

# SECURITIES AND EXCHANGE COMMISSION

## FORM 10-K405

Annual report pursuant to section 13 and 15(d), Regulation S-K Item 405

Filing Date: **1995-07-28** | Period of Report: **1995-04-30**  
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### FILER

#### HACH CO

CIK: **44764** | IRS No.: **420704420** | State of Incorporation: **DE** | Fiscal Year End: **0430**  
Type: **10-K405** | Act: **34** | File No.: **000-03947** | Film No.: **95557084**  
SIC: **3823** Industrial instruments for measurement, display, and control

Mailing Address  
5600 LINDBERGH DRIVE  
LOVELAND CO 80537

Business Address  
5600 LINDBERGH DRIVE  
LOVELAND CO 80537  
3036693050

FORM 10-K

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]

For the fiscal year ended April 30, 1995

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period \_\_\_\_\_ to \_\_\_\_\_.

Commission file number 0-3947

HACH COMPANY

-----  
(Exact name of registrant as specified in its charter)

Delaware

42-0704420

-----  
(State or Other jurisdiction of  
Incorporation or Organization)

-----  
(IRS Employer  
Identification No.)

5600 Lindbergh Drive  
Loveland, Colorado

80537

-----  
(Address of principal executive offices)

-----  
(Zip Code)

Registrant's telephone number, including area code: (970) 669-3050

Securities registered pursuant to Section 12 (b) of the Act: None.

Securities registered pursuant to Section 12 (g) of the Act:

Common Stock, \$1.00 Par Value

-----  
(Title of Class)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

As of June 30, 1995, 11,363,818 shares of Common Stock were outstanding. The aggregate value of 5,724,053 shares of Common Stock held by non-affiliates

(based upon the last sales price of \$13.50 for the Registrant's Common Stock listed in The WALL STREET JOURNAL in the NASDAQ National Market System section on June 30, 1995) was approximately \$77,274,715.

#### DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Hach Company Annual Report to Stockholders for the year ended April 30, 1995 (the "1995 Annual Report") are incorporated by reference into Parts I, II and IV.

Portions of the Hach Company Proxy Statement for the Annual Meeting of Stockholders scheduled to be held August 29, 1995 (the "1995 Proxy Statement") are incorporated by reference into Part III.

-2-

#### PART I

##### ITEM 1. BUSINESS

The Registrant was incorporated in Iowa in 1951 and reincorporated in Delaware on April 3, 1968.

Additional information required by this item appears under the heading "Description of Business" on pages 17 and 18 of the 1995 Annual Report and as Note 6 of the Notes to Consolidated Financial Statements, "Segment Information", on pages 26 and 27 of the 1995 Annual Report, all of which is incorporated herein by reference.

##### ITEM 2. PROPERTIES

The principal physical properties of the Registrant are as follows:

The Registrant owns a 150,000 square foot steel frame, concrete building situated on 50 acres adjacent to the Loveland, Colorado airport at 5600 Lindbergh Drive in Loveland, Colorado. This building contains the Registrant's executive and administrative offices and its research, development, engineering and instrument manufacturing operations.

The Registrant also owns a 169,000 square foot building complex situated on 45 acres at 100 Dayton Avenue in Ames, Iowa. These facilities contain chemical manufacturing operations, a chemical research laboratory, the home office service function and the shipping department and warehouse for all of the products manufactured and sold by the Registrant.

The Registrant also owns two buildings totaling 45,000 square feet located in Loveland, Colorado. These buildings contain the Registrant's plastic component manufacturing operation, part of the Registrant's component assembly operation, and an employee training center.

The Registrant's wholly-owned subsidiary, Hach Europe, S.A., owns a distribution and manufacturing plant containing approximately 44,000 square feet in Namur, Belgium.

All of the Registrant's principal physical properties are modern and were

designed and constructed to the Registrant's specifications specifically for use in its business.

-3-

ITEM 3. LEGAL PROCEEDINGS

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders in the fourth quarter of the year ended April 30, 1995.

EXECUTIVE OFFICERS OF REGISTRANT

<TABLE>

<CAPTION>

Name	Age	
----	---	
<S>	<C>	<C>
Kathryn Hach-Darrow	72	Chairman of the Board, Chief Executive Officer, Chairman of the Executive Committee and Director
Bruce J. Hach	49	President and Chief Operating Officer and Director
Robert O. Case	73	Secretary, and General Counsel
Gary R. Dreher	42	Vice President and Chief Financial Officer and Director
Loel J. Sirovy	56	Senior Vice President, Operations
Jerry M. Churchill	55	Vice President, Domestic Sales and Director
Randall A. Petersen	43	Vice President, Human Resources
John C. Privette	40	Vice President, Sales and Marketing
Larry Thompson	51	Vice President, Ames Operation

</TABLE>

Kathryn Hach-Darrow has been active in the business of the Registrant since its inception. She has served on the Board of Directors and was responsible, prior to May 6, 1977, as Executive Vice President for certain of the Registrant's administrative and marketing matters. On May 5, 1977, the Board of Directors elected Mrs. Hach-Darrow President and Chief Operating Officer. On April 28, 1983, she was elected Vice Chairman of the Board of Directors and on February 28, 1986 she was elected Chairman of the

-4-

Board, Chief Executive Officer and Chairman of the Executive Committee and Director, and has served in these capacities since that date.

Bruce J. Hach, son of Kathryn Hach-Darrow, joined the Registrant November 1, 1970 and served the Company in various capacities. From August 27, 1985 to February 28, 1986, he was an Assistant Vice President in charge of Human Relations. He was elected Senior Vice President on February 28, 1986. On April 30, 1987, he was elected a Director of the Registrant, and he was elected Executive Vice President of the Registrant on August 27, 1987. In August, 1988, he was elected President and Chief Operating Officer of the Registrant, and has served in these capacities since that date.

Robert O. Case has been Secretary of the Registrant since May 29, 1968. He was named General Counsel to the Company on August 29, 1989. From September, 1989 to February, 1991, he was a shareholder of the Chicago, Illinois law firm of Schuyler, Roche & Zwirner, and a member of its management committee. From February 1, 1991, to April 30, 1993, he was of counsel to Schuyler, Roche & Zwirner. Mr. Case was a senior member of the law firm of Walsh, Case & Brown for more than the previous two years prior to joining Schuyler, Roche & Zwirner. Since May 1, 1993, Mr. Case has been of counsel to McBride Baker & Coles, a Chicago, Illinois law firm. Mr. Case was a director of the Company from May 29, 1968 until his retirement as a Director of the Company effective at the August 30, 1994 Annual Meeting of Shareholders.

Jerry M. Churchill joined the Registrant on December 1, 1977 as Marketing Manager of Carle Instruments, Inc., which was a wholly-owned subsidiary of the Registrant engaged in the manufacturing and sale of gas chromatographs. On April 2, 1981, he was elected Vice President of Operations of Carle Instruments, Inc. After Carle Instruments, Inc. was merged into Hach Company, Mr. Churchill was made Assistant Vice President of Chromatography Operations on September 18, 1983. On February 28, 1986, he was elected Vice President of Domestic Sales and Marketing. On February 27, 1990, he was elected Senior Vice President of Marketing and Sales, and on August 28, 1990 he was elected a Director of the Registrant. On August 25, 1992, he was elected Senior Vice President, Domestic Sales of the Registrant. On August 24, 1993 he was elected Vice President, Sales of the Registrant. On November 22, 1994 he was named Vice President, Domestic Sales of the Registrant and has served in that capacity since that date. Mr. Churchill's current term as a Director of the Registrant will expire effective at the Company's 1995 Annual Meeting of Shareholders, and he will not stand for re-election at that meeting, but will continue as an officer of the Registrant.

-5-

Loel J. Sirovy joined the Registrant on October 19, 1972. He has held a number of management positions in Production and Human Relations. On September 1, 1985, he was elected Vice President-Instrument Operations. On April 28, 1989, he was elected Senior Vice President, Manufacturing. On August 25, 1992, he was elected Senior Vice President, Operations of the Registrant, and has served in that capacity since that date.

Gary R. Dreher joined the Registrant on January 17, 1977. He has held a variety of positions since then. In September, 1985 he was named Controller for the Company. In August, 1990, he was elected Vice President and Controller. In August, 1991, he was elected Vice President and Treasurer of the Registrant. He was named Vice President and Chief Financial Officer on November 22, 1994 and

has served in that capacity since that date. He was elected a Director of the Company at the Company's Annual Meeting of Shareholders on August 30, 1994.

Randall A. Petersen joined the Registrant October 14, 1974. He has held a number of management positions in Manufacturing and Human Resources. On April 28, 1989, he was elected Vice President, Human Resources of the Registrant, and has served in that capacity since that date.

John C. Privette joined the Registrant December 1, 1986. He has held a number of positions in Marketing. In October, 1989 he was named Director of Domestic Marketing. On August 25, 1992 he was elected Vice President, Marketing of the Registrant. On November 22, 1994 he was elected Vice President, Sales and Marketing of the Registrant and has served in that capacity since that date.

Larry Thompson joined the Registrant on April 6, 1964. He has held a variety of positions in Chemical Operations since then. In April, 1991 he was named Plant Manager of the Ames, Iowa facility. On August 25, 1992, he was elected Vice President, Ames Operations of the Registrant, and has served in that capacity since that date.

Richard D. Vanous, 42, joined the Registrant on February 16, 1976 as an Analytical Chemist. Subsequently, he has held a number of management positions in Marketing and Chemical Operations. On February 28, 1986 he was elected Senior Vice President, Research and Development and Chemical Operations. On August 25, 1992, he was elected Executive Vice President, Research & Development, Marketing and Sales and Director of the Registrant. On August 24, 1993, he was elected Senior Vice President, Research & Development, Marketing and Sales, of the Registrant. His title was changed to Vice President, Research and Development on November 22, 1994 and he served in that capacity until he resigned from all positions with the Company as of May 5, 1995.

-6-

The officers of the Company serve at the pleasure of the Board of Directors.

## PART II

### ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The information required by this item appears under the heading "Common Stock Price Range and Dividends" on page 18 of the 1995 Annual Report, and is incorporated herein by reference.

### ITEM 6. SELECTED FINANCIAL DATA

The information required by this item appears under the heading the "Comparative Financial Data - 10-Year Summary" on pages 14 and 15 of the 1995 Annual Report, and is incorporated herein by reference.

### ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The information required by this item appears in the Chairman's and President's letter "To Our Fellow Shareholders" on pages 2, 3, and 4 of the 1995 Annual Report, and under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 16 and 17 of the 1995

Annual Report, all of which is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this item appears in the Consolidated Financial Statements and the Notes thereto on pages 19 through 27 of the 1995 Annual Report, and is incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

-7-

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by this item appears under the heading "Election of Directors" on pages 3 through 8 in the 1995 Proxy Statement and under the caption "Executive Officers of the Registrant" at pages 4 through 7 at the end of Part I of this Report, and is incorporated by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item appears under the heading "Executive Compensation" on pages 11 through 15 in the 1995 Proxy Statement, and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this item appears under the headings "Security Ownership of Certain Beneficial Owners and Management" at pages 2 and 3 and "Election of Directors" on pages 3 through 8 in the 1995 Proxy Statement, and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this item appears under the headings "Certain Relationships and Related Transactions" on page 8 of the 1995 Proxy Statement, "Executive Employment Agreements" on pages 14 and 15, and "Compensation Committee Interlocks and Insider Participation" on page 18 of the 1995 Proxy Statement, and each is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) The following documents are filed as part of this Report on Form 10-K:

1. FINANCIAL STATEMENTS: The information required by this item appears on the pages listed below in the 1995 Annual Report, and is incorporated by reference in response to Item 14(a)1.

-8-

Report of Independent Accountants. . . . .	19
Financial Statements:	
Consolidated statements of income for the years ended April 30, 1995, 1994 and 1993. . . . .	20
Consolidated balance sheets, April 30, 1995 and 1994 . . . . .	21
Consolidated statements of stockholders' equity for the years ended April 30, 1995, 1994 and 1993 . . . . .	22
Consolidated statements of cash flows for the years ended April 30, 1995, 1994 and 1993 . . . . .	23
Notes to consolidated financial statements . . . . .	24

2. FINANCIAL STATEMENT SCHEDULES: None.

3. EXHIBITS REQUIRED BY ITEM 601 OF REGULATION S-K: The following exhibits are included in this Annual Report on Form 10-K. The items identified below as Exhibits (10)c - (10)k are management contracts or compensatory plans required to be filed as an Exhibit to this Annual Report on Form 10-K pursuant to Item 14(c) of Form 10-K.

No. assigned in Exhibit Table on Item 601 of Reg. S-K -----	Exhibit -----	Page No. in this Report -----
--	------------------	-------------------------------------

(3)	a. Certificate of Incorporation of the Registrant (as amended to date) --	
-----	---	--

-9-

hereby incorporated by reference to  
Exhibit (3)a. to the Registrant's Annual  
Report on Form 10-K for the year ended  
April 30, 1993, Commission File No. 0-3947

(3)	b. By-laws of the Registrant, as amended through July 27, 1995	
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18



- (10) c. Hach Company 1993 Stock Option Plan incorporated by reference to Exhibit (10)c. to the Registrant's Annual Report on Form 10-K for the year ended April 30, 1994, Commission File No. 0-3947
- (10) d. Form of Stock Option Agreement under 1993 Stock Option Plan incorporated by reference to Exhibit (10)d. to the Registrant's Annual Report on Form 10-K for the year ended April 30, 1994, Commission File No. 0-3947
- (10) e. Hach Company Restated 1983 Stock Option Plan -- hereby incorporated by reference to Exhibit (10)d. to the Registrant's Annual Report on Form 10-K for the year ended April 30, 1993, Commission File No. 0-3947
- (10) f. Form of Stock Option Agreements for 1983 Stock Option Plan -- as filed herewith and hereby incorporated by reference to Exhibit (10)e. of the Registrant's Annual Report on Form 10-K for the fiscal year ended April 30, 1991, Commission File No. 0-3947
- (10) g. Hach Company Restated Directors' Bonus Compensation Plan -- hereby incorporated by reference to Exhibit (10) f. of the Registrant's Annual Report on Form 10-K for the fiscal year ended April 30, 1991, Commission File No. 0-3947
- (10) h. Executive Employment Agreements between the Company and each of Bruce J. Hach, Richard D. Vanous, Loel J. Sirovy, Jerry M. Churchill, Gary R. Dreher, Randall A. Petersen, Larry Thompson and John C. Privette -- incorporated by reference to Exhibit 10(h.) to the Registrant's Annual Report on Form 10-K for the year ended April 30, 1994, Commission File No. 0-3947
- (10) i. Hach Company 1995 Employee Stock Purchase Plan

-10-

(10)	j. Hach Company Deferred Compensation Plan (as amended through March 1, 1995)	37
(10)	k. Trust Under Hach Company Deferred Compensation Plan dated as of April 10, 1995 between the Company and the Dauphin Deposit Bank and Trust Company, as trustee	67
(13)	l. Pages 2, 3, 4 and 14 through 27 of the Registrant's Annual Report to Stockholders for the year ended April 30, 1995	77
(21)	m. Subsidiaries of the Registrant	98

-11-

(23)	n. Consent of Coopers & Lybrand L.L.P.	99
(27)	o. Financial Data Schedule (electronic filing only)	100

(b) No reports on Form 8-K were filed during the quarter ended April 30, 1995.

(c) and (d) The exhibits and financial statement schedules required to be filed by this item are attached to or incorporated by reference in this report.

-12-

#### SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HACH COMPANY

By: /s/ Kathryn Hach-Darrow

-----  
Kathryn Hach-Darrow, Chairman of the  
Board of Directors and Chief  
Executive Officer

Date: July 27, 1995

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ Kathryn Hach-Darrow

-----  
Kathryn Hach-Darrow, Chairman of the Board,  
Chief Executive Officer and Director  
(principal executive officer)

Date: July 27, 1995

/s/ Gary R. Dreher

-----  
Gary R. Dreher, Vice President and  
Chief Financial Officer, and Director  
(principal financial and accounting officer)

Date: July 27, 1995

/s/ Bruce J. Hach

-----  
Bruce J. Hach, Director

Date: July 27, 1995

/s/ Fred W. Wenninger

-----  
Fred W. Wenninger, Director

Date: July 27, 1995

/s/ Joseph V. Schwan

-----  
Joseph V. Schwan, Director

Date: July 27, 1995

/s/ John N. McConnell

-----  
John N. McConnell, Director

Date: July 27, 1995

/s/ Linda O. Doty

-----  
Linda O. Doty, Director

Date: July 27, 1995

/s/ Jerry M. Churchill

-----  
Jerry M. Churchill, Director

Date: July 27, 1995

#### INDEX TO EXHIBITS

No. assigned in  
Exhibit Table on  
Item 601 of Reg. S-K  
-----

Exhibit  
-----

Page No. in  
this Report  
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- (3) b. By-laws of the Registrant, as amended through July 27, 1995
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- (10) h. Executive Employment Agreements between the Company and each of Bruce J. Hach, Richard D. Vanous, Loel J. Sirovy, Jerry M.

Churchill, Gary R. Dreher, Randall A. Petersen, Larry Thompson and John C. Privette -- incorporated by reference to Exhibit 10(h.) to the Registrant's Annual Report on Form 10-K for the year ended April 30, 1994, Commission File No. 0-3947

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(27)	o. Financial Data Schedule (electronic filing only)	100

B Y - L A W S

OF

HACH CHEMICAL COMPANY

(Restated as of April 30, 1987  
and as amended through July 27, 1995)

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ARTICLE I

OFFICES

SECTION 1. REGISTERED OFFICE. The registered office shall be established and maintained at the office of the United States Corporation Company, in the City of Dover, in the County of Kent, in the State of Delaware, and said corporation shall be the registered agent of this corporation in charge thereof.

