

SECURITIES AND EXCHANGE COMMISSION

FORM SC 13E3/A

Schedule filed to report going private transactions(Issuer Self-Tender Offer) [amend]

Filing Date: **1998-04-09**
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SUBJECT COMPANY

WHEELABRATOR TECHNOLOGIES INC /DE/

CIK: **790159** | IRS No.: **222678047** | State of Incorpor.: **DE** | Fiscal Year End: **1231**
Type: **SC 13E3/A** | Act: **34** | File No.: **005-37424** | Film No.: **98591084**
SIC: **4991** Cogeneration services & small power producers

Mailing Address
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HAMPTON NH 03842*

Business Address
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HAMPTON NH 03842
6039293000*

FILED BY

WASTE MANAGEMENT INC /DE/

CIK: **104938** | IRS No.: **362660763** | State of Incorpor.: **DE** | Fiscal Year End: **1231**
Type: **SC 13E3/A**
SIC: **4953** Refuse systems

Mailing Address
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OAKBROOK IL 60523*

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6305728800*

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 3

(FINAL AMENDMENT)

TO

SCHEDULE 13E-3

RULE 13E-3 TRANSACTION STATEMENT

(PURSUANT TO SECTION 13(E) OF THE SECURITIES EXCHANGE ACT OF 1934)

WHEELABRATOR TECHNOLOGIES INC.
(NAME OF ISSUER)

WASTE MANAGEMENT, INC.
WMI MERGER SUB, INC.
(NAMES OF PERSONS FILING STATEMENT)

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

962901 30 2
(CUSIP NUMBER OF CLASS OF SECURITIES)

HERBERT A. GETZ, ESQ.
SENIOR VICE PRESIDENT, GENERAL COUNSEL AND SECRETARY
WASTE MANAGEMENT, INC.
3003 BUTTERFIELD ROAD
OAK BROOK, ILLINOIS 60523
TELEPHONE: (630) 572-8800
(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSONS
AUTHORIZED TO RECEIVE NOTICES AND COMMUNICATIONS
ON BEHALF OF PERSONS FILING STATEMENT)

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CHICAGO, IL 60606
(312) 407-0700

This statement is filed in connection with (check the appropriate box):

a. The filing of solicitation materials or an information statement subject

a Delaware corporation ("Waste Management"), WMI Merger Sub, Inc., a Delaware corporation ("Merger Sub"), and Wheelabrator Technologies Inc., a Delaware corporation (the "Company"). All information set forth below should be read in connection with the information contained or incorporated by reference in the Transaction Statement as previously amended. Unless otherwise indicated, capitalized terms used and not defined herein have the respective meanings ascribed thereto in the Company's Definitive Proxy Statement, dated February 27, 1998 (the "Definitive Proxy Statement"), a copy of which previously was filed as Exhibit 17(d) (1) to the Transaction Statement.

On March 30, 1998, Merger Sub was merged with and into the Company. The Company was the surviving entity. Each share of common stock, par value \$.01 per share (the "Common Stock"), of the Company issued and outstanding immediately prior to the effective time (the "Effective Time") of the Merger (other than Common Stock owned by Waste Management and its affiliates, treasury shares held by the Company immediately prior to the Effective Time and any shares of Common Stock owned by stockholders who perfected their dissenters rights (the "Dissenting Shares")) was converted into the right to receive \$16.50 in cash (the "Merger Consideration"), pursuant to the terms of the Merger Agreement.

Pursuant to the Merger Agreement, at the Effective Time, each share of Common Stock issued, outstanding and owned by Waste Management, Merger Sub or any direct or indirect subsidiary of Waste Management or any of the Company's direct or indirect wholly-owned subsidiaries (the "Nonaffiliated Shares") and all treasury shares held by the Company immediately prior to the Effective Time ceased to be outstanding and were cancelled and retired without payment of any consideration therefor and ceased to exist. At the Effective Time, each share of common stock of Merger Sub issued and outstanding immediately prior to the Effective Time was converted into one validly issued, fully paid and nonassessable share of Common Stock of the Company.

Immediately prior to the Effective Time, Waste Management directly or indirectly owned approximately 67% of the outstanding Common Stock. After the Effective Time, Waste Management directly or indirectly owned 100% of the outstanding Common Stock.

Upon consummation of the Merger, the Common Stock ceased to be qualified for listing on the New York Stock Exchange and became eligible for termination of registration pursuant to Rules and Regulations under the Securities Exchange Act of 1934, as amended. The Company filed with the Securities and Exchange Commission on March 30, 1998 a Form 15 with respect to the termination of registration of the Common Stock.

