Company to comply with and make the payments due under the Employment Agreements.

(b) Severance Agreements. Parent has reviewed and is familiar with the terms and provisions of the severance plan described on Schedule 5.5(b). Parent acknowledges that the transactions contemplated by this Agreement will constitute a "transaction change" for purposes of such severance plan and that, in consequence, the severance provisions there set forth will be applicable following the consummation of the Offer.

(c) Benefit Plans. Until December 31, 1999, Parent agrees that it shall, or it shall cause the Company and the Surviving Corporation to, maintain employee benefit plans, policies or arrangements (other than stock-based plans or stock-based provisions in plans) for the benefit of employees of the Company and its Subsidiaries (other than those employees who are employed pursuant to a collective bargaining agreement or who are members of a collective bargaining unit or labor union) which are substantially comparable in the aggregate to the employee benefit plans, policies or arrangements of the Company in effect on the date hereof (other than stock-based plans or stock-based provisions in the plans) set forth on Schedule 5.5(c).

(d) Benefit Plan Eligibility. Parent agrees that it shall, or it shall cause the Company and the Surviving Corporation to, give employees of the Company and/or any of its Subsidiaries full credit for service for purposes of eligibility, vesting and satisfaction of waiting periods under any employee benefit plans, policies or arrangements maintained by the Company, Parent or the Surviving Corporation in which such employees are entitled to participate. Employees of the Company and/or any of its Subsidiaries shall not be subject to any pre-existing condition exclusions or limitations under Parent's or the Surviving Corporation's benefit plans (except to the extent that such exclusions

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presently apply to an employee under the Company's and/or any of such Subsidiaries' benefit plans).

5.6 FEES AND EXPENSES. Whether or not the Offer is consummated, all Expenses incurred in connection with this Agreement and the Transactions contemplated hereby shall be paid by the party incurring such Expenses, except (a) if the Merger is consummated, the Surviving Corporation shall pay, or cause to be paid, any and all property or transfer taxes imposed on the Company or its Subsidiaries, (b) Expenses incurred in connection with the filing, printing and mailing of the Offer Documents, Schedule 14D-9 and, if required, the Proxy Statement, which shall be shared equally by Parent and the Company (c) amounts loaned or contributed by Parent to the Company pursuant to Section 1.1(d) or 5.10 shall be repaid by the Company or the Surviving Corporation, as the case may be, on commercially reasonable terms and (d) as provided in Section 7.2. As used in this Agreement, "EXPENSES" includes all out-of-pocket expenses (including all fees and expenses of counsel, accountants, investment bankers, experts and consultants to a party hereto and its affiliates) incurred by a party or on its behalf in connection with or related to the authorization, preparation, negotiation, execution and performance of this Agreement and the Transactions contemplated hereby, including the preparation, printing, filing and mailing of the Offer Documents, Schedule 14D-9, the Proxy Statement, if required, and the solicitation of stockholder approvals, if required, and all other matters related to the Transactions contemplated hereby.

5.7 DIRECTORS' AND OFFICERS' INDEMNIFICATION AND INSURANCE.

(a) Until the expiration of all applicable statutes of limitations, from and after the consummation of the Offer, the Company shall and Parent shall cause the Company (or any successor to the Company) to, and from and after the Effective Time, Parent and Surviving Corporation shall, indemnify, defend and hold harmless the present and former officers and directors of the Company and its Subsidiaries (each an "INDEMNIFIED PARTY") against all losses, claims, damages, liabilities, fees, penalties and expenses (including reasonable fees and disbursements of counsel and judgments, fines, losses, claims, liabilities and amounts paid in settlement arising out of actions or omissions occurring at or before the consummation of the Offer) (including losses incurred in connection with such person's serving as a trustee or other fiduciary in any entity if such service was at the request or for the benefit of the Company or any of its subsidiaries) to the full extent permitted by the DGCL, such right to include the right to advancement of expenses incurred in the defense of any action or suit promptly after statements therefor are received to the fullest extent permitted by law; provided that the Indemnified Party to whom expenses are advanced provides an undertaking to repay such advance if it is ultimately determined that such party is not entitled to indemnification.

Notwithstanding the foregoing, an Indemnifying Party shall not be liable for any

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settlement of any claim effected without such Indemnifying Party's written consent, which consent shall not be unreasonably withheld. Parent will cooperate in the defense of any such matter.

(b) Parent or the Surviving Corporation shall maintain the Company's existing directors' and officers' liability insurance on behalf of the Indemnified Parties, including any such insurance maintained on behalf of any such Indemnified Party serving as a director or officer of any Subsidiary of the Company, including coverage with respect to claims arising from facts or events which occurred at or before the consummation of the Offer ("D&O INSURANCE") for a period of not less than six years after the consummation of the Offer; provided, however, that Parent may substitute therefor policies of substantially similar coverage with a face amount not less that the existing D&O Insurance and containing terms no less favorable to such Indemnified Parties; provided, further, if the existing D&O Insurance expires, is terminated or cancelled during such period, Parent or the Surviving Corporation will obtain substantially similar D&O Insurance.

(c) The certificate of incorporation and the bylaws of the Company and, after the Effective Time, the Surviving Corporation shall contain the provisions with respect to advancement of expenses, indemnification and exculpation from liability set forth in the certificate of incorporation and bylaws of the Company on the date of this Agreement, which provisions shall not for a period of ten years following the Effective Time be amended, repealed or otherwise modified in any manner that would adversely affect the rights thereunder of individuals who on or before the consummation of the Offer were entitled to advances, indemnification or exculpation thereunder, including any individuals serving as directors or officers of any Subsidiary of the Company at the Company's request, it being acknowledged by the parties hereto that each director or officer of the Company that is currently serving as a director or officer of a Subsidiary of the Company is doing so at the request of the Company.

(d) In the event Parent or the Surviving Corporation or any of their respective successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity in such consolidation or merger or (ii) transfers all of substantially all its properties and assets to any Person, then, and in each case, proper provision shall be made so that the successors and assigns of Parent or the Surviving Corporation, as the case may be, honor the indemnification obligations set forth in this Section 5.7.

(e) The obligations of the Company, Parent and the Surviving Corporation under this Section 5.7 shall not be terminated, modified or assigned in such a manner as to materially adversely affect any Indemnified Party without the consent of such Indemnified Party (it being expressly agreed that the Indemnified Parties shall be third-party beneficiaries of this Section 5.7).

5.8 PUBLIC ANNOUNCEMENTS. The Company and Parent shall use all reasonable efforts to develop a joint communications plan, and each party shall

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use all reasonable efforts (i) to ensure that all press releases and other public statements with respect to the Transactions

contemplated hereby shall be consistent with such joint communications plan, and (ii) unless otherwise required by applicable law or by obligations pursuant to any listing agreement with or rules of any securities exchange, to consult with each other before issuing any press release or otherwise making any public statement with respect to this Agreement or the Transactions contemplated hereby.

5.9 SENIOR NOTES. In accordance with the terms of the Indenture, dated as of August 1, 1993 (the "INDENTURE"), between the Company, as issuer, and First Trust National Association, as trustee (the "TRUSTEE"), with respect to the 10 1/2% Senior Notes due 2003 (the "SENIOR NOTES"), within five days following the acquisition by Parent or Merger Sub of beneficial ownership, directly or indirectly, of more than 50% of the Common Stock, the Company shall, in accordance with the Indenture, notify the Trustee and, the Company or the Surviving Corporation, as the case may be, within 20 business days prior to the Final Change of Control Put Date (as defined in the Indenture), give written notice to each holder of the Senior Notes, stating, among other things, (i) that a Change of Control (as defined in the Indenture) has occurred, (ii) that each holder of the Senior Notes has the right to require the Company to repurchase such holder's Senior Notes at a purchase price in cash in an amount equal to 101% of the principal amount of such Senior Notes, plus accrued and unpaid interest thereon, if any, to the purchase date thereof and (iii) the date on which such Senior Notes shall be purchased which shall be a business day no later than 40 business days after the occurrence of or Change of Control. Parent shall lend or contribute to the Company an amount in cash necessary to repurchase all such Senior Notes.

5.10 CREDIT AGREEMENT. The Company shall use its best efforts to obtain all necessary waivers and consents prior to the consummation of the Offer so that the transactions contemplated hereby will not result in or constitute a default under that certain Credit Agreement dated as of August 4, 1993, as amended, by and among the Company, Lenders, Bank of America NT & SA, as Co-Agent for Lenders and The Bank of Nova Scotia, as the Agent for Lenders (the "CREDIT AGREEMENT"). In the event that (i) such waiver and consent is not obtained, (ii) the transactions contemplated hereby result in a default and the Lenders under the Credit Agreement accelerate the payment of outstanding indebtedness thereunder, and (iii) the Company, after using its best efforts, is unable to refinance or repay such indebtedness, then, following the consummation of the Offer, Parent agrees to make a loan to the Company in an amount sufficient for the Company to repay the outstanding Indebtedness and any other obligations under the Credit Agreement, or, if such amount cannot be borrowed by the Company for any reason, to contribute such amount to the Company.

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ARTICLE VI

CONDITIONS PRECEDENT

6.1 CONDITIONS TO EACH PARTY'S OBLIGATION TO EFFECT THE MERGER. The obligations of the Company, Parent and Merger Sub to effect the Merger are subject to the satisfaction or waiver on or before the Closing Date of the following conditions:

(a) No Injunctions or Restraints, Illegality. No Laws shall have been adopted or promulgated, and no temporary restraining order, preliminary or permanent injunction or other order issued by a court or other Governmental Entity of competent jurisdiction shall be in effect, having the effect of making the Merger illegal or otherwise prohibiting consummation of the Merger; provided, however, that the provisions of this Section 6.1(a) shall not be available to any party whose failure to fulfill its obligations pursuant to Section 5.3 shall have been the cause of, or shall have resulted in, such order or injunction.

(b) HSR Act. The waiting period (and any extension thereof) applicable to the Merger under the HSR Act shall have been terminated or shall have expired.

(c) Purchase of Shares. Parent, Merger Sub or their affiliates shall have purchased Shares of Company Common Stock pursuant to the Offer.

(d) Company Stockholder Approval. If required by applicable law, the Company shall have obtained the Required Company Vote in connection with the adoption of this Agreement by the stockholders of the Company.

6.2 ADDITIONAL CONDITIONS TO OBLIGATIONS OF PARENT AND MERGER SUB. The obligations of Parent and Merger Sub to effect the Merger are subject to the satisfaction, or waiver by Parent, on or before the Closing Date, of the following conditions:

(a) Representations and Warranties. Each of the representations and warranties of the Company set forth in this Agreement shall be true and correct on the Closing Date as though made on and as of the Closing Date, or in the case of representations and warranties made as of a specified date earlier than the Closing Date, on and as of such earlier date, except to the extent that failure

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to be true and correct does not constitute a Company Material Adverse Effect, and Parent shall have received a certificate of the Company, executed on its behalf by its chief executive officer and chief financial officer to such effect.

(b) Performance of Obligations of the Company. The Company shall have performed or complied in all material respects with all agreements and covenants required to be performed by it under this Agreement at or before the Closing Date, and Parent shall have received a certificate of the Company, executed on its behalf by its chief executive officer and chief financial officer to such effect.

The conditions set forth in Section 6.2 hereof shall cease to be conditions to the obligations of the parties if Merger Sub shall have accepted for payment and paid for Shares validly tendered pursuant to the Offer.

6.3 ADDITIONAL CONDITIONS TO OBLIGATIONS OF THE COMPANY. The obligations of the Company to effect the Merger are subject to the satisfaction, or waiver by the Company, on or before the Closing Date, of the following additional conditions:

(a) Representations and Warranties. Each of the representations and warranties of Parent and Merger Sub set forth in this Agreement shall be true and correct on the Closing Date as though made on and as of the Closing Date, or in the case of representations and warranties made as of a specified date earlier than the Closing Date, on and as of such earlier date, except to the extent that failure to be true and correct does not constitute a Parent Material Adverse Effect, and the Company shall have received a certificate of Parent, executed on its behalf by its chief executive officer and chief financial officer to such effect.

(b) Performance of Obligations of Parent. Parent shall have performed or complied in all material respects with all agreements and covenants required to be performed by it under this Agreement at or before the Closing Date, and the Company shall have received a certificate of Parent, executed on its behalf by its chief executive officer and chief financial officer to such effect.

The conditions set forth in Section 6.3 hereof shall cease to be conditions to the obligations of the parties if Merger Sub shall have accepted for payment and paid for Shares validly tendered pursuant to the Offer.

ARTICLE VII

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TERMINATION

7.1 TERMINATION. This Agreement may be terminated at any time before the Effective Time, by action taken or authorized by the Board of Directors of the terminating party or parties, and except as provided below, whether before or after approval of the matters presented in connection with the Merger by the stockholders of the Company:

(a) By mutual written consent of Parent and the Company, by action of their respective Boards of Directors;

(b) By either of the Company, on the one hand, or Parent and Merger Sub, on the other hand:

(i) if shares of Company Common Stock shall not have been purchased pursuant to the Offer on or before the Extension Date; or

(ii) if any Governmental Entity shall have issued an order, decree or ruling or taken any other action (which order, decree, ruling or other action the parties hereto shall use their respective reasonable best efforts to lift), in each case permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement, and such order, decree, ruling or other action shall have become final and nonappealable; or

(iii) if, due to the occurrence of one of the events set forth on Annex A hereto (other than the event set forth in clause (g) thereof), Parent, Merger Sub or any of their affiliates shall have failed to commence the Offer on or before five business days following the date of the initial public announcement of the Offer; or

(iv) if, due to a failure of any of the conditions set forth in Annex A hereto to be satisfied, the Offer is terminated or expires in accordance with its terms and the terms of this Agreement without Parent or Merger Sub, as the case may be, purchasing any shares of Company Common Stock thereunder.

(c) By the Company:

(i) if, before the purchase of shares of Company Common Stock pursuant to the Offer, the Board of Directors either shall (A) have entered into an Agreement with respect to a Superior Proposal pursuant to clause (B)(iii) of Section 5.4, (B) have recommended a Superior Proposal, or (C) have withdrawn or modified in an adverse manner to Parent or Merger Sub its

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approval or recommendation of the Offer, this Agreement or the Merger (or the Board of Directors resolves to do any of the foregoing); or

(ii) if Parent or Merger Sub shall have terminated the Offer, or the Offer shall have expired in accordance with its terms and the terms of this Agreement, without Parent or Merger Sub, as the case may be, purchasing any shares of Company Common Stock pursuant thereto.

(d) By Parent and Merger Sub:

(i) if, before the purchase of shares of Company Common Stock pursuant to the Offer, the Board of Directors of the Company shall (A) have recommended an Acquisition Proposal, (B) have withdrawn or modified in a manner adverse to Parent or Merger Sub its approval or recommendation of the Offer, this Agreement or the Merger or (C) have executed an agreement in principle or definitive agreement relating to an Acquisition Proposal or similar business combination with a Person other than Parent, Merger Sub or their affiliates (or the Board of Directors of the Company resolves to do any of the foregoing).

Notwithstanding anything else contained in this Agreement, the right to terminate this Agreement under this Section 7.1 shall not be available to any party (a) that is in material breach of its obligations hereunder or (b) whose failure to fulfill its obligations or to comply with its covenants under this Agreement has been the cause of, or resulted in, the failure to satisfy any condition to the obligations of either party hereunder.

7.2 EFFECT OF TERMINATION.

(a) In the event of termination of this Agreement by either the Company or Parent as provided in Section 7.1, this Agreement shall forthwith become void and there shall be no liability or obligation on the part of Parent, Merger Sub or the Company or their respective officers or directors except with respect to Section 3.1(h), Section 3.2(e), Section 5.2(b), Section 5.6, this Section 7.2 and Article VIII. Nothing in this Section 7.2 shall relieve any party hereto for breach of any covenant or other agreement in this Agreement before termination.

(b) Parent and the Company agree that (i) if the Company shall terminate this Agreement pursuant to Section 7.1(c)(i), or if Parent shall terminate this Agreement pursuant to Section 7.1(d)(i), or (ii) this Agreement is terminated for any other reason (other than the breach of this Agreement by Parent or Merger Sub and other than pursuant to Section 7.1(a)) and, in the case of this clause (ii) only, (x) at the time of such termination there was pending an Acquisition Proposal from a third party and (y) the transactions contemplated by such Acquisition Proposal with such third party are consummated with such third party within one year after such termination, then the Company shall pay

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to Parent an amount equal to $28 million (the "COMPANY TERMINATION FEE").

(c) Any payment required to be made pursuant to Section 7.2(b) shall be made to Parent not later than three Business Days after the termination of this Agreement or in the case of Section 7.2(b)(ii), three Business Days after the consummation of, an Acquisition Proposal, as applicable. All payments under this Section 7.2 shall be made by wire transfer of immediately available funds to an account designated by the party entitled to receive payment.

ARTICLE VIII

GENERAL PROVISIONS

8.1 NONSURVIVAL OF REPRESENTATIONS, WARRANTIES AND AGREEMENTS. None of the representations, warranties, covenants and other agreements in this Agreement or in any instrument delivered pursuant to this Agreement, including any rights arising out of any breach of such representations, warranties, covenants and other agreements, shall survive the consummation of the Offer, except for (x) those representations, warranties and covenants which are conditions to the Merger, which, for purposes of Section 6, shall survive until the Effective time, (y) those covenants and agreements contained herein and therein that by their terms apply or are to be performed in whole or in part after the consummation of the Offer and (z) this Article VIII.

8.2 NOTICES. All notices and other communications hereunder shall be in writing and shall be deemed duly given (a) on the date of delivery if delivered personally, or by telecopy or telefacsimile, upon confirmation of receipt, (b) on the first Business Day following the date of dispatch if delivered by a recognized next-day courier service or (c) on the tenth

Business Day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All notices hereunder shall be delivered as set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice:

(a) if to the Company to:

Triangle Pacific Corp.
16803 Dallas Parkway
Dallas, Texas 75248
Telephone: (214) 887-2300
Facsimile: (214) 887-2428
Attention: Paul L. Barrett, Esq.

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with a copy to:

O'Melveny & Myers LLP
153 E. 53rd Street
New York, New York 10022
Telephone: (212) 326-2000
Facsimile: (212) 326-2061
Attention: Jeffrey J. Rosen, Esq.

(b) if to Parent or Merger Sub, to:

Armstrong World Industries, Inc.
313 West Liberty Street
Lancaster, Pennsylvania 17604
Telephone: (717) 397-0611
Facsimile: (717) 396-2983
Attention: Deborah K. Owen, Esq.

with a copy to:

Rogers & Wells LLP
200 Park Avenue
New York, New York
Telephone: (212) 878-8000
Facsimile: (212) 878-8375
Attention: Robert E. King, Jr., Esq.
Bonnie A. Barsamian, Esq.

8.3 INTERPRETATION. When a reference is made in this Agreement to Sections, Exhibits or Schedules, such reference shall be to a Section of or Exhibit or Schedule to this Agreement unless otherwise indicated. The table of contents, glossary and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". The words "hereof", "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, paragraph, exhibit and schedule references are to the articles, sections, paragraphs, exhibits and schedules of this Agreement unless otherwise specified. The words describing the singular number shall include the plural and vice versa, and words denoting any gender shall include all genders and words denoting natural persons shall include corporations and partnerships and vice versa. The phrase "made available" in this Agreement shall mean that the information referred to has been made available if requested by the party to who such information is to be made available. As used in this Agreement, the

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term "affiliate(s)" shall have the meaning set forth in Rule 12b-2 of the Exchange Act. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

8.4 COUNTERPARTS. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that both parties need not sign the same counterpart.

8.5 ENTIRE AGREEMENT; NO THIRD-PARTY BENEFICIARIES.

(a) This Agreement and the Confidentiality Agreement constitute the entire agreement and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof, other than the Confidentiality Agreement, which shall survive the execution and delivery of this Agreement.

(b) This Agreement shall be binding upon and inure solely to the benefit of each party hereto, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement, other than Sections 5.5(a) and 5.7 (which are intended to be for the benefit of the Persons covered thereby and may be enforced by such Persons).

8.6 GOVERNING LAW. This Agreement shall be governed and construed in accordance with the laws of the State of Delaware.

8.7 SEVERABILITY. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any law or public policy, all other terms and provisions

of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the Transactions contemplated hereby are consummated as originally contemplated to the greatest extent

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possible.

8.8 ASSIGNMENT. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto, in whole or in part (whether by operation of law or otherwise), without the prior written consent of the other party, and any attempt to make any such assignment without such consent shall be null and void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

8.9 SUBMISSION TO JURISDICTION; WAIVERS. Each of the Company and Parent irrevocably agrees that any legal action or proceeding with respect to this Agreement or for recognition and enforcement of any judgment in respect hereof brought by the other party hereto or its successors or assigns may be brought and determined in the Chancery or other Courts of the State of Delaware, and each of the Company and Parent hereby irrevocably submits with regard to any such action or proceeding for itself and in respect to its property, generally and unconditionally, to the nonexclusive jurisdiction of the aforesaid courts. Each of the Company and Parent hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any action or proceeding with respect to this Agreement, (a) the defense of sovereign immunity, (b) any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason other than the failure to serve process in accordance with this Section 8.9, (c) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment before judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) and (d) to the fullest extent permitted by applicable law, that (i) the suit, action or proceeding in any such court is brought in an inconvenient forum, (ii) the venue of such suit, action or proceeding is improper and (iii) this Agreement, or the subject matter hereof, may not be enforced in or by such courts.

8.10 ENFORCEMENT. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms. It is accordingly agreed that the parties shall be entitled to specific performance of the terms hereof, this being in addition to any other remedy to which they are entitled at law or in equity.

8.11 AMENDMENT. This Agreement may be amended by the parties hereto, by action taken or authorized by their respective Boards of Directors, at any time before or after approval of the matters presented in connection with the Merger by the stockholders of the Company and Parent, but, after any such approval, no amendment shall be made which by law or in accordance with the rules of any relevant stock exchange requires further approval by such

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stockholders without such further approval; and _provided, however_, that after the approval of this Agreement by the shareholders of the Company, no such amendment, modification or supplement shall reduce or change the Merger Consideration or adversely affect the rights of the Company's shareholders hereunder without the approval of such shareholders. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

8.12 _EXTENSION; WAIVER_. At any time before the Effective Time, the parties hereto, by action taken or authorized by their respective Boards of Directors, may, to the extent legally allowed, (i) extend the time for the performance of any of the obligations or other acts of the other parties hereto, (ii) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto and (iii) waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of such party. The failure of any party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of those rights.

8.13 _DEFINITIONS_. As used in this Agreement:

(a) "DATE HEREOF" means June 12, 1998.

(b) "BOARD OF DIRECTORS" means the Board of Directors of any specified Person and any committees thereof.

(c) "BUSINESS DAY" means any day on which banks are not required or authorized to close in the City of New York.

(d) "INDEBTEDNESS" of any person means all obligations of such person (i) for borrowed money, (ii) evidenced by notes, bonds, debentures or similar instruments, (iii) for the deferred purchase price of goods or services (other than trade payables or accruals incurred in the ordinary course of business), (iv) under capital leases and (v) in the nature of guarantees of the obligations described in clauses (i) through (iv) above of any other person.

(e) "THE OTHER PARTY" means, with respect to the Company, Parent and Merger Sub and means, with respect to Parent, the Company.

(f) "PERSON" means an individual, corporation, limited liability company, partnership, association, trust, unincorporated organization, other entity or group (as defined in the Exchange Act).

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(g) "PERMITTED LIEN" means any Lien that:

(i) is a lien of a landlord, carrier, warehouseman, mechanic, materialman, or any other statutory lien arising in the ordinary course of business;

(ii) is a lien for Taxes not yet due or being contested in good faith;

(iii) with respect to the right of Seller to use any property leased to Seller, arises by the terms of the applicable lease;

(iv) is a purchase money security interest arising in the ordinary course of business;

(v) is a lien granted prior to the date hereof pursuant to the Credit Agreement; or

(vi) does not materially detract from the value of the encumbered property or assets or materially detract from or interfere with the use of the encumbered property or assets in the ordinary course of business.

(h) "STOCK TENDER AGREEMENT" means that certain stock tender agreement dated as of the date hereof by and between Parent or Merger Sub and the other parties thereto.

(j) "SUBSIDIARY" when used with respect to any party means any corporation or other organization, whether incorporated or unincorporated, (i) of which such party or any other Subsidiary of such party is a general partner (excluding partnerships, the general partnership interests of which held by such party or any Subsidiary of such party do not have a majority of the voting interests in such partnership) or (ii) at least a majority of the securities or other interests of which having by their terms ordinary voting power to elect a majority of the Board of Directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such party or by any one or more of its Subsidiaries, or by such party and one or more of its Subsidiaries.