SECTION 2. OTHER OFFICES. The corporation may have other offices, either within or without the State of Delaware at such place or places as the Board of Directors may from time to time appoint or the business of the corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

SECTION 1. ANNUAL MEETINGS. Annual meetings of stockholders for the election of directors and for such other business as may be stated in the notice of the meeting, shall be held at such place, either within or without the State of Delaware, and at such time and date as the Board of Directors, by resolution, shall determine and as set forth in the notice of the meeting. In the event the Board of Directors fails to so determine the time, date and place of meeting, the annual meeting of stockholders shall be held at the principal place of business of the corporation in Ames, Iowa, on the fourth Tuesday in September at 2:00 o'clock P.M.

If the date of the annual meeting shall fall upon a legal holiday, the meeting shall be held on the next preceding business day. At each annual meeting, the stockholders entitled to vote shall elect a Board of Directors and they may transact such other corporate business as shall be stated in the notice of the meeting.

SECTION 2. OTHER MEETINGS. Meetings of stockholders for any purpose other than the election of directors may be held at such

time and place, within or without the State of Delaware, as shall be stated in the notice of the meeting.

SECTION 3. VOTING. Each stockholder entitled to vote in accordance with the terms of the Certificate of Incorporation and in accordance with the provisions of these By-Laws shall be entitled to one vote, in person or by proxy, for each share of stock entitled to vote held by such stockholder, but no proxy shall be voted after three years from its date unless such proxy provides for a longer period. Upon the demand of any stockholder, the vote for directors and the vote upon any question before the meeting, shall be by ballot. All elections for directors shall be decided by plurality vote; all other questions shall be decided by majority vote except as otherwise provided by the Certificate of Incorporation or the laws of the State of Delaware. A complete list of the stockholders entitled to vote at the ensuing election, arranged in alphabetical order, with the address of each, and the number of shares held by each, shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

SECTION 4. QUORUM. Except as otherwise required by law, by the Certificate of Incorporation or by these By-Laws, the presence, in person or by proxy, of stockholders holding a majority of the stock of the corporation entitled to vote shall constitute a quorum at all meetings of the stockholders. In case a quorum shall not be present at any meeting, a majority in interest of the stockholders entitled to vote thereat, present in person or by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until the requisite amount of stock entitled to vote shall be present. At any such adjourned meeting at which the requisite amount of stock entitled to vote shall be represented, any business may be transacted which might have been transacted at the meeting as originally noticed; but only those stockholders entitled to vote at the meeting as originally noticed shall be entitled to vote at any adjournment or adjournments thereof.

SECTION 5. SPECIAL MEETINGS. Special meetings of the stockholders for any purpose or purposes may be called by the Chairman of the Board, the President or the Secretary or by resolution of the Board of Directors.

SECTION 6. NOTICE OF MEETING. Written notice, stating the place, date and time of the meeting, and the general nature of the

business to be considered, shall be given to each stockholder entitled to vote thereat at his address as it appears on the records of the corporation, not less than ten nor more than fifty days before the date of the meeting. No business other than that stated in the notice shall be transacted at any meeting without the unanimous consent of all the stockholders entitled to vote thereat.

SECTION 7. ACTION WITHOUT MEETING. Except as otherwise provided by the by the Certificate of Incorporation, whenever the vote of stockholders at a meeting thereof is required or permitted to be taken in connection with any corporate action by any provisions of the statutes or of the Certificate of Incorporation or of these By-Laws, the meeting and vote of stockholders may be dispensed with, if all the stockholders who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such corporate action being taken.

### ARTICLE III

#### DIRECTORS

SECTION 1. NUMBER AND TERM. The business, property and affairs of the corporation shall be managed and controlled by a board of nine (9) directors; provided, however, that the board, by resolution adopted by vote of a majority of the then authorized number of directors, may increase or decrease the number of directors. The directors shall be elected at the annual meeting of stockholders, and serve (subject to the provisions of this Article) until the next succeeding annual meeting of stockholders and until the election and qualification of their respective successors.

SECTION 2. RESIGNATIONS. Any director, member of a committee or other officer may resign at any time. Such resignation shall be made in writing, and shall take effect at the time specified therein, and if no time be specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective.

SECTION 3. VACANCIES. Any vacancy in the office of any director through death, resignation, removal, disqualification or other cause and any additional directorship resulting from increase in the number of directors may be filled at any time by a majority of the directors then in office (even though less than a quorum remains) or by the stockholders, and subject to the provisions of this Article, the person so chosen shall hold office until his successor shall have been chosen and shall have qualified; or if

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\* Pursuant to a resolution dated June 22, 1995, the Board of Directors amended the By-laws of the Company effective August 29, 1995 to provide for a board of seven (7) directors.



the person so chosen is a director elected to fill a vacancy he shall hold office for the unexpired term of his predecessor.

SECTION 4. REMOVAL. Any director or directors may be removed either for or without cause at any time by the affirmative vote of the holders of a majority of all the shares of stock outstanding and entitled to vote, at a special meeting of the stockholders called for the purpose and the vacancies thus created may be filled, at the meeting held for the purpose of removal, by the affirmative vote of a majority in interest of the stockholders entitled to vote.

SECTION 5. POWERS. The Board of Directors shall exercise all of the powers of the corporation except such as are by law, or by the Certificate of Incorporation of the corporation or by these By-Laws conferred upon or reserved to the stockholders.

SECTION 6. COMMITTEES. The Board of Directors may, by resolution or resolutions passed by a majority of the whole board, designate one or more committees, each committee to consist of two or more of the directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in the resolution or in the By-Laws of the corporation, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; provided, however, the By-Laws may provide that in the absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

SECTION 7. MEETINGS. The newly elected directors may hold their first meeting for the purpose of organization and the transaction of business, if a quorum be present, immediately after the annual meeting of the stockholders; or the time and place of such meeting may be fixed by consent in writing of all the directors.

Regular meetings of the directors may be held without notice at such places and times as shall be determined from time to time by resolution of the directors.

Special meetings of the Board may be called by the Chairman of the Board or the President, or by the Secretary on the written request of any two directors, on at least two days' notice to each director and shall be held at such place or places as may be

determined by the directors, or as shall be stated in the call of the meeting.

SECTION 8. QUORUM. A majority of the directors shall constitute a quorum for the transaction of business. If at any meeting of the board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time until a quorum is obtained, and no further notice thereof need be given other than by announcement at the meeting which shall be so adjourned.

SECTION 9. COMPENSATION. Directors shall not receive any stated salary for their services as directors or as members of committees, but by resolution of the board a fixed fee and expenses for attendance at meetings may be paid to directors. Directors may also receive compensation in stock of this corporation or otherwise pursuant to any bonus compensation plan or other plan approved by the stockholders. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity as an officer, agent or otherwise, and receiving compensation therefor.

SECTION 10. ACTION WITHOUT MEETING. Any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting, if a written consent thereto is signed by all members of the board, or of such committee as the case may be, and such written consent is filed with the minutes of proceedings of the board or committee.

#### ARTICLE IV

##### OFFICERS

SECTION 1. OFFICERS. The officers of the corporation shall be a Chairman of the Board, a President, a Treasurer, and a Secretary, all of whom shall be elected by the Board of Directors and who shall hold office until their successors are elected and qualified. In addition, the Board of Directors may elect one or more Vice Presidents and such Assistant Secretaries and Assistant Treasurers as it may deem proper. None of the officers of the corporation need be directors. The officers shall be elected at the first meeting of the Board of Directors after each annual meeting. More than two offices may be held by the same person.

SECTION 2. OTHER OFFICERS AND AGENTS. The Board of Directors may appoint such other officers and agents as it may deem advisable who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

SECTION 3. CHAIRMAN. The Chairman of the Board of Directors shall be the

chief executive officer of the corporation and shall have the general powers and duties of supervision and management usually vested in the chief executive officer of a corporation. He shall preside at all meetings of the stockholders and of the Board of Directors, and shall have general supervision, direction and control of the business of the corporation. Except as the Board of Directors shall authorize the execution thereof in some other manner, the Chairman of the Board shall execute bonds, mortgages and other contracts in behalf of the corporation, and shall cause the seal to be affixed to any instrument requiring it and when so affixed the seal shall be attested by the signature of the Secretary or the Treasurer or an Assistant Secretary or an Assistant Treasurer.

SECTION 4. PRESIDENT. The President shall be the chief operating officer of the corporation and shall have the general powers and duties of supervision and management usually vested in the chief operating officer of a corporation. The President shall have the same authority as the Chairman of the Board in regard to the execution of bonds, mortgages and other contracts in behalf of the corporation and the affixation of the seal to any instrument requiring it. In the absence of the Chairman of the Board, the President shall have all of the other duties, powers and authority of the Chairman of the Board. In addition, the President shall have such powers and shall perform such duties as shall be assigned to the President by the Board of Directors.

SECTION 5. VICE PRESIDENT. Each Vice President shall have such powers and shall perform such duties as shall be assigned to him by the Board of Directors.

SECTION 6. TREASURER. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate account of receipts and disbursements in books belonging to the corporation. He shall deposit all moneys and other valuables in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors.

The Treasurer shall disburse the funds of the corporation as may be ordered by the Board of Directors, the Chairman of the Board or the President, taking proper vouchers for such disbursements. He shall render to the Chairman of the Board and Board of Directors at the regular meetings of the Board of Directors, or whenever they may request it, an account of all his transactions as Treasurer and of the financial condition of the corporation. If required by the Board of Directors, he shall give the corporation a bond for the faithful discharge of his duties in such amount and with such surety as the board shall prescribe.

- 6 -

SECTION 7. SECRETARY. The Secretary shall give, or cause to be given, notice of all meetings of stockholders and directors, and all other notices required by law or by these By-Laws, and in case of his absence or refusal or neglect so to do, any such notice may be given by any person thereunto directed by the Chairman of the Board or the President, or by the directors, or stockholders, upon whose requisition the meeting is called as provided in these

By-Laws. He shall record all the proceedings of the meetings of the corporation and of the directors in a book to be kept for that purpose, and shall perform such other duties as may be assigned to him by the directors, the Chairman of the Board or the President. He shall have the custody of the seal of the corporation and shall affix the same to all instruments requiring it when authorized by the directors, the Chairman of the Board or the President, and attest the same.

SECTION 8. ASSISTANT TREASURERS AND ASSISTANT SECRETARIES. Assistant Treasurers and Assistant Secretaries, if any, shall be elected and shall have such powers and shall perform such duties as shall be assigned to them, respectively, by the directors.

## ARTICLE V

### MISCELLANEOUS

SECTION 1. CERTIFICATES OF STOCK. A Certificate of Stock signed by the Chairman of the Board, President or Vice President and by the Treasurer, Secretary or an Assistant Secretary shall be issued to each stockholder certifying the number of shares owned by him in the corporation. Any of or all of the signatures on the certificate, including, that of any transfer agent or registrar, may be a facsimile.

SECTION 2. LOST CERTIFICATE. A new certificate of stock may be issued in the place of any certificate theretofore issued by the corporation, alleged to have been lost or destroyed, and the directors may, in their discretion, require the owner of the lost or destroyed certificate, or his legal representatives, to give the corporation a bond, in such sum as they may direct, not exceeding double the value of the stock, to indemnify the corporation against any claim that may be made against it on account of the alleged loss of any such certificate, or the issuance of any such new certificate.

SECTION 3. TRANSFER OF SHARES. The shares of stock of the corporation shall be transferable only upon its books by the holders thereof in person or by their duly authorized attorneys or legal representatives, and upon such transfer the old certificates shall be surrendered to the corporation by the delivery thereof to the person in charge of the stock and transfer books and ledgers, or to such other person as the directors may designate, by whom

- 7 -

they shall be cancelled, and new certificates shall thereupon be issued. A record shall be made of each transfer and whenever a transfer shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of the transfer.

SECTION 4. STOCKHOLDERS RECORD DATE. In order that the corporation may

determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. A determination of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

SECTION 5. DIVIDENDS. Subject to the provisions of the Certificate of Incorporation, the Board of Directors may, out of funds legally available therefor at any regular or special meeting, declare dividends upon the capital stock of the corporation as and when they deem expedient. Before declaring any dividend there may be set apart out of any funds of the corporation available for dividends, such sum or sums as the directors from time to time in their discretion deem proper for working capital or as a reserve fund to meet contingencies or for equalizing dividends or for such other purposes as the directors shall deem conducive to the interests of the corporation.

SECTION 6. SEAL. The corporate seal shall be circular in form and shall contain the name of the corporation, the year of its creation and the words "CORPORATE SEAL DELAWARE". Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

SECTION 7. FISCAL YEAR. The fiscal year of the corporation shall be determined by resolution of the Board of Directors.

SECTION 8. CHECKS. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation, and in such manner as shall be determined from time to time by resolution of the Board of Directors.

SECTION 9. NOTICE AND WAIVER OF NOTICE. Whenever any notice is required by these By-Laws to be given, personal notice is not meant unless expressly so stated, and any notice so required shall

- 8 -

be deemed to be sufficient if given by depositing the same in the United States mail, postage prepaid, addressed to the person entitled thereto at his address as it appears on the records of the corporation, and such notice shall be deemed to have been given on the day of such mailing. Stockholders not entitled to vote shall not be entitled to receive notice of any meetings except as otherwise provided by Statute.

Whenever any notice whatever is required to be given under the provisions of any law, or under the provisions of the Certificate of Incorporation of the corporation or these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

SECTION 10. INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS. The corporation to the extent permitted by Delaware law from time to time in effect and subject to the following provisions, shall indemnify any person who, by reason of the fact that he is or was an officer, director, employee or agent of the corporation or is or was serving at the request of the corporation as an officer, director, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, was or is a party or is threatened to be made a party to any threatened, pending or completed

(a) action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. (The termination of any action, suit, or processing by judgment, order, settlement, conviction or upon a plea of nolo contendere, or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful); or

(b) action or suit by or in the right of the corporation to procure a judgment in its favor, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation (except that no indemnification shall be made in respect of any claim,

- 9 -

issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper).

To the extent that an officer, director, employee or agent of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subparagraphs (a) and (b), or in the defense of any claim, issue or matter therein, he shall be indemnified by the corporation against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Any indemnification provided for under subparagraphs (a) and (b) (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the officer, director, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subparagraphs (a) and (b). Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the stockholders.

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the manner provided above upon receipt of an undertaking by or on behalf of the officer, director, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as provided above.

The indemnification provided by this Section shall not be deemed exclusive of any other rights to which any person (including persons who are not officers, directors, employees or agents of the corporation), may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be an officer, director, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

- 10 -

The corporation shall have power to purchase and maintain insurance on behalf of any person who is or was an officer, director, employee or agent of the corporation, or is or was serving at the request of the corporation as an officer, director, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and 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 provisions of this section.

## ARTICLE VI

## AMENDMENTS

These By-Laws may be altered or repealed and By-Laws may be made at any annual meeting of the stockholders or at any special meeting thereof if notice of the proposed alteration or repeal or By-Law or By-Laws to be made be contained in the notice of such special meeting, by the affirmative vote of a majority of the stock issued and outstanding and entitled to vote thereat, or by the affirmative vote of a majority of the Board of Directors, at any regular meeting of the Board of Directors, if notice of the proposed alteration or repeal, or By-Law or By-Laws to be made, be contained in the notice of such special meeting.



HACH COMPANY  
1995 EMPLOYEE STOCK PURCHASE PLAN

The purpose of this Plan is to provide employees a continued opportunity to purchase Hach stock through semi-annual offerings to be made during the five-year period commencing July 1, 1995. Five hundred thousand (500,000) shares of Hach stock in the aggregate have been approved for this purpose. The shares of common stock to be sold to participants under this Plan may be treasury shares, authorized unissued shares of the Corporation's \$1.00 par value common stock or Plan Purchase shares as provided in Section 20 below.

1. ADMINISTRATION. The Plan shall be administered by a Committee appointed by the Board of Directors from its members or members of senior management, consisting of at least three members. Members of the Committee shall not be eligible to participate in the Plan.

2. ELIGIBILITY. Except as provided below, all employees of the Corporation or its domestic subsidiaries who shall have been employed for a period of 180 days preceding an offering period and whose customary employment exceeds twenty (20) hours per week shall be eligible to participate in the Plan in accordance with such rule as may be prescribed by the Committee from time to time, which rules, however, shall neither permit nor deny participation in the Plan contrary to the requirements of the Internal Revenue Code (including, but not limited to, Section 423(b)(3), (4), (5) and (8) thereof) and the regulations promulgated thereunder. No employee may be granted an option if such employee, immediately after the option is granted, owns 5% or more of the total combined voting power or value of the stock of the Corporation or any subsidiary. For purposes of the preceding sentence, the rules of Section 424(d) of the Internal Revenue Code shall apply in determining the stock ownership of an employee, and stock that the employee may purchase under outstanding options shall be treated as stock owned by the employee.

3. OFFERINGS. The Corporation shall make one or more six-month offerings to employees to purchase Hach stock under this Plan. Each offering period shall be six (6) months in duration, commencing on January 1 and July 1 of each year. During such offering periods (or during such portion thereof as an employee

may elect to participate) the amounts received as compensation by an employee shall constitute the measure of such of the employee's participation in the offering as is based on compensation.

4. PARTICIPATION. An employee eligible on the effective date of any offering may participate in such offering at any time by completing and forwarding a payroll deduction authorization to the employee's appropriate payroll location. The form will authorize a regular payroll deduction from the employee's compensation, and must specify the date on which such deduction is to commence, which may not be retroactive. Such authorization shall be applicable to subsequent offering periods unless the employer increases or decreases the employee's payroll deduction as provided in Section 6 or withdraws from participation as provided in Section 7 below.