ITEM 1. ISSUER AND CLASS OF SECURITY SUBJECT TO THE TRANSACTION

Item 1 of the Transaction Statement is hereby amended and supplemented as follows:

(c) Upon consummation of the Merger, the Common Stock ceased to be qualified

for listing on the New York Stock Exchange and became eligible for termination of registration pursuant to the Rules and Regulations under the Securities Exchange Act of 1934, as amended. The Company filed with the Securities and Exchange Commission on March 30, 1998 a Form 15 with respect to the termination of registration of the Common Stock.

(f) The Introduction to this Final Amendment to the Transaction Statement is incorporated herein by reference.

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ITEM 5. PLANS OR PROPOSALS OF THE ISSUER OR AFFILIATE

Item 5 of the Transaction Statement is hereby amended and supplemented as follows:

(a) The Merger was consummated by the filing of the Certificate of Merger with the Secretary of State of the State of Delaware on March 30, 1998.

(c) At the Effective Time, the existing members of the Board of Directors of Merger Sub became the members of the Board of Directors of the Surviving Corporation.

(f); (g) On March 30, 1998, after the closing of the Merger, the Company filed with the Securities and Exchange Commission a Form 15 with respect to the termination of registration of the Common Stock.

ITEM 6. SOURCE AND AMOUNTS OF FUNDS OR OTHER CONSIDERATION

Item 6 of the Transaction Statement is hereby amended and supplemented as follows:

(a); (c) On March 31, 1998, Waste Management entered into a \$1.25 billion credit facility with The Chase Manhattan Bank as the arranger ("Chase") and several other participating banks. The credit facility will be comprised of an unsecured \$575 million term facility (the "Term Facility") and an unsecured \$675 million revolving credit facility (the "Revolving Credit Facility" and, together with the Term Facility, the "Credit Facility"). The purpose of the Credit Facility is to provide funds required for the payment of the Merger Consideration in connection with the Merger and to provide a facility for general corporate purposes including a back-up credit facility in support of Waste Management's regular issuance of commercial paper. The Credit Facility has a stated December 31, 1998 expiration date but is anticipated to expire earlier upon completion of the merger of Waste Management with a subsidiary of USA Waste Services, Inc., upon consummation of which Waste Management will be a wholly-owned subsidiary of USA Waste Services, Inc. The Credit Facility also requires Waste Management to pay down a portion of the funds borrowed thereunder and reduce the Credit Facility size in the event Waste Management engages in certain debt or equity offerings or material asset sales. Waste

Management may elect that the Credit Facility bear interest at a rate per annum equal to (i) the higher of (A) Chase's publicly announced prime rate and (B) the federal funds effective rate from time to time plus 0.5%, or (ii) the offered rate for eurodollar deposits in the London interbank market for an interest period of one month, as adjusted for statutory reserve requirements for eurocurrency liabilities plus an additional amount (the "Applicable Margin"). The Applicable Margin for the Term Facility is (i) 0.45% if Waste Management's senior, unsecured, long-term indebtedness that is not subject to guarantees or other credit enhancements ("Senior Debt") is rated BBB or higher and Baa2 or higher by Standard & Poor's Ratings Services ("S&P") and Moody's Investors Service, Inc. ("Moody's"), respectively, (ii) 0.55% if Waste Management's Senior Debt is rated BBB- or above and Baa3 or above by S&P and Moody's, respectively, and (iii) 0.75% if neither (i) nor (ii) is applicable. The Applicable Margin for the Revolving Credit Facility is (i) 0.30% if Waste Management's Senior Debt is rated BBB or higher or Baa2 or higher by S&P and Moody's, respectively, (ii) 0.40% if Waste Management's Senior Debt is rated BBB- or Baa3 by S&P and Moody's, respectively, and (iii) 0.60% if Waste Management's Senior Debt is rated lower than BBB- and Baa3 by S&P and Moody's, respectively. Waste Management may also request to receive money market loans (if the sum of such money market loans and any revolving loans do not exceed the maximum permissible revolving loans) at a rate equal to the respective lender's fixed money market rate. The making of each loan is conditioned upon (i) the accuracy of all representations and warranties in the credit documentation (other than the material adverse change and litigation representations) and compliance with all covenants, including certain net worth and debt to earnings before interest, taxes, depreciation and amortization ratios, (ii) there being no default or event of default in existence at the time of, or after giving effect to the making of, such loan and (iii), in the case of the Term Facility, the consummation of the Merger in accordance with the Merger Agreement.