8.14 OTHER AGREEMENTS. The parties hereto acknowledge and agree that, except as otherwise expressly set forth in this Agreement, the rights and obligations of the Company and Parent under any other agreement between the parties shall not be affected by any provision of this Agreement.

IN WITNESS WHEREOF, Parent, the Company and Merger Sub have caused this Agreement to be signed by their respective officers thereunto duly authorized, all as of the date first above written.

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TRIANGLE PACIFIC CORP.

By: /s/ Floyd F. Sherman

Title: Chairman of the Board and Chief Executive Officer

ARMSTRONG WORLD INDUSTRIES, INC.

By: /s/ George A. Lorch

Title: Chairman of the Board, President and Chief Executive Officer

SAPLING ACQUISITION, INC.

By: /s/ George A. Lorch

Title: President and Chairman of the Board of Directors

ANNEX A

CONDITIONS TO THE OFFER

Notwithstanding any other provision of the Offer, subject to the provisions of the Merger Agreement, Merger Sub shall not be required to accept for payment or, subject to any applicable rules and regulations of the SEC, including Rule 14e-1(c) under the Exchange Act (relating to Merger Sub's obligation to pay for or return tendered Shares promptly after termination or withdrawal of the Offer), pay for, and may delay the acceptance for payment of or, subject to the restriction referred to above, the payment for, any tendered Shares, and may not accept for payment any tendered Shares if (i) any applicable waiting period under the HSR Act has not expired or been terminated prior to the

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expiration of the Offer, (ii) the Minimum Condition has not been satisfied or (iii) at any time on or after June 12, 1998, and before the time of acceptance of Shares for payment pursuant to the Offer, any of the following events shall occur:

(a) there shall have been any statute, rule, regulation, judgment, decision, action, order or injunction promulgated, entered, enforced, enacted or issued applicable to the Offer or the Merger by any federal or state governmental regulatory or administrative agency or authority or court or legislative body or commission that (1) prohibits the consummation of the Offer or the Merger, (2) prohibits Parent's or Merger Sub's ownership or operation of all or a majority of the Company's businesses or assets, or imposes any material limitations on Parent's or Merger Sub's ownership or operation of all or a majority of the Company's businesses or assets or constitutes a Company Material Adverse Effect or a Parent Material Adverse Effect, (3) imposes material limitations on the ability of Parent or Merger Sub to acquire or hold, or exercise full rights of ownership of, any Shares to be accepted for payment pursuant to the Offer including, without limitation, the right to vote such Shares on all matters properly presented to the stockholders of the Company, or any federal or state governmental regulatory or administrative agency or authority shall have commenced or threatened to commence litigation or another proceeding intended to achieve the results set forth in clauses (1)-(3) above;

provided, that the parties shall have used their reasonable best efforts to
----
cause any such statute, rule, regulation, judgment, order or injunction to be vacated or lifted;

(b) (i) the representations and warranties of the Company set forth in the Merger Agreement (without giving effect in any such representation or warranty to any materiality or Company Material Adverse Effect standard, qualification or exception contained therein) shall not be true and accurate as of the date of the Merger Agreement and at the scheduled or extended expiration of the Offer (except for those representations and warranties that address matters only as of a particular date or only with respect to a specific period of time which need only be true and accurate as of such date or with respect to such period), except where the failure of such representations or warranties to be true and accurate, individually or in the aggregate, does not constitute a Company Material Adverse Effect, or (ii) the Company shall have breached or failed to perform or comply in any material respect with any covenant required by the Merger Agreement to be performed or complied with by it except, in the case

of covenants set forth in Sections 4.1(a) and (j), where the failure to perform or comply with such covenants does not constitute a Company Material Adverse Effect.

(c) the Merger Agreement shall have been terminated in accordance with

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its terms;

(d) it shall have been publicly disclosed that any Person, entity or "group" (as defined in Section 13(d)(3) of the Exchange Act) shall have acquired beneficial ownership (as determined pursuant to Rule 13d-3 promulgated under the Exchange Act) of more than a majority of the then-outstanding Shares, through the acquisition of stock, the formation of a group or otherwise;

(e) the Board of Directors of the Company shall or any Committee thereof have withdrawn or modified in a manner adverse to Parent or Merger Sub its approval or recommendation of the Offer or the Merger or the adoption of the Agreement or recommended an Acquisition Proposal other than the one contemplated by the Merger Agreement, or shall have executed an agreement in principle a definitive agreement relating to such an Acquisition Proposal or similar business combination with a Person or entity other than Parent, Merger Sub or their affiliates, or the Board of Directors of the Company shall have adopted a resolution to do the foregoing; or

(f) there shall have occurred and be continuing (i) any general suspension of trading in securities on any national securities exchange or in the over-the-counter market, (ii) the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States (whether or not mandatory) or (iii) any limitation (whether or not mandatory) by an United States governmental authority or agency on the extension of credit by banks or other financial institutions which in the reasonable judgment of Parent or Merger Sub, in any such case, makes it inadvisable to proceed with the Offer or with such acceptance for payment or payments;

(g) all consents, registrations, approvals, permits, authorizations, notices, reports or other filings required to be obtained or made by the Company, Parent or Merger Sub with or from any Governmental Entity in connection with the execution, delivery and performance of the Merger Agreement, the Offer and the consummation of the transactions contemplated by the Merger Agreement shall not have been made or obtained and such failure could reasonably be expected to have a Company Material Adverse Effect; or

(h) any change shall have occurred since the date of the Merger Agreement that individually or in the aggregate constitutes a Company Material Adverse Effect.

The foregoing conditions are for the sole benefit of Merger Sub and Parent and, subject to the terms of the Merger Agreement, may be asserted by either of them or may be waived by Parent or Merger Sub, in whole or in part at any time and from time to time in the sole discretion of Parent or Merger Sub. The failure by Parent or Merger Sub at any time to

exercise any such rights shall not be deemed a waiver of any right and each right shall be deemed an ongoing right that may be asserted at any time and from

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time to time.

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Exhibit 99(B)

TRIANGLE PACIFIC CORP.
16803 Dallas Parkway
Dallas, Texas 75248

CERTAIN SECTIONS OF
PROXY STATEMENT
For Annual Meeting of Shareholders
To Be Held on May 5, 1998

Compensation of Directors

Fees. Directors who are not also employees of the Company receive an annual retainer of $30,000, or $35,000 in the event that the director is a committee chairman, for serving as such plus $1,000 per meeting attended for each meeting of the Finance/Audit Committee or the Compensation Committee not held in conjunction with a regularly scheduled quarterly meeting of the Board of Directors.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table sets forth as of March 23, 1998 information with respect to the only persons who were known to the Company to be the beneficial owners of more than five percent of the outstanding shares of Common Stock.

Name and Address of Beneficial Owner	Common Stock Beneficially Owned (1)	
	Number of Shares	Percent of Class
The TCW Group, Inc. (through certain affiliates which act as general partners of limited partnerships, trustees of certain trusts and investment managers of third party accounts which hold shares of Common Stock) (2) 865 South Figueroa Street Los Angeles, California 90017	5,909,184	40.1%
Hibridge Capital Corporation (3) Seven Mile Beach Grand Cayman, Cayman Islands British West Indies	804,146	5.5%
United High Income Fund, Inc.		

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and United High Income Fund II, Inc. 6300 Lamar Avenue P. O. Box 29217 Shawnee Mission, Kansas 66201-9217	788,286	5.3%
BEA Associates 153 East 53rd Street One City Corp. Center New York, New York 10022	774,879	5.3%

[FN]

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(1) The information contained in this table with respect to beneficial ownership reflects "beneficial ownership" as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Certain information with respect to the beneficial ownership of any beneficial owner is based upon filings made by such beneficial owner with the Securities and Exchange Commission (the "SEC") and, unless otherwise indicated, each beneficial owner has sole voting and investment power with respect to shares listed as beneficially owned by such beneficial owner.

(2) The TCW Group, Inc. ("TCW") and its affiliates may be deemed to be beneficial owners of all shares of Common Stock currently held by such limited partnerships, third party accounts and trusts for purposes of the reporting requirements of the Exchange Act. In the most recent Schedule 13D filed by TCW, TCW stated that the filing of the Schedule 13D shall not be construed as an admission that TCW or any of its affiliates is, for purposes of Section 13(d) or for any other purpose under the Exchange Act, the beneficial owner of any securities covered by the Schedule 13D. Oaktree and TCW affiliates provide investment advice and management services to entities that own 5,570,131 of the shares of Common Stock included in the table. Oaktree may be deemed to be a beneficial owner of an additional 159,716 shares of Common Stock owned by a third party managed account for which Oaktree provides investment advisory and management services.

(3) Hibridge Capital Corporation may be deemed to beneficially own the number of shares of Common Stock shown opposite its name in the table by virtue of the ownership of certain warrants to purchase such shares which have exercise prices that range from $22.39 to $37.31 per share.

SECURITY OWNERSHIP OF MANAGEMENT

The following table sets forth, as of March 23, 1998, the beneficial ownership of Common Stock by each director of the Company, each named executive officer listed in the Summary Compensation Table appearing elsewhere in this proxy statement, and all directors and executive officers as a group.

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Name	Common Stock Beneficially Owned (1)	
	Number of Shares	Percent of Class
Directors		
B. William Bonnivier (2)	13,000	*
Charles M. Hansen, Jr. (2)	8,000	*
David R. Henkel (2)	13,000	*
Bruce A. Karsh (3)	124,278	*
Jack L. McDonald (2)	8,000	*
M. Joseph McHugh (4)	176,831	1.2%
Carson R. McKissick (2)	9,000	*
Karen Gordon Mills (2)	10,867	*
Floyd F. Sherman (4)	225,618	1.5%
Named Executive Officers (excluding any director named above)		
Robert J. Symon (4)	135,331	*
Michael J. Kearins (4)	91,102	*
Charles A. Engle (4)	66,862	*
All directors and executive officers as a group (20 persons)	1,116,539	7.6%

* less than 1%

[FN]

____

(1) The information contained in this table with respect to beneficial ownership reflects "beneficial ownership" as defined in Rule 13d-3 under the Exchange Act. All information with respect to the beneficial ownership of any director or named executive officer has been furnished by such director or named executive officer and, unless otherwise indicated, each director or named executive officer has sole voting and investment power with respect to shares listed as beneficially owned by such director or named executive officer.

(2) The number of shares set forth above as being beneficially owned by Mrs. Mills and Messrs. Bonnivier, Hansen, Henkel, McKissick and McDonald include 8,000 shares issuable to each of such individuals upon exercise of stock options granted to them under the Company's Nonemployee Director Stock Option Plan.

(3) Does not include 5,729,847 shares (38.9%) of the outstanding Common Stock of which Oaktree or TCW and its affiliates may be deemed the beneficial owners, as further described in footnote (2) under "Security Ownership of

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Certain Beneficial Owners" above.

(4) The number of shares set forth above as being beneficially owned by Messrs. Sherman, McHugh, Symon, Kearins and Engle include 163,818, 107,618, 78,118, 59,776 and 48,391 shares, respectively, issuable to such individuals upon exercise of stock options held by them, as determined in accordance with Rule 13d-3 under the Exchange Act.

EXECUTIVE COMPENSATION

The following table sets forth summary compensation data for the Chief Executive Officer of the Company and each of the other four most highly-paid executive officers of the Company (collectively, the "named executive officers" for the 1997 fiscal year).

SUMMARY COMPENSATION TABLE

		Annual Compensation			Long Term Compensation	
Name and Principal Position	Year	Salary	Bonus	Other Annual Compen-sation	Options (number of shares)	All other Compen-sation(1)
Floyd F. Sherman	1997	$400,000	$448,720	$45,280	--	$12,638
Chairman of the Board	1996	350,000	394,940	50,484	45,000	12,210
and Chief Executive Officer	1995	300,000	275,000	52,070	--	12,037
M. Joseph McHugh	1997	$300,000	$352,230	$22,296	--	$12,638
President and	1996	265,000	299,026	22,106	35,000	12,206
Chief Operating Officer	1995	225,000	200,000	25,221	--	12,037
Robert J. Symon	1997	$240,000	$281,784	$24,722	--	$12,638
Executive Vice	1996	215,000	242,606	23,151	20,000	12,203
President, Treasurer and Chief Financial Officer	1995	190,000	135,000	24,789	--	12,037
Michael J. Kearins	1997	$168,000	$185,842	$27,609	20,000	$12,638
Vice President	1996	160,000	169,824	26,510	20,000	12,201
	1995	155,000	104,718	29,064	--	12,037
Charles A. Engle	1997	$178,333	$109,613	$28,980	20,000	$12,638
Vice President	1996	165,000	82,533	21,799	20,000	12,201

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	1995	123,000	84,194	23,525	--	9,496

[FN]
(1) Amounts shown for each officer consist of amounts contributed by the Company to the Company's Profit Sharing Plan and to the Company's Supplemental Profit Sharing and Deferred Compensation Plan that are allocable to such officer for fiscal 1995, 1996 and 1997.

OPTIONS GRANTED IN 1997

Name	Number of Shares	% of Total Options Granted	Exercise Price	Expiration Date	Potential realized value at assumed rates of stock price appreciation for stock option terms 5%	10%
Floyd F. Sherman	--	--	--	--	--	--
M. Joseph McHugh	--	--	--	--	--	--
Robert J. Symon	--	--	--	--	--	--
Michael J. Kearins	20,000	7.2%	$28.375	5/07/07	$356,898	$904,449
Charles A. Engle	20,000	7.2%	$28.375	5/07/07	$356,898	$904,449

The following table sets forth certain information with respect to options exercised and value realized during the 1997 fiscal year, and the unexercised options held at January 2, 1998, and the value thereof, by each of the named executive officers.

OPTION EXERCISES IN LAST FISCAL YEAR AND OPTION VALUES AT JANUARY 2, 1998

				Options at 1/2/98 (Number of Shares)		Value of Unexercised In-the-Money Options at 1/2/98	
Name	Date of Grant	Shares Acquired on Exer-cise	Value Realized	Exer-cisable	Unexer-cisable	Exer--cisable	Unexer--cisable
Floyd F. Sherman	6/10/92	--	--	35,018	--	$1,081,531	--
	2/16/94	--	--	6,300	--	118,125	--
	3/21/94	--	--	75,000	25,000	1,457,813	$485,938
	2/15/96	--	--	11,250	33,750	196,875	590,625
M. Joseph McHugh	6/10/92	8,600	$243,036	26,418	--	$ 815,920	--

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	2/16/94	--	--	3,700	--	69,375	--
	3/21/94	--	--	45,000	15,000	874,688	$291,563
	2/15/96	--	--	8,750	26,250	153,125	459,375
Robert J. Symon	6/10/92	3,400	$ 93,534	28,418	--	$ 877,690	--
	2/16/94	--	--	3,700	--	69,375	--
	3/21/94	--	--	30,000	10,000	583,125	$194,375
	2/15/96	--	--	5,000	15,000	87,500	262,500
Michael J. Kearins	6/10/92	2,500	$ 72,838	7,076	--	$ 218,542	--
	2/16/94	--	--	2,700	--	50,625	--
	3/21/94	--	--	26,250	8,750	510,234	$170,078
	2/15/96	--	--	5,000	15,000	87,500	262,500
	5/7/97	--	--	--	20,000	--	110,000
Charles A. Engle	6/10/92	1,000	$ 28,260	8,931	--	$ 275,834	--
	3/21/94	--	--	18,750	6,250	364,453	$121,484
	2/15/96	--	--	5,000	15,000	87,500	262,500
	5/7/97	--	--	--	20,000	--	110,000

Employment Agreements

In March 1995, the Company entered into amended and restated employment agreements with Floyd F. Sherman, M. Joseph McHugh and Robert J. Symon, and new employment agreements with Michael J. Kearins, Charles A. Engle and five other current executive officers of the Company (each an "Employment Agreement" and collectively the "Employment Agreements"). The Employment Agreements provide for base compensation at the employees' then current annual rates through the end of 1995, with annual percentage increases not less than the percentage increase in the Consumer Price Index, as defined in the Employment Agreements. In addition, the Employment Agreements provide that the employees are entitled to participate in the Annual Cash Incentive Bonus System and all other incentive compensation plans for executive employees in effect from time to time.

Each Employment Agreement provides for an initial employment term of three years (for Messrs. Sherman, McHugh and Symon) or two years (for Messrs. Kearins, Engle and other executive officers). On each anniversary of the effective date of the Employment Agreements (March 8, 1995), the employment term will be automatically extended for one year, unless either party gives notice not to extend. The Company may terminate the executive's employment for "cause," "total disability" or "inadequate performance," and the executive may terminate his employment for any reason within six months following a "change of control" or at any time for "good reason" (as such events permitting termination are defined in the Employment Agreements). Mr. Symon's agreement has been modified to the extent that it will remain in full force and effect except as amended to allow for his retirement on December 31, 1998, whereupon it will terminate. Thereafter, Mr. Symon will provide services for a period of five months as a consultant to the Company.

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If the Company terminates the executive's employment other than for cause, total disability, or inadequate performance, or employment of the executive terminates (other than voluntarily) within six months following a change of control, or if the executive terminates employment for good reason, the Company is required to pay the executive certain amounts, including a lump sum cash payment equal to three times (for Messrs. Sherman, McHugh and Symon) or two times (for the other executives) the executive's average annual compensation for the preceding five years and certain benefits under the incentive compensation plans. If the Company terminates the executive's employment for inadequate performance, or if the executive voluntarily terminates employment following a change of control, the Company is required to pay the executive certain amounts, including a lump sum cash payment equal to two times (for Messrs. Sherman, McHugh and Symon) or one and one-half times (for the other executives) the executive's average annual compensation and certain benefits under the incentive compensation plans. If any executive's employment is terminated by reason of death or total disability, the executive or his estate is entitled to receive a lump sum payment equal to the sum of (i) one year's base salary plus (ii) the incentive compensation that would have accrued to the executive's benefit at the end of the year of termination had his employment continued until then.

In addition, if the Company terminates the executive's employment (other than for cause, total disability or inadequate performance), or if the executive terminates employment for good reason, or if a change of control occurs during the term of the Employment Agreements, (i) all stock options and other awards the executives hold under any Company incentive compensation or benefit plans will become fully vested and exercisable or their market value payable and (ii) the executive will have the right to sell to the Company any or all shares of Common Stock held by the executive at market value. The total payments to be received by the executive following a change of control are restricted to the maximum amount which could be deducted by the Company for federal income tax purposes.

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EXHIBIT 99.(C)

SPECIAL SEVERANCE PROGRAM

Triangle Pacific Corporation (the "Corporation") has adopted this Special Severance Program in order to encourage loyalty, continuity of service and productivity and to provide enhanced benefits to Eligible Employees (as hereinafter defined) should a Change in Control (as defined in the Triangle Pacific Corp. 1993 Long-Term Incentive Plan) occur as a result of action taken further to resolutions adopted by the Board of Directors on February 18, 1998, to explore, on a limited and confidential basis, a possible sale of the Corporation (the "Action"). Such Change in Control occurring as a result of the Action is hereinafter referred to as a "Transaction Change".

1. Effective Date. This Special Severance Program shall automatically take effect only upon the occurrence of a Transaction Change. This Program shall not be construed as requiring the payment of severance or similar payments in the absence of a Transaction Change.

2. Eligible Employees. All full time salaried employees of the Corporation, or any subsidiary thereof (any corporation or other organization whether incorporated or unincorporated, which is directly or indirectly majority-owned or controlled by the Corporation, a "Subsidiary") who are employed by the Corporation or any Subsidiary upon the occurrence of a Transaction Change and whose employment is terminated within one year after the occurrence of such Transaction Change, except for any employees who i) have employment agreements with the Corporation dated March 8, 1995, ii) voluntarily separate from the Corporation, iii) do not accept an offer of similar position with the Corporation, a Subsidiary or a successor organization with comparable responsibilities and compensation in the same geographic area, iv) are included in a bargaining unit of employees represented by a labor organization for purposes of collective bargaining or v) whose employment terminates due to death or disability, are eligible to receive a Severance Payment (as hereinafter defined) pursuant to this Special Severance Program. Such employees who are eligible to receive a Severance Payment pursuant to this Special Severance Program are hereinafter called "Eligible Employee(s)".

3. Termination of Employment. The Corporation will make a single lump-sum payment (the "Severance Payment") to each Eligible Employee whose employment with the Corporation, a Subsidiary or its or their successor is involuntarily terminated within one year after a Transaction Change. The Corporation, a Subsidiary or its successor as appropriate, will take appropriate deductions from such Severance Payments for required income and payroll tax

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withholding.

4. <u>Severance Payment.</u> Severance Payments will equal two weeks' pay for each full and fractional year of an eligible employee's service with the Corporation, a Subsidiary or its successor, as applicable, prior to the employee's termination in accordance herewith, subject to a maximum payment of 100 weeks' pay and further

subject to a minimum payment of at least 2 weeks' pay. Notwithstanding anything to the contrary contained herein, each Eligible Employee who is a Vice President of the Corporation shall receive at least 26 weeks' pay as the Severance Payment pursuant to this Special Severance Program. For purposes of calculating the Severance Payment hereunder, an Eligible Employee's pay shall be his or her regular base salary as of the date of the occurrence of a Transaction Change or such employee's termination date, whichever is greater.

5. <u>Continuation of Benefits.</u> The Corporation, Subsidiary or its or their successor, as appropriate, shall also continue to provide medical, dental and group term life insurance benefits to an Eligible Employee who receives a Severance Payment in accordance with paragraph 4 hereof for the number of weeks equal to the number of weeks of pay for which the Severance Payment is calculated under paragraph 4, subject to the Eligible Employee's payment of any employee co-payment or contribution for such coverage as was required immediately prior to such employee's termination of employment. The continuation of medical and dental benefits hereunder shall not run concurrently with any Eligible Employee's right to continued medical coverage under COBRA.

6. <u>No Contract of Employment.</u> Nothing contained in this Special Severance Program shall be deemed to give any Eligible Employee the right to be retained in the employ of the Corporation, any Subsidiary or its or their successor or to interfere with the right of the Corporation, a Subsidiary or its or their successor to discharge any such employee at any time. No person shall have any right to any benefits under the Special Severance Program, except to the extent expressly provided herein.

7. <u>Amendment or Termination.</u> The Board of Directors may amend or terminate this Special Severance Program at any time, provided, however, that the Special Severance Program may not be terminated or amended on or after the date of the occurrence of a Transaction Change in any manner that reduces the potential benefits to be provided to eligible employees.

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EXHIBIT 99.(D)

FORM OF TRIANGLE PACIFIC CORP.
STOCK OPTION PLAN

Triangle Pacific Corp. hereby adopts the Triangle Pacific Corp. Stock Option Plan on this ____ day of __________, 1992.

ARTICLE I. DEFINITIONS

1.1 Definitions. For purposes of this Plan, the following terms shall have the meanings set forth below, except as otherwise specified or as the context may otherwise require:

"Beneficiary" means the person(s) or trust(s) by will or the laws of descent and distribution or the estate or personal representative entitled to receive the benefits specified under this Plan in the event of the Participant's death.

"Board" means the Board of Directors of the Company.

"Change of Control Event" shall mean any of the following:

(1) Approval by the stockholders of the Company of the dissolution or liquidation of the Company;

(2) Approval by the stockholders of the Company of an agreement to merge or consolidate, or otherwise reorganize, with or into one or more entities that are not subsidiaries, as a result of which less than 50% of the outstanding voting securities of the surviving or resulting entity immediately after the reorganization are, or will be, owned by stockholders of the Company immediately before such reorganization;

(3) Approval by the stockholders of the Company of the sale of substantially all of the Company's business and/or assets to a person or entity which is not a subsidiary; or

(4) Any of the events set forth in paragraphs (l), (m) or (n) of the Tranche I Events of Default set forth in Exhibit E to the Credit and Guaranty Agreement dated as of September 9, 1988, as amended through the

Restructuring Date, among the Company, a subsidiary of the Company and certain financial institutions.

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"Closing Date" has the meaning set forth in the Management Equity Agreement.

"Code" means the Internal Revenue Code of 1986, as amended. References to Sections of the Code shall be deemed to refer to such Sections as in effect on the date this Plan is adopted as such Sections may, from time to time, be amended.

"Common Stock" means the Common Stock, par value $0.01 per share, of the Company, which consists of Series A Common Stock and Series B Common Stock.

"Committee" means the Committee appointed by the Board as from time to time constituted; provided, however, that during any such time as one or more Participants may be subject to Section 16 of the Exchange Act, the members of the Committee shall be each of the directors then serving on the Board who is a disinterested person within the meaning of the rules and regulations promulgated under, and any other applicable authoritative interpretations of, such Section 16.

"Company" means Triangle Pacific Corp. a Delaware corporation, and its successors and assigns.

"Consolidated Adjusted Operating Income" for any period means the consolidated operating income of the Company and its Subsidiaries adjusted for LIFO, calculated in accordance with the methods used for purposes of those certain Projected Financial Statements for the Company and its Subsidiaries For Each of the Five Years Ending December 31, 1996 and attached hereto as Schedule II.