5. DEDUCTIONS. The Corporation shall maintain payroll deduction accounts for all participating employees. With respect to any offering made under this Plan, an employee may authorize a payroll deduction of a whole percentage (up to a maximum of 10 %) of the compensation the employee receives during the offering period (or during such portion thereof in which the employee may elect to participate).

No employee may be granted an option that permits his or her rights to purchase stock under this Plan, and any other stock purchase plan of the Corporation and its subsidiaries, to accrue at a rate that exceeds \$25,000 of the fair market value of such stock (determined at the effective date of the applicable offering) for each calendar year in which the option is outstanding at any time.

6. DEDUCTION CHANGES. An employee may increase or decrease the employee's payroll deduction by filing a new payroll deduction authorization at any time. The change may not become effective sooner than the next offering period after receipt of the authorization.

7. WITHDRAWAL.

(a) A participating employee may withdraw payroll deductions credited to such employee's account under the Plan at any time by giving written notice to a designated representative of the Corporation no later than 7 days prior to the last day of any offering period. All of the payroll deductions credited to the employee's account will be paid to the employee promptly after receipt of such notice of withdrawal, and no further

deductions will be made from such employee's pay during that Offering Period.

(b) An employee's withdrawal will not have any effect upon such employee's eligibility to participate in any similar plan which may hereafter be adopted

2

by the Corporation or in any subsequent Offering Period under this Plan.

8. PURCHASE OF SHARES. Each employee participating in any offering under this Plan shall be granted an option, upon the effective date of such offering, for as many full and fractional shares of Hach stock as the participating employee may elect to purchase with up to 10% of the compensation received during the specified offering period (or during such portion thereof as the employee may elect to participate), to be paid by payroll deductions during such period.

Notwithstanding the foregoing, in no event shall the number of shares purchased by an employee during an offering period exceed 2,000 shares.

The purchase price for each share purchased shall be the lower of 85% of the fair market price of a share of Hach stock on the commencement date of the offering period or 85% of the fair market price of a share of Hach stock on the last day of the offering period. As of the last day of any offering period, the account of each participating employee shall be totaled, and the employee shall be deemed to have exercised an option to purchase one or more full or fractional shares at the then-applicable price; the employee's account shall be charged for the amount of the purchase; and the ownership of such share or shares shall be appropriately evidenced on the books of the Corporation. Additional shares covered by the employee's option shall be purchased in the same manner, as of the last day of each subsequent offering period. A participating employee may not purchase a share under any offering period beyond 6 months from the effective date thereof. Any balance remaining in an employee's payroll deduction account at the end of an offering period will be carried forward to the next offering period.

9. EMPLOYEE ACCOUNTS AND CERTIFICATES. Upon purchase of one or more full or fractional shares by a Plan participant pursuant to Section 8 hereof, the Corporation shall establish a book entry account in the name of the employee to reflect the share(s) purchased at that time. Certificates shall be issued only on request for full shares. In the event a participant

terminates his or her account, any fractional share held in the account will be paid to the participant in cash.

10. REGISTRATION OF SHARES. Shares may be registered only in the name of the employee, or, if the employee so indicates on the employee's payroll deduction authorization form, in the employee's name jointly with a member of the employee's family, with right of survivorship. An employee who is a resident of a jurisdiction that

3

does not recognize such a joint tenancy may have shares registered in the employee's name as tenant in common or as community property with a member of the employee's family, without right of survivorship.

11. DEFINITIONS.

(a) The term "Corporation" or "Hach" means Hach Company, a Delaware corporation.

(b) The term "Hach stock" means the common stock of Hach.

(c) The phrase "fair market price" per share on any given date shall mean the closing price of the Hach stock as reported on the NASDAQ National Market System, or if on any such date the Hach stock is not quoted by any such organization, the average of the closing bid and asked prices with respect to the Hach stock as furnished by a professional market maker making a market in the Hach stock selected by the Board of Directors and if not available, the fair market value of the Hach stock as of such day as determined in good faith by the Board of Directors.

(d) The term "subsidiary" means a subsidiary of the Corporation within the meaning of Section 424(f) of the Internal Revenue Code and the regulations promulgated thereunder.

12. RIGHTS AS A STOCKHOLDER. None of the rights or privileges of a stockholder of the Corporation shall exist with respect to shares purchased under this Plan unless and until such shares shall have been appropriately evidenced on the books of the Corporation.

13. RIGHTS ON RETIREMENT, DEATH OR TERMINATION OF EMPLOYMENT. In the event of a participating employee's retirement, death, or termination of employment, the employee shall be ineligible to continue to participate in the Plan, and no payroll deduction shall be taken from any pay due and owing to the employee after the pay period during which the employee

became ineligible.

14. RIGHTS NOT TRANSFERABLE. Rights under this Plan are not transferable by a participating employee other than by will or the laws of descent and distribution, and are exercisable during the employee's lifetime only by the employee.

15. APPLICATION OF FUNDS AND ADMINISTRATIVE FEES. All funds received or held by the Corporation under this Plan may be used for any corporate purpose. The Committee may impose reasonable administrative fees on participating employees to defray the administrative costs of the Plan, which shall in no event exceed the actual administrative costs of the Plan. Initially, the fee shall be \$10 per participating employee. An employee who withdraws from participation shall pay an additional administration fee should such employee elect to again participate in a subsequent offering under this Plan.

16. ADJUSTMENTS IN CASE OF CHANGES AFFECTING HACH STOCK. In the event of a subdivision of outstanding shares, or the payment of a stock dividend, the number of shares approved for this Plan, and the share limitation set forth in Section 8 hereof, shall be increased proportionately, and such other adjustments shall be made as may be deemed equitable by the Board of Directors. In the event of any other change affecting Hach stock, such adjustments shall be made as may be deemed equitable by the Board of Directors to give proper effect to such event.

17. AMENDMENT OF THE PLAN. The Board of Directors may at any time, or from time to time, amend this Plan in any respect, except that, without the approval of a majority of the shares of stock of the Corporation then issued and outstanding and entitled to vote, no amendment shall be made (i) increasing the number of shares approved for this Plan (other than as provided in Section 16 hereof), (ii) decreasing the purchase price per share, (iii) withdrawing the administration of this Plan from a Committee consisting of persons not eligible to participate in the Plan, or (iv) changing the designation of subsidiaries eligible to participate in the Plan.

18. TERMINATION OF THE PLAN. This Plan and all rights of employees under any offering hereunder shall terminate:

(a) On the day that participating employees become entitled to purchase a number of shares equal to or greater than the number of shares remaining available for purchase. If the number of shares so purchasable is greater than the shares remaining

available, the available shares shall be allocated by the Committee among such participating employees in such manner as it deems fair; or

5

(b) At any time, at the discretion of the Board of Directors.

No offering hereunder shall be made which shall extend beyond June 30, 2000.

19. GOVERNMENTAL REGULATIONS. The Corporation's obligation to sell and deliver Hach stock under this Plan is subject to the approval of any governmental authority required in connection with the authorization, issuance, or sale of such stock.

20. PLAN SHARES PURCHASES. Purchases of outstanding shares may be made pursuant to and on behalf of this Plan, upon such terms as the Corporation may approve, for delivery under this Plan.

6

HACH COMPANY  
DEFERRED COMPENSATION PLAN

TABLE OF CONTENTS

Article -----	Title -----	Page No. -----
1	History and Name	1
2	Purpose	2
3	Definitions	3
4	Operation and Administration	6
5	Eligibility for Participation	9
6	Participant Allocations	11
7	Company Allocations	13
8	Establishment of Accounts	14
9	Maintenance of Accounts and Valuation of Plan	15
10	Funding Limitations	17
11	Vesting	18
12	Regulations Governing Distribution of Benefits after Termination of Employment	19

13	Beneficiary Designation	25
14	Amendment and Termination	26
15	General Provisions	27

## HACH COMPANY

### DEFERRED COMPENSATION PLAN

#### ARTICLE 1

##### HISTORY AND NAME

Effective September 1, 1988, Hach Company established the Supplemental Executive Benefit Program of Hach Company in order to provide certain key employees with benefits upon retirement, death, disability or other termination of employment, for the purpose of promoting in its key employees the strongest interest in the successful operation of the Company and to induce such employees to remain in the employ of the Company.

The plan set forth herein shall be known as the Hach Company Deferred Compensation Plan and, effective March 1, 1995, constitutes an amendment in its entirety to the Supplemental Executive Benefit Program of Hach Company for the benefit of eligible key employees and their beneficiaries in the manner and to the extent set forth in such plan.

1

#### ARTICLE 2

##### PURPOSE

The plan is intended to constitute a nonqualified deferred retirement plan which, in accordance with ERISA -Section Symbols- 201(2), 301(a)(3) and 401(a)(1), is "unfunded and maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees."



The purpose of the Plan is to acknowledge and reward certain key employees of the Company for their efforts on behalf of the Company by maximizing their ability to save on a tax-deferred basis and providing such key employees with benefits that shall not be restricted by any qualified plan limitations and/or requirements. Such limitations and requirements shall include, but not be limited to, the following:

2.1 ELECTIVE DEFERRAL CONTRIBUTION LIMITATION

The \$9,240 (1994 limit) limitation placed on elective employee contributions in accordance with Sections 402(g) of the Internal Revenue Code (the "Code"), which limitation shall be adjusted annually for increases in the cost-of-living in accordance with Article 415(d) of the Code.

2.2 COMPENSATION LIMITATION

The \$150,000 (1994 limit) maximum on compensation taken into account for all purposes under a qualified plan in accordance with Section 401(a)(17) of the Code, which limitation shall be adjusted for increases in the cost-of-living in accordance with Section 401(a)(17)(B) of the Code.

2.3 LIMITATION ON ANNUAL ADDITIONS

The limitation on annual additions to qualified retirement plans in accordance with Section 415(c) of the Code, which limitation shall be adjusted annually for increases in the cost-of-living in accordance with Article 415(d) of the Code.

2.4 MINIMUM PARTICIPATION REQUIREMENT

The participation requirements under Article 401(a)(26) of the Code.

2.5 NONDISCRIMINATION REQUIREMENTS

The nondiscrimination testing requirements under Articles 401(k) and (m) of the Code.

## ARTICLE 3

### DEFINITIONS

For purposes of the Plan, the following words and phrases shall have the following meanings unless a different meaning is plainly required by the context. Wherever used, the masculine pronoun shall include the feminine pronoun and the feminine pronoun shall include the masculine and the singular shall include the plural and the plural shall include the singular.

- 3.1 "Account" shall mean a recordkeeping source from which Plan benefits are provided. The specific Accounts under this Plan are listed in Section 8.1 and described more fully in Section 12.
- 3.2 "Beneficiary" shall mean the person or persons designated in accordance with Article 13 to receive any benefits under the Plan in the event of a Participant's death.
- 3.3 "Board of Directors" shall mean the full Board of Directors of the Company.
- 3.4 "Bonus Compensation" shall mean any cash remuneration paid to a Participant, excluding Regular Compensation and Quarterly Cash Profit Sharing Compensation, as a specific incentive bonus or award, including Voluntary Deferral Allocations made hereunder, the source of which is Bonus Compensation.
- 3.5 "Committee" shall mean the Board of Directors or the person or persons appointed by the Board of Directors to administer the Plan.
- 3.6 "Company" shall mean Hach Company, or any affiliate, subsidiary or associate company which shall adopt the Plan for its employees with the approval of Hach Company, including any successor to the Company as a result of a statutory merger, purchase of assets or any other form of reorganization of the business of the Company.
- 3.7 "Deferred Retirement Date" shall mean the first day of any month subsequent to the Participant's Normal Retirement Date.
- 3.8 "Determination Date" shall mean the Valuation Date next subsequent to the date on which the Participant's termination of employment occurs.
- 3.9 "Disability" or "Disabled" shall mean any physical or mental condition which may which meets the definition and

3.10 "Disability Termination Date" shall mean one year following the date on which a Participant is Disabled.

3.11 "Effective Date" shall mean September 1, 1988, the date as of which the Plan was established.

"Supplemental Effective Date" shall mean March 1, 1995, the last date as of which the Plan was amended in its entirety.

3.12 "Employee" shall mean a person who is employed by the Company and falls under the usual common law rules applicable in determining the employer-employee relationship.

3.13 "Key Employee" shall mean an Employee who is designated for eligibility in the Plan by the Committee in accordance with Section 4.2.

3.14 "Participant" shall mean any Employee who is participating in the Plan in accordance with the provisions herein set forth.

3.15 "Normal Retirement Date" shall mean the date on which a Participant attains age 62.

3.16 "Plan" shall mean the Hach Company Deferred Compensation Retirement Plan as it may be amended from time to time.

3.17 "Plan Year" shall mean a period of 11 consecutive months commencing on the Effective Date and ending on December 31, 1995. Thereafter, "Plan Year" shall mean a period of 12 consecutive months commencing on January 1, 1996 and each January 1 thereafter.

3.18 "Quarterly Cash Profit Sharing Compensation" shall mean cash incentive remuneration, excluding Bonus Compensation and Regular Compensation made to a Participant, including Voluntary Deferral Allocations made hereunder, the source of which is Quarterly Cash Profit Sharing Compensation.

3.19 "Regular Compensation" shall mean the Participant's wages

for the Plan Year paid by the Company of the type reported in box 1 of Form W-2 (1993). Such wages shall include amounts within the meaning of Section 3401(a) of the Code plus any other amounts paid to the Participant by the Company for which the Company is required to furnish a written statement under Section 6041(d), 6051(a)(3) and 6052 of the Code, determined without regard to any rules that limit the amount required to be reported based on the nature or location of the employment or services performed,

(i) exclusive of

(A) Bonus Compensation;

(B) Quarterly Cash Profit Sharing Compensation;

4

(C) severance pay on a non payroll basis;

(D) nonqualified plan payments; and

(E) welfare benefits, fringe benefits (cash and non-cash), reimbursements of other expense allowances and moving expenses.

(ii) inclusive of

(A) any amounts deferred under any nonqualified plan, including the Plan; and

(B) the amount of any contributions made by the Company under any salary reduction or similar arrangement to a qualified deferred compensation, pension or cafeteria plan, contributions to a simplified employee pension plan described in Section 408(k) of the Code.

3.20 "Retirement" shall mean the termination of employment of a Participant on his Normal or Deferred Retirement Date.

3.21 "Trust Agreement" shall mean the instrument executed by the Company and the Trustee fixing the rights and liabilities of each with respect to holding and administering the Trust Fund.

3.22 "Trustee" shall mean the Trustee or any successor Trustee,

appointed by the Board of Directors, acting in accordance with the terms of the Trust Agreement.

3.23 "Trust Fund" shall mean all assets held by the Trustee for the purposes of the Plan in accordance with the terms of the Trust Agreement. The Board of Directors shall, subject to the provisions of Article 10, establish such a Trust Fund (known as a "rabbi trust") for the purpose of accumulating funds to satisfy the obligations incurred by the Company under the Plan.

3.24 "Valuation Date" shall mean the last day of each March, June, September and December and such other dates as the Committee may determine from time to time.

5

#### ARTICLE 4

#### OPERATION AND ADMINISTRATION OF THE PLAN

##### 4.1 ORGANIZATION OF THE COMMITTEE

- (a) The Board of Directors shall serve as the Committee to administer the Plan or shall appoint a Committee to administer the Plan, who, upon acceptance of such appointment, shall serve at the pleasure of the Board of Directors. Any member may resign by delivering his written resignation to the Board of Directors and to the Committee. Vacancies in the Committee arising from resignation, death, or removal shall be filled by the Board of Directors.
- (b) The Committee shall act by a majority of its members unless unanimous consent is required by the Plan or by unanimous approval of its members if there are two or less members in office at the time. In the event of a Committee deadlock, the Committee shall determine the method for resolving such deadlock. No Committee member shall act upon any question pertaining solely to himself, and the other member or members shall make any determination required by the Plan in respect to such member.
- (c) The Committee may, by unanimous consent, delegate

specific authority and responsibilities to one or more of its members. The member or members so designated shall be solely liable, jointly and severally, for their acts or omissions with respect to such delegated authority and responsibilities. Committee members not so designated shall be relieved from liability for any act or omission resulting from such delegation.

#### 4.2 COMMITTEE DISCRETION

The Committee shall, by written action prior to the first day of each Plan Year, designate those Employees, if any, who are to be Key Employees for purposes of Article 5.

6

#### 4.3 AUTHORITY AND RESPONSIBILITY

The Committee shall have full authority and responsibility to interpret and construe the Plan and determine all questions of the status and rights of the Participants and the amounts of their allocations. Its interpretation, construction or determination, as the case may be, shall be final and conclusive on both the Company and the Participants and their respective successors, assigns, personal representatives and Beneficiaries. Such authority and responsibility shall include, but shall not be limited to, the following:

- (a) appointment of qualified accountants, consultants, administrators, counsel, appraisers, or other persons it deems necessary or advisable, who shall serve the Committee as advisors only and shall not exercise any discretionary authority, responsibility or control with respect to the management or administration of the Plan;
- (b) determination of all benefits, and resolution of all questions arising from the administration, interpretation and application of the Plan;
- (c) adoption of forms and regulations for the administration of the Plan;
- (d) remedy of all inequity resulting from incorrect information received or communicated, or of

administrative error;

(e) settlement or compromise of any claims or debts arising from the operation of the Plan and the commencement of any legal actions or administrative proceeding.

#### 4.4 RECORDS AND REPORTS

The Committee shall keep a record of its proceedings and acts and shall keep books of account, records and other data necessary for the proper administration of the Plan.

Following each Valuation Date, the Committee shall provide each Participant with a detailed statement of his Account, including all transactions affecting his Account during the calendar quarter of reference, and reflecting the most recent valuation of his Account.

#### 4.5 REQUIRED INFORMATION

The Company, Participants or Beneficiaries entitled to benefits shall furnish forms and any information or evidence as requested by the Committee for the proper administration of the Plan. Failure on the part of any Participant or Beneficiary to comply with such request within a reasonable

7

period of time shall be sufficient grounds for delay in the payment of benefits until the information or evidence requested is received.