ITEM 7. PURPOSE(S), ALTERNATIVES, REASONS AND EFFECTS

Item 7 of the Transaction Statement is amended and supplemented as follows:

(d) The Introduction to this Final Amendment to the Transaction Statement is incorporated herein by reference.

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ITEM 10. INTEREST IN SECURITIES OF THE ISSUER

Item 10 of the Transaction Statement is hereby amended and supplemented as follows:

(a); (b) The Introduction to this Final Amendment to the Transaction Statement is hereby incorporated herein by reference in its entirety.

ITEM 17. MATERIAL TO BE FILED AS EXHIBITS

The Exhibit Index set forth on page 6 of this Transaction Statement is incorporated herein by reference.

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SIGNATURE

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

April 9, 1998

(Date)

Waste Management, Inc.

/s/ Herbert A. Getz

By: _____
(Signature)

Name: Herbert A. Getz

Title: Senior Vice President and
Secretary

Waste Management, Inc.

(Name and Title)

WMI Merger Sub, Inc.

/s/ Herbert A. Getz

By: _____
(Signature)

Name: Herbert A. Getz

Title: Vice President and Secretary
WMI Merger Sub, Inc.

(Name and Title)

WASTE MANAGEMENT, INC.

WMI MERGER SUB, INC.

SCHEDULE 13E-3

EXHIBIT INDEX

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- <C> <S>
- 17(a) Credit Agreement dated as of March 31, 1998 among Waste Management, Inc., the lenders party thereto and The Chase Manhattan Bank, as Administrative Agent.+
- 17(b) (1) Fairness opinion of Goldman, Sachs & Co. (incorporated by reference to Appendix B-1 to the Definitive Proxy Statement filed as Exhibit 17(d) (1) hereto).
- 17(b) (2) Fairness opinion of Lazard Freres & Co. LLC (incorporated by reference to Appendix B-2 to the Definitive Proxy Statement filed as Exhibit 17(d) (1) hereto).
- 17(b) (3) Fairness opinion of Merrill Lynch, Pierce, Fenner, & Smith Incorporated.*
- 17(b) (4) Materials prepared for the Special Committee of Wheelabrator Technologies Inc. by Goldman, Sachs & Co. and Lazard Freres & Co. LLC.*
- 17(b) (5) Materials prepared for the Board of Directors of Waste Management, Inc. by Merrill Lynch, Pierce, Fenner & Smith Incorporated.*
- 17(c) (1) Agreement and Plan of Merger dated as of December 8, 1997 by and among Waste Management, Inc. ("Waste Management"), WMI Merger Sub, Inc. ("Merger Sub") and Wheelabrator Technologies Inc. (the "Company") (incorporated by reference to Appendix A to the Definitive Proxy Statement filed as Exhibit 17(d) (1) hereto).
- 17(c) (2) Agreement and Plan of Merger and Reorganization, dated June 14, 1989, among The Wheelabrator Group, Inc. ("WGI"), Resco Holdings Inc. ("RHI") and Wheelabrator Technologies Inc. (incorporated by reference to Annex I to Joint Proxy Statement/Prospects dated July 24, 1989 included in the Registration Statement of WGI on Form S-4, Registration No. 33-30113).
- 17(c) (3) Modification Agreement, dated August 24, 1989, among the Company, RHI, WTI, The Henley Group, Inc. ("Henley") and Waste Management of North America, Inc. ("WMNA") (incorporated by reference to the Statement on Schedule 13D (the "13D") filed by Waste Management on August 31, 1989).
- 17(c) (4) Agreement and Plan of Merger, dated March 30, 1990, among Waste Management, WMI Sub Inc. and the Company (the "WMNA Merger Agreement") (incorporated by reference to Annex 1 to Exhibit 7 to Amendment 3 to the 13D, filed by Waste Management on August 2, 1990).
- 17(c) (5) Amendment to the WMNA Merger Agreement (the "Amendment"), dated July 24, 1990, among Waste Management, WMI Sub Inc. and the Company (incorporated by reference to the WMNA Merger Agreement, as amended to reflect the Amendment, a copy of which was included as Annex 1 to the Proxy Statement-Prospectus of Waste Management and the Company, a copy of which was included as Exhibit 7 to Amendment 3 to the 13D, filed by Waste Management on August 2, 1990).
- 17(c) (6) Certain ancillary agreements to the WMNA Merger Agreement (the "Ancillary Agreements"), among Waste Management and the Company (incorporated by reference to the Ancillary Agreements, filed as Exhibits 8, 9, 10, 11 and 12 to Amendment 4 to the 13D, filed by Waste Management on September 10, 1990).
- 17(c) (7) Letter Agreement, dated October 25, 1990, among the Company, WMNA,

Henley, Henley Support Co. Two and RHI (incorporated by reference to Exhibit 13 to Amendment 6 to the 13D, filed by Waste Management on November 20, 1990).