"Eligible Employee" means only each of the persons identified on Schedule I hereto, if such person is an employee of the Company or a Subsidiary on the date an Option hereunder is granted.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor statute.

"Exercise Price" means the purchase price per share of Series A Common Stock in accordance with Section 3.2, as the same may be adjusted pursuant to Article V.

"Fair Equity Value of the Company" means, at any date of determination, (i) at any time when there is not a public market for shares of either series of Common Stock,

the fair market value of the equity of the Corporation as reasonably determined in good faith by the Board; (ii) at any time when there is a public market for shares of one series of Common Stock, the sum of (x) the fair market value of

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the series of Common Stock for which there is not a public market as reasonably determined by the Board and (y) the aggregate value of that series of Common Stock for which there is a public market derived from the average (weighted by daily trading volume) of the daily closing prices per share of that series of Common Stock for the 30 consecutive trading days as reported on the Composite Transactions tape commencing 45 days before such date, or, if shares of that series of Common Stock are not reported on the Composite Transactions tape, on the principal securities exchange on which shares of that series of Common Stock are listed for or admitted to trading, or, if shares of that series of Common Stock are not listed for or admitted to trading on any such securities exchange, the average of the highest reported bid and lowest reported ask prices as furnished by the National Association of Securities Dealers through NASDAQ, or, if NASDAQ is no longer reporting such information, any other similar organization; and (iii) at a time when there is a public market for shares of each series of Common Stock, the sum of the aggregate value of each series of Common Stock determined as set forth in subclause (y) of clause (ii) above. The aggregate value of a series of Common Stock shall be derived from the foregoing market price per share of such series of Common Stock by multiplying such per share price by the sum of (x) all outstanding shares of such series of Common Stock and (y) all shares of such series of Common Stock issuable upon the exercise of all options and warrants or the conversion of all convertible securities.

"Incentive Stock Option" means an Option that satisfies the requirements of Section 422 of the Code.

"Management Equity Agreement" means that certain agreement made and entered into as of June 1, 1992 by and among the Company and each of the individuals and limited partnerships identified on the signature pages thereto.

"Option" means an option, granted to a Participant hereunder, to purchase Series A Common Stock.

"Participant" means an Eligible Employee who has been granted an Option pursuant to this Plan.

"Plan" means the Triangle Pacific Corp. Stock Option Plan as set forth herein.

"Restructuring Date" has the meaning set forth in the Management Equity Agreement.

"Series A Common Stock" means the Series A Common Stock, par value $0.01 per share, of the Company.

"Stock Option Agreement" means an agreement evidencing the grant of one or more Options in the form of Exhibit A hereto.

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"Subsidiary" means any corporation or other entity a majority or more of whose outstanding voting stock or voting power is beneficially owned directly or indirectly by the Company.

ARTICLE II. THE PLAN

2.1 Purpose. The purpose of this Plan is to promote the success of the Company by providing an additional means to retain key personnel through long term incentive for high levels of performance and for significant efforts to improve the financial performance of the Company by granting Options.

2.2 Administration. This Plan shall be administered by the Committee. Action of the Board or the Committee with respect to this Plan shall be taken pursuant to a majority vote or the written consent of all of its members. In the event action by the Board or the Committee is taken by written consent of all of its members, the action by the Board or Committee shall be deemed to have been taken at the time specified in the consent or, if none is specified, at the time of the last signature. The Committee may delegate administrative functions to individuals who are officers or employees of the Company.

Subject to applicable law, no member of the Board or the Committee, or officer of the Company or a Subsidiary, shall be liable for any action or inaction relating to this Plan of the entity or body, of another person, or, except in circumstances involving bad faith, of himself or herself. Subject only to compliance with the express provisions hereof, the Board and the Committee may act in their absolute discretion in matters related to this Plan.

2.3 Series A Common Stock Subject to this Plan. The stock to be offered under this Plan shall be treasury shares or shares of the Company's authorized but unissued Series A Common Stock. The aggregate amount of Series A Common Stock that may be issued or transferred pursuant to Options granted under this Plan shall not exceed 300,000 shares,

subject to adjustment in accordance with Article V. If any Option shall expire without having become exercisable or without having been exercised in full, the shares subject thereto shall be available for purposes of additional Options under this Plan. All Options granted under this Plan and all shares of Series A Common Stock issued or transferred pursuant to Options granted under this Plan shall be subject to the provisions of the Management Equity Agreement as provided therein.

ARTICLE III. OPTIONS

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3.1 Granting of Options.

(a) Incentive Stock Options. It is intended that Options granted under this Plan on the Closing Date shall constitute Incentive Stock Options within the meaning of Section 422 of the Code. Options granted under this Plan on or after the Closing Date shall constitute Incentive Stock Options only if they satisfy the requirements therefor under Section 422 of the Code.

(b) Closing Date Grants. Options to purchase Series A Common Stock shall be granted on the Closing Date to each Eligible Employee to purchase the number of shares of Series A Common Stock listed in Schedule I hereto next to such Eligible Employee's name. In order for one or more Options to be granted to an Eligible Employee, the Eligible Employee must enter into a Stock Option Agreement with the Company supplied by the Committee in the form attached hereto as Exhibit A.

(c) Subsequent Grants. If, at any time following the Closing Date and before January 1, 1998, shares of Series A Common Stock become available for purposes of additional Options under this Plan in accordance with Section 2.3, then, as soon as practicable, the Committee shall grant each Participant, who is then an Eligible Employee, Options to purchase a portion of the number of available shares, equal to the ratio of the number of shares listed in Schedule I next to such Eligible Employee's name to the aggregate number of shares next to the names of all such Eligible Employees, rounded to the nearest whole number of shares (but not, in the aggregate for all such Eligible Employees a number of shares in excess of those available). In order for one or more Options to be granted to an Eligible Employee under this paragraph, the Eligible Employee must enter into a Stock Option Agreement with the Company supplied by the Committee in the form attached hereto as Exhibit A. The number of shares of Series A Common Stock covered by Options granted to an Eligible

Employee under this paragraph shall be equally divided among such of the five Options described in the Stock Option Agreement as are not then immediately exercisable.

(d) Limitation on Amounts. Notwithstanding anything to the contrary herein or in the Stock Option Agreements, if it is ultimately determined that the aggregate fair market value (determined as of the date of grant) of the stock with respect to which Incentive Stock Options would, but for this paragraph, be exercisable for the first time by a Participant during any calendar year exceeds $100,000, the portion of such Participant's Options which cause such fair market value to exceed $100,000 shall not be treated as, and shall not constitute, Incentive Stock Options.

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3.2 Exercise Price. The per share purchase price for Series A Common Stock covered by an Option (including an Option granted on the Closing Date or on any subsequent date) is set forth in Section 2 of the applicable Stock Option Agreement and is subject to adjustment in accordance with Article V. The Committee shall determine the adjustments to be made to the Exercise Price and to the number of shares of Series A Common Stock subject to outstanding Options in accordance with Article V. Notwithstanding any provision of the Plan to the contrary, the Exercise Price shall not be less than the par value of a share of Series A Common Stock.

3.3 Shares Exercisable. Each Option to purchase shares of Series A Common Stock shall become exercisable in accordance with the terms of the Stock Option Agreement to be supplied by the Committee, the form of which is attached hereto as Exhibit A.

3.4 Expiration of Options.

(a) Tenth Anniversary. Each Option, unless expired sooner pursuant to this Section 3.4, shall expire on the date which is the tenth anniversary of the Restructuring Date.

(b) Failure to Become Exercisable. Each Option that does not become exercisable in accordance with Section 3.3 on or before December 31, 1997 shall expire on January 1, 1998, unless expired sooner pursuant to this Section 3.4.

(c) Termination of Employment. Each Option granted to a Participant that has not become exercisable shall expire as of the date of such Participant's termination of employment with the Company and its

Subsidiaries for any reason. Each Option granted to a Participant that has become exercisable shall continue to be exercisable following such Participant's termination of employment, subject to expiration in accordance with paragraph (a) of this Section 3.4.

3.5 Exercise of Options. An Option may be exercised in whole or in part (provided that an Option may not be exercised to purchase any fractional shares) only after such Option has become exercisable in accordance with Section 3.3 and before the expiration of such Option in accordance with Section 3.4. Each Option may be exercised only by the Participant during his lifetime. In the event of the death of a Participant, the Participant's Beneficiary shall be

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entitled, subject to Section 6.7, to exercise the Options granted to such Participant that became exercisable on or before the date of such Participant's death. Any person so desiring to exercise such Options as Beneficiary of the Participant shall be required, as a condition to the exercise of such Options, to furnish the Committee such documentation as shall be reasonably necessary to evidence the authority of such person to exercise such Options.

3.6 Manner of Exercise and Payment for Shares. An Option may be exercised in whole or in part (provided that an Option may not be exercised to purchase any fractional shares) by giving written notice to the Secretary of the Company stating the number of shares of Series A Common Stock with respect to which the Option is being exercised and tendering the Exercise Price for the shares. Subject to Sections 5.6 and 6.7 and the Management Equity Agreement, as soon as reasonably possible following such exercise, a certificate representing shares of Series A Common Stock purchased, registered in the name of the purchaser, shall be delivered to the purchaser.

3.7 Acceleration Upon a Change of Control Event. In order to protect the holders of Options, immediately prior to the occurrence of a Change of Control Event a number of Options granted to a Participant shall become exercisable equal to the product of (i) the number of Options granted to such Participant for which no determination as to exercisability has been made pursuant to Section 2 of the applicable Stock Option Agreement and (ii) a fraction, the numerator of which is the number of Options granted to such Participant which have previously become exercisable, and the denominator of which is the number of Options granted to such Participant for which the first determination as to exercisability has been made pursuant to Section 2 of the applicable Stock Option Agreement; provided that (x) if no determination as to exercisability has been made pursuant to Section 2 of the

applicable Stock Option Agreement, the fraction set forth in clause (ii) above shall be deemed to be one, and (y) if, in connection with such Change of Control Event a record date or effective date (if no record date is fixed) is established, the number of Options determined above shall become exercisable ten business days prior to such record date or effective date.

ARTICLE IV. RIGHTS OF ELIGIBLE EMPLOYEES, PARTICIPANTS AND BENEFICIARIES

4.1 No Right to Continued Employment. Nothing contained in this Plan or in the Stock Option Agreements or in any other documents related to this Plan shall confer upon any Eligible Employee or Participant any right to continue in the employ of the Company or its Subsidiaries or constitute any contract or agreement of employment, or interfere in any way with the right of the Company

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to reduce such person's compensation or to terminate the employment of such person, with or without cause.

4.2 Options Not Transferable. No Option may be transferred, assigned, pledged or hypothecated (whether by operation of law or otherwise), except as provided by will or the applicable laws of descent or distribution, and no Option shall be subject to execution, attachment or similar process. Any attempted assignment, transfer, pledge, hypothecation or other disposition of an Option, or levy of attachment or similar process upon an Option, shall be null and void and without effect.

4.3 No Trust Created. No Participant, Beneficiary or other person shall have any right, title or interest in any fund or in any specific asset (including shares of Series A Common Stock) of the Company by reason of any Option granted hereunder. There shall be no funding of any benefits which may become payable hereunder. Neither the provisions of this Plan (or of any documents related hereto), nor the creation or adoption of this Plan, nor any action taken pursuant to the provisions of this Plan shall create, or be construed to create, a trust of any kind or a fiduciary relationship between the Company and any Participant, Beneficiary or other person. To the extent that a Participant, Beneficiary or other person acquires a right to receive a benefit hereunder, such right shall be no greater than the right of any unsecured general creditor of the Company.

ARTICLE V. ADJUSTMENTS UPON CHANGES IN CAPITALIZATION

5.1 Changes in Shares Outstanding. In case the Company shall at any time after the date hereof (i) declare a dividend or make a distribution on shares of Common Stock payable in Common Stock, (ii) subdivide the outstanding shares of Common Stock, (iii) combine the outstanding shares of Common Stock into a smaller number of shares or (iv) issue any shares of its capital stock in a reclassification of the Common Stock (including any such reclassification in connection with a consolidation or merger in which the Company is the continuing corporation), the Exercise Price in effect at the time of the record date for such dividend or distribution or of the effective date of such subdivision, combination or reclassification shall be proportionately adjusted so that the exercise of Options after such time shall entitle the Participant to receive, for the same aggregate Exercise Price, the aggregate number of shares of Common Stock or other securities of the Company (or shares of any security into which such shares of Common Stock have been reclassified pursuant to clause (iv) above) which, if the Options had been exercised immediately prior to such time, such Participant would have owned upon such exercise and been entitled to receive by virtue of such dividend, distribution, subdivision, combination or reclassification. Such adjustment shall be made successively whenever any event listed above shall occur.

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5.2 Changes Due to Distributions or Redemptions. In case the Company shall (x) fix a record date for the making of a distribution to all holders of Common Stock (including any such distribution made in connection with an amalgamation, arrangement, consolidation or merger in which the Company is the continuing corporation) of evidences of indebtedness, assets or other property (other than (I) cash dividends or cash distributions payable out of consolidated earnings or earned surplus or (II) dividends payable in shares of Common Stock) or (y) redeem shares of Common Stock, the Exercise Price to be in effect after such record date (in the case of clause (x)) or the date of such redemption (in the case of clause (y)) shall be determined by multiplying the Exercise Price in effect immediately prior to such date by a fraction, the numerator of which shall be the Fair Equity Value of the Company immediately prior to such date, less the fair market value of the portion of the assets, other property or evidences of indebtedness so to be distributed, and the denominator of which shall be such Fair Equity Value of the Company immediately prior to such date. Such adjustments shall be made successively whenever such a record date is fixed; and in the event that such distribution is not so made, the Exercise Price shall again be adjusted to be the Exercise

Price which would then be in effect if such record date had not been fixed.

5.3 Limitations on Adjustments to Exercise Price. No adjustment in the Exercise Price pursuant to Sections 5.1 or 5.2 shall be required unless such adjustment would require an increase or decrease of at least one percent in such price; provided, however, that the Committee may determine that such adjustment shall be made. All calculations under this Article V shall be made to the nearest cent or to the nearest hundredth of a share, as the case may be.

5.4 Other Shares of Capital Stock. In the event that, at any time as a result of an adjustment made pursuant to Section 5.1, the holder of any Option thereafter exercised shall become entitled to receive any shares of capital stock of the Company other than shares of Common Stock, the number of such other shares so receivable upon exercise of any Option shall thereafter be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions contained in this Agreement.

5.5 Effect on Outstanding Options. Upon each adjustment of the Exercise Price as a result of the calculations made in Sections 5.1 or 5.2, each Option outstanding immediately prior to the making of such adjustment shall thereafter evidence the right to purchase, at the adjusted Exercise Price, that number of shares of Series A Common Stock obtained by (x) multiplying the number of shares covered by such Option immediately prior to this adjustment of the number of shares by the Exercise Price in effect immediately prior to such adjustment of

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the Exercise Price and (y) dividing the product so obtained by the Exercise Price in effect immediately after such adjustment of the Exercise Price.

5.6 Issuance of Stock. In any case in which this Article V shall require that an adjustment in the Exercise Price be made effective as of a record date for a specified event, the Company may elect to defer until the occurrence of such event the issuance to the Participant, upon the exercise of an Option after such record date, of the number of shares of Series A Common Stock and other capital stock of the Company, if any, issuable upon such exercise over and above the shares of Series A Common Stock and other capital stock of the Company, if any, issuable upon such exercise on the basis of the Exercise Price in effect prior to such adjustment; provided, however, that the Company shall deliver to such Participant a due bill or other appropriate instrument evidencing the Participant's right to receive such additional shares upon the occurrence of the event requiring such adjustment.

ARTICLE VI. MISCELLANEOUS PROVISIONS

6.1 Government Regulation. This Plan, the granting of Options and issuance or transfer of shares of Common Stock pursuant thereto are subject to all applicable Federal and state laws, rules and regulations and to such approvals by any regulatory or governmental agency (including without limitation "no action" positions of the Securities and Exchange Commission) which may, in the opinion of counsel for the Company, be necessary or advisable in connection therewith. Without limiting the generality of the foregoing, no Options may be granted under this Plan, and no shares of Common Stock shall be issued or transferred by the Company, pursuant to or in connection with any such Option or the exercise thereof, unless and until, in each such case, all legal requirements applicable to the issuance or payment have, in the opinion of counsel to the Company, been complied with. In connection with any stock issuance or transfer, the person acquiring the shares of Common Stock shall, if requested by the Company, give assurances satisfactory to counsel to the Company in respect of such matters as the Company may deem desirable to assure compliance with all applicable legal requirements.

6.2 Amendment. The Board may, at any time or from time to time, amend or modify this Plan in order to effectuate the intent of this Plan, subject to the terms of this Section 6.2. The Board or the Committee, with the consent of the Participant, may make such modifications to the terms and conditions of such Participant's Option as it shall deem advisable. The amendment or modification of this Plan shall not, without the consent of the Participant, alter or impair any rights or obligations pertaining to any Options granted under this Plan prior to such amendment or modification, including, without limitation, rights that may arise in the future to exercise any Option or rights that may arise in the future to be granted additional Options, except to the extent necessary to

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ensure compliance of any Participant with Section 16 of the Exchange Act, to the extent applicable to such Participant. Unless approved by the shareholders, and except to the extent provided in Article V, no amendment or modification of this Plan may (i) increase the total number of shares of Common Stock available for granting Options under the Plan as set forth in Section 2.3; (ii) extend the duration of the Plan; (iii) increase the maximum term of Options; or (iv) change the class of employees eligible to be granted Options under the Plan.

6.3 Effective Date of This Plan. This Plan shall be effective on the date on which it is approved by the holders of a majority of the shares of Common Stock of the Company.

6.4 Term of This Plan. This Plan shall terminate upon the earlier to occur of the exercise in whole or expiration of the last Option outstanding hereunder.

6.5 Notices.

(a) In the event:

(1) that the Company shall authorize the distribution to holders of shares of Common Stock of evidences of its indebtedness or assets (other than cash dividends or cash distributions payable out of consolidated retained earnings or dividends payable in shares of Common Stock) or the redemption of shares of Common Stock; or

(2) of any reclassification or change of outstanding shares of Common Stock issuable upon exercise of the Options represented hereby (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination); or

(3) of any Change of Control Event that accelerates the exercisability of Options ten business days prior to the record date or effective date pursuant to the proviso in Section 3.7 hereof; or

(4) that the Company proposes to take any other action which would require an adjustment of the Exercise Price pursuant to Article V hereof;

then the Company shall cause to be given to each Participant, at least 30 days prior to the applicable record date or effective date, if no record date is fixed, hereinafter specified (by certified mail, postage prepaid) a written notice stating the date as of which the holders of record of shares of Common Stock to be entitled to receive any such rights, warrants or distributions are

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to be determined. The failure to give the notice required by this Section 6.5 or any defect therein shall not affect the legality or validity of any distribution, right or warrant, or the vote upon any action.

(b) Any notice or demand authorized or required pursuant to this Plan to be given or made shall be sufficiently given or made if sent by first-class or

registered mail, postage prepaid, addressed, if to the Company, as follows:

Triangle Pacific Corp.
P.O. Box 660200
Dallas, Texas 75266-0100
Attention: General Counsel

with a copy to:

O'Melveny & Myers
555 13th Street, N.W.
Washington, D.C. 20004
Attention: Jeffrey J. Rosen, Esq.

and if to an Eligible Employee, Participant or Beneficiary to his last known address in the books and records of the Company.

(c) Every direction, revocation or notice authorized or required by the Plan shall be deemed delivered to the Company (a) on the date it is personally delivered to the Secretary of the Company at its principal executive offices, or (b) three business days after it is sent by registered or certified mail, postage prepaid, addressed to the Secretary at such offices; and shall be deemed delivered to an Eligible Employee, a Participant or a Beneficiary (a) on the date it is personally delivered to him or her, or (b) three business days after it is sent by registered or certified mail, postage prepaid, addressed to him or her at the last address shown for him or her on the records of the Company.

6.6 Governing Law. This Plan and the documents evidencing Options and all other related documents shall be governed by and construed in accordance with, the laws of the State of Texas, without regard to the principles of conflicts of laws thereof which might refer such interpretation to the laws of a different state or jurisdiction. If any provision of this Plan shall be held by a court of competent jurisdiction to be invalid and unenforceable, the remaining provisions of this Plan shall continue to be fully effective.

6.7 Management Equity Agreement. So long as the Management Equity Agreement is in effect, the Company shall be under no obligation to sell or

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deliver shares of Common Stock under the Plan to a Participant or Beneficiary unless such Participant or Beneficiary shall be a party to the Management Equity Agreement.

6.8 Disputes. In the event of any dispute between a Participant and the Board, the Committee or the Company in connection with such Participant's rights under this Plan, the Company agrees to reimburse such Participant for any expenses, including legal fees, incurred by such Participant in connection with such dispute.

TRIANGLE PACIFIC CORP.
STOCK OPTION PLAN

Schedule I

Eligible Employees and Shares Subject to Options

Eligible Employee	Number of Shares
Floyd Sherman	46,425
M. Joseph McHugh	46,425
Joseph W. Nussbaum	46,425
Robert J. Symon	46,425
Darryl Marchand	8,425
Melvin Burkhardt	4,774
John G. Conklin	16,008
Charles Engle	16,008
John W. Esch	4,774
James T. Fidler	8,425
George W. Kaplan	4,774

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Michael Kearins	16,008
Alan M. Kurzman	4,774
Dwain Plaster	4,774
James Price	4,774
Burt Root	4,774
Allen Silver	16,008

TRIANGLE PACIFIC CORP.
STOCK OPTION PLAN

Schedule II

Projected Financial Statements for the Company and Its Subsidiaries for Each of the Five Years Ending December 31, 1996

EXHIBIT A TO
TRIANGLE PACIFIC CORP.
STOCK OPTION PLAN

FORM OF STOCK OPTION AGREEMENT

NO OPTION GRANTED UNDER THIS AGREEMENT MAY BE TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED (WHETHER BY OPERATION OF LAW OR OTHERWISE), EXCEPT AS PROVIDED BY WILL OR THE APPLICABLE LAWS OF DESCENT OR DISTRIBUTION, AND NO SUCH OPTION SHALL BE SUBJECT TO EXECUTION, ATTACHMENT OR SIMILAR PROCESS. ANY ATTEMPTED ASSIGNMENT, TRANSFER, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF ANY SUCH OPTION, OR LEVY OF ATTACHMENT OR SIMILAR PROCESS UPON ANY SUCH OPTION, SHALL BE NULL AND VOID AND WITHOUT EFFECT.

Stock options (the "Options") are hereby granted on _______________ __, 199_ by Triangle Pacific Corp., a Delaware corporation (the "Company"), to the person identified as the Participant on the signature page hereof (the "Participant"), for and with respect to Series A Common Stock, par value $0.01 per share (the "Series A Common Stock"), of the Company, subject to the following terms and conditions:

Section 1. Governing Plan

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This Stock Option Agreement (the "Agreement") and the Options granted hereby are subject to the terms and conditions of the Triangle Pacific Corp. Stock Option Plan (the "Plan"), the terms of which are hereby incorporated by reference. For purposes of this Agreement, the capitalized terms defined in the Plan shall have the meanings ascribed to them in the Plan, except as otherwise specified.

Section 2. Grant and Exercise of Options

Subject to the provisions set forth herein and the terms and conditions of the Plan, and in consideration of the agreements of the Participant herein provided, the Company hereby grants to the Participant Options to purchase from the Company the number of shares of Series A Common Stock, at the Exercise Price per share, as set forth below and in the Plan. Each Option granted hereby will become exercisable, if at all, in whole or in part (provided that an Option may not be exercised to purchase any fractional shares) by the Participant or his Beneficiary only at the times and in the amounts set forth in this Section 2 and the

Plan. Subject to adjustment in accordance with Article V of he Plan, the Exercise Price per share of Series A Common Stock subject to each Option granted hereby is the sum of (x) $2.00 plus (y) if at any time during the seven months following the Restructuring Date the Series A Common Stock is publicly traded for 20 trading days, the amount, if any, by which the average sale price over the first 20 such trading days exceeds $2.00 per share; provided, however, that in no event will the amount of the increase under this clause (y) exceed $2.00. The target for the Company's Consolidated Adjusted Operating Income for each fiscal year (the "Target" for such fiscal year) during the relevant period and target for the Company's cumulative Consolidated Adjusted Operating Income for each fiscal year (the "Cumulative Target" for such fiscal year) during the relevant period are set forth in Section 3.

(a) Option 1.