#### 4.6 PAYMENT OF EXPENSES OF PLAN

The expenses of the Committee in connection with the administration of the Plan shall be the responsibility of the Company.

#### 4.7 INDEMNIFICATION

The Company shall indemnify and hold the members of the Committee harmless against liability incurred in the administration of the Plan, except for the gross negligence or willful misconduct of any member.

## ARTICLE 5

## ELIGIBILITY FOR PARTICIPATION

## 5.1 INITIAL ELIGIBILITY

- (a) Each Key Employee on the Effective Date will be eligible to participate in the Plan as of such date.
- (b) Each other Key Employee will be eligible to participate in the Plan as of the January 1 following the attainment of his status as a Key Employee in accordance with Section 4.2.

## 5.2 VOLUNTARY PARTICIPATION

Participation in the Plan by Key Employees is entirely voluntary. As further specified in Section 6.2, a Key Employee must sign an election form and submit the signed form to the Committee before the date he elects to become a Participant of the Plan.

## 5.3 COMMITTEE RULES AND REGULATIONS

The Committee shall, through the adoption of a set of rules and regulations, provide for methods used in advising a Key Employee of his eligibility in the Plan, and all forms necessary for the Key Employee to elect to participate.

## 5.4 CESSATION OF PARTICIPATION

- (a) For purposes of Articles 6, 7 and 11, an individual shall cease to be a Participant on the earliest of:
  - (i) the date on which he ceases to be a Key Employee;
  - (ii) the date on which he terminates employment with the Company; and
  - (iii) the date on which the Plan terminates.
- (b) For all other plan purposes, an individual shall cease to be a Participant on the date the total vested value



of his Account has been paid.

- (c) Notwithstanding the foregoing Subsections (a) and (b), in the event that the Department of Labor (DOL) issues regulations or other official notice specifically defining the group of employees that may participate in a plan of this type and any current Participants do not meet the criteria set forth in the DOL regulations or notice, such Participants shall be deemed to be

9

individuals described under Subsection (a)(i) as of the later of the effective date or publication date of the notice or regulations, provided such notice or regulations include a grandfather provision for such participants with respect to their account balances on such date. In the event no such grandfather provision is provided, the accounts of such participants shall be distributed in accordance with the last paragraph of Subsection 12.1(a).

10

## ARTICLE 6

### PARTICIPANT ALLOCATIONS

#### 6.1 VOLUNTARY DEFERRAL ALLOCATIONS

- (a) Until the date of his cessation of participation in accordance with Subsection 5.4(a), a Participant may, as of the Effective Date or, if later, when first eligible or any January 1 thereafter elect to reduce his
1. Base Compensation by any fixed percentage ("Regular Deferral Rate") for a current Plan Year up to a maximum of 25% of such Regular Compensation, or

2. Bonus Compensation by any fixed percentage ("Bonus Deferral Rate") for a current Plan Year up to a maximum of 100% of such Bonus Compensation,

and to have a corresponding amount credited to his Accounts, in accordance with Section 4.2, by filing a the applicable forms in accordance with Section 6.2.

The deferral shall be made from Regular or Bonus Compensation as the Participant shall specify; however, to the extent the deferral is to be made from Bonus Compensation and no or insufficient Bonus or Quarterly Cash Profit Sharing is paid, the deferral shall be reduced.

(b) A Participant's Voluntary Deferral Allocations made in accordance with Subsection (a) shall take the form of before tax deferrals to the Participant's Voluntary Deferral Allocation Account. In the event that a Participant's Compensation should increase or decrease during the Plan Year, his allocations shall automatically be adjusted to reflect such change.

(c) Notwithstanding the foregoing, a Participant may not make contributions to this Plan during any period for which contributions must be suspended in accordance with regulation section 1.401(k)-1(d)(2)(iii)(B)(3) of the Code, as a condition of the Participant's receipt of a hardship withdrawal from any plan of the Company which includes a qualified cash or deferred arrangement under section 401(k) of the Code.

(d) The amount of Compensation that a Participant elects to defer shall be credited to the Participant's Accounts as soon as practicable, but no longer than 30 days following the date on which the Participant is paid the nondeferred portion of the compensation which is the source of the deferral.

11

(e) The minimum amount a Participant may defer for any Plan Year with respect to

(i) his Regular Deferral Rate is \$1,000.

(ii) his Bonus Deferral Rate is \$1,000.

There shall be no minimum amount with respect to the Participant's Profit Sharing Deferral Rate

## 6.2 FORMS REQUIRED

A Participant shall elect to contribute on forms and in the manner prescribed by the Committee. A new election must be made prior to each Plan Year for which the Participant is eligible to participate in the Plan, even if the Participant does not elect to contribute for such Plan Year.

## 6.3 IRREVOCABLE ELECTION

A Participant may not modify or discontinue his allocations for a Plan Year after the first day thereof.

12

# ARTICLE 7

## COMPANY ALLOCATIONS

### 7.1 DISCRETIONARY ALLOCATIONS

- (a) The Company intends to allocate, for each Plan Year, such amounts as it shall determine.
- (b) The Company's allocation, if made, shall be allocated to each Participant in an amount to be determined by the Company.

Notwithstanding the foregoing provision, a Participant shall be entitled to a share of the Company's allocation, if any, for the Plan Year of (i) his Retirement, Disability or death, (ii) the commencement or end of a leave of absence authorized by the Company or (iii) his transfer to another business entity to which such Participant had been transferred by the Company, even if the Participant is not in the employ of the Company on the last business day of such Plan Year.

## 7.2 SUPPLEMENTAL EXECUTIVE BENEFIT PROGRAM ALLOCATION

For Participants who were Participants of the Plan on January 31, 1995, the Company shall allocate an amount equal to the actuarial present lump sum value as of the Supplemental Effective Date of the Participant's "Benefit Account" as such term is defined in accordance with the terms and provisions of the Plan prior to this restatement.

Such amount shall be accounted for separately from the Participant's Voluntary Deferral Allocations and the Company's Discretionary Allocations.

13

## ARTICLE 8

### ESTABLISHMENT OF ACCOUNTS

#### 8.1 ESTABLISHMENT OF ACCOUNTS

The following Accounts shall be established with respect to each Participant:

- (a) Retirement Account,
- (b) Education Account, and
- (c) Fixed Period Account.

#### 8.2 ACCOUNT AND SUBACCOUNT ALLOCATION

- (a) Each Participant shall submit to the Committee before the beginning of the Plan Year of reference a written statement specifying the respective percentages of the Participant's Voluntary Deferral Allocations and Company's Discretionary Allocations which are to be allocated to the Accounts listed in Subsection 8.1 and described more fully in Article 11.

Notwithstanding the foregoing, the Company's Supplemental Executive Benefit Program Allocation shall automatically be allocated to the Retirement Account and shall remain so invested until distributed in accordance with Article 12.

- (b) The minimum amount which may be allocated to each Account and, if applicable, to each subaccount, is \$1,000.

### 8.3 IRREVOCABLE ALLOCATION

An Eligible Employee may not amend or revoke an allocation made for or during a Plan Year.

14

## ARTICLE 9

### MAINTENANCE, INVESTMENT AND VALUATION OF ACCOUNTS

#### 9.1 MAINTENANCE OF ACCOUNTS

The Committee shall establish and maintain a separate accounting in the name of each Participant, to which it shall credit all amounts allocated in accordance with Articles 6 and 7 and all earnings as determined in accordance with Section 9.2 and 9.3.

#### 9.2 DEEMED INVESTMENT FUND ELECTION

- (a) Initial Election - Each Participant shall designate, in multiples of 10%, one or more of the funds referenced in Section 9.3 for the purpose of attributing earnings to his Account.

If the Participant fails to designate such funds, the entire Account shall be deemed to be invested under the most conservative of the funds selected by the Committee in accordance with Section 9.3 (e.g. a money market fund or a fixed income fund).

- (b) Subsequent Election - A Participant may, by written election at least 10 days prior to the January, April, July or October 1 as of which an election is to be effective, change his fund election with respect to subsequent allocations but, until changed, a fund election shall remain in effect for all subsequent Plan Years.
- (c) Transfer Election - A Participant may, by written

election change his fund election with respect to his then existing Account, provided such change (i) results in multiples of 10% in any one fund and (ii) is applied to the ending balance determined as of the applicable Valuation Date. Such change shall become effective as soon as administratively possible.

- (d) Such elections shall be the basis for the valuation of a Participant's Account in accordance with Section 9.4 but shall not require the Company to actually place assets in such funds or purchase any specific assets for purposes of the Plan.

### 9.3 FUNDS

The Committee shall choose investment vehicles on which to base the imputed earnings of Participant Accounts.

15

Prior to the beginning of each Plan Year, the Committee, in its sole discretion, shall determine the general fund categories and the specific investment vehicles to be offered to Participants and shall notify the Participants of its decisions.

Each Participant's Accounts shall be valued based upon the performance of the deemed investment fund ("fund") selected by the Participant. Such valuation shall reflect the net asset value expressed per share of the designated fund(s). The fair market value of a fund shall be determined by the Plan Administrator. It shall represent the fair market value of all securities or other property held for the respective fund, plus cash and accrued earnings, less accrued expenses and proper charges against the fund to the extent that they are not otherwise paid by the Company in accordance with Subsection 9.4. A valuation summary shall be prepared as of each Determination Date.

### 9.4 ALLOCATION OF EARNINGS AND EXPENSES

- (a) On the basis of the valuation as of a Valuation Date, the Accounts of all Participant's shall be (i) proportionately adjusted to reflect the deemed investment earnings such as interest, dividends, realized and unrealized investment profits and losses

and (ii) directly adjusted to reflect all other applicable transactions during the Plan Year attributable to such Accounts including, but not limited to, any allocations or distributions.

- (b) In addition to its allocations, the Company may pay all the administrative expenses of the Plan and all fees and retainers of the Plan's accountants, counsel, consultant, administrator or other specialist so long as the Plan remains in effect.

16

## ARTICLE 10

### FUNDING LIMITATIONS

#### 10 .1 BENEFIT STATUS

- (a) All benefits under the Plan are unfunded obligations of the Company.
- (b) At no time shall a Participant or the Participant's Beneficiary have any right, title or interest in or to any specific fund or assets of the Company.
- (c) As to any claim for benefits under the Plan, the Participant or the Participant's Beneficiary shall be a creditor of the Company in the same manner as any other creditor having a general claim for unpaid compensation.

#### 10 .2 INVESTMENT AND BENEFIT PAYMENT OBLIGATION OF THE COMPANY

- (a) Nothing contained herein shall require the Company to set aside or earmark any monies or other assets specifically for payments under the Plan.
- (b) Neither the Company nor any Trustee shall be obligated to purchase or maintain any asset, and any reference to investments is solely for the purpose of computing the value of benefits.
- (c) Neither this Plan nor any action taken pursuant to the terms of this Plan shall be considered

to create a fiduciary relationship between the Company and the Plan Participants or any other persons, or to establish a trust in which the assets are beyond the claims of any unsecured creditor of the Company.

- (d) Benefits are payable as they become due irrespective of any actual investments the Company may make to meet its obligations.

17

## ARTICLE 11

### VESTING

#### 11.1 UPON RETIREMENT

Upon eligibility for Retirement, a Participant shall have a 100% vested interest in his Account.

#### 11.2 UPON DEATH OR DISABILITY TERMINATION

Upon the death of a Participant, such Participant's Beneficiary shall be entitled to a 100% vested interest in the Participant's Account.

#### 11.3 UPON OTHER TERMINATION OF EMPLOYMENT

Upon termination of a Participant's employment prior to his Retirement or death, the vested interest to which he shall be entitled with respect to

- (a) his Voluntary Deferral Allocations and any deemed investment experience attributable thereto shall be 100%;
- (b) his Company Allocations and any deemed investment experience attributable thereto shall be determined in accordance with the vesting schedule for Company contributions and any related provisions under the terms of the Company's qualified Profit Sharing Plan.

Notwithstanding the foregoing, that portion of his Company Allocations attributable to the Company's Supplemental Executive Benefit Program Allocation shall be 100% vested at all times.



## ARTICLE 12

## REGULATIONS GOVERNING DISTRIBUTION OF BENEFITS

## 12.1 RETIREMENT ACCOUNT.

## (a) COMMENCEMENT OF BENEFIT.

If a Participant terminates employment for any reason, including death, the Company shall pay such Participant or his Beneficiary, if applicable, a benefit in the form determined under Subsection (b), based on the value of his Retirement Account as of the Participant's Determination Date as soon as administratively practicable following such Determination Date.

Notwithstanding the foregoing paragraph, if an individual ceases to be a Participant in accordance with Subsection 5.4(c) and the circumstances described in the last sentence of such Subsection apply, the total value of his Retirement Account shall be distributed as soon as administratively practicable following the later of the effective date or publication date of the DOL notice or regulations.

## (b) METHOD OF DISTRIBUTION

## (i) UPON NORMAL OR DEFERRED RETIREMENT

Distribution of the Participant's Retirement Account as a result of the Participant's Retirement shall be in one of the following forms at the Participant's election, subject to the rules set forth in Subsection (d).

(A) a single lump sum.

(B) substantially equal annual installments over a period of not less than two nor more than ten full years.

Notwithstanding the foregoing, if the

Participant's Retirement Account has a value less than \$10,000 at the time benefits are to commence, then the Participant's benefit shall be paid as a lump sum as soon as administratively feasible following the Participant's Determination Date.

19

- (ii) UPON DEATH, DISABILITY TERMINATION OR OTHER TERMINATION OF EMPLOYMENT (EXCLUDING NORMAL OR DEFERRED RETIREMENT)

Distribution of the Participant's Retirement Account as a result of the Participant's death, Disability Termination Date or other termination of employment (excluding Normal or Deferred Retirement) shall be in a single lump sum.

(c) DETERMINATION OF BENEFITS

- (i) In the event that the Participant elects to have his benefits distributed in accordance with Subsection (b) (i) (A), he shall receive a single lump sum equal to the total vested value of his Account determined as of his Determination Date.

- (ii) In the event that the Participant elects to have his benefits distributed in accordance with Subsection (b) (i) (B), the

(A) amount of the first payment shall be determined by multiplying the vested value of the Participant's Account as of his Determination Date by a fraction,

(1) the denominator of which equals the number of years over which the benefits are to be paid; and

(2) the numerator of which is one.

(B) amounts of the payments for each succeeding year shall be determined by multiplying the vested value of the

Participant's Account as of the applicable anniversary of his Determination Date by a fraction,

- (1) the denominator of which equals the number of remaining years over which the benefits are to be paid; and
- (2) the numerator of which is one.

20

(d) ELECTION OF FORM OF BENEFIT PAYMENT.

- (i) A Participant shall elect the form in which his benefits are payable in accordance with Subsection (b).

Such elections must be made when the Participant makes his initial election to participate in the Plan in accordance with Article 5.

- (ii) Notwithstanding the foregoing, the Participant may elect to change the form(s) elected in accordance with Paragraph (i), provided such new election is made at least one full calendar year prior to the Participant's Normal or Deferred Retirement.
- (iii) Any election made pursuant to this Article shall be made on forms and in the manner prescribed by the Committee and shall be irrevocable, except as provided in Paragraph (ii).

12.2 EDUCATION ACCOUNT.

- (a) If a Participant remains continuously employed by the Company until January 1 of the calendar year in which an Eligible Dependent attains age 18, the Company shall pay to the Participant a benefit, as soon after such January 1st and each of the next three anniversaries thereof as administratively practicable, determined as of the Valuation Date immediately preceding or coinciding with each such January 1st as follows:

<TABLE>

<CAPTION>

January 1st Year ----- <S>	Percentage of Eligible Dependent's Subaccount ----- <C>
1	25%
2	33-1/3%
3	50%
4	100%

</TABLE>

(b) Subject to the requirements of Section 7.2, a Participant may establish subaccounts under his Education Account by designating Eligible Dependents. A Participant may have a maximum of five such subaccounts at any time. A Participant's election pursuant to Section 8.2 shall apply uniformly to each subaccount.

(c) If a Participant terminates his employment for any reason with a balance in his Education Account, the

21

balance shall be transferred to his Retirement Account and distributed in accordance with Subsections 12.1(a) and (b); but no later than he would have received his benefit as provided in Subsection 12.2(a) above.

(d) Notwithstanding any provision to the contrary, if on the January 1 of the calendar year in which an Eligible Dependent of a Participant attains age 18, the Eligible Dependent's subaccount has a balance of less than \$10,000, then the Plan Administrator shall direct that the balance be paid to the Participant in one lump sum.

(e) If an Eligible Dependent dies prior to the payment of the full amount credited to his subaccount, the balance shall be paid to the Participant as soon as administratively practicable following the Valuation Date coinciding with or immediately following the Eligible Dependent's death.

(f) For purposes of this Section, "Eligible Dependent" means an individual who is a child, stepchild, grandchild, niece or nephew, or who is otherwise identified as a dependent of a Member for purposes of

the Code who is living at any time throughout the Enrollment Period and who is either younger than age 14 or younger than age 18 but for whom a subaccount was initially established pursuant to Subsection (b) prior to his attaining age 14.

### 12.3 FIXED PERIOD ACCOUNT.

- (a) A benefit equal to the lump sum value of the Participant's Fixed Period Account determined as of the Valuation Date coinciding with or immediately preceding the January 1 of the payment year specified by the Participant shall be paid to him as soon as administratively practicable thereafter.
- (b) A Participant shall designate the payment year in the written statement by which the Fixed Period Account is established. The minimum deferral period for such account shall be four Plan Years.

Subject to the requirements of Section 7.2, a Participant may establish subaccounts under his Fixed Period Account, with separate payment years for each. A Participant may have a maximum of two such subaccounts at any time.

A Participant's election pursuant to Section 8.2 shall apply uniformly to each subaccount.

22

- (c) If a Participant's employment terminates for any reason and the Participant has a balance in his Fixed Period Account, the balance shall be transferred to his Retirement Account and be distributed in accordance with Subsections 12.1(a) and (b); but no later than he would have received his benefit as provided in Subsection 12.3(a) above.

### 12.4 CLAIM PROCEDURE FOR BENEFITS

- (a) Any request for specific information with respect to benefits under the Plan must be made to the Committee in writing by a Participant or his Beneficiary. Oral communications will not be recognized as a formal request or claim for benefits.
- (b) The Committee shall provide adequate notice in

writing to any Participant or Beneficiary whose claim for benefits under the Plan has been denied, (i) setting forth the specific reasons for such denial; specific references to pertinent plan provisions; a description of any material and information which had been requested but not received by the Committee; and, (ii) advising such Participant or Beneficiary that any appeal of such adverse determination must be in writing to the Committee, within such period of time designated by the Committee but, until changed, not more than 60 days after receipt of such notification, and must include a full description of the pertinent issues and basis of such claim.

(c) If the Participant or Beneficiary fails to appeal such action to the Committee in writing within the prescribed period of time, the Committee's adverse determination shall be final.

(d) If an appeal is filed with the Committee, the Participant or Beneficiary shall submit such issues he feels are pertinent and the Committee shall reexamine all facts, make a final determination as to whether the denial of benefits is justified under the circumstances, and advise the Participant or Beneficiary in writing of its decision and the specific reasons on which such decision was based, within 60 days of receipt of such written request, unless special circumstances require a reasonable extension of such 60-day period.

## 12.5 SUBSTITUTE PAYEE

If a Participant or Beneficiary entitled to receive any benefits hereunder is in his minority, or is, in the judgment of the Committee, legally, physically, or mentally incapable of personally receiving and receipting any distribution, the

23

Committee may make distributions to a legally appointed guardian or to such other person or institution as, in the judgment of the Committee, is then maintaining or has custody of the payee.

## 12.6 SATISFACTION OF LIABILITY

After all benefits have been distributed in full to a Participant or to his Beneficiary, all liability to such Participant or to his Beneficiary shall cease.

#### 12.7 NONASSIGNABILITY

No benefit under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any such action shall be void for all purposes of the Plan. No benefit shall in any manner be subject to the debts, contracts, liabilities, engagements or torts of any person, nor shall it be subject to attachments or other legal process for or against any person, except to such extent as may be required by law.

24

### ARTICLE 13

#### BENEFICIARY DESIGNATION

13.1 Each Participant, upon becoming eligible for participation in the Plan, may designate a Beneficiary to receive the benefits payable in the event of his death, and designate a successor Beneficiary to receive any benefits payable in the event of the death of any other Beneficiary.

13.2 A Participant may change his Beneficiary at any time. All Beneficiary designations and changes shall be made on an appropriate form as designated by the Committee and filed with the Committee.

13.3 If no person shall be designated by the Participant, or if the designated Beneficiary shall not survive the Participant, payment of his interest shall be made to the Participant's estate.

25

### ARTICLE 14

14.1 AMENDMENT

The Company may amend or otherwise modified the Plan by resolution of its Board of Directors, in whole or in part, either retroactively or prospectively, provided that no amendment or modification shall, with respect to allocations already credited, change the amount of allocations under Article 6 or Article 7 or increase the vesting requirements under Article 10.

14.2 TERMINATION

The Plan may be terminated at any time at the discretion of the Company by resolution of its Board of Directors. Written notification of such action shall be given to each Participant, the Trustee and the Committee. Thereafter, no further allocations or credits shall be made to the Plan. As soon as administratively feasible following termination of the Plan, the Committee shall distribute the amount in each Account to or on behalf of the Participant or Beneficiary entitled thereto.

ARTICLE 15

GENERAL PROVISIONS

15.1 LIMITATION OF RIGHTS

Neither the establishment of the Plan or the Trust Agreement, nor any modification thereof, nor the creation of an account, nor the payment of any benefits shall be construed as giving any Participant, Beneficiary, or any other person whomsoever, any legal or equitable right against the Company, the Trustee or the Committee unless such right shall be specifically provided for in the Plan or the Trust Agreement or conferred by affirmative action of the Committee in accordance with the terms and provisions of the Plan; or as giving any Participant the right to be retained in the service of the Company, and all Participants and other employees shall remain subject to discharge to the same extent as if the Plan had never been adopted.



15.2 CONSTRUCTION OF AGREEMENT

The Plan shall be construed according to the laws of the State of Ohio, and all provisions hereof shall be administered according to, and its validity shall be determined under, the laws of Ohio where preempted by Federal law.

15.3 SEVERABILITY

Should any provision of the Plan or any regulations adopted thereunder be deemed or held to be unlawful or invalid for any reason, such fact shall not adversely affect the other provisions or regulations unless such invalidity shall render impossible or impractical the functioning of the Plan and, in such case, the appropriate parties shall immediately adopt a new provision or regulation to take the place of the one held illegal or invalid.

15.4 TITLES AND HEADINGS

The titles and headings of the Articles in this instrument are for convenience of reference only and, in the event of any conflict, the text rather than such titles or headings shall control.

15.5 BINDING UPON SUCCESSORS

The liabilities under the Plan shall be binding upon any successor or assign of the Company and any purchaser of the Company or substantially all of the assets of the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Plan to be duly executed this 1st day of March, 1995.

ATTEST:

By: /s/ Bruce J. Hach

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President

/s/ Mary A. McCray

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Asst. Secretary

TRUST UNDER HACH COMPANY

DEFERRED COMPENSATION PLAN

- (a) This Agreement made this 10th day of April by and between Hach Company (Company) and Dauphin Deposit Bank and Trust Company (Trustee);
- (b) WHEREAS, Company has adopted a nonqualified plan, the Hach Company Deferred Compensation Plan (Plan);
- (c) WHEREAS, Company has incurred or expects to incur liability under the terms of such Plan with respect to the individuals participating in such Plan;
- (d) WHEREAS, Company wishes to establish a trust (hereinafter called "Trust") and to contribute to the Trust assets that shall be held therein, subject to the claims of Company's Insolvency, as herein defined, until paid to Plan participants and their beneficiaries in such manner and at such times as specified in the Plan;
- (e) WHEREAS, it is the intention of the parties that this Trust shall constitute an unfunded arrangement and shall not affect the status of the Plan as an unfunded plan maintained for the purpose of providing deferred compensation for a select group of management or highly compensated employees for purposes of Title I of the Employee Retirement Income Security Act of 1974;
- (f) WHEREAS, it is the intention of Company to make contributions to the Trust to provide itself with a source of funds to assist it in the meeting of its liabilities under the Plan.

NOW, THEREFORE, the parties do hereby establish the Trust and agree that the Trust shall be comprised, held and disposed of as follows:

SECTION 1.

ESTABLISHMENT OF TRUST.

- (a) Company hereby deposits with Trustee in trust \$1.00, which shall become the principal of the Trust to be held,

1

administered and disposed of by Trustee as provided in this Trust Agreement.

- (b) The Trust shall become irrevocable upon approval by the Board of Directors.
- (c) The Trust is intended to be a grantor trust, of which Company is the grantor, within the meaning of subpart E, part I, subchapter J, chapter 1, subtitle A of the Internal Revenue Code of 1986, as amended, and shall be construed accordingly.
- (d) The principal of the Trust, and any earnings thereon shall be held separate and apart from other funds of Company and shall be used exclusively for the uses and purposes of Plan participants and general creditors as herein set forth. Plan participants and their beneficiaries shall have no preferred claim on, or any beneficiary ownership interest in, any assets of the Trust. Any rights created under the Plan and this Trust Agreement shall be mere unsecured contractual rights of Plan participants and their beneficiaries against Company. Any assets held by the Trust will be subject to the claims of Company's general creditors under federal and state law in the event of Insolvency, as defined in Section 3(a) herein.
- (e) Company, in its sole discretion, may at any time, or from time to time, make additional deposits of cash or other property in trust with Trustee to augment the principal to be held, administered and disposed of by Trustee as provided in this Trust Agreement. Neither Trustee nor any Plan participant or beneficiary shall have any right to compel such additional deposits.

## SECTION 2.

### PAYMENTS TO PLAN PARTICIPANTS AND THEIR BENEFICIARIES.

- (a) Company shall deliver to Trustee a schedule (the "Payment Schedule") that indicates the amounts payable in respect of each Plan participant (and his or her beneficiaries), that provides a formula or other instructions acceptable to

Trustee for determining the amounts so payable, the form in which such amount is to be paid (as provided for or available under the Plan), and the time of commencement for payment of such amounts. Except as otherwise provided herein, Trustee shall make payments to the Plan participants and their beneficiaries in accordance with such Payment Schedule. The Trustee shall

2

make provision for the reporting and withholding of any federal taxes that may be required to be withheld with respect to the payment of benefits pursuant to the terms of the Plan and shall pay amounts withheld to the appropriate taxing authorities or determine that such amounts have been reported, withheld and paid by Company. The Plan participants or their beneficiaries, if applicable, shall be responsible for the reporting and payment of any state or local taxes that may be due to the appropriate taxing authorities with respect to the payment of benefits pursuant to the terms of the Plan.

- (b) The entitlement of a Plan participant or his or her beneficiaries to benefits under the Plan shall be determined by Company or such party as it shall designate under the Plan, and any claim for such benefits shall be considered and reviewed under the procedures set out in the Plan.
- (c) Company may make payment of benefits directly to Plan participants or their beneficiaries as they become due under the terms of the Plan. Company shall notify Trustee of its decision to make payments of benefits directly prior to the time amounts are payable to participants or their beneficiaries. In addition, if the principal of the Trust, and any earnings thereon, are not sufficient to make payments of benefits in accordance with the terms of the Plan, Company shall make the balance of each such payment as it falls due. Trustee shall notify Company where principal and earnings are not sufficient.

### SECTION 3.

#### TRUSTEE RESPONSIBILITY REGARDING PAYMENTS TO TRUST BENEFICIARY WHEN COMPANY IS INSOLVENT.

- (a) Trustee shall cease payment of benefits to Plan participants and their beneficiaries if the Company is Insolvent. Company shall be considered "Insolvent" for purposes of this

- (i) Company is unable to pay its debts as they become due, or
  - (ii) Company is subject to a pending proceeding as a debtor under the United States Bankruptcy Code.
- (b) At all times during the continuance of this Trust, as provided in Section 1(d) hereof, the principal and income of the Trust shall be subject to claims of general creditors of Company under federal and state law as set forth below:

3

- (i) The Board of Directors and the Chief Executive Officer of Company shall have the duty to inform Trustee in writing of Company's Insolvency. If a person claiming to be a creditor of Company alleges in writing to Trustee that Company has become Insolvent, Trustee shall determine whether Company is Insolvent and, pending such determination, Trustee shall discontinue payment of benefits to Plan participants or their beneficiaries.
- (ii) Unless Trustee has actual knowledge of Company's Insolvency, or has received notice from Company or a person claiming to be a creditor alleging that Company is Insolvent, Trustee shall have no duty to inquire whether Company is Insolvent. Trustee may in all events rely on such evidence concerning Company's solvency as may be furnished to Trustee and that provides Trustee with a reasonable basis for making a determination concerning Company's solvency.
- (iii) If at any time Trustee has determined that Company is Insolvent, Trustee shall discontinue payments to Plan participants or their beneficiaries and shall hold the assets of the Trust for the benefit of Company's general creditors. Nothing in this Trust Agreement shall in any way diminish any rights of such general creditors with respect to benefits due under the Plan or otherwise.
- (iv) Trustee shall resume the payment of benefits to Plan participants or their beneficiaries in

accordance with Section 2 of this Trust Agreement only after Trustee has determined that Company is not Insolvent (or is no longer Insolvent).

- (c) Provided that there are sufficient assets, if Trustee discontinues the payment of benefits from the Trust pursuant to Section 3(b) hereof and subsequently resumes such payments, the first payment following such discontinuance shall include the aggregate amount of all payments due to Plan participants or their beneficiaries under the terms of the Plan for the period of such discontinuance, less the aggregate amount of any payments made to Plan participants or their beneficiaries by Company in lieu of the payments provided for hereunder during any such period of discontinuance.

4

#### SECTION 4.

##### PAYMENTS TO COMPANY.

Except as provided in Section 3 hereof, after the Trust has become irrevocable, Company shall have no right or power to direct Trustee to return to Company or to divert to others any of the Trust assets before all payment of benefits have been made to Plan participants and their beneficiaries pursuant to the terms of the Plan.

#### SECTION 5.

##### INVESTMENT AUTHORITY.

- (a) The Trustees shall invest the principal of the Trust and any earnings thereon in accordance with written directions from Company. Such directions shall provide Trustee with the investment discretion to invest the above-referenced amounts within broad guidelines established by Trustee and Company and set forth therein.
- (b) Subject to Subsection (a), the Trustee may
- (i) invest and reinvest the amounts described in Subsection (a) in any form of property not prohibited by law, including, without limitation on the amount which may be invested therein, any mutual funds, money market funds, certificates of deposit, life insurance policies,

annuity contracts, and other deposits yielding a reasonable rate of interest; and

(ii) hold cash uninvested in an amount considered necessary and prudent for proper administration of the Trust, or deposit the same with any banking, savings or similar financial institution supervised by the United States or any state, including the Trustee's own banking department.

(c) Notwithstanding the foregoing, in no event may Trustee invest in securities (including stock or rights to acquire stock) or obligations issued by Company, other than a de minimis amount held in common investment vehicles in which Trustee invests. All rights associated with assets of the Trust shall be exercised by Trustee or the person designated by Trustee, and shall in no event be exercisable by or rest with Plan participants.

5

Subject to the limitation described in the preceding paragraph, Company shall have the right, at anytime, and from time to time in its sole discretion, to substitute assets of equal fair market value for any asset held by the Trust, provided such substitute assets are acceptable to the Trustee.

## SECTION 6.

### DISPOSITION OF INCOME.

During the term of this Trust, all income received by the Trust, net of expenses and taxes, shall be accumulated and reinvested.

## SECTION 7.

### ACCOUNTING BY TRUSTEE.

Trustee shall keep accurate and detailed records of all investments, receipts, disbursements, and all other transactions required to be made, including such specific records as shall be agreed upon in writing between Company and Trustee. Within 90 days following the close of each calendar year and within 90 days after the removal or resignation of Trustee, Trustee shall deliver to Company a written account of its administration of the Trust during such year or during the period from the close of the

last preceding year to the date of such removal or resignation, setting forth all investments, receipts, disbursements and other transactions effected by it, including a description of all securities and investments purchased and sold with the cost or net proceeds of such purchases or sales (accrued interest paid or receivable being shown separately), and showing all cash, securities and other property held in the Trust at the end of such year or as of the date of such removal or resignation, as the case may be.

## SECTION 8.

### RESPONSIBILITY OF TRUSTEE.

(a) Trustee shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, provided, however, that Trustee shall incur no liability to any person for any action taken pursuant to a direction, request or approval given by Company which is contemplated by, and in conformity with, the terms of the Plan or this Trust and is given in writing by Company. In the

6

event of a dispute between Company and a party, Trustee may apply to a court of competent jurisdiction to resolve the dispute.

(b) If Trustee undertakes or defends any litigation arising in connection with this Trust, Company agrees to indemnify Trustee against Trustee's cost, expenses and liabilities (including, without limitation, attorneys' fees and expenses) relating thereto and to be primarily liable for such payments. If Company does not pay such costs, expenses and liabilities in a reasonably timely manner, Trustee may obtain payment from the Trust.

(c) Trustee may consult with legal counsel (who may also be counsel for Company generally) with respect to any of its duties or obligations hereunder.

(d) Trustee may hire agents, accountants, actuaries, investment advisors, financial consultants or other professionals to assist it in performing any of its duties or obligations hereunder.



- (e) Trustee shall have, without exclusion, all powers conferred on Trustees by applicable law, unless expressly provided otherwise herein, provided, however, that if an insurance policy is held as an asset of the Trust, Trustee shall have no power to name a beneficiary of the policy other than the Trust, to assign the policy (as distinct from conversion of the policy to a different form) other than to a successor Trustee, or to loan to any person the proceeds of any borrowing against such policy.
- (f) However, notwithstanding the provisions of Section 8(e) above, Trustee may loan to Company the proceeds of any borrowing against an insurance policy held as an asset of the Trust.
- (g) Notwithstanding any powers granted to Trustee pursuant to this Trust Agreement or to applicable law, Trustee shall not have any power that could give this Trust the objective of carrying on a business and dividing the gains therefrom, within the meaning of section 301.7701-2 of the Procedure and Administrative Regulations promulgated pursuant to the Internal Revenue Code.

7

## SECTION 9.

### COMPENSATION AND EXPENSES OF TRUSTEE.

Company shall pay all administrative and Trustee's fees and expenses. If not so paid, the fees and expenses shall be paid from the Trust.

## SECTION 10.

### RESIGNATION AND REMOVAL OF TRUSTEE.

- (a) Trustee may resign at any time by written notice to Company, which shall be effective 90 days after receipt of such notice unless Company and Trustee agree otherwise.
- (b) Trustee may be removed by Company on 90 days notice or upon shorter notice accepted by Trustee.
- (c) Upon a Change of Control, as defined herein, Trustee may not be removed by Company for one year.