The number of shares of Series A Common Stock subject to Option 1 is: ___________ shares

The option to acquire shares of Series A Common Stock subject to Option 1 (the "Option 1 shares") will become exercisable upon the earliest to occur of (x) the Company's Consolidated Adjusted Operating Income for fiscal year 1992 equalling or exceeding the fiscal year 1992 Target or (y) the Company's cumulative Consolidated Adjusted Operating Income for fiscal

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year 1993 or any later fiscal year identified in Section 3 equalling or exceeding the Cumulative Target applicable to such fiscal year.

(b) Option 2.

The number of shares of Series A Common Stock subject to Option 2 is: ___________ shares

The option to acquire shares of Series A Common Stock subject to Option 2 (the "Option 2 shares") will become exercisable upon the earliest to occur of (x) the Company's Consolidated Adjusted Operating Income for fiscal year 1993 equalling or exceeding the fiscal year 1993 Target or (y) the Company's cumulative Consolidated Adjusted Operating Income for fiscal year 1993 or any later fiscal year identified in Section 3 equalling or exceeding the Cumulative Target applicable to such fiscal year.

(c) Option 3.

The number of shares of Series A Common Stock subject to Option 3 is: _____________ shares

The option to acquire shares of Series A Common Stock subject to Option 3 (the "Option 3 shares") will become exercisable upon the earliest to occur of (x) the Company's Consolidated Adjusted Operating Income for fiscal year 1994 equalling or exceeding the fiscal year 1994 Target or (y) the Company's cumulative Consolidated Adjusted Operating Income for fiscal year 1994 or any later fiscal year identified in Section 3 equalling or exceeding the Cumulative Target applicable to such fiscal year.

(d) Option 4.

The number of shares of Series A Common Stock subject to Option 4 is: _____________ shares

The option to acquire shares of Series A Common Stock subject to Option 4 (the "Option 4 shares") will become exercisable upon the earliest to occur of (x) the Company's Consolidated Adjusted Operating Income for fiscal year 1995 equalling or exceeding the fiscal year 1995 Target or (y) the Company's cumulative Consolidated Adjusted Operating Income for fiscal

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year 1995 or fiscal year 1996 equalling or exceeding the Cumulative Target applicable to such fiscal year.

(e) Option 5.

The number of shares of Series A Common Stock subject to Option 5 is: _____________ shares

The option to acquire shares of Series A Common Stock subject to Option 5 (the "Option 5 shares") will become exercisable upon the earliest to occur of (x) the Company's Consolidated Adjusted Operating Income for fiscal year 1996 equalling or exceeding the fiscal year 1996 Target or (y) the Company's cumulative Consolidated Adjusted Operating Income for fiscal year 1996 equalling or exceeding the Cumulative Target applicable to fiscal year 1996.

Section 3. Targets and Cumulative Targets

(a) For fiscal year 1992, the fiscal year 1992 Target is $16,163,000.

(b) For fiscal year 1993, the fiscal year 1993 Target is $34,326,000 and the fiscal year 1993 Cumulative Target is $50,489,000.

(c) For fiscal year 1994, the fiscal year 1994 Target is $47,848,000 and the fiscal year 1994 Cumulative Target is $98,337,000.

(d) For fiscal year 1995, the fiscal year 1995 Target is $57,210,000 and the fiscal year 1995 Cumulative Target is $155,547,000.

(e) For fiscal year 1996, the fiscal year 1996 Target is $57,210,000 and the fiscal year 1996 Cumulative Target is $212,757,000.

(f) The Board and the Participant recognize that the Targets and Cumulative Targets set forth in this Section 3 were derived from those certain Projected Financial Statements for the Company and its Subsidiaries For Each of the Five Years Ending December 31, 1996 and attached to the Plan as Schedule II (the "Projections"). The Board agrees with the Participant that, to the extent that a material portion of the assets or businesses of the Company is sold or otherwise transferred, the Targets and Cumulative Targets set forth in this Section 3 will be revised to reflect such sale or other transfer by revising the Projections to exclude the operating income attributable to such assets or businesses for a ratable portion of the year in which such sale or other transfer takes place and for all subsequent years or to otherwise renegotiate the Targets and Cumulative Targets in good faith; provided, however, that any

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such revision to the Projections will reflect a downward adjustment to the Targets and Cumulative Targets for the amount of the fixed overhead costs allocated for purposes of the Projections to such portion of the assets or businesses sold or transferred and reallocated to the remaining assets and businesses for purposes of the revisions to the Projections.

Section 4. Notice to Participant.

Promptly after the completion of the audited financial statements for each of the fiscal years 1992, 1993, 1994, 1995 and 1996 of the Company, the Company shall determine (x) the annual Consolidated Adjusted Operating Income for such fiscal year, (y) the cumulative Consolidated

Adjusted Operating Income for fiscal year 1992 through the fiscal year to which such financial statements relate, and (z) whether, in each case, the Target and Cumulative Target set forth in Section 3 have been equalled or exceeded. Any such determinations by the Company shall be conclusive absent arithmetic error. Promptly after making such determination, the Company shall notify the Participant whether any Options granted hereby have become exercisable.

Section 5. Certain Terms of the Options.

(a) The exercise of an Option granted hereby is conditioned upon the acceptance by the Participant of the terms and conditions of this Agreement and the Plan (including, without limitation, the terms and conditions pursuant to which the Option shall become exercisable, if at all, the terms for exercising the Option and the terms pursuant to which the Option will expire or be cancelled) as evidenced by the Participant's execution of this Agreement in the space provided therefor at the end hereof and the return of an executed copy of this Agreement to the Secretary of the Company. An Option may be exercised in whole or in part (provided that an Option may not be exercised to purchase any fractional shares) by giving written notice to the Secretary of the Company stating the number of shares of Series A Common Stock with respect to which the Option is being exercised and tendering the Exercise Price for the shares, all in accordance with the Plan.

(b) No Option granted hereby may be transferred, assigned, pledged or hypothecated (whether by operation of law or otherwise), except as provided by will or the applicable laws of descent or distribution, and no Option granted hereby shall be subject to execution, attachment or similar process. An attempted assignment, transfer, pledge, hypothecation or other disposition of an Option granted hereby, or levy or attachment or similar process upon an Option, shall be null and void and without effect. An Option granted hereby may be exercised only by the Participant during his lifetime, or his Beneficiary in the event of the Participant's death.

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(c) Neither the Participant nor his Beneficiary shall be, or have any of the rights or privileges of, a shareholder of the Company in respect of any of the shares of Series A Common Stock issuable upon exercise of an Option granted hereby, unless and until the Exercise Price for such shares shall have been paid in full.

(d) In the event an Option granted hereby is exercised in whole or in part and there shall remain one or

more Options or part thereof outstanding, this Agreement shall be delivered by the Participant to the Company for the purpose of making appropriate notation thereon, or of otherwise reflecting, in such manner as the Company shall determine, the exercise or partial exercise of the Options granted hereby.

(e) If this Agreement is mutilated, lost, stolen or destroyed, the Company shall issue, without payment of any service charge, in exchange and substitution for and upon cancellation of the mutilated Agreement, or in lieu of and in substitution for the Agreement lost, stolen or destroyed, a new Agreement of like tenor and representing like Options, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction of such Agreement and indemnity, if requested, also reasonably satisfactory to it.

Section 7. Reservation and Availability of Shares of Series A Common Stock

(a) The Company will at all times reserve and keep available out of its authorized and unissued shares of Series A Common Stock, free from preemptive rights, solely for the purpose of issue upon exercise of the Options granted hereby, the full number of shares of Series A Common Stock deliverable upon the exercise of the Options granted hereby.

(b) Before taking any action which could cause an adjustment pursuant to Article V of the Plan reducing the Exercise Price below the then par value (if any) of the shares of Common Stock issuable upon exercise of the Options granted hereby, the Company shall take any corporate action which may, in the opinion of its counsel, be necessary in order that upon any such exercise the Company may validly and legally issue fully paid and nonassessable shares of Series A Common Stock at the Exercise Price as so adjusted.

(c) The Company covenants that all shares of Series A Common Stock issued upon due exercise of any Options granted hereby shall, when issued, be validly issued, fully paid and nonassessable.

Section 8. Consolidation, Merger or Sale of Assets.

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If, at any time when any Options are outstanding, the Company shall consolidate or merge with one or more other corporations (other than a merger or consolidation of the Company in which the Company is the continuing corporation and which does not result in any reclassification or change of its outstanding Common Stock

(including converting such Common Stock into cash)), the holder of any Options will thereafter receive, upon the exercise thereof in accordance with the terms of this Agreement, the securities or property (including cash) to which the holder of the number of shares of Series A Common Stock then deliverable upon the exercise of such Options would have been entitled upon such consolidation or merger, and the Company shall take such steps in connection with such consolidation or merger as may be necessary to assure that the provisions hereof shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or property thereafter deliverable upon the exercise of the Options. A sale of all or substantially all the assets of the Company for a consideration (apart from the assumption of obligations) consisting primarily of securities shall be deemed a consolidation or merger for the foregoing purposes. The provisions of this Section 8 shall similarly apply to successive mergers, consolidations, sales or other transfers.

IN WITNESS WHEREOF, Triangle Pacific Corp. has caused this Agreement to be signed by its President.

Dated: _____________ __, 1992

TRIANGLE PACIFIC CORP.

By: _________________________

Its: ________________________

IN WITNESS WHEREOF, the undersigned Participant hereby accepts the foregoing Agreement and the terms and conditions of the foregoing Agreement and the Plan.

By: _________________________

Name:_________________________

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EXHIBIT 99.(E)

TRIANGLE PACIFIC CORP.

1993 LONG-TERM INCENTIVE COMPENSATION PLAN

SECTION 1. PURPOSE. The purpose of this 1993 Long-Term Incentive Compensation Plan (the "Plan") of Triangle Pacific Corp., a Delaware corporation (the "Company"), is to increase stockholder value and to advance the interests of the Company and its subsidiaries by furnishing a variety of economic incentive awards ("Incentive Awards") designed to attract, retain and motivate selected employees of the Company and its subsidiaries. Incentive Awards may consist of opportunities to purchase or receive shares of Common Stock, $.01 par value per share, of the Company ("Common Stock"), monetary payments or both on terms determined under the Plan. As used in the Plan, the term "subsidiary" means any corporation of which the Company owns, directly or indirectly (within the meaning of Section 424(f) of the Internal Revenue Code of 1986, as amended (the "Code")), 50% or more of the total combined voting power of all classes of stock.

SECTION 2. ADMINISTRATION.

2.1 COMPOSITION OF COMMITTEE. The Plan shall be administered, and the decisions concerning the Plan shall be made solely, by the Compensation Committee of the Board of Directors of the Company (the "Committee"), which Committee shall consist of two or more directors of the Company, all of whom are "disinterested persons", as such term is defined under Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended. Each member of the Committee shall be appointed by and shall serve at the pleasure of the Board of Directors of the Company as the same may be constituted from time to time (the "Board"). The Board shall have the sole continuing authority to appoint members of the Committee.

2.2 COMMITTEE PROCEDURES. The Committee shall elect one of its members as its chairman and shall hold its meetings at such times and places as it may determine. A majority of the members of the Committee shall constitute a quorum. All decisions and determinations of the Committee shall be made by the majority vote or decision of the members present at any meeting at which a quorum is present; provided, however, that any decision or determination reduced to writing and signed by all members of the Committee shall be as fully effective as if it had been made by a majority vote or decision at a meeting duly called and held. The Committee may make any rules and regulations for the conduct of its business that are not inconsistent with the express provisions of the Plan, the Restated Certificate of Incorporation or Bylaws of the Company or any resolutions of the Board.

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2.3 COMMITTEE AUTHORITY. The Committee shall have plenary and discretionary authority (a) to grant Incentive Awards under the Plan, including the authority to determine the eligible participants to whom, and the time or times at which, Incentive Awards shall be granted, (b) to interpret the Plan, (c) to establish any rules or regulations relating to and not inconsistent with the

Plan that it determines to be appropriate and (d) to make any other determination that it believes necessary or advisable for the proper administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any agreement relating thereto in the manner and to the extent it shall deem expedient to carry it into effect, and it shall be the sole and final judge of such expediency. The Committee's decisions in matters relating to the Plan shall be final and binding on the Company and participants.

SECTION 3. ELIGIBLE PARTICIPANTS. The persons who shall be eligible to receive Incentive Awards under the Plan shall be regular salaried full-time officers or key employees of the Company or one or more of its subsidiaries. Qualifications of a key employee may be set by the Board from time to time. In making grants of Incentive Awards, the Committee shall take into consideration the contribution the person has made or may make to the success of the Company or its subsidiaries and such other considerations as the Board may from time to time specify.

SECTION 4. TYPES OF INCENTIVE AWARDS; DATE OF GRANT. Incentive Awards under the Plan may be granted in any one or a combination of the following forms: (a) incentive stock options; (b) nonqualified stock options; (c) stock appreciation rights ("SARs"); (d) stock awards; (e) restricted stock; (f) performance shares; and (g) cash awards. The date on which the Committee completes all action constituting an offer of an Incentive Award to a person shall constitute the date on which such Incentive Award is granted.

SECTION 5. SHARES SUBJECT TO THE PLAN.

5.1 NUMBER OF SHARES. Subject to adjustment as provided in Section 11.5, the number of shares of Common Stock that may be issued under the Plan shall not exceed a maximum of [up to 1,000,000] shares of Common Stock in the aggregate.

5.2 CANCELLATION. To the extent that cash in lieu of shares of Common Stock is delivered upon the exercise of an SAR pursuant to Section 7.4, the Company shall be deemed, for purposes of applying the limitation on the number of shares contained in Section 5.1, to have issued the greater of the number of shares of Common Stock which it was entitled to issue upon such exercise or on the exercise of any related stock option. If a stock option, SAR or performance share granted hereunder expires or is terminated or cancelled as to any shares of Common Stock still subject thereto, such shares may again be issued under the Plan, either pursuant to stock options, SARs or otherwise. If shares of Common Stock are issued as restricted stock and thereafter are forfeited or reacquired by the Company pursuant to rights reserved upon issuance thereof,

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such forfeited or reacquired shares may again be issued under the Plan, either as restricted stock or otherwise. The Committee also may determine to cancel, and agree to the cancellation of, stock options in order to grant new stock options to the same participant at a lower price than the option price of the stock options to be cancelled.

5.3 TYPE OF COMMON STOCK. Common Stock issued under the Plan in connection with Incentive Awards may be authorized and unissued shares or issued shares held as treasury shares.

SECTION 6. STOCK OPTIONS. A stock option is a right to purchase shares of Common Stock from the Company. Each stock option granted by the Committee under the Plan shall be subject to the following terms and conditions:

6.1 OPTION PRICE. The option price for each share of Common Stock subject to the stock option shall be determined by the Committee at the time of grant; provided, however, that such option price shall not be less than the greater of (a) the par value of a share of Common Stock or (b) 85% of the Fair Market Value (as defined in Section 11.16) of a share of Common Stock on the date of grant. The option price shall be subject to adjustment as provided in Section 11.5.

6.2 NUMBER OF SHARES. The number of shares of Common Stock subject to the stock option shall be determined by the Committee at the time of grant, subject to adjustment as provided in Section 11.5. The number of shares of Common Stock subject to a stock option shall be reduced by the same number of shares with respect to which the holder thereof exercises an SAR if the SAR is granted in conjunction with such stock option.

6.3 DURATION AND TIME FOR EXERCISE. Subject to earlier termination as provided in Section 11.3, the term of each stock option shall be determined by the Committee at the time of grant; provided, however, that such term shall not be longer than ten years from the date of grant. If a stock option is granted with a term shorter than ten years, the Committee may extend the term of the stock option and any SARs that relate to such stock option, but for not more than ten years from the date when the stock option was originally granted. Each stock option shall become exercisable at such time or times during its term, to such extent and upon such terms and conditions as shall be determined by the Committee at the time of grant.

6.4 MANNER OF EXERCISE. A stock option may be exercised, in whole or in part, by giving written notice to the Company, specifying the number of shares of Common Stock to be purchased. The exercise notice shall be accompanied by payment in full of the option price of such shares. The option price shall be payable in United States dollars and may be paid (a) in cash or by check, (b) with the consent of the Committee, by delivery of shares of Common Stock owned by the participant, including an actual or deemed multiple series of exchanges of such shares, in payment of all or any part of the option price, which shares shall be valued for this purpose at the Fair Market Value thereof on the date

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the stock option is exercised, or (c) in such other manner as may be authorized from time to time by the Committee. No shares of Common Stock shall be issued pursuant to the exercise of a stock option until full payment therefor has been made. Prior to the issuance of shares of Common Stock, the holder of a stock option shall have no rights as a stockholder of the Company.

Notwithstanding anything in the Plan to the contrary, at the request of a participant and to the extent permitted by applicable law, the Committee may, in its sole and absolute discretion, selectively approve arrangements with a brokerage firm or firms under which any such brokerage firm shall, on behalf of the participant, make payment in full to the Company of the option price of

the shares then being purchased by the participant pursuant to the exercise of a stock option, and the Company, pursuant to an irrevocable notice in writing from the participant, shall make prompt delivery of one or more certificates for the appropriate number of shares of Common Stock to such brokerage firm. Payment in full for purposes of the immediately preceding sentence shall mean payment in United States dollars of the full amount due, either in cash or by certified check or cashier's check.

As promptly as may be practicable after a stock option has been exercised as hereinabove provided, the Company shall make delivery of one or more certificates for the appropriate number of shares of Common Stock. In the event that a participant exercises both an incentive stock option and a nonqualified stock option, separate stock certificates shall be issued, one for the shares subject to the incentive stock option and one for the shares subject to the nonqualified stock option. No fractional shares of Common Stock shall be issued upon the exercise of a stock option; instead, the holder of the stock option shall be entitled to receive a cash adjustment equal to the value of the fractional share based on the Fair Market Value of a share of Common Stock on the date of exercise or, with the consent of the Committee, to purchase the portion necessary to make a whole share at its Fair Market Value on such date.

6.5 INCENTIVE STOCK OPTIONS. Notwithstanding anything in the Plan to the contrary, the following additional provisions shall apply to the grant of stock options that are intended to qualify as "incentive stock options" (as such term is defined in Section 422 of the Code):

(a) Any incentive stock option authorized under the Plan shall contain such other provisions as the Committee shall deem advisable, but shall in all events be consistent with and contain or be deemed to contain all provisions required in order to qualify the stock option as an incentive stock option.

(b) All incentive stock options must be granted within ten years from the date on which the Plan was adopted by the Board.

(c) The option price for each share of Common Stock subject to an incentive stock option shall not be less than the greater of (i) the par value

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of a share of Common Stock or (ii) 100% of the Fair Market Value of a share of Common Stock on the date of grant.

(d) No incentive stock option shall be granted to any participant who, at the time such incentive stock option is granted, owns (within the meaning of Sections 422 and 424 of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the employer corporation or of its parent or subsidiary corporation, unless the option price under such incentive stock option is at least 110% of the Fair Market Value of the shares subject to such incentive stock option on the date of its grant and such incentive stock option is not exercisable after the expiration of five years from the date of its grant.

SECTION 7. STOCK APPRECIATION RIGHTS. An SAR is a right to receive, without payment to the Company, a number of shares of Common Stock, cash or a combination thereof, the amount of which is determined pursuant to the formula set forth in Section 7.4. An SAR may be granted either (a) in conjunction with a stock option granted under the Plan, either (i) concurrently with the grant of such stock option (not including any subsequent modification that may be treated as a new grant of an incentive stock option for purposes of Section 424(h) of the Code) or (ii) with respect to nonqualified stock options, at such later time as determined by the Committee (in either case, as to all or any portion of the shares of Common Stock subject to the stock option), or (b) alone, without reference to any stock option. Each SAR granted by the Committee under the Plan shall be subject to the following terms and conditions:

7.1 NUMBER OF SHARES. Each SAR granted to a participant shall relate to such number of shares of Common Stock as shall be determined by the Committee at the time of grant, subject to adjustment as provided in Section 11.5. In the case of an SAR granted in conjunction with a stock option, the number of shares of Common Stock to which the SAR pertains shall be reduced by the same number of shares with respect to which the holder thereof exercises the related stock option.

7.2 DURATION AND TIME FOR EXERCISE. Subject to earlier termination as provided in Section 11.3, the term of each SAR shall be determined by the Committee at the time of grant; provided, however, that such term shall not be longer than ten years from the date of grant. If an SAR is granted with a term shorter than ten years, the Committee may extend the term of the SAR, but for not more than ten years from the date when the SAR was originally granted. Each SAR shall become exercisable at such time or times during its term, to such extent and upon such terms and conditions as shall be determined by the Committee at the time of grant. Notwithstanding the foregoing provisions of this Section 7.2, each SAR granted in conjunction with a stock option shall, as nearly as practicable, become exercisable at such time or times during its term, to such extent and upon such terms and conditions as the stock option to which it relates is exercisable, and such SAR shall expire no later than the expiration of the related stock option.

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7.3 MANNER OF EXERCISE. An SAR may be exercised, in whole or in part, by giving written notice to the Company, specifying the number of shares of Common Stock as to which the SAR is exercised. The date that the Company receives such written notice is hereinafter referred to as the "Exercise Date". As promptly as may be practicable after the Exercise Date, the Company shall deliver to the exercising holder a certificate or certificates for the shares of Common Stock or cash, or both, as determined by the Committee, to which the holder is entitled pursuant to Section 7.4.

7.4 PAYMENT. Subject to the right of the Committee to deliver cash in lieu of shares of Common Stock, the number of shares of Common Stock that are issuable upon the exercise of an SAR shall be determined by dividing:

(a) the number of shares of Common Stock as to which the SAR is exercised multiplied by the amount of the appreciation in such shares (for this purpose, the "appreciation" shall be the amount by which the Fair Market Value of a share of Common

Stock on the Exercise Date exceeds (i) in the case of an SAR related to a stock option, the per share option price of the stock option, or (ii) in the case of an SAR granted alone, without reference to a stock option, an amount that shall be determined by the Committee at the time of grant, subject to adjustment as provided in Section 11.5); by

(b) the Fair Market Value of a share of Common Stock on the Exercise Date.

In lieu of issuing shares of Common Stock upon the exercise of an SAR, the Committee may elect to pay the holder of the SAR cash equal to the Fair Market Value on the Exercise Date of any or all of the shares that would otherwise be issuable. No fractional shares of Common Stock shall be issued upon the exercise of an SAR; instead, the holder of the SAR shall be entitled to receive a cash adjustment equal to the value of the fractional share based on the Fair Market Value of a share of Common Stock on the Exercise Date or, with the consent of the Committee, to purchase the portion necessary to make a whole share at its Fair Market Value on the Exercise Date.

SECTION 8. STOCK AWARDS AND RESTRICTED STOCK. A stock award consists of shares of Common Stock that are issued by the Company to a participant, without other payment therefor, as additional compensation for his or her services to the Company or its subsidiaries. Restricted stock consists of shares of Common Stock that (a) are issued by the Company to a participant for services previously provided to the Company or its subsidiaries by the participant or (b) are sold by the Company to a participant at a price below the Fair Market Value thereof, but in each case subject to the restrictions referred to in Section 8.3. The issuance of Common Stock pursuant to stock awards and the issuance and sale of restricted stock shall be subject to the following terms and conditions:

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8.1 NUMBER OF SHARES. The number of shares of Common Stock to be issued or sold by the Company to a participant pursuant to a stock award or as restricted stock shall be determined by the Committee at the time of grant.

8.2 SALES PRICE. Shares of restricted stock to be sold to a participant shall be sold to him or her at such price as the Committee shall determine, which price shall not be less than the greater of (a) 85% of the Fair Market Value of such shares on the date of grant of the restricted stock or (b) the par value of such shares. A participant shall pay the sales price not later than 30 days after the date of grant of the restricted stock. The sales price shall be payable in United States dollars and shall be paid in cash or by check. No shares of Common Stock shall be issued pursuant to the grant of such restricted stock until full payment therefor has been made. If full payment is not made prior to the expiration of the 30-day period referred to above, the grant of restricted stock shall be void.

8.3 RESTRICTIONS. All shares of restricted stock issued or sold under the Plan shall be subject to such restrictions, including forfeitures, as the Committee may determine, including, without limitation, any or all of the following:

(a) a requirement that the holder of shares of restricted stock render services to the Company or one or more of its subsidiaries for a specified time;

(b) a requirement that the holder of shares of restricted stock forfeit, or (in the case of shares sold to a participant) resell to the Company at his or her cost, all or any part of such shares in the event of termination of his or her employment with the Company and its subsidiaries during any period in which such shares are subject to restrictions;

(c) a prohibition against employment of the holder of shares of restricted stock by any competitor of the Company or its subsidiaries or against such holder's dissemination of any secret or confidential information belonging to the Company or its subsidiaries, and a requirement that such holder forfeit, or (in the case of shares sold to a participant) resell to the Company at his or her cost, all or any part of such shares in the event of a breach of such provisions by such holder; or

(d) a prohibition against the sale, assignment, transfer, pledge or other encumbrance of the shares of restricted stock, such prohibition to lapse at such time or times as the Committee shall determine (whether in annual or more frequent installments, at the time of the death, disability or retirement of the holder of such shares, or otherwise).