- (d) If Trustee resigns within one year after a Change of Control, as defined herein, Company shall apply to a court of competent jurisdiction for the appointment of successor Trustee or for instructions.
- (e) Upon resignation or removal of Trustee and appointment of a successor Trustee, all assets shall subsequently be transferred to the successor Trustee. The transfer shall be completed within 90 days after receipt of notice of resignation, removal or transfer, unless Company extends the time limit.
- (g) If Trustee resigns or is removed, a successor shall be appointed, in accordance with section 11 hereof, by the effective date of resignation or removal under paragraphs (a) or (b) of this section. If no such appointment has been made, Trustee may apply to a court of competent jurisdiction for appointment of a successor or for instructions. All expenses of Trustee in connection with the proceeding shall be allowed as administrative expenses of the Trust.

8

## SECTION 11.

### APPOINTMENT OF SUCCESSOR.

- (a) If Trustee resigns or is removed in accordance with Section 10(a) or (b) hereof, Company may appoint any third party, such as a bank trust department or other party that may be granted corporate trustee powers under state law, as a successor to replace Trustee upon resignation or removal. The appointment shall be effective when accepted in writing by the new Trustee, who shall have all of the rights and powers of the former Trustee, including ownership rights in the Trust assets. The former Trustee shall execute any instrument necessary or reasonably requested by Company or the successor Trustee to evidence the transfer.
- (b) The successor Trustee need not examine the records and acts of any prior Trustee and may retain or dispose of existing Trust assets, subject to Sections 7 and 8 hereof. The successor Trustee shall not be responsible for and Company shall indemnify and defend the successor Trustee from any claim or liability resulting from any action or inaction of any prior Trustee or from any other past event, or any condition existing at the time it becomes successor Trustee.

SECTION 12.

AMENDMENT OR TERMINATION.

- (a) This Trust Agreement may be amended by a written instrument executed by Trustee and Company.

Notwithstanding the foregoing, no such amendment shall conflict with the terms of the Plan or shall make the Trust revocable after it has become irrevocable in accordance with Section 1(b) hereof.

- (b) The Trust shall not terminate until the date on which Plan participants and their beneficiaries are no longer entitled to benefits pursuant to the terms of the Plan. Upon termination of the Trust any assets remaining in the Trust shall be returned to Company.
- (c) Upon written approval of participants or beneficiaries entitled to payment of benefits pursuant to the terms of the Plan. Company may terminate this Trust prior to the time all benefit payments under the Plan have been made. All assets in the Trust at termination shall be returned to Company.

9

- (d) This Trust Agreement may not be amended by Company for one year following a Change of Control, as defined herein.

SECTION 13.

MISCELLANEOUS.

- (a) Any provision of this Trust Agreement prohibited by law shall be ineffective to the extent of any such prohibition, without invalidating the remaining provisions hereof.
- (b) Benefits payable to Plan participants and their beneficiaries under this Trust Agreement may not be anticipated, assigned (either at law or in equity), alienated, pledged, encumbered or subjected to attachment, garnishment, levy, execution or other legal or equitable process.
- (c) This Trust Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of

Pennsylvania.

- (d) For purposes of this Trust, "Change of Control" shall mean a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Act of 1934.

SECTION 14.

EFFECTIVE DATE.

The effective date of this Trust Agreement shall be March 1, 1995.

IN WITNESS WHEREOF, Company and Trustee have executed this Agreement as of the date first above written.

HACH COMPANY

By: /s/ Bruce J. Hach

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President

ATTEST:

/s/ Mary A. McCray

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Asst. Secretary

DAUPHIN DEPOSIT BANK  
AND TRUST COMPANY

By: /s/ Robin Lake Becker

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Asst. Vice President

ATTEST:

/s/ Bernard Kelly, Jr.

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Assistant Secretary

TO OUR FELLOW SHAREHOLDERS

Fiscal year 1995, a successful period for Hach Company, reflected both challenge and change. Water analysis, the industry we serve, remained in a relatively slow growth mode. Many of our customers, faced with reduced budgets and cost control programs, either eliminated or delayed major spending programs. Thus, sales of our more expensive instruments were sluggish. We believe this is a temporary situation. With worldwide demand for quality water continuing to grow, future emphasis on efficiency in water analysis and water management is certain. We feel confident we can serve these needs and capitalize on the many opportunities before us.

During the year we announced our intent to discontinue the design and manufacture of our electrochemical product line, the reason being the line no longer fits with our long-term strategic intent. To continue to serve our customers' needs for electrochemical products, we have entered into a private-label agreement with a well-known manufacturer. This manufacturer will provide us with a wider range of electrochemical products than we could reasonably develop ourselves. In addition, this company will manufacture the Hach One-TM- Electrode, thus assuring continuation of this unique Hach technology.

The decision to discontinue the design and manufacture of electrochemical products resulted in a one-time pretax charge of \$775,000, related to the write-down of certain assets associated with this product line. Over the years we have tried consistently to maintain a high level of expertise throughout our broad product offerings. Now it is clear to us we can no longer afford to be experts in all areas. Our plan will be to place greater emphasis on our core technologies and form alliances with well-established companies in areas where we are not strong.

#### FINANCIAL POSITION

Figures for both net sales and net income before the cumulative effect of an accounting change were all-time record highs for fiscal year 1995. Net sales increased 5% while net income before the cumulative effect of an accounting change increased 2%. Had it not been for the electrochemical write-off, net income before the cumulative effect of an accounting change would have increased 8% and, as a percent of sales, net income would have been 9.3%. While we were not satisfied with our overall sales increase, we were pleased with the chemical sales increase of 11% and the international sales increase of 13%. These increases were due primarily to volume increases. In recognition of the international theme of this year's Annual Report, we are pleased to announce fiscal year 1995 sales to customers outside the United States increased to 34% of total sales.

[GRAPH]

2

During fiscal year 1995 we continued to concentrate on controlling costs throughout the organization. We have done this by making investments that help our employees become more efficient. By the end of the fiscal year, through normal attrition, our work force had decreased by 2%. This decrease is noteworthy given our increase in sales volume. Sales per employee increased to \$120,000 for the year, compared to \$111,800 for the previous year.

To further reduce costs, we have closed chemical operations in Casper, Wyoming. All chemical manufacturing is now confined to our Ames plant where a new chemical pre-treatment waste facility has been constructed. The construction of this plant demonstrates our ongoing commitment to and concern for the environment.

In September 1994, the Board of Directors authorized the Company to repurchase up to \$2,000,000 in value of Hach Company common stock. At the end of fiscal year 1995, we had repurchased approximately 31,000 shares at an average cost of \$14.40 per share. We continue to believe the repurchase of our own shares is one of the best investments we can make.

In February 1995, the Board of Directors approved a 25% increase in the Company's regular quarterly cash dividend. This is the 14th consecutive year dividends have increased.

[PHOTOGRAPH]

[GRAPH]

## MEASURING PERFORMANCE

We are committed to maximizing the market value of the capital contributed by our shareholders. We believe two performance measurement tools -- Economic Profit and Economic Value Added -- will provide an accurate determination of the value we are creating. Economic Profit is defined as net operating profit after taxes in excess of a computed capital charge for average operating capital employed. Economic Value Added represents the growth in Economic Profit from year to year. We plan to use both during fiscal 1996. We believe focusing our efforts on the components of Economic Profit will translate into increased shareholder value.

## FUTURE OUTLOOK

We are not satisfied with our sales growth rate for this past year. Given our strengths, the potential in the markets we serve and the expectations we have placed upon ourselves, we believe our growth rate should be higher. To help us plan this future growth, we have engaged the services of a nationally known strategic analysis firm. Every area of the Hach organization is involved in this all-encompassing effort. When the study is completed in the latter part of calendar year 1995, we expect some changes will be made in order to place a stronger emphasis on our greatest areas of opportunity.

## IN APPRECIATION

Your Company is grateful for the dedicated service of the Board of Directors. Special recognition should be given to two members, Richard D. Vanous and Jerry M. Churchill, who will not be standing for re-election. They have served as Board members for approximately five years. Both were elected to the Board at a difficult time following the death of the Company founder, the late Clifford C. Hach. Rick and Jerry are chemists by background. Their contributions to the work of the Board are greatly appreciated.

We salute the hard-working, dedicated employees of Hach Company. The success we have experienced would not have been possible without their support and cooperation. We are confident their continued efforts will bring increased value to our loyal shareholders.

Sincerely,

/s/ Kathryn Hach-Darrow

Kathryn Hach-Darrow  
Chairman of the Board  
and Chief Executive Officer

/s/ Bruce J. Hach

Bruce J. Hach  
President  
and Chief Operating Officer

Hach One is a Hach Company trademark.

4

HACH COMPANY AND SUBSIDIARIES  
COMPARATIVE FINANCIAL DATA--10-YEAR SUMMARY  
(THOUSANDS OF DOLLARS EXCEPT RATIO AND SHARE DATA)

SUMMARY OF OPERATIONS	YEARS ENDED APRIL 30,			
	1995	1994	1993	1992
<S>	<C>	<C>	<C>	<C>
Net sales:				
United States . . . . .	\$ 69,867	\$ 69,100	\$ 62,497	\$ 57,148
International . . . . .	35,402	31,269	31,504	27,591
Worldwide . . . . .	105,269	100,369	94,001	84,739
Cost of sales . . . . .	51,994	49,534	46,623	41,938
Selling, general and administrative expense . . . . .	32,240	30,802	28,685	25,936
Research and development expense . . . . .	6,875	6,586	5,752	--
Provision to reduce carrying value of electrochemical assets . . . . .	775	--	--	4,951
Interest income . . . . .	661	467	427	312
Interest expense . . . . .	1	12	48	119
Income taxes . . . . .	4,775	4,842	4,700	4,357

Net income . . . . .	9,270*	9,508+	8,620	7,750
Per share data:++				
Net income. . . . .	0.81*	0.84+	0.76	0.68
Cash dividends. . . . .	0.170	0.136	0.128	0.106

OTHER DATA

Current ratio. . . . .	4.55	4.14	3.49	2.72
Working capital. . . . .	\$ 38,596	\$ 30,699	\$ 25,124	\$ 20,977
Property, plant and equipment, net . . . . .	29,128	28,903	29,270	28,094
Total assets . . . . .	84,258	74,358	66,971	61,619
Long-term liabilities. . . . .	2,070	2,081	2,246	2,104
Stockholders' equity . . . . .	71,328	62,497	54,651	47,301
Equity per share at year end++ . . . . .	6.27	5.49	4.81	4.17
Sales per employee . . . . .	120	112	105	98
Weighted average shares outstanding++ . . . . .	11,385,355	11,385,793	11,361,958	11,348,444

<FN>

\*Net income for 1995 includes a one-time pretax charge of \$775,000 or \$.05 per share after tax for the provision to reduce carrying value of electrochemical assets.

+Net income for 1994 includes a benefit of \$448,000 or \$.04 per share for the cumulative effect of a change in accounting for income taxes.

++All share and per share amounts have been restated to give effect to the five-for-four stock split in April 1994, the three-for-two stock split in June 1992, the five-for-four stock splits in fiscal 1991, 1990 and 1989, and the two-for-one stock split in fiscal 1986. (See Note 4 to the consolidated financial statements.)

</TABLE>

14

<TABLE>  
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SUMMARY OF OPERATIONS	Years ended						
	April 30,	1991	1990	1989	1988	1987	1986
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Net sales:							
United States . . . . .	\$ 50,476	\$ 45,645	\$ 40,598	\$ 36,056	\$ 32,046	\$ 28,812	
International . . . . .	21,844	17,456	15,253	11,579	9,860	8,566	
Worldwide . . . . .	72,320	63,101	55,851	47,635	41,906	37,378	
Cost of sales. . . . .	36,094	32,193	27,392	23,698	21,444	19,444	
Selling, general and administrative expenses	22,360	18,912	17,619	15,564	13,848	12,583	
Research and development expense . . . . .	--	--	--	--	--	--	
Provision to reduce carrying value of electrochemical assets . . . . .	4,372	3,991	3,519	2,984	2,648	2,333	
Interest income. . . . .	296	311	332	313	250	258	
Interest expense . . . . .	177	244	283	322	367	404	
Income taxes . . . . .	3,648	3,007	2,815	2,250	1,799	1,092	
Net income . . . . .	5,965	5,065	4,555	3,130	2,050	1,780	
Per share data:++							
Net income. . . . .	0.53	0.45	0.40	0.28	0.18	0.16	
Cash dividends. . . . .	0.090	0.077	0.065	0.052	0.044	0.038	

OTHER DATA

Current ratio. . . . .	2.79	2.89	2.76	3.57	3.19	3.26
Working capital. . . . .	\$ 17,631	\$ 16,546	\$ 14,555	\$ 15,293	\$ 12,773	\$ 11,748
Property, plant and equipment, net . . . . .	25,024	21,678	18,221	14,493	13,698	13,142
Total assets . . . . .	52,849	47,217	42,530	37,201	33,826	31,635
Long-term liabilities. . . . .	2,593	3,131	3,629	4,259	4,078	4,599
Stockholders' equity . . . . .	40,401	35,328	30,610	27,001	23,922	21,833
Equity per share at year end++ . . . . .	3.56	3.12	2.71	2.40	2.13	1.93
Sales per employee . . . . .	90	85	82	78	71	64
Weighted average shares outstanding++ . . . . .	11,319,723	11,311,315	11,304,776	11,259,349	11,215,338	11,286,458

</TABLE>

15

HACH COMPANY AND SUBSIDIARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS:  
1995 COMPARED TO 1994

Net sales were a record \$105,269,000, an increase of 4.9% over 1994 net sales of \$100,369,000. The Company's domestic net sales increased 1.1% while international net sales increased 13.2%. The domestic sales increase, due to

strong demand for the Company's chemical products, was offset by weak demand for the Company's more expensive process instruments. The international sales increase was due primarily to unit volume increases in most of the Company's major product lines and, to a lesser degree, a weak U.S. dollar.

Cost of sales increased 5.0% to \$51,994,000 from \$49,534,000. This cost item, composed of material, labor and product overhead, increased because of unit volume increases. The gross margin was 50.6% of net sales for both 1995 and 1994.

Selling, general and administrative expense increased 4.7% to \$32,240,000 from \$30,802,000. Selling, general and administration expense for fiscal year 1994 included a one-time charge of approximately \$500,000 for costs associated with the terminated merger with Lawter International, Inc. Without these costs, selling, general and administrative expense increased 6.4% from the prior year. The increase was due primarily to normal wage and salary increases, costs associated with the increased sales volume, and foreign exchange losses of \$401,000 in fiscal year 1995, compared to losses of \$13,000 in fiscal year 1994. The foreign exchange loss in 1995 was due to a weaker U.S. dollar.

Research and development expense increased 4.4% to \$6,875,000 from \$6,586,000. The increase was due primarily to normal wage and salary increases.

During the fourth quarter of fiscal year 1995, the Company's management decided to begin out-sourcing the design and manufacture of the Company's electrochemical products. Accordingly, the Company recorded a one-time pretax charge of \$775,000 for the provision to reduce carrying value of electrochemical assets.

Interest income increased to \$661,000 from \$467,000. The increase was the result of higher average investments and higher interest rates in the current period, along with interest received on federal income tax refunds. The refunds were attributable to research and experimentation tax credits.

The effective income tax rate was 34.0%, compared to 34.8% in 1994. The decrease in the effective income tax rate was due primarily to an increase in the research and experimentation tax credit.

Net dollar sales for the Company's European subsidiary increased 6.5% to \$14,989,000 from \$14,078,000, due primarily to a weaker U.S. dollar. The actual unit sales volume was approximately the same as that of the prior year. The operating income increased 70% to \$1,619,000 from \$952,000. The increase was due primarily to lower costs for U.S. goods, brought about by the weaker U.S. dollar.

#### RESULTS OF OPERATIONS: 1994 COMPARED TO 1993

Net sales were a record \$100,369,000, an increase of 6.8% over 1993 net sales of \$94,001,000. The Company's domestic net sales increased 10.6% due primarily to unit volume increases in most of the Company's major product lines. International net sales decreased 0.8%. The decrease was due primarily to adverse foreign exchange rate changes. Actual international unit sales volume increased 3.3% from the prior year.

Cost of sales increased 6.2% to \$49,534,000 from \$46,623,000. This cost item, composed of material, labor and product overhead, increased primarily because of unit volume increases. The gross margin was 50.6% of net sales in 1994, compared to 50.4% of net sales in 1993.

Selling, general and administrative expense increased 7.4% to \$30,802,000 from \$28,685,000. The primary reasons for the increase were higher payroll and payroll-related costs due to normal salary and wage increases, the recognition of approximately \$500,000 in costs associated with the previously planned merger with Lawter International, Inc., and costs associated with the increased sales volume. Selling, general and administrative expense as a percent of net sales was 30.7% in 1994 compared to 30.5% in 1993. Without the merger-related costs, selling, general and administrative expense as a percent of net sales for 1994 would have been 30.2%.

Research and development expense increased 14.5% to \$6,586,000 from \$5,752,000. The increase was due to the Company's ongoing commitment to increase the number of new products it has to offer.

Interest income increased to \$467,000 from \$427,000. The increase was the result of higher average investments in the current period. Interest expense decreased to \$12,000 from \$48,000. The decrease was due to the payoff of the debt. The effective income tax rate was 34.8%, compared to 35.3% in 1993. The decrease in the effective income tax rate was due primarily to an increase in the research and experimentation tax credit.

Net dollar sales for the Company's European subsidiary decreased 7% to \$14,078,000 from \$15,099,000 due primarily to adverse foreign exchange rate changes. Actual unit sales volume increased 2% from the prior year. Operating income fell 55% to \$952,000 from \$2,139,000. The decrease was primarily due to higher costs for U.S. goods brought about by the stronger U.S. dollar.



CAPITAL RESOURCES AND LIQUIDITY

The Company's liquidity showed continued improvement as reflected by an increase of \$7,897,000 or 26% in working capital. Capital resources were strengthened further as reflected by an increase of \$8,831,000 or 14% in stockholders' equity. The Company expects to continue to pay cash dividends in the future. Company cash dividends paid in 1995, 1994 and 1993 were \$1,935,000, \$1,548,000, and \$1,454,000, respectively. The Company intends to continue to increase cash dividend payments, provided long-term growth is not jeopardized.