8.4 ESCROW. In order to enforce the restrictions imposed by the Committee pursuant to Section 8.3, the participant receiving restricted stock shall enter into an agreement with the Company, in such form as the Committee shall prescribe, setting forth the restrictions, terms and conditions of the

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restricted stock grant. Shares of restricted stock (a) shall be registered in the name of the participant and (b) shall, if the Committee requires, at the time of issuance thereof or at any time thereafter, be deposited, together with a stock power or other instruments of transfer, appropriately endorsed in blank, with the Company or an escrow agent designated by the Company under an escrow agreement, not inconsistent with the terms of the Plan, in such form as the Committee shall prescribe. Each certificate representing shares of restricted stock shall bear a legend in substantially the following form:

> The shares represented by this certificate have been issued pursuant to the terms of the 1993 Long-Term Incentive Compensation Plan of Triangle Pacific Corp. (the "Company") and may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as set forth in the terms of an agreement entered into between the registered owner hereof and the Company. A copy of such Plan and agreement are on file at the principal executive offices of the Company.

8.5 TERMINATION OF RESTRICTIONS. Subject to Section 11.3, at the end of any period during which shares of restricted stock are subject to forfeiture and restrictions on transfer, such shares shall be delivered free of all restrictions to the participant or to the participant's legal representative, beneficiary or heir. The Committee shall have the authority to cancel all or any portion of any

outstanding restrictions prior to the expiration of such restrictions with respect to any or all shares of restricted stock on such terms and conditions as the Committee may deem appropriate.

8.6 STOCKHOLDER. Subject to the terms and conditions of the Plan and the agreements, including any escrow agreement, referred to in Section 8.4, each participant receiving restricted stock shall have all the rights of a stockholder with respect to shares of Common Stock during any period in which such restricted stock is subject to forfeiture and restrictions on transfer, including, without limitation, the right to vote such shares and the right, subject to the terms of any escrow agreement, to receive dividends or other distributions made or paid with respect to such shares. Dividends paid in cash with respect to shares of restricted stock shall be paid to the participant currently.

SECTION 9. PERFORMANCE SHARES. A performance share is an Incentive Award payable in shares of Common Stock (which may be shares of restricted stock) based on and subject to the achievement of performance objectives, as described in Section 9.1, established by the Committee at the time of grant. The grant of performance shares shall be subject to such additional terms and conditions as the Committee deems appropriate.

9.1 PERFORMANCE OBJECTIVES. Each performance share shall be subject to the achievement by the end of a specified period of performance objectives (a)

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for the Company, its securities or one or more of its operating divisions, units or subsidiaries, (b) for the participant or other individuals or a group of individuals or (c) for or relating to the industry or industries in which the Company or its subsidiaries operate or a group of peer companies as the Committee believes are relevant to the Company's business objectives. The number of performance shares granted to a participant shall be determined by the Committee at the time of grant. If the performance objectives are achieved, the participant shall be paid in shares of Common Stock equal to the number of performance shares initially granted to the participant. If such objectives are not achieved, each grant of performance shares may provide for lesser payments in accordance with formulae established by the Committee at the time of grant. The extent to which performance objectives have been achieved shall be determined by the Committee in its sole discretion.

9.2 DIVIDEND EQUIVALENT PAYMENTS. Unless a performance share is granted by the Committee in conjunction with dividend equivalent payment rights or other similar rights, no adjustment shall be made in any outstanding performance shares on account of cash or other dividends or distributions which may be made or paid to the holders of Common Stock prior to the end of any period for which performance objectives have been established.

9.3 MODIFICATION. If the Committee determines, in its sole discretion, that any performance objectives established pursuant to Section 9 or 10 are no longer suitable to the Company's or a subsidiary's objectives because of a change in the Company's or a subsidiary's business, operations, corporate structure, capital structure or other conditions deemed appropriate by the Committee, the Committee may modify such performance objectives as considered appropriate.

SECTION 10. CASH AWARDS. A cash award consists of a monetary payment made or to be made by the Company or a subsidiary to a participant as additional compensation for his or her services to the Company or one or more of its subsidiaries. Payment of a cash award may depend on achievement of performance objectives as described in Section 9.1. The amount of any monetary payment constituting a cash award shall be determined by the Committee in its sole discretion. Cash awards may be subject to other terms and conditions, which may vary from time to time and among participants, as the Committee determines to be appropriate.

SECTION 11. GENERAL.

11.1 DURATION.

(a) The Plan was adopted by the Board on June 14, 1993, and shall be submitted to the stockholders of the Company for approval and adoption pursuant to written consent. Such approval and adoption shall require the written consent of the holders of a majority of the outstanding shares of capital stock of the Company. If the Plan is approved and adopted by the stockholders of the

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Company as provided above, the Plan shall become effective on the date of and concurrently with the consummation of the public offerings of the Company's equity and debt securities registered with the Securities and Exchange Commission pursuant to Registration Statement No. 33-64530 and Registration Statement No. 33-64598 (collectively, the "Offerings"). If (i) the Plan is not approved and adopted by the stockholders of the Company as provided above within 90 days following the date of adoption of the Plan by the Board or (ii) the Offerings are not consummated within 180 days of the date of adoption of the Plan by the Board, the Plan shall terminate and be of no further force or effect. No grants of Incentive Awards shall be made under the Plan prior to the date of effectiveness of the Plan.

(b) The Plan shall remain in effect until all Incentive Awards granted under the Plan have either been satisfied by the issuance of shares of Common Stock or the payment of cash or been terminated under the terms of the Plan and all restrictions imposed on shares of Common Stock in connection with their issuance under the Plan have lapsed. No Incentive Awards may be granted under the Plan after the tenth anniversary of the date of effectiveness of the Plan.

11.2 NONTRANSFERABILITY OF INCENTIVE AWARDS. No stock option, SAR, performance share or cash award granted under the Plan shall be transferred, pledged or assigned by the holder thereof (except, in the event of the holder's death, by will or pursuant to the applicable laws of descent and distribution to the limited extent provided in the Plan or in the agreement evidencing the Incentive Award), and the Company shall not be required to recognize any attempted assignment of such Incentive Awards by any participant. During a participant's lifetime, a stock option or SAR may be exercised only by such participant or his or her guardian or legal representative on his or her behalf.

11.3 EFFECT OF TERMINATION OF EMPLOYMENT OR DEATH. If a participant ceases to be an employee of at least one of the Company or its subsidiaries, for any reason, including death, any outstanding Incentive Awards held by such participant may be exercised or paid or shall continue,

expire or terminate at or during such times or periods of time, not inconsistent with the terms of the Plan, as shall be determined by the Committee and set forth in the agreement evidencing the Incentive Award.

11.4 ADDITIONAL CONDITIONS. Notwithstanding anything in the Plan to the contrary: (a) the Company may, if it shall determine it necessary or desirable for any reason, at the time of grant of any Incentive Award or the issuance of any shares of Common Stock pursuant to any Incentive Award, require the recipient of the Incentive Award or such shares of Common Stock, as a condition to the receipt thereof, to deliver to the Company a written representation of present intention to acquire the Incentive Award or such shares of Common Stock for his or her own account for investment and not for distribution; and (b) if at any time the Company further determines, in its sole discretion, that the listing, registration or qualification (or any updating of any such document) of

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any Incentive Award or shares of Common Stock issuable pursuant thereto is necessary on any securities exchange or market or under any federal or state securities or blue sky laws, or that the consent or approval of any governmental or regulatory body is necessary or desirable as a condition of, or in connection with, the grant of any Incentive Award, the issuance of shares of Common Stock pursuant thereto or the removal of any restrictions imposed on such shares, such Incentive Award shall not be awarded or such shares of Common Stock shall not be issued or such restrictions shall not be removed, as the case may be, in whole or in part, unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Company.

11.5 ADJUSTMENTS. If the outstanding shares of Common Stock are increased, decreased or exchanged for a different number or kind of shares or other securities, or if additional, new or different shares or other securities are distributed with respect to the outstanding shares of Common Stock, through merger, consolidation, sale of all or substantially all the assets of the Company, reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other distribution with respect to such shares of Common Stock, an appropriate adjustment in order to preserve the benefits or potential benefits intended to be made available under the Plan to participants may be made, in the discretion of the Committee, in any or all of the following: (a) the maximum number and kind of shares provided for in Section 5.1; (b) the number and kind of shares or other securities subject to then outstanding Incentive Awards; (c) the price for each share subject to then outstanding Incentive Awards; and (d) the performance objectives with respect to then outstanding Incentive Awards. The Committee may also make any other adjustments, or take such other action, as the Committee, in its discretion, deems necessary or appropriate in order to preserve the benefits or potential benefits intended to be made available under the Plan to participants. The Committee's determination as to what adjustments shall be made under this Section 11.5 and the extent of such adjustments shall be final, binding and conclusive.

11.6 INCENTIVE AWARD AGREEMENTS. Except in the case of stock awards and (unless otherwise determined by the Committee) cash awards, the terms of each Incentive Award shall be stated in an agreement in such form as the Committee shall prescribe and entered into by the participant who receives such Incentive Award. The Committee may also determine to enter into

agreements with holders of stock options to reclassify or convert certain outstanding stock options, within the terms of the Plan, as incentive stock options or as nonqualified stock options and in order to eliminate SARs with respect to all or any part of related stock options.

11.7 WITHHOLDING. The Company or a subsidiary, as appropriate, shall have the right to deduct from all Incentive Awards paid in cash any federal, state, local or foreign taxes as required by law to be withheld with respect to such

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cash payments. In the case of Incentive Awards paid in shares of Common Stock (whether on account of exercise of an Incentive Award or otherwise), the participant or other person receiving such shares shall be required to pay to the Company or a subsidiary, as appropriate, in cash the amount of any such taxes that the Company or subsidiary is required to withhold with respect to such shares; provided, however, that, with the consent of the Committee, the participant or other person may (a) direct the Company or subsidiary to withhold from such shares of Common Stock the number of shares necessary to satisfy the Company's or subsidiary's obligation to withhold such taxes, such determination to be based on the Fair Market Value of such withheld shares as of the date on which tax withholding is to be made, or (b) deliver sufficient shares of Common Stock owned by the participant or other person (based upon the Fair Market Value thereof as of the date of withholding) to satisfy such tax withholding obligations. An agreement evidencing an Incentive Award may contain such provisions as the Committee deems appropriate to enable the Company or its subsidiaries to satisfy such withholding obligations, including provisions implementing the tax withholding methods described above. No payment shall be made and no shares of Common Stock shall be issued under any Incentive Award unless and until the applicable tax withholding obligations have been satisfied.

11.8 NO CONTINUED EMPLOYMENT. No participant under the Plan shall have any right, because of his or her participation, to continue in the employ of the Company or any subsidiary for any period of time or to continue his or her present or any other rate of compensation from the Company or any subsidiary, and nothing in the Plan or in any agreement relating thereto shall affect the Company's or a subsidiary's right to terminate the employment of any participant at any time with or without cause.

11.9 NO RIGHT TO STOCK. No participant and no beneficiary or other person claiming under or through such participant shall have any right, title or interest in any shares of Common Stock allocated or reserved under the Plan or subject to any Incentive Award except as to such shares of Common Stock, if any, that have been issued to such participant.

11.10 NO LIABILITY. Neither the members of the Board nor any member of the Committee shall be liable for any act, omission or determination taken or made in good faith with respect to the Plan or any Incentive Award granted hereunder; and the members of the Board and the Committee shall be entitled to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expenses (including counsel fees) arising therefrom to the full extent permitted by law and under any directors' and officers' liability or similar insurance coverage that may be in effect from time to time.

11.11 DEFERRAL PERMITTED. Payment of cash or distribution of any shares of Common Stock to which a participant is entitled under any Incentive Award shall be made as provided in the Incentive Award. Payment may be deferred at the option of the participant if provided in the Incentive Award.

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11.12 AMENDMENT OF THE PLAN. The Board may at any time amend, suspend (and if suspended, may reinstate) or terminate the Plan; provided, however, that after the stockholders have approved and adopted the Plan in accordance with Section 11.1(a), the Board may not, without approval of the holders of the outstanding shares of capital stock of the Company entitled to vote in the election of directors generally, amend the Plan so as to (a) increase the maximum number of shares of Common Stock subject to the Plan, except as permitted in Section 11.5, or (b) reduce the option price for shares of Common Stock covered by stock options granted under the Plan, or reduce the price at which shares of restricted stock may be sold to participants under the Plan, below the applicable prices specified in the Plan; and provided further, that the Board may not modify, impair or cancel any outstanding Incentive Award without the consent of the affected participant.

11.13 SEVERABILITY. If any provision of the Plan or any agreement relating thereto is held to be illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of the Plan or such agreement, as the case may be, but such provision shall be fully severable and the Plan or such agreement, as the case may be, shall be construed and enforced as if the illegal or invalid provision had never been included herein or therein.

11.14 GOVERNING LAW. All questions arising with respect to the provisions of the Plan shall be determined by application of the laws of the State of Delaware, except to the extent Delaware law is preempted by Federal law.

11.15 CORPORATE CHANGES. Upon (a) the dissolution or liquidation of the Company; (b) a reorganization, merger or consolidation (other than a merger or consolidation effecting a reincorporation of the Company in another state or any other merger or consolidation in which the stockholders of the surviving corporation and their proportionate interests therein immediately after the merger or consolidation are substantially identical to the stockholders of the Company and their proportionate interests therein immediately prior to the merger or consolidation) of the Company with one or more corporations, following which the Company is not the surviving corporation (or survives only as a subsidiary of another corporation in a transaction in which the stockholders of the parent of the Company and their proportionate interests therein immediately after the transaction are not substantially identical to the stockholders of the Company and their proportionate interests therein immediately prior to the transaction); (c) the sale of all or substantially all the assets of the Company; or (d) the occurrence of a Change in Control (as defined below), subject to the terms of any applicable agreement evidencing an Incentive Award, the Committee serving prior to the date of the applicable event may, in its discretion, without obtaining stockholder approval, take any one or more of the following actions with respect to any participant:

(i) accelerate the exercise dates of any or all outstanding Incentive Awards;

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(ii) accelerate the restriction lapse period of any or all restricted stock subject to restrictions;

(iii) pay cash to any or all holders of stock options in exchange for the cancellation of their outstanding stock options; or

(iv) make payment for any or all outstanding performance shares or cash awards based on such amounts as the Committee may determine.

A "Change in Control" shall be deemed to have occurred for purposes of this Section 11.15 if (a) individuals who were directors of the Company immediately prior to a Control Transaction (as defined below) shall cease, within one year of such Control Transaction, to constitute a majority of the Board of Directors of any successor to the Company or to a company which has acquired all or substantially all its assets or (b) any entity, person or group acquires shares of the Company in a transaction or series of transactions that result in such entity, person or group directly or indirectly owning beneficially 50% or more of the outstanding shares of Common Stock. As used in this Section 11.15, the term "Control Transaction" shall mean (a) any tender offer for or acquisition of capital stock of the Company, (b) any merger, consolidation or sale of all or substantially all the assets of the Company, (c) any contested election of directors of the Company or (d) any combination of the foregoing that results in a change in voting power sufficient to elect a majority of the Board. The Committee's determination as to what adjustments shall be made under this Section 11.15 and the extent of such adjustments shall be final, binding and conclusive.

11.16 DEFINITION OF FAIR MARKET VALUE. For purposes of the Plan, "Fair Market Value" means the fair market value per share of Common Stock as determined by the Committee in good faith; provided, however, that (a) if the Common Stock is listed or admitted to trading on a securities exchange registered under the Securities Exchange Act of 1934, the Fair Market Value per share of Common Stock shall be the average of the reported high and low sales prices of a share of Common Stock on the date in question (or if there was no reported sale on such date, on the last preceding date on which any reported sale occurred) on the principal securities exchange on which the Common Stock is listed or admitted to trading, or (b) if the Common Stock is not listed or admitted to trading on any such exchange but is listed as a national market security on the National Association of Securities Dealers, Inc. Automated Quotations System ("NASDAQ") or any similar system then in use, the Fair Market Value per share of Common Stock shall be the average of the reported high and low sales prices of a share of Common Stock on the date in question (or if there was no reported sale on such date, on the last preceding date on which any reported sale occurred) on such system, or (c) if the Common Stock is not listed or admitted to trading on any such exchange and is not listed as a national market security on NASDAQ but is quoted on NASDAQ or any similar system then in use, the Fair Market Value per share of Common Stock shall be the average of the closing high bid and low asked quotations on such system for the Common Stock on the date in question. For purposes of valuing shares to be made subject to incentive stock options, the Fair Market Value per

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share of Common Stock shall be determined without regard to any restriction other than one which, by its terms, will never lapse.

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EXHIBIT 99.(F)

TRIANGLE PACIFIC CORP.

NONEMPLOYEE DIRECTOR STOCK OPTION PLAN

As Amended and Restated

ARTICLE I

ESTABLISHMENT AND PURPOSE

1.01 Establishment. The Plan constitutes an amendment and restatement of the Triangle Pacific Corp. Nonemployee Director Stock Option Plan, which became effective on August 17, 1993 (the "Original Plan"). The Plan shall become effective on the date (the "Plan Effective Date") of its approval and adoption by the holders of a majority of the shares of Common Stock present, or represented, and entitled to vote at the 1996 annual meeting of stockholders of the Company. If not so approved, the Plan shall terminate, all actions hereunder shall be null and void, and the Original Plan shall remain in full force and effect.

1.02 Purpose. It is the purpose of the Plan to promote the interests of the Company and its stockholders by attracting and retaining qualified Nonemployee Directors by giving them the opportunity to acquire a proprietary interest in the Company and an increased personal interest in its continued success and progress. The Options granted hereunder shall not be qualified as "incentive stock options" within the meaning of Section 422(b) of the Code.

ARTICLE II

DEFINITIONS

As used herein the following terms have the following meanings:

(a) "Board" means the Board of Directors of the Company.

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

(c) "Common Stock" means the $.01 par value Common Stock of the Company.

(d) "Company" means Triangle Pacific Corp., a Delaware corporation.

(e) "Fair Market Value" means, with respect to Options granted on the Public Offering Effective Date, the initial public offering price per share of the Common Stock offered in the Equity Offering. With respect to

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Options subsequently granted, "Fair Market Value" means the closing sales price on the date in question (or, if there was no reported sale on such date, on the last preceding day on which any reported sale occurred) of a share of Common Stock as reported on the principal national stock exchange on which the Common Stock is then listed or admitted to trading or, if the Common Stock is not listed or admitted to trading on any national stock exchange but is listed as a national market security on the National Association of Securities Dealers, Inc. Automated Quotations System ("NASDAQ"), as reported on NASDAQ; or, if the Common Stock is not listed or admitted to trading on any such exchange and is not listed as a national market security on NASDAQ, but is quoted on NASDAQ or any similar system then in use, "Fair Market Value" shall mean the average of the closing high bid and low asked quotations on such system for the Common Stock on the date in question (or, if no such quotations are available on such date, on the last preceding day on which such quotations were available).

(f) "Grant Date" means, with respect to any Option granted under the Plan, the date of grant of such Option.

(g) "Holder" means a Nonemployee Director to whom an Option has been granted under the Plan.

(h) "Initial Option" means an Option granted under the Original Plan as described in Section 4.02(a) hereof or an Option granted pursuant to Section 4.02(b)(i) hereof.

(i) "Nonemployee Director" means, a member of the Board who (i) is neither an employee nor an officer of the Company or any direct or indirect majority-owned subsidiary of the Company and (ii) has not elected to decline to participate in the Plan pursuant to the following sentence. A newly elected director otherwise eligible to participate in the Plan may make an irrevocable, one-time election, by written notice to the Company within ten days after his or her initial election to the Board, to decline to participate in the Plan. For purposes of the Plan, "employee" shall mean an individual whose wages are subject to the withholding of federal income tax under Section 3402 of the Code, and "officer" shall mean an individual elected or appointed by the Board or the board of directors of the subsidiary, as the case may be, or chosen in such other manner as may be prescribed in the bylaws of the Company or the subsidiary, to serve as such.

(j) "Option" means any option to purchase shares of Common Stock granted under the Plan.

(k) "Plan" means this Triangle Pacific Corp. Nonemployee Director Stock Option Plan, as amended and restated effective as of the Plan Effective Date.

(l) "Public Offering Effective Date" means August 17, 1993, the date of consummation of the Public Offerings.

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(m) "Public Offerings" means (i) the underwritten public offering by the Company of shares of Common Stock registered with the Securities and Exchange Commission (the "Commission") pursuant to a Registration Statement No. 33-64530 filed by the Company with the Commission on June 16, 1993 (the "Equity Offering"), and (ii) the underwritten public offering by the Company of its senior notes registered with the Commission pursuant to a Registration Statement No. 33-64598 filed by the Company with the Commission on June 18, 1993.

ARTICLE III

ADMINISTRATION

The Plan shall be administered by the Board. The Board shall have no authority, discretion or power to select the participants who will receive Options, to set the number of shares to be covered by any Option, to set the exercise price of any Option or to set the period within which Options may be exercised, or to alter any other terms or conditions specified herein, except in the sense of administering the Plan subject to the express provisions of the Plan and except in accordance with Section 6.02 hereof. Subject to the foregoing limitations, the Board shall have authority and power to adopt such rules and regulations and to take such action as it shall consider necessary or advisable for the administration of the Plan, and to construe, interpret and administer the Plan. The decisions of the Board relating to the Plan shall be final and binding upon the Company, the Holders and all other persons. No member of the Board shall incur any liability by reason of any action or determination made in good faith with respect to the Plan or any stock option agreement entered into pursuant to the Plan.

ARTICLE IV

OPTIONS

4.01 Participation. Each Nonemployee Director who does not elect to decline to participate in the Plan pursuant to paragraph (i) of Article II hereof shall be granted Options to purchase Common Stock under the Plan on the terms and conditions herein described.

4.02 Terms and Conditions of Options; Stock Option Agreements. Each Option granted under the Plan shall be evidenced by a written stock option agreement entered into by the Company and the Holder to whom the Option is granted, which agreement shall include, incorporate or conform to the

following terms and conditions, and such other terms and conditions not inconsistent therewith or with the terms and conditions of the Plan as the Board considers appropriate in each case:

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(a) Option Grants Under Original Plan. Under the Original Plan, an Option was granted automatically as of the Public Offering Effective Date to each Nonemployee Director who is was serving the Company as a director on such date. Thereafter, under the Original Plan, an Option was granted automatically to each newly elected Nonemployee Director who became a member of the Board after the Public Offering Effective Date on the date that is was ten days after his or her initial election as a director of the Company. Options granted under the Original Plan shall be deemed to be Options granted under the Plan.

(b) Option Grants Commencing on Plan Effective Date. Commencing on the Plan Effective Date:

(i) An Option shall be granted automatically under the Plan to each Nonemployee Director who is newly elected to the Board on or after the Plan Effective Date, irrespective of whether such Nonemployee Director is elected by the Board or the stockholders. The Grant Date of such Option shall be the date that is ten days after such person's initial election as a director of the Company, provided that such person has not elected to decline to participate in the Plan pursuant to paragraph (i) of Article II hereof. For purposes of this Section 4.02(b)(i), the term "newly elected to the Board" shall mean that the Nonemployee Director was not serving as a director of the Company immediately prior to the time of his or her election in respect of which such Option is granted.

(ii) Each Nonemployee Director to whom an Initial Option has been granted shall, for so long as such person remains a Nonemployee Director, automatically be granted an additional Option under the Plan on the date of and immediately following the 1996 annual meeting of stockholders of the Company and on the date of and immediately following each subsequent annual meeting of stockholders of the Company occurring after the Plan Effective Date.

(c) Number of Shares. Each Initial Option shall entitle the Holder to purchase, in accordance with the terms of such Initial Option and the Plan, 5,000 shares of Common Stock, subject to adjustment in accordance with Section 5.02 hereof. Each Option granted pursuant to Section 4.02(b)(ii) hereof shall entitle the Holder to purchase, in accordance with the terms of such Option and the Plan, 1,500 shares of Common Stock, subject to adjustment in accordance with Section 5.02

hereof.

(d) Price. The price at which each share of Common Stock covered by an Option may be purchased pursuant to the Plan shall be the Fair Market Value of a share of Common Stock on the Grant Date of the Option.

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(e) Option Period. The period within which each Option may be exercised shall commence on the Grant Date of the Option and shall expire on the tenth anniversary of such Grant Date (the "Option Period"), unless terminated sooner pursuant to Section 4.02(f) hereof.

(f) Termination of Service, Death, Etc. The following provisions shall apply with respect to the exercise of an Option granted hereunder in the event that the Holder thereof ceases to be a director of the Company for the reasons described in this Section 4.02(f):

(i) If the directorship of the Holder is terminated within the Option Period on account of any act of (a) fraud or intentional misrepresentation or (b) embezzlement, misappropriation or conversion of assets or opportunities of the Company or any direct or indirect majority-owned subsidiary of the Company, the Option shall automatically terminate as of the date of such termination;

(ii) If the Holder dies during the Option Period while such Holder is a director of the Company (or during the additional three-month period provided by paragraph (iii) of this Section 4.02(f)), the Option may be exercised, to the extent that the Holder was entitled to exercise it at the date of the Holder's death, within one year after such death (if within the Option Period), but not thereafter, by the executor or administrator of the estate of the Holder, or by the person or persons who shall have acquired the Option directly from the Holder by bequest or inheritance; or

(iii) If the directorship of the Holder is terminated for any reason (other than the circumstances specified in paragraphs (i) and (ii) of this Section 4.02(f)) within the Option Period, including a failure by the stockholders of the Company to reelect the Holder as a director, the Option may be exercised, to the extent the Holder was entitled to do so at the date of termination of the directorship, within three months after such termination (if within the Option Period), but not thereafter.

(g) Transferability. An Option granted under the Plan shall not be transferable by the Holder, otherwise than by will or pursuant to the laws of descent and distribution, and during the lifetime of the Holder the Option shall be exercisable only by the Holder or his or her guardian or legal representative.

(h) Requirement of Directorship. Except as provided in Section 4.02(f) hereof, an Option may not be exercised unless the Holder is at the time of exercise serving as a director of the Company, and, except as provided in Section 4.02(f) hereof, such Option shall terminate upon

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termination of the Holder's service as a director of the Company.

(i) Exercise, Payments, Etc. Each Option granted hereunder may be exercised, in whole or in part, by the Holder thereof at any time or (with respect to partial exercises) from time to time during the Option Period, subject to the provisions of the Plan and the stock option agreement evidencing such Option, and the method for exercising an Option shall be by the personal delivery to the Secretary of the Company of, or by the sending by United States registered or certified mail, postage prepaid, addressed to the Company (to the attention of its Secretary), of, written notice signed by the Holder specifying the number of shares of Common Stock with respect to which such Option is being exercised. Such notice shall be accompanied by the full amount of the purchase price of such shares, in cash and/or by delivery of shares of Common Stock already owned by the Holder having an aggregate Fair Market Value (determined as of the date of exercise) equal to the purchase price, including an actual or deemed multiple series of exchanges of such shares. Any such notice shall be deemed to have been given on the date of receipt thereof (in the case of personal delivery as above-stated) or on the date on which the same was deposited in a regularly maintained receptacle for the deposit of United States mail, addressed and sent as above-stated. In addition to the foregoing, promptly after demand by the Company, the exercising Holder shall pay to the Company an amount equal to applicable withholding taxes, if any, due in connection with such exercise. No shares of Common Stock shall be issued upon exercise of an Option until full payment therefor and for all applicable withholding taxes has been made, and a Holder shall have none of the rights of a stockholder until shares of Common Stock are issued to such Holder.

ARTICLE V

AUTHORIZED COMMON STOCK

5.01 Common Stock. The total number of shares as to which Options may be granted under the Plan shall be 100,000 shares of Common Stock, in the aggregate, except as such number of shares shall be adjusted from and after the Plan Effective Date in accordance with the provisions of Section 5.02 hereof. If any outstanding Option under the Plan shall expire or be terminated for any reason, the shares of Common Stock allocable to the unexercised portion of such Option shall again be available for grant under the Plan.

5.02 Adjustments Upon Changes in Common Stock. In the event the Company shall effect a split of the Common Stock or a dividend payable in Common Stock, or in the event the outstanding Common Stock shall be combined into a smaller number of shares, the maximum number of shares as to which Options may be granted under the Plan shall be increased or decreased

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proportionately. In the event that before delivery by the Company of all the shares of Common Stock in respect of which any Option has been granted under the Plan, the Company shall have effected such a split, dividend or combination, the shares still subject to the Option shall be increased or decreased proportionately and the purchase price per share shall be increased or decreased proportionately so that the aggregate purchase price for all the then optioned shares shall remain the same as immediately prior to such split, dividend or combination.

In the event of a reclassification of the Common Stock not covered by the foregoing, or in the event of a liquidation or reorganization, including a merger, consolidation or sale of assets, the Board shall make such adjustments, if any, as it may deem appropriate in the number, purchase price and kind of shares covered by the unexercised portions of Options theretofore granted under the Plan. The provisions of this Section 5.02 shall only be applicable if, and only to the extent that, the application thereof does not conflict with any valid governmental statute, regulation or rule.

ARTICLE VI

GENERAL PROVISIONS

6.01 Termination of Plan. The Plan shall terminate whenever the Board adopts a resolution to that effect. If not sooner terminated in accordance with the preceding sentence, the Plan shall wholly cease and expire on the tenth anniversary of the Plan Effective Date. After termination of the Plan, no Options shall be granted under the Plan, but the Company shall continue to recognize, and perform its obligations with respect to, any Options previously granted.

6.02 Amendment of Plan. The Board may from time to time amend, modify or suspend the Plan. Nevertheless, (a) no such amendment, modification or suspension shall impair any Options theretofore granted under the Plan or deprive any Holder of any shares of Common Stock which such Holder might have acquired through or as a result of the Plan, and (b) after the stockholders of the Company have approved and adopted the Plan in accordance with Section 1.01

hereof, no such amendment or modification shall be made without the approval of the holders of the outstanding shares of capital stock of the Company entitled to vote in the election of directors generally where such amendment or modification would (i) increase the total number of shares of Common Stock as to which Options may be granted under the Plan or decrease the exercise price at which Options may be granted under the Plan (other than as provided in Section 5.02 hereof), (ii) materially alter the class of persons eligible to be granted Options under the Plan, (iii) materially increase the benefits accruing to Holders under the Plan or (iv) extend the term of the Plan or the Option Period specified in Section 4.02(e) hereof.

Notwithstanding the foregoing, the provisions of the Plan relating to (a)

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the number of shares of Common Stock covered by, and the exercise price of, Options granted under the Plan, (b) the timing of grants of Options under the Plan and (c) the class of persons eligible to be granted Options under the Plan shall not be amended more than once every six months, other than to comport with changes in the Code, the Employee Retirement Income Security Act of 1974, as amended, or the rules thereunder.

6.03 Treatment of Proceeds. Proceeds from the sale of Common Stock pursuant to Options granted under the Plan shall constitute general funds of the Company.

6.04 Section Headings. The section headings included herein are only for convenience, and they shall have no effect on the interpretation of the Plan.

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Exhibit 99.(G)

RESTATED CERTIFICATE OF INCORPORATION

OF

TRIANGLE PACIFIC CORP.

ARTICLE VI

No director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent that such exemption from liability or limitation thereof shall not be permitted under the General Corporation Law of the State of Delaware as amended from time to time. Any repeal or modification of this Article VI shall not adversely affect any right or protection of a director of the Corporation in respect of any act or omission occurring prior to the time of such repeal or modification. The provisions of this Article VI shall not be deemed to limit or preclude indemnification of a director by the Corporation for any liability of a director which has not been eliminated by the provisions of this Article VI.

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Exhibit 99.(H)

BYLAWS

OF

TRIANGLE PACIFIC CORP.
(hereinafter the "Corporation")

ARTICLE VII

INDEMNIFICATION

Section 1. General. The Corporation shall indemnify, and advance Expenses (as this and all other capitalized words used in this Article VII and not previously defined in these Bylaws are defined in Section 14 of this Article VII) to, Indemnitee to the fullest extent permitted by applicable law in effect on the date of the effectiveness of these Bylaws, and to such greater extent as applicable law may thereafter permit. The rights of Indemnitee provided under the preceding sentence shall include, but not be limited to, the right to be indemnified to the fullest extent permitted by Section 145(b) of the D.G.C.L. in Proceedings by or in the right of the Corporation and to the fullest extent permitted by Section 145(a) of the D.G.C.L. in all other Proceedings. The provisions set forth below in this Article VII are provided in furtherance, and not by way of limitation, of the obligations expressed in this Section 1.

Section 2. Expenses Related to Proceedings. If Indemnitee is, by reason of his or her Corporate Status, a witness in or a party to and is successful, on the merits or otherwise, in any Proceeding, he or she shall be indemnified against all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to any Matter in such Proceeding, the Corporation shall indemnify Indemnitee against all Expenses

actually and reasonably incurred by him or her or on his or her behalf relating to each Matter. The termination of any Matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such Matter.

Section 3. Advancement of Expenses. Indemnitee shall be advanced

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Expenses within ten days after requesting them to the fullest extent permitted by Section 145(e) of the D.G.C.L.

Section 4. Request for Indemnification. To obtain indemnification Indemnitee shall submit to the Corporation a written request with such information as is reasonably available to Indemnitee. The Secretary of the Corporation shall promptly advise the Board of Directors of such request.

Section 5. Determining Entitlement to Indemnification if no Change of Control. If there has been no Change of Control at the time the request for indemnification is sent, Indemnitee's entitlement to indemnification shall be determined in accordance with Section 145(d) of the D.G.C.L. If entitlement to indemnification is to be determined by Independent Counsel, the Corporation shall furnish notice to Indemnitee within ten days after receipt of the request for indemnification, specifying the identity and address of Independent Counsel. Indemnitee may, within fourteen days after receipt of such written notice of selection, deliver to the Corporation a written objection to such selection. Such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of Independent Counsel and the objection shall set forth with particularity the factual basis of such assertion. If there is an objection to the selection of Independent Counsel,

either the Corporation or Indemnitee may petition the Court of Chancery of the State of Delaware or any other court of competent jurisdiction for a determination that the objection is without a reasonable basis and/or for the appointment as Independent Counsel of a person selected by the court.

Section 6. Determining Entitlement to Indemnification if Change of Control. If there has been a Change of Control at the time the request for indemnification is sent, Indemnitee's entitlement to indemnification shall be determined in a written opinion by Independent Counsel selected by Indemnitee. Indemnitee shall give the Corporation written notice advising of the identity and address of the Independent Counsel so selected. The Corporation may, within seven days after receipt of such written notice of selection, deliver to Indemnitee a written objection to such selection. Indemnitee may, within five days after receipt of such objection from the Corporation, submit the name of another Independent Counsel and the Corporation may, within seven days after receipt of such written notice of selection, deliver to Indemnitee a written objection to such selection. Any objection is subject to the limitations in Section 5 of this Article VII. Indemnitee may petition the Court of Chancery of the State of Delaware or any other court of competent jurisdiction for a determination that the Corporation's objection to the first and/or second selection of Independent Counsel is without a reasonable basis and/or for the appointment as Independent Counsel of a person selected by the court.

Section 7. Procedures of Independent Counsel. If there has been a

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Change of Control before the time the request for indemnification is sent by Indemnitee, Indemnitee shall be presumed (except as otherwise expressly provided in this Article VII) to be entitled to indemnification upon submission of a request for indemnification in accordance with Section 4 of this Article VII, and thereafter the Corporation shall have the burden of proof to overcome the presumption in reaching a determination contrary to the presumption. The presumption shall be used by Independent Counsel as a basis for a determination of entitlement to indemnification unless the Corporation provides information sufficient to overcome such presumption by clear and convincing evidence or the investigation, review and analysis of Independent Counsel convinces him or her by clear and convincing evidence that the presumption should not apply.

Except in the event that the determination of entitlement to indemnification is to be made by Independent Counsel, if the person or persons empowered under Section 5 or 6 of this Article VII to determine entitlement to indemnification shall not have made and furnished to Indemnitee in writing a determination within sixty days after receipt by the Corporation of the request

therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification unless Indemnitee knowingly misrepresented a material fact in connection with the request for indemnification or such indemnification is prohibited by law. The termination of any Proceeding or of any Matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Article VII) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that (a) Indemnitee did not act in good faith and in a manner that he or she reasonably believed to be in or not opposed to the best interests of the Corporation, or (b) with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

Section 8. Expenses of Independent Counse. The Corporation shall pay any and all reasonable fees and expenses of Independent Counsel incurred acting pursuant to this Article VII and in any proceeding to which it is a party or witness in respect of its investigation and written report and shall pay all reasonable fees and expenses incident to the procedures in which such Independent Counsel was selected or appointed. No Independent Counsel may serve if a timely objection has been made to his or her selection until a court has determined that such objection is without a reasonable basis.

Section 9. Trial De Novo. In the event that (a) a determination is made pursuant to Section 5 or 6 of this Article VII that Indemnitee is not entitled to indemnification under this Article VII, (b) advancement of Expenses is not timely made pursuant to Section 3 of this Article VII,

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(c) Independent Counsel has not made and delivered a written opinion determining the request for indemnification (i) within ninety days after being appointed by a court, (ii) within ninety days after objections to his or her selection have been overruled by a court or (iii) within ninety days after the time for the Corporation or Indemnitee to object to his or her selection or (d) payment of indemnification is not made within five days after a determination of entitlement to indemnification has been made or deemed to have been made pursuant to Section 5, 6 or 7 of this Article VII, Indemnitee shall be entitled to an adjudication in any court of competent jurisdiction of his or her entitlement to such indemnification or advancement of Expenses. In the event that a determination shall have been made that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 9 shall be conducted in all respects as a de novo trial on the merits, and Indemnitee shall not be prejudiced by reason of that adverse determination. If a Change of Control shall have occurred, in any judicial proceeding commenced pursuant to this Section 9, the

Corporation shall have the burden of proving that Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be. If a determination shall have been made or deemed to have been made that Indemnitee is entitled to indemnification, the Corporation shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 9, or otherwise, unless Indemnitee knowingly misrepresented a material fact in connection with the request for indemnification, or such indemnification is prohibited by law.

The Corporation shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 9 that the procedures and presumptions of this Article VII are not valid, binding and enforceable and shall stipulate in any such court that the Corporation is bound by all provisions of this Article VII. In the event that Indemnitee, pursuant to this Section 9, seeks a judicial adjudication to enforce his or her rights under, or to recover damages for breach of, this Article VII, Indemnitee shall be entitled to recover from the Corporation, and shall be indemnified by the Corporation against, any and all Expenses actually and reasonably incurred by him or her in such judicial adjudication, but only if he or she prevails therein. If it shall be determined in such judicial adjudication that Indemnitee is entitled to receive part but not all of the indemnification or advancement of Expenses sought, the Expenses incurred by Indemnitee in connection with such judicial adjudication or arbitration shall be appropriately prorated.

Section 10. Non-Exclusivity. The rights of indemnification and to receive advancement of Expenses as provided by this Article VII shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, these Bylaws, any agreement, a vote of stockholders, a

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resolution of the Board of Directors or otherwise. No amendment, alteration or repeal of this Article VII or any provision hereof shall be effective as to any Indemnitee for acts, events and circumstances that occurred, in whole or in part, before such amendment, alteration or repeal. The provisions of this Article VII shall continue as to an Indemnitee whose Corporate Status has ceased and shall inure to the benefit of his or her heirs, executors and administrators.

Section 11. Insurance and Subrogation. To the extent the Corporation maintains an insurance policy or policies providing liability insurance for directors or officers of the Corporation or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such person serves at the request of the Corporation, Indemnitee shall be covered by such policy or policies in accordance with its or

their terms to the maximum extent of coverage available for any such director or officer under such policy or policies.

In the event of any payment hereunder, the Corporation shall be subrogated to the extent of such payment to all the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Corporation to bring suit to enforce such rights.

The Corporation shall not be liable under this Article VII to make any payment of amounts otherwise indemnifiable hereunder if, and to the extent that, Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

Section 12. Severability. If any provision or provisions of this Article VII shall be held to be invalid, illegal or unenforceable for any reason whatsoever, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby; and, to the fullest extent possible, the provisions of this Article VII shall be construed so as to give effect to the intent manifested by the provisions held invalid, illegal or unenforceable.

Section 13. Certain Persons Not Entitled to Indemnification. Notwithstanding any other provision of this Article VII, no person shall be entitled to indemnification or advancement of Expenses under this Article VII with respect to any Proceeding, or any Matter therein, brought or made by such person against the Corporation.

Section 14. Definitions. For purposes of this Article VII:

"Change of Control" means a change in control of the Corporation after the date of effectiveness of these Bylaws in any one of the following circumstances: (a) there shall have occurred an event required to be

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reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), whether or not the Corporation is then subject to such reporting requirement; (b) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) shall have become the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Corporation representing 30% or more of the combined voting power of the Corporation's then outstanding voting securities without prior approval of at least two-thirds of the members of the Board

of Directors in office immediately prior to such person's attaining such percentage interest; (c) the Corporation is a party to a merger, consolidation, sale of assets or other reorganization, or a proxy contest, as a consequence of which members of the Board of Directors in office immediately prior to such transaction or event constitute less than a majority of the Board of Directors thereafter; or (d) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors (including for this purpose any new director whose election or nomination for election by the Corporation's stockholders was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such period) cease for any reason to constitute at least a majority of the Board of Directors.

"Corporate Status" describes a status of a person who is or was a director, officer, or employee or agent of the Corporation or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such person is or was serving at the request of the Corporation.

"D.G.C.L." means the General Corporation Law of the State of Delaware, as currently in effect or as amended from time to time.

"Expenses" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating or being or preparing to be a witness in a Proceeding.

"Indemnitee" includes any person who is, or is threatened to be made, a witness in or a party to any Proceeding as described in Section 1 or 2 of this Article VII by reason of his or her Corporate Status.

"Independent Counsel" means a law firm, or member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the five years previous to his or her selection or appointment has been,

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retained to represent: (a) the Corporation or Indemnitee in any matter material to either such party, (b) any other party to the Proceeding giving rise to a claim for indemnification hereunder or (c) the beneficial owner, directly or indirectly, of securities of the Corporation representing 5% or more of the combined voting power of the Corporation's then outstanding voting securities.

"Matter" is a claim, a material issue or a substantial request for relief.

"Proceeding" includes any action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing or any other proceeding, whether civil, criminal, administrative or investigative, except one initiated by an Indemnitee pursuant to Section 9 of this Article VII to enforce his or her rights under this Article VII.

Section 15. Notices. Any notice or other communication required or permitted to be given or made to the Corporation or Indemnitee pursuant to this Article VII shall be given or made in writing by depositing the same in the United States mail, with postage thereon prepaid, addressed to the person to whom such notice or communication is directed at the address of such person on the records of the Corporation, and such notice or communication shall be deemed given or made at the time when the same shall be so deposited in the United States mail. Any such notice or communication to the Corporation shall be addressed to the Secretary of the Corporation.

Section 16. Contractual Rights. The right to be indemnified or to the advancement or reimbursement of Expenses under this Article VII (i) is a contract right based upon good and valuable consideration, pursuant to which Indemnitee may sue as if these provisions were set forth in a separate written contract between him or her and the Corporation, (ii) is and is intended to be retroactive and shall be available as to events occurring prior to the effectiveness of these provisions and (iii) shall continue after any rescission or restrictive modification of such provisions as to events occurring prior thereto.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Dividends. Dividends upon the capital stock of the Corporation, subject to the provisions of law and of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, and may be paid in cash, in property or in shares of the capital stock. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems

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proper as a reserve or reserves to meet contingencies, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve.

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EXHIBIT 99.(I)

INDEMNITY AGREEMENT

THIS AGREEMENT made and entered into this _____ day of ________, 1993, by and between TRIANGLE PACIFIC CORP., a Delaware corporation (hereinafter called the "Company"), and __________________, who is presently serving the Company in the capacity of an officer and/or director thereof (hereinafter "Indemnitee");

WHEREAS, there is a general awareness that competent and experienced persons are becoming more reluctant to serve as directors or officers of a corporation unless they are protected by comprehensive insurance or indemnification, especially since stockholder and derivative lawsuits against publicly-held corporations, their directors and officers for line-of-duty decisions and actions have increased in number in recent years for damages in amounts which have no reasonable or logical relationship to the amount of compensation received by the directors or officers from the corporation; and

WHEREAS, Section 145 of the General Corporation Law of the State of Delaware under which the Company is organized, empowers corporations to indemnify persons serving as a director, officer, employee or agent of the corporation or a person who serves at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise, and further specifies that the indemnification set forth in said section "shall not be deemed exclusive to any other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of stockholders or disinterested directors or otherwise"; and said section further empowers a corporation to "purchase and maintain insurance" (on behalf of such persons) "against any liability asserted against him or incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provision of said laws"; and

WHEREAS, the Company desires to have Indemnitee serve or continue to serve as an officer and/or director of the Company or of any other corporation, subsidiary, partnership, joint venture, trust or other enterprise (hereinafter called "Affiliate of the Company") of which he or she has been or is serving at the request, for the convenience of or to represent the interests of the Company, free from undue concern for unpredictable, inappropriate or unreasonable claims for damages by reason of his or her being a director or officer of the Company or of an Affiliate of the Company or by reason of his or her decisions or actions on their behalf; and Indemnitee desires to serve, or to continue to serve (provided that he or she is furnished the indemnity provided for hereinafter), in one or more of such capacities;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein set forth and for other good and valuable consideration, the receipt and

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sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

AGREEMENT TO SERVE

Section 1.1. Agreement to Serve. Indemnitee will serve and/or continue to serve, at the will of the Company or under separate contract, if such exists, the Company or an Affiliate of the Company as an officer and/or director of the Company faithfully and to the best of his or her ability so long as he or she is duly elected and qualified in accordance with the provisions of the Bylaws thereof or until such time as he or she tenders his or her resignation in writing.

ARTICLE II

INDEMNIFICATION

Section 2.1. General. The Company shall indemnify, and advance Expenses (as this and all other capitalized words used in this Agreement and not previously defined in this Agreement are defined in Section 2.14 of this Agreement) to, Indemnitee to the fullest extent permitted by applicable law in effect on the date of this Agreement, and to such greater extent as applicable law may thereafter permit. The rights of Indemnitee provided under the preceding sentence shall include, but not be limited to, (i) the right to be indemnified to the fullest extent permitted by Section 145(b) of the DGCL, as in effect on the date of this Agreement, and to such greater extent as Section 145(b) may thereafter permit, in Proceedings by or in the right of the Company, and (ii) the right to be indemnified to the fullest extent permitted by Section 145(a) of the DGCL, as in effect on the date of this Agreement, and to such greater extent as Section 145(a) may thereafter permit, in all other Proceedings. The provisions set forth below in this Article II are provided in furtherance, and not by way of limitation, of the obligations expressed in this Section 2.1.

Section 2.2. Expenses Related to Proceedings. Without limiting in any way the rights of Indemnitee provided under Section 2.1 of this Agreement, (i) if Indemnitee is, by reason of his or her Corporate Status, a witness in or a party to and is successful, on the merits or otherwise, in any Proceeding, he or she shall be indemnified against all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection therewith, and (ii) if Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to any Matter in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by

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him or her or on his or her behalf relating to each Matter. The termination of any Matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such Matter.

Section 2.3. Advancement of Expenses. Indemnitee shall be advanced Expenses within ten days after requesting them to the fullest extent permitted by Section 145(e) of the DGCL, as in effect on the date of this Agreement, and to such greater extent as Section 145(e) may thereafter permit.

Section 2.4. Conduct of Litigation.

(a) If any claim is made or action brought against Indemnitee for which Indemnitee intends to seek indemnification by the Company hereunder, Indemnitee, to the extent not inconsistent with any private insurance coverage obtained by the Company:

(i) shall retain counsel reasonably acceptable to Indemnitee and the Company to defend such claim or action, and shall permit the Company to monitor and direct the defense of such claim or action; or

(ii) at the Company's option, shall permit the Company, at its expense and with the use of counsel selected by it and reasonably acceptable to Indemnitee, to conduct the defense of such claim or action.

The option given the Company under subsection (a)(ii) of this Section 2.4 shall be available to the Company at any time even if Indemnitee has proceeded initially to retain his or her own counsel pursuant to subsection (a)(i) of this Section 2.4.

(b) If the Company elects to proceed under subsection (a)(ii) of this Section 2.4, Indemnitee shall cooperate in all reasonable respects with the Company in the defense of the claim or action in question. If the Company permits Indemnitee initially to proceed under subsection (a)(i) of this Section 2.4 and then the Company elects to proceed under subsection (a)(ii) of this Section 2.4, the Company's indemnification and advancement of Expenses pursuant to this Agreement shall include the reasonable costs, including, without limitation, reasonable attorneys' fees, incurred by Indemnitee in initially proceeding under subsection (a)(i) of this Section 2.4 and in facilitating the Company's conduct of the defense after it has elected to proceed under subsection (a)(ii) of this Section 2.4.