The Company monitors cash flow and capital expenditures in great detail as part of its total budgeting process. During fiscal year 1995 the Company spent approximately \$6,450,000 on capital equipment. During fiscal year 1996, the Company expects to spend approximately \$6,500,000 on capital equipment--consisting primarily of production equipment and computer and peripheral equipment to support production, research and development, and administration.

Throughout most of the world, the Company transacts business in U.S. dollars. In Europe, the Company's foreign subsidiary, Hach Europe, transacts business primarily in Belgium Francs. The change in the cumulative currency translation adjustment in 1995 was due primarily to the weakening of the U.S. dollar against the Belgium Franc.

During the year the Company's Board of Directors authorized the Company to repurchase up to \$2,000,000 in value of the Company's common stock. As of April 30, 1995, the Company has repurchased approximately 31,000 shares at an average cost of \$14.40 per share. The Company intends to finance its capital projects, working capital needs and stock buy-back through existing cash and cash equivalents, short-term investments and projected cash flow from operations.

16

HACH COMPANY AND SUBSIDIARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

EFFECTS OF INFLATION ON THE COMPANY

The Company is affected by inflation to about the same degree as other American companies. The Company sells a great variety of products and has a relatively small order size and short production runs. This causes a higher ratio of support or overhead personnel in the factory, research and selling functions. Thus, the impact of wage increases is somewhat greater than what would be typical. As the rate of inflation has declined in recent years, the impact of inflation on the Company has lessened. However, inflation continues to increase costs to the Company, including the costs of material, labor and overhead.

HACH COMPANY AND SUBSIDIARIES  
DESCRIPTION OF BUSINESS

GENERAL NATURE AND SCOPE OF BUSINESS

Hach Company is engaged predominantly in a single industry segment encompassing laboratory instruments, process analyzers and test kits which are used to analyze the chemical content and other properties of water and other aqueous solutions. This segment encompasses the analytical reagents and chemicals manufactured and sold by the Company. The Company manufactures and sells a small amount of chemicals for uses not associated with the Company's analytical systems for water analysis.

<TABLE>  
<CAPTION>

Sales by Principal Product Group (PERCENT OF NET SALES)	1995	1994	1993
<S>	<C>	<C>	<C>
Analytical Reagents and Chemicals	31.3%	30.5%	30.4%
Laboratory and Portable Instruments	29.1%	28.9%	29.6%
Continuous Reading Process Analyzers	16.6%	19.3%	17.8%
Portable Test Kits and Replacements	13.7%	12.2%	12.2%
Other	9.3%	9.1%	10.0%
Total	100%	100%	100%

</TABLE>

Analytical reagents and chemicals are manufactured and sold to support the Hach testing systems of laboratory and portable instruments, process analyzers and portable test kits. More stringent water quality standards and a worldwide direction toward better control of processes--exhibited by ISO (International

Organization for Standardization) 9000 registration of many industrial companies--drive the demand for the Company's products and their continued use.

Laboratory and portable instruments consist of Hach-manufactured analytical instruments in the following categories: spectrophotometers and colorimeters, turbidimeters, pH and ISE meters, pH electrodes, Ion Selective Electrodes, DO (dissolved oxygen) meters, COD (chemical oxygen demand) apparatus, digestion apparatus, conductivity meters, and precision reagent-dispensing devices. These products are sold to municipal water and wastewater utilities, chemical manufacturers, industrial water conditioning firms and organizations, power utilities, commercial analytical laboratories, and government agencies for the testing and monitoring of controlled impurities in water systems.

Continuous-reading process analyzers consist of Hach-manufactured products in the following categories: colorimetric analyzers, process turbidimeters, pH controllers, and analyzer accessories. These products are sold to municipalities for monitoring and controlling drinking water quality and to ensure that wastewater treatment procedures comply with government regulations. Steam-generating plants, including operations at electrical utilities, petrochemical processors, heavy industry installations, and pulp and paper factories, use the Company's continuous-reading process analyzers for on-line monitoring of cooling-tower and boiler-feedwater quality. The micro-electronics industry uses the Company's trace silica analyzers to monitor ultrapure water systems used in processing electronic components.

Hach offers more than 200 different test kits for 12 different application areas ranging from agriculture to water quality. These portable test kits are recognized worldwide for ease of use, innovative chemistry, field-oriented design and rugged construction. Test kits are sold to municipalities for use in monitoring drinking water distribution systems; to conservation groups to monitor for influences impacting the environment; to educators for use in teaching environmental awareness; to customers monitoring industrial processes; to the water-conditioning industry to use in testing water quality; and to environmental regulatory authorities for use in checking compliance requirements.

No material part of the business of the Company is dependent upon a single product or any customer or a small group of customers.

#### DISTRIBUTION

Hach Company sells its analytical systems throughout the United States by direct marketing. The Company has Regional Sales Managers located across the country and responsive telemarketing Customer Service Representatives in the Loveland facility selling its products. The Company directly distributes products to customers in the United States through a modern distribution facility in Ames, Iowa.

Independent distributors and sales representatives, who frequently handle complementary and/or competitive product lines, are used to sell and distribute the Company's products to international customers. Customers in Canada are supported directly by a sales and service office in Winnipeg, Manitoba.

Hach Company operates a facility in Namur, Belgium, for marketing and the distribution of its products to the European market. The Namur facility primarily services the Company's European independent distributors and, to a lesser extent, distributors and sales agents in Mediterranean Africa, and the Middle East.

#### AVAILABILITY OF MATERIALS

The Company has developed close working relationships with many of its key vendors to assure an adequate and continuous supply of materials for the Company's products. There are some unique components that would cause temporary stoppage of specific products if these components were not available. However, since the Company could obtain alternate sources of supply after a reasonable period of time, the temporary stoppage would not have a material adverse effect on the Company.

17

#### HACH COMPANY AND SUBSIDIARIES DESCRIPTION OF BUSINESS (CONTINUED)

#### COMPETITION

The Company competes domestically with a fairly large number of companies. These companies range in size from a few which are larger than Hach and sell, primarily, laboratory and portable instruments, to numerous smaller companies which sell products competitive with only a few of Hach's products. The Company is not aware of any company which competes with it across the full range of products sold by it or which competes with it in all major product lines.

Different competitive factors are of greater or lesser importance with respect to each of the Company's product lines although, overall, technical sophistication, reliability, quality, relative ease of operation and price probably are most important. The Company believes that it has no competitive disadvantages with respect to any of these factors. In many instances the Company has a competitive advantage due to the relative ease with which individuals without technical backgrounds can use the Company's products to perform analyses. Hach Company's competition in international markets is comparable to its competition in domestic markets. However, the international competition, particularly from Europe, appears to be growing more aggressive and competes across a broader range of products.

#### RESEARCH

During fiscal 1995, 1994 and 1993, the Company spent \$6,875,000, \$6,586,000 and \$5,752,000, respectively, on Company-sponsored research and development activities.

#### PATENTS

The Company owns a number of patents. While the company regards its patents as valuable, it does not consider any of its business materially dependent upon any single patent.

#### BACKLOG

The dollar amounts of backlogged orders at May 26, 1995 and May 27, 1994 were \$4,134,000 and \$3,454,000, respectively. During the current fiscal year the Company expects to fill all of the orders which were backlogged at May 26, 1995.

#### EMPLOYEES

At April 30, 1995, the Company employed approximately 880 people. The Company is not a party to any collective bargaining agreements.

#### HACH COMPANY AND SUBSIDIARIES COMMON STOCK PRICE RANGE AND DIVIDENDS

<TABLE>  
<CAPTION>

FISCAL YEAR	QUARTER	SALE		CASH DIVIDENDS PER SHARE
		HIGH	LOW	
<S>	<C>	<C>	<C>	<C>
1995	Fourth . . . . .	16	14 1/2	.05
	Third. . . . .	15 3/4	12 3/4	.04
	Second . . . . .	16	13 1/4	.04
	First. . . . .	16 1/4	13 5/8	.04
1994*	Fourth . . . . .	17	14 1/2	.04
	Third. . . . .	17 1/4	13 1/2	.032
	Second . . . . .	18	16 1/2	.032
	First. . . . .	21 1/4	14 3/4	.032

<FN>  
\*All share and per-share amounts have been restated to give effect to the five-for-four stock split in April 1994.

</TABLE>

The Company's Common Stock is traded in the over-the-counter market and is quoted on the National Association of Securities Dealers Automated Quotation System (NASDAQ) under the symbol HACH. The preceding table sets forth the daily high and low last sales prices for the Company's Common Stock for the periods indicated, as reported in the WALL STREET JOURNAL, together with the amounts of dividends paid for the fiscal years ended April 30, 1995 and 1994. These prices represent quotations between dealers in securities, do not include retail markdowns or commissions, and do not necessarily represent "actual transactions." The current quoted price of the stock is listed daily in the WALL STREET JOURNAL in the NASDAQ National Market System section. On April 30, 1995, there were 865 holders of record of the Company's Common Stock.

#### HACH COMPANY AND SUBSIDIARIES MANAGEMENT'S REPORT AND REPORT OF INDEPENDENT ACCOUNTANTS

Stockholders of Hach Company:

The information presented in this Annual Report was prepared by your Company's management. The financial statements were prepared in accordance with generally

accepted accounting principles applied on a consistent basis. These principles require choices among alternatives and numerous estimates of financial matters. We believe that the accounting principles chosen are appropriate in the circumstances and the estimates and judgments involved in Hach's financial reporting are reasonable and conservative. All other financial and operating data included in this Annual Report are presented to provide information we believe useful to investors.

Management recognizes its responsibility for the integrity and objectivity of the information presented. To meet this responsibility, management maintains a system of internal accounting controls designed to provide reasonable assurance that the financial reports are fairly presented and that our employees comply with our stated policies and procedures, including policies on the ethical conduct of business.

The Audit Committee recommended and the Board of Directors approved the appointment of Coopers & Lybrand L.L.P. as independent auditor for the Company. The Coopers & Lybrand L.L.P. report on the financial statements is presented in this Annual Report.

Audit and related activities of Coopers & Lybrand L.L.P. are conducted throughout the year for the purposes of the annual audit and limited reviews of interim financial statements. The audit of the financial statements is conducted in accordance with generally accepted auditing standards and includes tests of internal controls and accounting records as deemed necessary.

The Audit Committee of the Board of Directors, which is composed solely of outside directors, performs an oversight role relating to Hach's public financial reporting. The Audit Committee meets at least two times a year with management and Coopers & Lybrand L.L.P., both privately and collectively, to discuss internal accounting control and financial reporting matters. Coopers & Lybrand L.L.P. has access to the Audit Committee to discuss any matter.

KATHRYN HACH-DARROW  
Chairman of the Board

GARY R. DREHER  
Vice President and  
Chief Financial Officer

To the Stockholders and Board of Directors of Hach Company:

We have audited the accompanying consolidated balance sheets of Hach Company and Subsidiaries as of April 30, 1995 and 1994, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended April 30, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Hach Company and Subsidiaries as of April 30, 1995 and 1994, and the consolidated results of their operations and their cash flows for each of the three years in the period ended April 30, 1995, in conformity with generally accepted accounting principles.

As discussed in Note 1 to the consolidated financial statements, the Company changed its method of accounting for income taxes in 1994.

COOPERS & LYBRAND L.L.P.  
Denver, Colorado  
June 8, 1995

<TABLE>  
<CAPTION>

	1995	1994	1993
<S>	<C>	<C>	<C>
Net sales	\$105,269	\$100,369	\$94,001
Cost of sales	51,994	49,534	46,623
Gross profit	53,275	50,835	47,378
Selling, general and administrative expense	32,240	30,802	28,685
Research and development expense	6,875	6,586	5,752
Provision to reduce carrying value of electrochemical assets	775	--	--
Income from operations	13,385	13,447	12,941
Interest income	661	467	427
Interest expense	(1)	(12)	(48)
Income before income taxes and cumulative effect of accounting change	14,045	13,902	13,320
Income tax expense	4,775	4,842	4,700
Income before cumulative effect of accounting change	9,270	9,060	8,620
Cumulative effect of change in accounting for income taxes	--	448	--
Net income	\$9,270	\$9,508	\$8,620
Net income per common share:			
Before cumulative effect of accounting change	\$0.81	\$0.80	\$0.76
Cumulative effect of change in accounting for income taxes	--	0.04	--
Net income	\$0.81	\$0.84	\$0.76
Weighted average shares outstanding	11,385,355	11,385,793	11,361,958

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

20

HACH COMPANY AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
APRIL 30, 1995 AND 1994  
(THOUSANDS OF DOLLARS EXCEPT SHARE DATA)

<TABLE>  
<CAPTION>

	1995	1994
<S>	<C>	<C>
ASSETS		
Current assets:		
Cash and cash equivalents	\$13,050	\$ 9,037
Marketable securities, held to maturity	3,925	1,568
Accounts receivable, less reserves of \$247 and \$167, respectively	16,336	15,943
Inventories, net	11,731	11,574
Deferred tax assets and other current assets	4,414	2,357
Total current assets	49,456	40,479
Property, plant and equipment, at cost:		
Buildings and improvements	23,387	21,513
Machinery and equipment	42,305	38,861
Less: allowance for depreciation and amortization	65,692	60,374
Land	28,106	27,896
Net property, plant and equipment	29,128	28,903
Marketable securities, held to maturity	4,385	4,260
Other assets	1,289	716

Total assets	\$84,258	\$74,358
-----		
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 2,835	\$ 2,450
Accrued liabilities:		
Compensation	381	347
Compensated absences	3,487	3,303
Profit sharing	2,435	2,547
Property taxes	485	270
Other	1,237	863
-----		
Total current liabilities	10,860	9,780
-----		
Deferred income taxes	2,070	2,081
-----		
Total liabilities	12,930	11,861
-----		
Commitments and contingencies (Note 5)		
STOCKHOLDERS' EQUITY		
Common stock, \$1 par value; authorized 40,000,000 shares; issued 11,622,953 shares	11,623	11,623
Capital contributed in excess of par value of common stock	148	31
Retained earnings	58,425	51,090
Cumulative currency translation adjustment	2,405	497
-----		
	72,601	63,241
Less: shares held in treasury, at cost (246,479 in 1995 and 227,687 in 1994)	(1,273)	(744)
-----		
Total stockholders' equity	71,328	62,497
-----		
Total liabilities and stockholders' equity	\$84,258	\$74,358
-----		

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

HACH COMPANY AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY  
FOR THE YEARS ENDED APRIL 30, 1995, 1994 AND 1993  
(THOUSANDS OF DOLLARS EXCEPT SHARE DATA)

<TABLE>

<CAPTION>

	Common stock, \$1 par value	Capital contributed in excess of par value of common stock	Retained earnings	Cumulative currency translation adjustment	Shares held in treasury, at cost	Total stockholders' equity
-----						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance April 30, 1992	\$ 9,298	\$ 0	\$38,021	\$692	\$ (710)	\$47,301
Net income	--	--	8,620	--	--	8,620
Cash dividends, \$.128 per share	--	--	(1,454)	--	--	(1,454)
Stock options exercised, net	--	143	--	--	(39)	104
Foreign currency translation adjustment	--	--	--	80	--	80
-----						
Balance April 30, 1993	\$ 9,298	\$ 143	\$45,187	\$772	\$ (749)	\$54,651
Net income	--	--	9,508	--	--	9,508
Cash dividends, \$.136 per share	--	--	(1,548)	--	--	(1,548)
Five-for-four stock split	2,325	(268)	(2,057)	--	--	--
Purchase of treasury stock (339 shares), net	--	--	--	--	(6)	(6)
Stock options exercised, net	--	156	--	--	11	167
Foreign currency translation adjustment	--	--	--	(275)	--	(275)
-----						
Balance April 30, 1994	\$11,623	\$ 31	\$51,090	\$497	\$ (744)	\$62,497
Net income	--	--	9,270	--	--	9,270
Cash dividends, \$.17 per share	--	--	(1,935)	--	--	(1,935)
Purchase of treasury stock (30,922 shares), net	--	--	--	--	(445)	(445)
Stock options exercised, net	--	117	--	--	(84)	33
Foreign currency translation adjustment	--	--	--	1,908	--	1,908
-----						

Balance April 30, 1995	\$11,623	\$ 148	\$58,425	\$2,405	\$(1,273)	\$71,328
------------------------	----------	--------	----------	---------	-----------	----------

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

22

HACH COMPANY AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED APRIL 30, 1995, 1994 AND 1993  
(THOUSANDS OF DOLLARS)

	1995	1994	1993
<S>	<C>	<C>	<C>
Cash flows from operating activities:			
Net income	\$ 9,270	\$ 9,508	\$ 8,620
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	5,769	5,704	5,279
Provision (benefit) for deferred income taxes	(559)	(165)	253
Loss on disposal of equipment	177	112	90
Provision to reduce carrying value of electrochemical assets	775	--	--
(Increase) in accounts receivable	(393)	(1,198)	(1,476)
(Increase) decrease in inventories	(362)	(841)	371
(Increase) decrease in deferred tax assets and other current assets	(1,509)	877	(509)
Increase (decrease) in accounts payable	385	(707)	(960)
Increase (decrease) in accrued liabilities	695	509	(720)
Net cash provided by operating activities	14,248	13,799	10,948
Cash flows from investing activities:			
Proceeds from sale of equipment	62	61	65
Capital expenditures	(6,445)	(5,553)	(6,591)
Purchases of investments held-to-maturity	(4,723)	(4,514)	(2,780)
Proceeds from maturities of short-term investments	2,241	1,517	1,892
(Increase) in other assets	(573)	(92)	(57)
Net cash used by investing activities	(9,438)	(8,581)	(7,471)
Cash flows from financing activities:			
Payments on long-term debt	--	(100)	(450)
Payments on capital lease obligations	(6)	(14)	(121)
Dividends paid	(1,935)	(1,548)	(1,454)
Purchases of treasury stock	(445)	--	--
Exercise of stock options	33	167	104
Net cash used by financing activities	(2,353)	(1,495)	(1,921)
Effects of exchange rate changes	1,556	(220)	61
Net increase in cash and cash equivalents	4,013	3,503	1,617
Cash and cash equivalents at the beginning of the year	9,037	5,534	3,917
Cash and cash equivalents at the end of the year	\$13,050	\$ 9,037	\$ 5,534

Supplemental disclosures of cash flow information:

Cash paid during the year for:

Income taxes	\$ 6,422	\$ 4,283	\$ 5,133
--------------	----------	----------	----------

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

23

HACH COMPANY AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany transactions and account balances have been eliminated in consolidation.