(c) Indemnitee shall have the right to employ his or her own counsel in any Proceeding; however, except as otherwise provided in subsection (b) of this Section 2.4, any fees and expenses of such counsel incurred after the Company elects to proceed under subsection (a)(ii) of this Section 2.4

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shall be paid by Indemnitee, unless:

(i) the employment of separate counsel by Indemnitee is authorized in writing by the Company; or

(ii) the parties to such Proceeding include Indemnitee, the Company and/or other parties, and the Company has retained the same counsel for Indemnitee, the Company and/or such other parties, and Indemnitee shall have been advised by counsel that one or more legal defenses may be available to him or her which may not be available to the Company and/or such other parties; or

(iii) the Company shall not in fact have selected and employed counsel to assume the defense of such Proceeding; or

(iv) the parties to such Proceeding include Indemnitee, the Company and/or other parties, and the Company has retained the same counsel for Indemnitee, the Company and/or such other parties, and Indemnitee shall have been advised by counsel that under applicable rules of ethical conduct such retained counsel may not represent all of such parties and no permitted waiver of such rules has occurred;

in each of which cases the fees and expenses of Indemnitee's counsel shall be paid by the Company.

Section 2.5. Notice of Claims and Request for Indemnification. If Indemnitee receives a written complaint, written claim, or other written notice of any loss, claim, damage, or liability giving rise to a claim for indemnification or advancement of Expenses under this Agreement, Indemnitee shall promptly notify the Company of such complaint, claim, or other notice in writing, but the omission to so notify the Company shall not relieve the Company from any liability under this Agreement, unless it is materially prejudiced by such omission and had no actual knowledge of such complaint, claim, or other notice. In no event shall the Company be obligated to indemnify Indemnitee for any amounts paid in settlement of any claim or action effected without the Company's prior written consent, which shall not be unreasonably withheld. The Company shall not settle any claim or action in any manner which would result in the imposition of any penalty, fine, or limitation on, or otherwise adversely affect, Indemnitee without his or her prior written consent, which shall not be unreasonably withheld; provided that, the Company shall not be required to obtain the consent of Indemnitee to the settlement of any claim or action which the Company has undertaken to defend if the Company assumes full and sole responsibility for such settlement and the settlement grants Indemnitee an unqualified release in respect of all liabilities at issue in such claim or action.

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Section 2.6. Determining Entitlement to Indemnification if no Change of Control. If there has been no Change of Control at the time the request for indemnification is sent, Indemnitee's entitlement to indemnification shall be determined in accordance with Section 145(d) of the DGCL, as currently in effect. If entitlement to indemnification is to be determined by Independent Counsel, the Company shall furnish notice to Indemnitee within ten days after receipt of the request for indemnification, specifying the identity and address of Independent Counsel. Indemnitee may, within fourteen days after receipt of such written notice of selection, deliver to the Company a written objection to such selection. Such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of Independent Counsel, and the objection shall set forth with particularity the factual basis of such assertion. If there is an objection to the selection of Independent Counsel, either the Company or Indemnitee may petition the Court of Chancery of the State of Delaware or any other court of competent jurisdiction for a determination that the objection is without a reasonable basis and/or for the appointment as Independent Counsel of a person selected by the court.

Section 2.7. Determining Entitlement to Indemnification if Change of Control. If there has been a Change of Control at the time the request for indemnification is sent, Indemnitee's entitlement to indemnification shall be determined in a written opinion by Independent Counsel selected by Indemnitee. Indemnitee shall give the Company written notice advising of the identity and address of the Independent Counsel so selected. The Company may, within seven days after receipt of such written notice of selection, deliver to Indemnitee a written objection to such selection. Indemnitee may, within five days after receipt of such objection from the Company, submit the name of another Independent Counsel, and the Company may, within seven days after receipt of such written notice of selection, deliver to Indemnitee a written objection to such selection. Any objection is subject to the limitations in Section 2.6 of this Agreement. Indemnitee may petition the Court of Chancery of the State of Delaware or any other court of competent jurisdiction for a determination that the Company's objection to the first and/or second selection of Independent Counsel is without a reasonable basis and/or for the appointment as Independent Counsel of a person selected by the court.

Section 2.8. Procedures of Independent Counsel. If there has been a Change of Control before the time the request for indemnification is sent by Indemnitee, Indemnitee shall be presumed (except as otherwise expressly provided in this Agreement) to be entitled to indemnification upon submission of a request for indemnification in accordance with Section 2.5 of this Agreement, and thereafter the Company shall have the burden of proof to overcome the presumption in reaching a determination contrary to the presumption. The presumption shall be used by Independent Counsel as a basis for a determination of entitlement to indemnification unless the Company provides information

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sufficient to overcome such presumption by clear and convincing evidence or the investigation, review and analysis of Independent

Counsel convinces him or her by clear and convincing evidence that the presumption should not apply.

Except in the event that the determination of entitlement to indemnification is to be made by Independent Counsel, if the person or persons empowered under Section 2.6 or 2.7 of this Agreement to determine entitlement to indemnification shall not have made and furnished to Indemnitee in writing a determination within sixty days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification unless Indemnitee knowingly misrepresented a material fact in connection with the request for indemnification or such indemnification is prohibited by law. The termination of any Proceeding or of any Matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that (a) Indemnitee did not act in good faith and in a manner that he or she reasonably believed to be in or not opposed to the best interests of the Company, or (b) with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

Section 2.9. <u>Expenses of Independent Counsel.</u> The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred acting pursuant to this Agreement and in any proceeding to which it is a party or witness in respect of its investigation and written report and shall pay all reasonable fees and expenses incident to the procedures in which such Independent Counsel was selected or appointed. No Independent Counsel may serve if a timely objection has been made to his or her selection until a court has determined that such objection is without a reasonable basis.

Section 2.10. <u>Trial De Novo.</u> In the event that (a) a determination is made pursuant to Section 2.6 or 2.7 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (b) advancement of Expenses is not timely made pursuant to Section 2.3 of this Agreement, (c) Independent Counsel has not made and delivered a written opinion determining the request for indemnification (i) within ninety days after being appointed by a court, (ii) within ninety days after objections to his or her selection have been overruled by a court or (iii) within ninety days after the time for the Company or Indemnitee to object to his or her selection or (d) payment of indemnification is not made within five days after a determination of entitlement to indemnification has been made or deemed to have been made pursuant to Section 2.6, 2.7 or 2.8 of this Agreement, Indemnitee shall be entitled to an adjudication in any court of competent jurisdiction of his or her entitlement to

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such indemnification or advancement of Expenses. In the event that a determination shall have been made that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration

commenced pursuant to this Section 2.10 shall be conducted in all respects as a de novo trial on the merits, and Indemnitee shall not be prejudiced by reason of that adverse determination. If a Change of Control shall have occurred, in any judicial proceeding commenced pursuant to this Section 2.10, the Company shall have the burden of proving that Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be. If a determination shall have been made or deemed to have been made that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 2.10, or otherwise, unless Indemnitee knowingly misrepresented a material fact in connection with the request for indemnification, or such indemnification is prohibited by law.

The Company shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 2.10 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Company is bound by all provisions of this Agreement. In the event that Indemnitee, pursuant to this Section 2.10, seeks a judicial adjudication to enforce his or her rights under, or to recover damages for breach of, this Agreement, Indemnitee shall be entitled to recover from the Company, and shall be indemnified by the Company against, any and all Expenses actually and reasonably incurred by him or her in such judicial adjudication, but only if he or she prevails therein. If it shall be determined in such judicial adjudication that Indemnitee is entitled to receive part but not all of the indemnification or advancement of Expenses sought, the Expenses incurred by Indemnitee in connection with such judicial adjudication or arbitration shall be appropriately prorated.

Section 2.11. Non-Exclusivity; Conflicts. The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Restated Certificate of Incorporation or Bylaws of the Company, any agreement, a vote of stockholders, a resolution of the Board of Directors of the Company or otherwise. No amendment, alteration or repeal of this Agreement or any provision hereof shall be effective as to Indemnitee for acts, events and circumstances that occurred, in whole or in part, before such amendment, alteration or repeal. If any provision of this Agreement shall be in conflict with, limit in any way, or be more restrictive than any provision of any applicable statute in effect as of the date hereof or hereafter under the laws of the State of Delaware, then the provision that is more favorable to Indemnitee shall govern. The parties to this Agreement agree to amend this Agreement from time to time in order that its provisions remain consistent with the most favorable applicable statutory provisions or judicial

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determinations relating to indemnification of directors and/or officers under the laws of the State of Delaware.

Section 2.12. Insurance and Subrogation. To the extent the Company maintains an insurance policy or policies providing liability insurance for directors or

officers of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such person serves at the request of the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of coverage available for any such director or officer under such policy or policies.

The Company shall (a) through an appropriate provision in its Bylaws, indemnify the Indemnitee to the maximum extent permitted by Delaware law and (b) acquire and maintain directors and officers liability insurance covering the Indemnitee (and to the extent it desires, other directors and officers of the Company), to the extent it is available at commercially reasonable rates (but in no event shall the Company be required to purchase such insurance in the amount of coverage exceeding that which can be purchased by the Company at aggregate premiums of $150,000 per year).

In the event of any payment hereunder, the Company shall be subrogated to the extent of such payment to all the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if, and to the extent that, Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement, the Restated Certificate of Incorporation or Bylaws of the Company or otherwise.

Section 2.13. Certain Persons Not Entitled to Indemnification. Notwithstanding any other provision of this Agreement, no person shall be entitled to indemnification or advancement of Expenses under this Agreement with respect to any Proceeding, or any Matter therein, brought or made by such person against the Company.

Section 2.14. Definitions. For purposes of this Agreement:

"Change of Control" means a change in control of the Company after the date of this Agreement in any one of the following circumstances: (a) there shall have occurred an event required to be reported in response to Item 6(e) of

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Schedule 14A of Regulation 14A (or in response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), whether or not the Company is then subject to such reporting requirement; (b) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) shall have become the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding voting securities without prior approval of at least two-thirds of the members of the Board of Directors of

the Company in office immediately prior to such person's attaining such percentage interest; (c) the Company is a party to a merger, consolidation, sale of assets or other reorganization, or a proxy contest, as a consequence of which members of the Board of Directors of the Company in office immediately prior to such transaction or event constitute less than a majority of the Board of Directors thereafter; or (d) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors of the Company (including for this purpose any new director whose election or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such period) cease for any reason to constitute at least a majority of the Board of Directors.

"Corporate Status" describes a status of a person who is or was a director, officer, or employee or agent of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such person is or was serving at the request of the Company.

"DGCL" means the General Corporation Law of the State of Delaware.

"Expenses" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating or being or preparing to be a witness in a Proceeding.

"Indemnitee", for purposes of Article II hereof, means the Indemnitee named in the opening paragraph of this Agreement who is, or is threatened to be made, a witness in or a party to any Proceeding as described in Section 2.1 or 2.2 hereof by reason of his or her Corporate Status.

"Independent Counsel" means a law firm, or member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the five years previous to his or her selection or appointment has been, retained to represent: (a) the Company or Indemnitee in any matter material to either such party, (b) any other party to the Proceeding giving rise to a claim for

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indemnification hereunder or (c) the beneficial owner, directly or indirectly, of securities of the Company representing 5% or more of the combined voting power of the Company's then outstanding voting securities.

"Matter" is a claim, a material issue or a substantial request for relief.

"Proceeding" includes any action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing or any other proceeding, whether

civil, criminal, administrative or investigative, except one initiated by Indemnitee pursuant to Section 2.10 of this Agreement to enforce his or her rights under this Agreement.

ARTICLE III

MISCELLANEOUS

Section 3.1. Notices. Any notice or other communication required or permitted to be given or made to the Company or Indemnitee pursuant to this Agreement shall be given or made in writing by depositing the same in the United States mail, with postage thereon prepaid, addressed to the person to whom such notice or communication is directed at the address of such person on the records of the Company, and such notice or communication shall be deemed given or made at the time when the same shall be so deposited in the United States mail. Any such notice or communication to the Company shall be addressed to the Secretary of the Company.

Section 3.2. Contractual Rights. The right to be indemnified or to the advancement or reimbursement of Expenses under this Agreement (i) is a contract right based upon good and valuable consideration, pursuant to which Indemnitee may sue, (ii) is and is intended to be retroactive and shall be available as to events occurring prior to the date of this Agreement and (iii) shall continue after any rescission or restrictive modification of this Agreement as to events occurring prior thereto.

Section 3.3. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby; and, to the fullest extent possible, the provisions of this Agreement shall be construed so as to give effect to the intent manifested by the provisions held invalid, illegal or unenforceable.

Section 3.4. Successors; Binding Agreement. The Company shall require

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any successor to all or substantially all of the business and/or assets of the Company (whether direct or indirect, by purchase, merger, consolidation or otherwise), by agreement in form and substance reasonably satisfactory to Indemnitee, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Section 3.4 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

This Agreement shall inure to the benefit of and be enforceable by (a) Indemnitee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees, and (b) the Company's successors and assigns.

Section 3.5. Counterparts, Modification, Headings, Gender.

(a) This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing any such counterpart.

(b) No provisions of this Agreement may be modified, waived, or discharged unless such waiver, modification, or discharge is agreed to in writing and signed by Indemnitee and an appropriate officer of the Company. No waiver by any party at any time of any breach by any other party of, or compliance with, any condition or provision of this Agreement to be performed by any other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same time or at any prior or subsequent time.

(c) Section headings are not to be considered part of this Agreement, are solely for convenience of reference, and shall not affect the meaning or interpretation of this Agreement or any provision set forth herein.

(d) Pronouns in masculine, feminine and neuter genders shall be construed to include any other gender, and words in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires.

Section 3.6. Entire Agreement; Assignability. This Agreement constitutes the entire agreement of the parties hereto relating to the subject matter hereof and there are no written or oral terms or representations made by either party other than those contained herein. This Agreement shall not be assignable by either party without the consent of the other.

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Section 3.7. Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS HEREUNDER SHALL BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE. NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED TO REQUIRE ANY UNLAWFUL ACTION OR INACTION BY ANY PARTY.

Section 3.8. Termination.

(a) This Agreement shall terminate upon the mutual agreement of the parties that this Agreement shall terminate or upon the death of Indemnitee or

the resignation, retirement, removal or replacement of Indemnitee from all of his or her positions as a director and/or officer of the Company.

(b) The termination of this Agreement shall not terminate:

(i) the Company's liability for claims or actions against Indemnitee arising out of or related to acts, omissions, occurrences, facts or circumstances occurring or alleged to have occurred prior to such termination; or

(ii) the applicability of the terms and conditions of this Agreement to such claims or actions.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

TRIANGLE PACIFIC CORP.

By:
Name:
Title:

INDEMNITEE

Name:

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Exhibit 99.(J)

CONFIDENTIAL

April 6, 1998

Armstrong World Industries
313 West Liberty Street
Lancaster, PA 17603

Attention: Frank A. Riddick, III
Senior Vice President and Chief Financial Officer

Dear Sirs and Madams:

You have requested information from Triangle Pacific Corp. (the "Company") in connection with your consideration of a possible acquisition by you of the Company (an "Acquisition Transaction"). As a condition to our furnishing such information to you, we are requiring that you agree, as set forth below, to treat confidentially such information, whether written or oral, and any other information that the Company, its agents or its representatives (including attorneys and financial advisors) furnishes to you or your directors, officers, employees, agents, advisors, prospective bank or institutional lenders, affiliates or representatives of your agents, advisors or prospective lenders (all of the foregoing collectively referred to as "your Representatives"), whether furnished before or after the date of this letter, and all notes, analyses, compilations, forecasts, studies or other documents or records, whether prepared by you or others, which contain or otherwise reflect or are generated in whole or in part from such information including that stored on any computer, word processing or similar device (collectively, the "Evaluation Material").

The term "Evaluation Material" does not include information which (i) becomes generally available to the public other than as a result of a disclosure by you or your Representatives, (ii) was in your possession on a non-confidential basis prior to its disclosure to you by the Company, its representatives or its agent, or (iii) becomes available to you on a non-confidential basis from a source other than the Company, its representatives or its agents, provided that such source is not, to your knowledge after due inquiry, bound by a confidentiality agreement with the Company, its representatives or its agents or otherwise, to your knowledge after due inquiry, prohibited from transmitting the information to you or your Representatives by a contractual, legal or fiduciary obligation.

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It is understood that you may disclose any of the Evaluation Material to those of your Representatives who require such material for the purpose of evaluating a possible Acquisition Transaction (provided that such Representatives shall be informed by you of the confidential nature of the Evaluation Material and agree to be bound by the terms of this Agreement as though they were parties hereto). You agree that the Evaluation Material will be kept

confidential by you and your Representatives and, except with the specific prior written consent of the Company or as expressly otherwise permitted by the terms hereof, will not be disclosed by you or your Representatives. You further agree that you and your Representatives will not use any of the Evaluation Material for any reason or purpose other than to evaluate a possible Acquisition Transaction. You agree that you will be responsible for any breach of the Agreement by your Representatives.

Without the prior written consent of the Company, you and your Representatives will not disclose to any person (1) the fact that the Evaluation Material has been made available to you or that you have inspected any portion of the Evaluation Material, (2) the fact that any discussions or negotiations are taking place concerning a possible Acquisition Transaction, or (3) any of the terms, conditions or other facts with respect to any possible Acquisition Transaction, including the status thereof, unless and only to the extent that such disclosure (after making reasonable efforts to avoid such disclosure and after advising and consulting with the Company about your intention to make, and the proposed contents of such disclosure) is, in the reasonable opinion of your counsel, required by applicable United States securities laws. The term "person" as used in this letter shall be broadly interpreted to include without limitation any corporation, company, partnership and individual.

In the event that you or any of your Representatives are requested or required (by oral questions, interrogatories, requests for information or documents, subpoena, Civil Investigative Demand or similar process) to disclose any of the Evaluation Material, it is agreed that you or such Representative, as the case may be, will provide the Company with prompt notice of such request(s) so that it may seek an appropriate protective order or other appropriate remedy and/or waive your or such Representative's compliance with the provisions of this Agreement. In the event that such protective order or other remedy is not obtained, or that the Company grants a waiver hereunder, you or such Representative may furnish that portion (and only that portion) of the Evaluation Material which, in the written opinion of your counsel, you are legally compelled to disclose and will exercise your best efforts to obtain reliable assurance that confidential treatment will be accorded any Evaluation Material so furnished.

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In addition, you hereby acknowledge that you are aware (and that your Representatives who are apprised of this matter have been or will be advised) that the United States securities laws restrict persons with material non-public information about a company obtained directly or indirectly from that company from purchasing or selling securities of such company, or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.

You agree that for a period of two years from the date of this letter agreement, neither you nor any of your affiliates or Representatives, alone or with others, will in any manner (1) acquire, agree to acquire, or make any proposal (or request permission to make any proposal) to acquire any securities (or direct or indirect rights, warrants or options to acquire any securities) or property of the Company (other than property transferred in the ordinary course of the

Company's business), unless such acquisition, agreement or making of a proposal shall have been expressly first approved (or in the case of a proposal, expressly first invited) by the Company's Board of Directors, (2) except at the specific written request of the Company, propose to enter into, directly or indirectly, any merger or business combination involving the Company or any of its subsidiaries, (3) solicit proxies from shareholders of the Company or otherwise seek to influence or control the management or policies of the Company or any of its affiliates, (4) form, join or in any way participate in a "group" (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934) with respect to any voting securities of the Company or any of its subsidiaries, (5) otherwise act, alone or in concert with others, to seek to control or influence the management, Board of Directors or policies of the Company, (6) disclose any intention, plan or arrangement inconsistent with the foregoing or (7) assist, advise or encourage (including by knowingly providing or arranging financing for that purpose) any other person in doing any of the foregoing. You also agree during such period not to take any action which might require the Company to make a public announcement regarding the possibility of a business combination, merger or extraordinary transaction. You hereby represent that neither you nor your affiliates beneficially own any shares of the Common Stock of the Company.

You agree that, without the prior written consent of the Company, neither you nor those of your Representatives who are aware of the Evaluation Material and/or the possibility of an Acquisition Transaction will initiate or cause to be initiated or maintain (other than through Salomon Smith Barney) any communications with any officer, director, agent or employee of the Company concerning the Company's business, operations, prospects or finances or the Evaluation Material or any possible Acquisition Transaction. Moreover, you further agree that Salomon Smith Barney will arrange for appropriate contacts for due diligence purposes and that all (a) communications regarding any possible Acquisition Transaction, (b) requests for additional information, (c)

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requests for facility tours or management meetings and (d) discussions or questions regarding procedures, will be submitted or directed to Salomon Smith Barney.

You agree that, for a period of eighteen months from the date hereof, without the prior written consent of the Company, you will not solicit or cause to be solicited any person employed by the Company or its subsidiaries or affiliates at any time during such period and to whom you had been directly or indirectly introduced or otherwise had contact with during or as the result of your review of the Evaluation Material or your consideration of an Acquisition Transaction.

You will promptly upon the written request of the Company deliver to the Company all documents or other matter furnished by the Company to you or your Representatives constituting Evaluation Material, together with all copies thereof in the possession of you or your Representatives. In the event of such request, all other documents or other matter constituting Evaluation Material, or any analyses, compilations, studies or other documents containing or reflecting your use of the Evaluation Material, in the possession of you or your Representatives

will be destroyed, with any such destruction confirmed by you in writing to the Company.

Although you understand that the Company has endeavored to include in the Evaluation Material information known to it which it believes to be relevant for the purpose of your investigation, you further understand that neither the Company nor its agents or its representatives makes any representation or warranty, express or implied, as to the accuracy or completeness of the Evaluation Material (and you may not rely on any statement to the contrary). You agree that neither the Company nor its employees, officers, directors, stockholders, owners, affiliates, agents or representatives shall have any liability to you or any of your Representatives or any other person resulting from the use of the Evaluation Material by you or such representatives. Only those representations and warranties that may be made to you or affiliates in definitive written agreement for an Acquisition Transaction, when, as and if executed and subject to such limitations and restrictions as may be specified therein, shall have any legal effect, and you agree that if you determine to engage in an Acquisition Transaction such determination will be based solely on the terms of such written agreement and on your own investigation, analysis and assessment of the business to be acquired.

You also hereby agree that no contract or agreement providing for an Acquisition Transaction will be deemed to exist between you and the Company and/or the owners or stockholders of the Company unless and until a definitive written agreement has been signed, executed and delivered by you and the Company and/or such owners or stockholders. Moreover, unless and until such a definitive written agreement is entered into, executed and delivered, none of the Company, its stockholders or its affiliates or you will be under any legal obligation of

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any kind whatsoever with respect to any Acquisition Transaction except for the matters specifically agreed to in this Agreement. You also hereby waive, in advance, any claims (including, without limitation, claims for breach of contract) in connection with any Acquisition Transaction or any other transaction unless and until such a definitive, written agreement is entered into, executed and delivered. For the purposes of this paragraph, a "definitive written agreement" does not include an executed letter of intent or any other preliminary written agreement, nor does it include any written or oral acceptance of any offer or bid.

You understand that (a) the Company shall be free to conduct any process with respect to a possible Acquisition Transaction as the Company in its sole discretion shall determine (including, without limitation, by negotiating with any prospective party and entering into a definitive written agreement without prior notice to you or any other person), (b) any procedures relating to such Acquisition Transaction may be changed at any time without notice to you or any other person and (c) you shall not have any claim whatsoever against the Company or Salomon Smith Barney or any of their respective directors, officers, stockholders, owners, affiliates, agents or representatives, arising out of or relating to any possible or actual Acquisition Transaction (other than those as against parties to a definitive written agreement with you in accordance with the terms thereof). You further understand that the Company is under no obligation to commence or continue discussions with any person or to enter into a transaction with the highest bidder. The Company may terminate discussions with any person at any time

and for any reason or no reason in its sole discretion.

You hereby agree to indemnify and hold harmless the Company from any damage, loss, cost or liability (including legal fees and the cost of enforcing this indemnity) arising out of or resulting from any unauthorized use or disclosure by you or your Representatives of the Evaluation Material.

You also acknowledge that money damages would be both incalculable and an insufficient remedy for any breach of this Agreement by you or your Representatives and that any such breach would cause the Company irreparable harm. Accordingly, you agree that in the event of any breach of threatened breach of this Agreement, the Company, in addition to any other remedies at law or in equity it may have, shall be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance.

You also hereby irrevocably and unconditionally consent to submit to the exclusive jurisdiction of the courts of the State of Texas and of the United States of America located in the City of Dallas for any actions, suits or proceedings arising out of or relating to this Agreement and the transactions contemplated hereby (and you agree not to commence any action, suit or proceeding relating thereto except in such courts), and further agree that

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service of any process, summons, notice or document by U.S. registered mail to your address set forth above shall be effective service of process for any action, suit or proceeding brought against you in any such court. You hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in the courts of the State of Texas or the United States of America located in the City of Dallas, and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

The agreements set forth in this Agreement may be modified or waived only by a separate writing signed by the Company and you expressly so modifying or waiving such agreements.

It is understood and agreed that no failure or delay by the Company in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this letter agreement, which shall remain in full force and effect.

This Agreement reflects the entire agreement among their parties with respect to the subject matter hereof and all prior agreements among the parties with respect to such subject matter are hereby superseded and replaced in their entirety with this Agreement.

You may not assign any rights or benefits hereunder without the written consent of the Company. The Company may assign rights or benefits hereunder to any party acquiring rights in the business or assets of the Company.

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

If you are in agreement with the foregoing, please sign and return one copy of this letter, which thereupon will constitute our Agreement with respect to the subject matter hereof.

Very truly yours,

Triangle Pacific Corp.

Salomon Brothers Inc

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Smith Barney Inc.

/s/ Richard L. Moriarty

By ____________________________

Salomon Brothers Inc
on behalf of
Triangle Pacific Corp.

Confirmed and agreed to as of
the date first above written:

/s/ Frank A. Riddick, III

____

Senior Vice President, Finance

By ___________________________________

Title: and Chief Financial Officer

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EXHIBIT 99.(K)

SALOMON SMITH BARNEY

A Member of TravelersGroup LOGO

June 12, 1998

Board of Directors
Triangle Pacific Corp.
16803 Dallas Parkway
Dallas, Texas 75248

Ladies and Gentlemen:

You have requested our opinion as investment bankers as to the fairness, from a financial point of view, to the holders of shares of common stock, par value $0.01 per share ("Company Common Stock"), of Triangle Pacific Corp. (the "Company") of the consideration to be received by such holders in the proposed acquisition of the Company by Armstrong World Industries, Inc. ("Acquiror") pursuant to the Agreement and Plan of Merger (the "Agreement"), dated as of June 12, 1998, among the Company, Acquiror and Sapling Acquisition, Inc. ("Merger Sub").

As more specifically set forth in the Agreement, Merger Sub will commence a tender offer (the "Proposed Tender Offer") to purchase all outstanding shares of Company Common Stock at a price of $55.50 per share (the "Offer Price"). Following consummation of the Proposed Tender Offer, Merger Sub will be merged with and into the Company (the "Proposed Merger" and, collectively with the Proposed Tender Offer, the "Proposed Transaction") and each then outstanding share of Company Common Stock (other than shares held in the treasury of the Company, shares owned by Acquiror, Merger Sub or any other direct or indirect wholly owned subsidiary of Acquiror or of the Company, and shares as to which appraisal rights have been properly exercised under applicable law) will be converted into the right to receive, in cash, merger consideration equal to the Offer Price.

In connection with rendering our opinion, we have reviewed and analyzed material bearing upon the financial and operating condition and prospects of the Company including, among other things, the following: (i) a draft dated June 11, 1998 of the Agreement; (ii) certain publicly available information concerning the Company, including the Annual Report on Form 10-K of the Company for each of the years in the three-year period ended January 2, 1998 and the Quarterly Report on Form 10-Q of the Company for the quarter ended April 3, 1998; (iii) certain internal information of the Company, primarily financial in nature, including projections, concerning the business and operations of the Company furnished to us by the Company for purposes of our

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analysis; (iv) certain publicly available information concerning the trading of, and the trading market for, the Company Common Stock; (v) certain publicly available information with respect to certain publicly traded companies that we believe to be comparable to the Company and the trading markets for certain of such other companies' securities; and (vi) certain publicly available information concerning the nature and terms of certain other transactions that we consider relevant to our inquiry. We have also considered such other information, financial studies, analyses, investigations and financial, economic and market criteria that we deemed relevant. We have also discussed the foregoing, as well as other matters we believe relevant to our inquiry, with the management of the Company and Acquiror.

In our review and analysis and in arriving at our opinion, we have assumed and relied upon the accuracy and completeness of all of the financial and other information provided to us or publicly available and have neither attempted independently to verify nor assumed any responsibility for verifying any of such information and have further relied upon the assurances of management of the Company that they are not aware of any facts that would make any of such information inaccurate or misleading. We have not conducted a detailed physical inspection of any of the properties or facilities of the Company, nor have we made or obtained or assumed any responsibility for making or obtaining any independent evaluations or appraisals of any of such properties or

facilities, nor have we been furnished with any such evaluations or appraisals. With respect to projections, we have, upon the advice and consent of management of the Company, assumed that such projections were reasonably prepared on bases reflecting the best currently available estimates and judgment of the Company's management as to the future financial performance of the Company and we express no view with respect to such projections or the assumptions on which they were based. We have also assumed that the definitive Agreement will not, when executed, contain any terms or conditions that differ materially from the terms and conditions contained in the draft of such document we have reviewed and that the Proposed Acquisition will be consummated in a timely manner and in accordance with the terms of the Agreement, without waiver of any of the conditions precedent to the Proposed Acquisition contained in the Agreement.

In conducting our analysis and arriving at our opinion as expressed herein, we have considered such financial and other factors as we have deemed appropriate under the circumstances including, among others, the following: (i) the historical and current financial position and results of operations of the Company; (ii) the business prospects of the Company; (iii) the historical and current market for the Company Common Stock and for the equity securities of certain other companies that we believe to be comparable to the Company; and (iv) the nature and terms of certain other acquisition transactions that we believe to be relevant. We have also taken into account our assessment of general economic, market and financial conditions as well as our experience in

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connection with similar transactions and securities valuation generally. We have not been asked to consider, and our opinion does not address, the relative merits of the Proposed Transaction as compared to any alternative business strategy that might exist for the Company. Our opinion necessarily is based upon conditions as they exist and can be evaluated on the date hereof and we assume no responsibility to update or revise our opinion based upon circumstances or events occurring after the date hereof. Our opinion is, in any event, limited to the fairness, from a financial point of view, of the consideration to be received by the holders of Company Common Stock in the Proposed Tender Offer and the Proposed Merger and does not address the Company's underlying business decision to effect the Proposed Transaction or constitute a recommendation to any holder of Company Common Stock as to whether such holder should tender such stock in the Proposed Tender Offer or to any holder of Company Common Stock as to how such holder should vote with respect to the Proposed Merger, if such a vote is taken.

As you are aware, Salomon Brothers Inc and Smith Barney Inc. (collectively with all other entities doing business as Salomon Smith Barney, "Salomon Smith Barney"), is acting as financial advisor to the Company in connection with the Proposed Transaction and will receive a fee for its services, a substantial portion of which is contingent upon consummation of the Proposed Transaction. Additionally, Salomon Smith Barney or its affiliates have previously rendered certain investment banking and financial advisory services to the Company and Acquiror, for which we received customary compensation. In addition, in the ordinary course of our business, Salomon Smith Barney may hold or actively trade the debt and equity securities of the Company and Acquiror for its own account and for the accounts of customers and, accordingly, may at any time hold a long or short position in such securities. Salomon Smith Barney and its affiliates (including Travelers Group Inc.) may have other business relationships with the Company and Acquiror.

This opinion is intended for the benefit and use of the Company (including its management and directors) in considering the transaction to which it relates and may not be used by the Company for any other purpose or reproduced, disseminated, quoted or referred to by the Company at any time, in any manner or for any purpose, without the prior written consent of Salomon Smith Barney, except that this opinion may be reproduced in full in, and references to the opinion and to Salomon Smith Barney and its relationship with the Company (in each case in such form as Salomon Smith Barney shall approve) may be included in, the Solicitation/Recommendation Statement on Schedule 14D-9 the Company distributes to holders of Company Common Stock in connection with the Proposed Tender Offer.

Based upon and subject to the foregoing, it is our opinion as investment bankers that, as of the date hereof, the consideration to be received by the holders of Company Common Stock in the Proposed Tender Offer and the Proposed Merger is fair, from a financial point of view, to such holders.

Very truly yours,

/s/ Salomon Smith Barney

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Salomon Smith Barney

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EXHIBIT 99.(L)

Triangle Pacific Corp.
16803 Dallas Parkway
Dallas, TX 75248

June 19, 1998

Dear Stockholder:

I am pleased to inform you that on June 12, 1998, Triangle Pacific Corp. (the "Company") entered into an Agreement and Plan of Merger (the "Merger Agreement") with Armstrong Worldwide Industries, Inc. and Sapling Acquisition, Inc. ("Purchaser"). Pursuant to the Merger Agreement, Purchaser today commenced a tender offer to purchase all outstanding shares of the Company's Common Stock (the "Shares") for $55.50 per share in cash. Under the Merger Agreement, if at least a majority of the Shares are tendered, the tender offer will be followed by a merger of Purchaser into the Company. In the merger, each share of Common Stock will be converted into the same consideration as is paid in the tender offer (other than shares held by the Purchaser and by dissenting stockholders, if any).

THE BOARD OF DIRECTORS OF THE COMPANY (WITH ONE DIRECTOR ABSENT) HAS UNANIMOUSLY APPROVED THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THE MERGER AGREEMENT, AND HAS UNANIMOUSLY DETERMINED THAT EACH OF THE MERGER AGREEMENT, THE TENDER OFFER AND THE MERGER IS FAIR TO, AND IN THE BEST INTERESTS OF, THE STOCKHOLDERS OF THE COMPANY. THE BOARD OF DIRECTORS OF THE COMPANY (WITH ONE DIRECTOR ABSENT) UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS ACCEPT THE OFFER, TENDER THEIR SHARES AND APPROVE AND ADOPT THE MERGER AGREEMENT AND THE MERGER.

In arriving at its recommendations, the Board of Directors gave careful consideration to a number of factors. These factors included the opinion dated June 12, 1998 of Salomon Smith Barney, financial advisor to the Company, to the effect that, as of such date and based upon and subject to certain matters stated in such opinion, the cash consideration of $55.50 per share to be received by the Company stockholders in the offer and the merger was fair from a financial point of view to such stockholders.

Accompanying this letter is a Schedule 14D-9, which describes the board's decision to recommend the tender offer and the merger. This document contains important information relating to the transaction, and we urge you to read it carefully.

Sincerely,

/s/ Floyd F. Sherman

Floyd F. Sherman
Chairman of the Board of Directors and

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Chief Executive Officer

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EXHIBIT 99.(M)

ARMSTRONG WORLD INDUSTRIES TO ACQUIRE TRIANGLE PACIFIC CORP. FOR $55.50 PER SHARE IN TRANSACTION VALUED AT $890 MILLION

--Transaction Will Make Armstrong the World Leader in Wood Flooring--

LANCASTER, PA, AND DALLAS, TX, JUNE 13, 1998 -- Armstrong World Industries, Inc., (NYSE:ACK) and Triangle Pacific Corporation (NASDAQ:TRIP) announced today that they have signed a definitive merger agreement for Armstrong to acquire all the outstanding shares of Triangle Pacific Corporation at a price of $55.50 per share, or a total of approximately $890 million in cash on a fully diluted basis. Triangle Pacific is the leading manufacturer of hardwood flooring products and a substantial manufacturer of kitchen and bathroom cabinets. Including the assumption of Triangle Pacific's net debt of about $260 million, the total value of the transaction will be $1,150 million.

Following the combination and the completion of the pending acquisition of DLW, Armstrong will become the world's leading manufacturer of hard surface flooring.

The transaction has been unanimously approved by the Boards of Directors of both companies. Armstrong will commence a cash tender offer for all outstanding Triangle Pacific shares for $55.50 per share within five business days. The offer is contingent upon a majority of the shares on a fully diluted basis being tendered and other customary conditions. Certain principal stockholders of Triangle Pacific have agreed to tender their shares into the offer (representing approximately 35% of Triangle Pacific's outstanding common stock on a fully diluted basis). The tender will be followed by a merger in which any untendered shares will be converted into the right to receive the same price in cash. The agreement is not subject to any financing condition, and Armstrong has already received bank commitments from J.P. Morgan, Chase Manhattan, and Bank of America.

George A. Lorch, Chairman and Chief Executive Officer of Armstrong, said, "Triangle Pacific is one of the best companies in the building materials industry, and this acquisition will mark a major addition to Armstrong's core flooring business. Together with the announcement just last week of our agreement to acquire DLW, the third largest flooring manufacturer in Europe, Triangle Pacific will make Armstrong the preeminent manufacturer of flooring products worldwide. Importantly, both announcements reaffirm our commitment to be a major force in the consolidating global building materials industry.

"Hardwood flooring comprises 7 percent of the U.S. flooring market and is one of the most rapidly growing segments. Hardwood flooring is increasingly being chosen by residential purchasers willing to spend more in order to obtain wood flooring's beauty and durability. Triangle Pacific is clearly the leader in this area, with its highly regarded brands, outstanding manufacturing technology, low cost producer status, broad and innovative product line, and its

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excellent reputation for value and service."

Triangle Pacific sells three types of flooring products--solid hardwood, engineered hardwood, and laminate--which together account for approximately 72% of its revenues. Its brands include Bruce, the leading name in hardwood flooring, as well as Hartco, Robbins, Premier, and Traffic Zone. In total, Triangle Pacific accounts for approximately 46% of the U.S. hardwood flooring

segment. Triangle Pacific is also a substantial manufacturer of cabinets for kitchens and bathrooms, targeted primarily toward the relatively higher-end, single-family and multi-family markets. Cabinets account for approximately 28% of Triangle Pacific's revenues.

Lorch said, "Triangle Pacific has also been guided by an outstanding management team, led by Floyd Sherman, and we are pleased that they will join the combined company."

Mr. Sherman, current Chairman and CEO of Triangle Pacific, will play an important role in developing and implementing the growth plan, and will become President, Wood Flooring and Cabinet Operations at Armstrong, reporting directly to Armstrong's Chairman and CEO.

Lorch continued, "The combination of Armstrong's and Triangle Pacific's strengths will provide an excellent strategic platform for additional profitable growth. Armstrong will support Triangle Pacific's future growth consistent with their current plans. In addition, significant new growth opportunities exist in the commercial and international markets, and we expect to capitalize on Armstrong's existing presence in these markets. Internationally, for example, particularly in Europe, Canada and Japan, wood generally commands a much higher share of the flooring market than in the U.S.

"In addition to the sales opportunities, we will also be able to achieve significant cost savings in logistics and marketing in the combined company. Armstrong plans to invest in brand development, capacity, technology, and new products and systems to support the growth of wood flooring around the world," Lorch said. While a coordinated approach to marketing wood and vinyl products is envisioned, there are no plans to eliminate or change any brands or distribution systems.

Floyd Sherman, Chairman of Triangle Pacific, said, "We are very pleased to have entered into this agreement. For our shareholders, it offers excellent value and an attractive premium for their shares. For Triangle employees, customers and suppliers, it provides a strong future as part of the preeminent name in the flooring industry, under a management that has been squarely focused on how to make their company efficient, innovative and customer-driven."

Armstrong expects that the two recently announced acquisitions, Triangle Pacific and DLW, will be modestly dilutive to earnings in 1998, but accretive beginning

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in 1999. The company also expects to earn in excess of its cost of capital on both investments.

"We continue to transform Armstrong into a growth and results-oriented, financially strong and highly efficient manufacturer and marketer of name brands, offering around the globe the kinds of products and values that customers want," Lorch concluded. Upon completion of the two transactions, Armstrong will have total flooring sales of $2.1 billion, with about 57% in vinyl, 23% in hardwood, 14% in European carpet, and 6% in linoleum. Consolidated sales will be approximately $3.5 billion with about 60% in floor products.

In fiscal year 1997, Triangle Pacific had total revenues of $652.9 million. Headquartered in Dallas, Texas, it has a total of 5,400 employees. Flooring products accounted for $469.1 million of 1997 sales, and have grown at a compounded annual rate of 26% since 1991. Net income in 1997 of $31.8 million has grown at a compounded annual rate of 19% since 1994. Triangle Pacific manufactures all of its flooring products in the U.S. in 15 plants in 11 geographically diverse locations, except for its Coastal Woodlands branded products which are imported from Indonesia, Traffic Zone laminate products which are imported from Germany, and a very limited amount of teak parquet imported from Thailand. Imported products accounted for around 3% of total units sold in 1997.

Triangle Pacific's kitchen and bathroom cabinets are manufactured in approximately 100 different styles and colors and marketed under the Bruce and IXL brand names. The company operates four cabinet manufacturing plants throughout the U.S. Sales in 1997 were $183.8 million, for a U.S. market share of approximately 3%.

J.P. Morgan acted as financial advisor for Armstrong and Salomon Smith Barney acted as financial advisor to Triangle Pacific in this transaction.

Armstrong World Industries is a global leader in the design, innovation and manufacture of interior finishing solutions, most notably floors and ceilings. It is also a world leader in the innovation and manufacture of pipe insulation, gasket material and textile machine parts. Based in Lancaster, PA, Armstrong has approximately 10,600 employees worldwide. In 1997 its net sales totaled $2.2 billion.

Note: Safe Harbor Statement under the Private Securities Litigation Reform Act
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of 1995:

This press release contains forward-looking statements regarding Armstrong World Industries, Inc.'s results and trends in its business. These statements are based largely on the company's expectations and are subject to a number of risks and uncertainties, many of which are beyond the company's control. Such risks

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include the successful consummation of the tender offer, managements' ability to integrate the company's flooring operations with Triangle Pacific, the company's ability to achieve the anticipated economies of scale and profitability margins and employee satisfaction with the transactions, among others. These risks and uncertainties could cause actual results to differ materially from those in the forward-looking statements. We also refer to the company's filings with the Securities and Exchange Commission, which include descriptions of additional risks and uncertainties.

SOURCE Armstrong World Industries

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EXHIBIT 99.(N)

IN THE COURT OF CHANCERY IN THE STATE OF DELAWARE

IN AND FOR NEW CASTLE

PINNA YOSEVITZ,

Plaintiff,

v.

FLOYD F. SHERMAN, M. JOSEPH McHUGH, BRUCE A. KARSH, DAVID R. HENKEL, KAREN GORDON MILLS, CARSON S. McKISSICK, B. WILLIAM BONNIVIER, CHARLES M. HANSEN JR,, JACK L. MCDONALD, TRIANGLE PACIFIC CORP., and ARMSTRONG WORLD INDUSTRIES, INC.

Defendants.

CLASS ACTION COMPLAINT

Plaintiff alleges upon information and belief, except for paragraph 1 hereof, which is alleged upon knowledge, as follows:

1. Plaintiff has been the owner of the common stock of Triangle Pacific Corp. ("Triangle" or the "Company") since prior to the transaction herein complained of and continuously to date.

2. Triangle is a corporation duly organized and existing under the laws of the State of Delaware. The Company makes hardwood flooring products and kitchen and bathroom cabinets at 15 plants, primarily in the United States. The Company maintains its headquarters at 16803 Dallas Parkway, Dallas, Texas.

3. Armstrong World Industries, Inc. ("Armstrong") is a Pennsylvania corporation based in Lancaster, Pennsylvania and is North America's largest maker of floor coverings. It

manufactures vinyl flooring, ceramic tile and other building products.

4. Defendant Floyd F. Sherman is Chairman of the Board, Chief Executive Officer and a Director of Triangle.

5. Defendant M. Joseph McHugh is President, Chief Operating Officer

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and Director of Triangle.

6. Defendants Bruce A. Karsh, David R. Henkel, Karen Gordon Mills, Carson R. McKissick, B. William Bonnivier, Charles M. Hansen, and Jack L. McDonald are Directors of Triangle.

7. The Individual Defendants are in a fiduciary relationship with Plaintiff and the other public stockholders of Triangle and owe them the highest obligations of good faith and fair dealing.

CLASS ACTION ALLEGATIONS

8. Plaintiff brings this action on her own behalf and as a class action, pursuant to Rule 23 of the Rules of the Court of Chancery, on behalf of all common stockholders of the Company (except the defendants herein and any person, firm, trust, corporation, or other entity related to or affiliated with any of the defendants) and their successors in interest, who are or will be threatened with injury arising from defendants' actions as more fully described herein.

9. This action is properly maintained as a class action because:

(a) The class is so numerous that joinder of all members is impracticable. As of March 23, 1998, there were approximately 14,749,845 shares of Triangle common stock

outstanding owned by hundreds, if not thousands, of record and beneficial, holders;

(b) There are questions of law and fact which are common to the class including, *inter alia*, the following: (i) whether defendants have breached their fiduciary duty and other common law duties owed by them to plaintiff and the members of the class; and (ii) whether the class is entitled to injunctive relief or damages as a result of the wrongful conduct committed by defendants.

(c) Plaintiff is committed to prosecuting this action and has retained competent counsel experienced in litigation of this nature. The claims of the plaintiff are typical of the claims of other members of the class and plaintiff has the same interests as the other members of the class. Plaintiff will fairly and adequately represent the class.

(d) Defendants have acted in a manner which affected plaintiff and all members of the class alike, thereby making appropriate injunctive relief and/or corresponding declaratory relief with respect to the class as a whole.

(e) The prosecution of separate actions by individual members of

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the Class would create a risk of inconsistent or varying adjudications with respect to individual members of the Class, which would establish incompatible standards of conduct for defendants, or adjudications with respect to individual members of the Class which would, as a practical matter, be dispositive of the interests of other members or substantially impair or impede their ability to protect their interests.

SUBSTANTIVE ALLEGATIONS
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10. On June 15, 1998, Triangle and Armstrong announced that they had entered into a definitive merger agreement whereby Armstrong will acquire Triangle in a transaction valued at approximately $1.15 billion. Under the terms of the transaction as presently proposed, Armstrong will commence a cash tender offer for all of Triangle's outstanding common shares at a price of $55.50 per share. Armstrong will also assume $260 million of Triangle debt.

11. By entering into the agreement with Armstrong, the Triangle Board has initiated a process to sell the Company which imposes heightened fiduciary responsibilities and requires enhanced scrutiny by the Court. However, the terms of the proposed transaction were not the result of an auction process or active market check; they were arrived at without a full and thorough investigation by the Individual Defendants; and they are intrinsically unfair and inadequate from the standpoint of the Triangle shareholders.

12. The Individual Defendants failed to make an informed decision, as no market check of the Company's value was obtained. In agreeing to the merger, the Individual Defendants failed to properly inform themselves of Triangle's highest transactional value.

13. The Individual Defendants have violated the fiduciary duties owed to the public shareholders of Triangle. The Individual Defendants' agreement to the terms of the transaction, its timing, and the failure to auction the Company and invite other

bidders, a defendants' failure to provide a market check demonstrate a clear absence of the exercise of due care and of loyalty to Triangle's public shareholders.

14. The Individual Defendants' fiduciary obligations under these circumstances require them to:

(a) Undertake an appropriate evaluation of Triangle's net worth as a merger/acquisition candidate; and

(b) Engage in a meaningful auction with third parties in an

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attempt to obtain the best value for Triangle's public shareholders.

15. The Individual Defendants have breached their fiduciary duties by reason of the acts and transactions complained of herein, including their decision to merge with Armstrong without making the requisite effort to obtain the best offer possible.

16. Plaintiff and other members of the Class have been and will be damaged in that they have not and will not receive their fair proportion of the value of Triangle's assets and business, and will be prevented from obtaining fair and adequate consideration for their shares of Triangle common stock.

17. The consideration to be paid to class members in the proposed merger is unfair and inadequate because, among other things:

(a) The intrinsic value of Triangle's common stock is materially in excess of the amount offered for those securities in the merger giving due consideration to the anticipated operating results, net asset value, cash flow, and profitability of the Company;

(b) The merger price is not the result of an appropriate consideration of the value of Triangle because the Triangle Board approved the proposed merger without undertaking steps to accurately ascertain Triangle's value through open bidding or at least a "market check mechanism"; and

(c) By entering into the agreement with Armstrong, the Individual Defendants have allowed the price of Triangle stock to be capped, thereby depriving plaintiff and the Class of the opportunity to realize any increase in the value of Triangle stock.

18. By reason of the foregoing, each member of the Class will suffer irreparable injury and damages absent injunctive relief by this Court.

19. Plaintiff and other members of the Class have no adequate remedy at law.

WHEREFORE, plaintiff and members of the Class demand judgment against defendants as follows:

a. Declaring that this action is properly maintainable as a class action and certifying plaintiff as the representative of the Class;

b. Preliminary and permanently enjoining the defendants and their counsel, agents, employees and all persons acting under, in concert with, or for them, from proceeding with, consummating, or closing the proposed transaction;

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c. In the event that the proposed transaction is consummated, rescinding it and setting it aside, or awarding rescissory damages to the Class;

d. Awarding compensatory damages against defendants, individually and severally, in an amount to be determined at trial, together with pre-judgment and post-judgment interest at the maximum rate allowable by law, arising from the proposed transaction;

e. Awarding plaintiff its costs and disbursements and reasonable allowances for fees of plaintiff's counsel and experts and reimbursement of expenses; and

f. Granting plaintiff and the Class such other and further relief as the Court may deem just and proper.

Dated: June 15, 1998

ROSENTHAL, MONHAIT, GROSS & GODDESS, P.A.

/s/ Norman M. Monhait

By: ____________________________________

Suite 1401, Mellon Bank Center
P.O. Box 1070
Wilmington, DE 19899-1070
(302) 656-4433
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