Certain amounts in the financial statements for prior years have been reclassified to conform with the current year's presentation.

#### CASH EQUIVALENTS AND CONCENTRATIONS OF CREDIT RISK

Cash and cash equivalents include currency on hand, demand deposits with banks or other financial institutions, and other highly liquid securities purchased with a maturity of three months or less. Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents. The Company places its cash equivalents with high-credit-quality financial institutions.

The Company's concentration of credit risk with respect to accounts receivable is limited due to a large customer base and its geographic dispersion.

#### INVESTMENTS

The Company uses the amortized cost method of accounting for investments in held-to-maturity debt securities for which it has the positive intent and ability to hold to maturity. Of these securities, \$3,925,000 have contracted maturities within one year, and \$4,385,000 within one to five years.

#### INVENTORIES

Inventories are valued at the lower of cost or market. The cost of United States inventories is based on the last-in, first-out (LIFO) method; all other inventories are based on the average cost method.

#### PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment are stated at cost. Depreciation and amortization are computed by using the straight-line method based on estimated useful lives of the related assets or the lease term. Estimated useful lives range from three to 30 years.

Maintenance and repairs are charged to expense as incurred while major renewals and improvements are capitalized.

The cost and related allowances for depreciation of assets sold or otherwise disposed of are deducted from the related accounts and resulting gains or losses are reflected in operations.

#### INCOME TAXES

Effective May 1, 1993, the Company adopted Statement of Financial Accounting Standards No. 109 (FAS 109) Accounting for Income Taxes. The adoption of FAS 109 changed the Company's method of accounting for income taxes from the deferred method (APB 11) to an asset and liability approach. Previously the Company deferred the past tax effects of timing differences between financial reporting and taxable income. The asset and liability approach requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of those assets and liabilities.

#### FOREIGN CURRENCY TRANSLATION

Foreign asset and liability accounts are converted into U.S. dollars using the exchange rate in effect at the end of the year, and revenue and expense accounts are converted at the average exchange rate in effect during the year.

Unrealized gains and losses are recognized as an adjustment of stockholders' equity; realized gains and losses are recognized in the statement of income.

The Company's European subsidiary enters into foreign exchange forward contracts in an attempt to mitigate risk of currency fluctuations on a portion of the anticipated inventory purchases to be made from Hach Company. As of April 30, 1995, the Company had several forward contracts to sell Belgium Francs in exchange for \$3.5 million, maturing up through November 1995. Gains and losses on these contracts are included in the determination of net income.

#### REVENUE RECOGNITION

The Company sells a large number of different tangible products and the average size of a customer order is relatively small. Revenue is recognized upon shipment of products to customers. Customers purchasing products from the Company may return the products within a 30-day period if they are not satisfied. Estimated returns are charged against earnings in the period the original sale occurred.

The Company does not warrant products for an extended period of time. Warranty claims historically have been minor. Known warranty claims are accrued in the period they become known.

#### EARNINGS PER SHARE

Earnings per share are computed using the weighted average number of shares outstanding during each year. Stock options outstanding do not have a material dilutive effect on earnings per share. Shares used in computing per share amounts give a retroactive effect in all periods to the stock splits described in Note 4.



## 2. INVENTORIES

Components of inventory at April 30 were:

(THOUSANDS OF DOLLARS)		
	1995	1994
<S>	<C>	<C>
Raw materials and purchased parts	\$ 2,832	\$ 2,846
Work in process	1,785	1,492
Finished goods	6,635	6,851
Resale	479	385
Inventories, net	\$11,731	\$11,574

Inventory valuation allowances at April 30, 1995, 1994 and 1993 were \$505,000, \$203,000 and \$329,000, respectively.

Management believes the LIFO method, which results in better matching of current costs with current revenues, minimizes inflation-induced inventory profits and thus more clearly reflects the results of operations. The cost of United States inventories stated under the LIFO method for 1995 and 1994 was approximately 80% of the value of total inventories.

For purposes of comparison to companies not utilizing the LIFO method, the following information is presented. If all inventories had been determined using the current replacement cost at April 30, 1995 and 1994, reported inventories would have been \$2,667,000 and \$2,342,000 higher, respectively. Reported net income would have been \$208,000 (\$.02 per common share) higher for fiscal 1995, \$113,000 (\$.01 per common share) lower for fiscal 1994, and \$247,000 (\$.02 per common share) higher for fiscal year 1993. The impact on reported net income utilizing LIFO, as opposed to the current replacement cost method, has been computed by taking the change from year to year in the difference between the inventory valuation under LIFO and the inventory valuation under current replacement costs and tax affecting such difference by 36% in 1995, 1994 and 1993, the approximate incremental tax rate for each year.

24

## 3. INCOME TAXES

The Company adopted the provisions of Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes (SFAS 109), as of the beginning of fiscal year 1994. The Company previously accounted for income taxes under APB No. 11. As permitted under the new rules, the Company elected to report the cumulative effect of the change in the method of accounting for its income taxes as of the beginning of the 1994 fiscal year in the consolidated statements of income in lieu of restating prior year financial statements. The cumulative effect of the change was a benefit of \$448,000, or \$.04 per share.

Income before income tax expense consisted of the following:

(THOUSANDS OF DOLLARS)			
	1995	1994	1993
<S>	<C>	<C>	<C>
Income before income taxes:			
Domestic	\$12,352	\$12,836	\$11,108
Foreign	1,693	1,066	2,212
	\$14,045	\$13,902	\$13,320
Income tax expense:			
Current:			
Federal	\$ 4,045	\$ 3,819	\$ 2,961
State	606	553	448
Foreign	683	406	857
	5,334	4,778	4,266
Deferred:			
Federal	\$ (496)	27	434
State	(69)	7	--
Foreign	6	30	--
	(559)	64	434

Total	\$ 4,775	\$ 4,842	\$ 4,700
-------	----------	----------	----------

</TABLE>

Components of the 1995 net deferred tax asset and the 1994 net deferred tax liability resulting from differences in book and tax accounting methods are as follows:

<TABLE>  
<CAPTION>

Net Deferred Tax Asset and Liability	(THOUSANDS OF DOLLARS)	
	1995	1994
<S>	<C>	<C>
Deferred tax assets:		
Vacation pay	1,055	1,016
Inventory capitalization	484	462
Write-off of electrochemical assets	233	--
Deferred compensation	208	152
Intercompany profits	117	141
Marketable securities	75	--
Inventory reserves	61	9
Employee benefit plans	53	--
Other	114	93
Total deferred tax assets	2,400	1,873
Deferred tax liabilities:		
Accelerated depreciation	\$ 1,998	\$ 2,015
Foreign deferrals	95	89
Employee benefit plans	--	22
Total deferred tax liabilities	2,093	2,126
Net deferred tax asset (liability)	\$ 307	\$ (253)
Current deferred income tax asset	2,377	1,828
Noncurrent deferred income tax liability	\$ 2,070	\$ 2,081
Net deferred tax asset (liability)	\$ 307	\$ (253)

</TABLE>

The Company believes, based upon past earnings and the forecast of future earnings, that as of April 30, 1995 all of the deferred tax assets will be realized. Accordingly, no valuation allowance has been provided.

Components of the provision for deferred income taxes for 1993 (a disclosure required under APB No.11 tax accounting but not under SFAS No. 109 tax accounting) are as follows:

<TABLE>  
<CAPTION>

DEFERRED TAX EXPENSE	(THOUSANDS OF DOLLARS)	
	1993	
<S>	<C>	
Accelerated depreciation		\$ 206
Employee benefit plans		100
Inventory reserves		72
Intercompany profits		29
Vacation pay		(95)
Other		122
		\$ 434

</TABLE>

Effective tax rates on income before income taxes for the years ended April 30, 1995, 1994 and 1993 were 34%, 35% and 35%, respectively. Differences from applying the statutory Federal corporate income tax rate to income before income taxes are due to the following:

<TABLE>  
<CAPTION>

	(THOUSANDS OF DOLLARS)		
	1995	1994	1993
<S>	<C>	<C>	<C>
Computed statutory expense	\$4,775	\$4,727	\$4,529

State income tax, net	386	361	296
Prior year's tax accrual adjustment	284	--	--
Difference between U.S. statutory rates and foreign effective rates	114	74	105
Foreign sales corporation	(95)	(90)	(102)
Current year's tax credits, net	(185)	(158)	(6)
Prior year's amended tax credits, net	(418)	--	--
Other, net	(86)	(72)	(122)
	-----	-----	-----
	\$4,775	\$4,842	\$4,700
	-----	-----	-----

</TABLE>

Undistributed earnings intended to be reinvested indefinitely by the foreign subsidiaries totaled \$6,500,000 at April 30, 1995. These earnings would become taxable upon the sale or liquidation of the foreign subsidiaries or upon the remittance of dividends. The determination of the deferred tax liability related to these undistributed earnings is not practicable and, accordingly, no U.S. deferred income tax has been recorded.

#### 4. COMMON STOCK

In April 1994, the Company effected a five-for-four stock split in the form of a 25% stock dividend. Capital contributed in excess of par value of common stock and retained earnings has been charged and common stock has been credited for the par value of the 2,324,591 shares issued in connection with the split based upon those outstanding shares at March 18, 1994.

In June 1992, the Company effected a three-for-two stock split in the form of a 50% stock dividend. As of April 30, 1992, capital contributed in excess of par value of common stock and retained earnings has been charged and common stock has been credited for the par value of the 3,099,454 shares issued in connection with the split based upon those outstanding shares at May 14, 1992.

All per-share figures and common stock amounts in the consolidated financial statements and notes to consolidated financial statements have been restated to give effect to these stock splits.

25

#### 5. EMPLOYEE BENEFITS

The Company has an employee profit-sharing plan covering substantially all regular employees of the Company with the maximum contribution limited to the amount allowable for federal tax purposes. Each year the Company's Board of Directors approves an amount the Company will contribute to the plan. The Company's annual contributions under the Plan were \$1,967,000 in 1995; \$1,941,000 in 1994 and \$1,489,000 in 1993.

The Company has an Employee Stock Ownership Plan (ESOP) which is a noncontributory plan established to acquire shares of the Company's common stock for the benefit of all eligible employees. The Company accounts for the ESOP under Employers' Accounting for Employee Stock Ownership Plans (SOP 93-6). Each year the Company's Board of Directors approves an amount the Company will contribute to the plan. The Company contributions to the Plan were \$650,000 in 1995, \$649,000 in 1994 and \$993,000 in 1993. ESOP stock purchases are made from the open market. As of April 30, 1995, all shares in the ESOP plan were allocated to participants.

The Company periodically grants certain officers and key employees incentive stock options to purchase common stock. Under the 1993 Plan, 625,000 shares of the Company's common stock have been reserved for option at a price not less than the market price on the date of grant. Options granted under the plan may not be exercised until one year after the date of grant. Options are exercisable in installments on a cumulative basis beginning in the second year after grant and expiring not later than ten years from the date of grant. At April 30, 1995, a total of 493,750 shares was available for future grants under the 1993 plan. Options outstanding at April 30, 1995 include options granted under the Company's previous stock option plan.

A summary of stock option information follows:

<TABLE>

<CAPTION>

	Number of shares	Price per share	Shares exercisable
	-----	-----	-----
<S>	<C>	<C>	<C>
April 30, 1992	110,988	\$8.96	23,487

Granted	118,125	21.80	
Exercised	(23,003)	8.96	
Cancelled	--	--	
-----			
April 30, 1993	206,110	8.96--21.80	44,235
Granted	131,250	16.20	
Exercised	(26,713)	8.96	
Cancelled	(7,344)	8.96	
-----			
April 30, 1994	303,303	8.96--21.80	96,632
Granted	--	--	--
Exercised	(25,101)	8.96	
Cancelled	--	--	--
-----			
April 30, 1995	278,202	\$8.96 - 21.80	152,992
-----			

</TABLE>

The Company has employment agreements with seven of its officers which come into effect only upon a change in control of the Company (as defined), and thereafter provide for continued employment of such individuals for a three-year term at an annual compensation rate (aggregate of approximately \$2,250,000), and with such employment benefits as in effect at the time of the commencement of the employment period.

On April 24, 1995, the Board of Directors, subject to stockholders' approval at the August 29, 1995 annual meeting, approved the Hach Company Employee Stock Purchase Plan. Under the plan, the Company has reserved and may issue up to an aggregate of 500,000 shares of common stock in semi-annual offerings over a five-year period. Stock will be sold at 85% of fair market value, as defined in the plan.

#### 6. SEGMENT INFORMATION

The Company operates primarily in a single industry segment encompassing laboratory instruments, process analyzers and test kits which analyze the chemical content and other properties of water and other aqueous solutions. This segment also encompasses the chemicals manufactured and sold by the Company, most of which are used with the instruments and test kits manufactured by the Company.

Sales for the Company's European subsidiary are made to European dealers and to customers in the Middle East and Mediterranean Africa in Belgium francs and U.S. dollars, respectively. Payments from the European subsidiary to the U.S. parent are made in U.S. dollars and are subject to the exchange rate in effect at the time of payment. Export transactions made to all other parts of the world by the international staff based in Loveland, Colorado, are conducted primarily in U.S. dollars.

The amount of sales made into the international marketplace is influenced to some degree by the strength of the U.S. dollar against other currencies. Other conditions which to some extent affect the sales of the Company's products in international markets include restrictive tariff and trade policies imposed by foreign countries, and domestic and foreign tax and economic policies.

The following table summarizes certain financial information by geographic segments:

26

#### HACH COMPANY AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

<TABLE>  
<CAPTION>

#### GEOGRAPHIC SEGMENT INFORMATION (thousands of dollars)

	1995	1994	1993
	<C>	<C>	<C>
-----			
Net Sales to Unaffiliated Customers:			
United States:			
Domestic	\$ 69,867	\$ 69,100	\$ 62,497
-----			
Export:			
Canada	3,951	3,724	3,678
Asia	7,414	6,077	5,874
Australia/Oceania	1,212	1,134	828
Mexico/Central America/Caribbean	2,924	2,804	2,885
South America	3,023	2,133	1,809
Other	1,889	1,319	1,331
-----			

	20,413	17,191	16,405
Europe	90,280 14,989	86,291 14,078	78,902 15,099
	105,269	100,369	94,001
Net Sales to European Subsidiaries:			
United States	8,310	9,868	8,497
Eliminations	(8,310)	(9,868)	(8,497)
	\$ 105,269	\$ 100,369	\$ 94,001
Income from Operations:			
United States	\$ 11,766	\$ 12,495	\$ 10,802
Europe	1,619	952	2,139
	\$ 13,385	\$ 13,447	\$ 12,941
Identifiable Assets:			
United States	\$ 48,795	\$ 48,383	\$ 47,276
Europe	8,401	8,036	7,472
Corporate Assets	57,196 27,062	56,419 17,939	54,748 12,223
	\$ 84,258	\$ 74,358	\$ 66,971

</TABLE>

7. UNAUDITED SUMMARY OF QUARTERLY FINANCIAL INFORMATION  
(THOUSANDS OF DOLLARS EXCEPT PER SHARE AMOUNTS)

<TABLE>  
<CAPTION>

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
<S>	<C>	<C>	<C>	<C>
Fiscal Year 1995:				
Net sales	\$25,072	\$26,082	\$25,953	\$28,162
Gross profit	12,761	13,265	13,177	14,072
Net income	2,250	2,425	2,285	2,310*
Net income per common share	0.20	0.21	0.20	0.20*
Fiscal Year 1994:				
Net sales	\$24,847	\$24,773	\$23,290	\$27,459
Gross profit	12,488	12,854	11,831	13,662
Net income	2,793+	2,095	1,825	2,795
Net income per common share	0.25+	0.18	0.16	0.25

<FN>

\*Includes a one-time pretax charge of \$775,000 or \$.05 per share after tax for provision to reduce the carrying value of electrochemical assets.

+Includes income of \$448,000 or \$.04 per share for the cumulative effect of a change in accounting for income taxes.

</TABLE>

SUBSIDIARIES OF THE REGISTRANT

<TABLE>  
<CAPTION>

Subsidiary -----	Jurisdiction of Incorporation -----
<S> Hach Europe, S.A./N.V.	<C> Belgium
Hach (Barbados) FSC, Inc.	Barbados
Hach Sales & Service Canada Ltd.	Canada

</TABLE>

[Coopers & Lybrand L.L.P. Letterhead]

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statement of Hach Company and Subsidiaries on Form S-8 (File No. 33-39019) and Form S-8 (File No. 33-90584) of our report dated June 8, 1995 on our audits of the consolidated financial statements of Hach Company and Subsidiaries as of April 30, 1995 and 1994, and for the years ended April 30, 1995, 1994, and 1993, which report is incorporated by reference in this Annual Report on Form 10-K.

/s/ Coopers & Lybrand L.L.P.

Denver, Colorado  
July 27, 1995

<TABLE> <S> <C>

<ARTICLE> 5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE 1995 ANNUAL REPORT FOR THE YEAR ENDED APRIL 30, 1995 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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