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NUMBER

DOCUMENT DESCRIPTION

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17(c) (8) The Agreement and Plan of Merger, dated December 8, 1997, among Waste Management, the Company and WMI Merger Sub, Inc. (incorporated by reference to Appendix A to the Definitive Proxy Statement filed as Exhibit 17(d) (1) hereto.

17(d) (1) Definitive Proxy Statement.*

17(d) (2) Letter of Transmittal.+

17(d) (3) Notice of Merger.+

17(e) Section 262 of the Delaware General Corporation Law (incorporated by reference to Appendix C to the Definitive Proxy Statement filed as Exhibit 17(d) (1) hereto).

17(f) Inapplicable.

</TABLE>

+Filed herewith.

*Previously filed.

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CREDIT AGREEMENT

dated as of

March 31, 1998

among

WASTE MANAGEMENT, INC.,

The Lenders Party Hereto

and

THE CHASE MANHATTAN BANK,
as Administrative Agent

\$575,000,000 TERM LOAN FACILITY

\$675,000,000 REVOLVING CREDIT FACILITY

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EXHIBITS:

- Exhibit A -- Form of Addendum
Exhibit B -- Form of Assignment and Acceptance
Exhibit C -- Form of Borrowing Request
Exhibit D -- Form of Opinion of Counsel
Exhibit E -- Form of Money Market Loan Confirmation Letter

CREDIT AGREEMENT, dated as of March 31, 1998, among WASTE MANAGEMENT, INC., a Delaware corporation, the Lenders party hereto, and THE CHASE MANHATTAN BANK, as Administrative Agent.

The parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

"Addendum" means an instrument, substantially in the form of Exhibit A, by which a Lender becomes a party to this Agreement, effective on the Effective Date.

"Adjusted LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

"Administrative Agent" means The Chase Manhattan Bank, in its capacity as administrative agent for the Lenders hereunder.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective from and including the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"Applicable Margin" means the per annum rate set forth below opposite the Level then in effect:

Level -----	Term Loans -----	Revolving Loans -----
Level I	0.450%	0.300%
Level II	0.550%	0.400%
Level III	0.750%	0.600%

"Applicable Percentage" means, with respect to any Lender, the percentage of the total Revolving Commitments and outstanding Term Loans represented by such Lender's Revolving Commitment and outstanding Term Loans. If the Revolving Commitments have terminated or expired and the Term Loans have been paid in full, the Applicable Percentages shall be determined based upon the Revolving Commitments and outstanding Term Loans most recently in effect or outstanding, giving effect to any assignments.

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit B or any other form approved by the Administrative Agent.

"Attributable Debt" means, in respect of a Sale/Leaseback Transaction, as at the time of determination, the present value (discounted at the interest rate assumed in making calculations in accordance with FAS 13) of the total obligations of the Borrower or the relevant Subsidiary, as lessee, for rental

payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended).

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" means Waste Management, Inc., a Delaware corporation.

"Borrowing" means (a) Revolving Loans or Term Loans of the same Class and Type, made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect and (b) a Money Market Loan made by a Revolving Lender on a single date and as to which a single Interest Period is in effect.

"Borrowing Request" means (a) in the case of a Term Borrowing or Revolving Borrowing, a request by the Borrower for a Borrowing in accordance with Section 2.03, substantially in the form of Exhibit C and (b) in the case of a Money Market Borrowing, the relevant Money Market Bid Request.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City, Pittsburgh, Pennsylvania, Charlotte, North Carolina or Chicago, Illinois are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

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"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Capital Stock" means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

"Change in Control" means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any "person" or "group" (within the meaning of the Securities Exchange Act of 1934, as amended, and the rules of the SEC thereunder as in effect on the date hereof), of shares representing more than 20% of the aggregate ordinary voting power represented by the issued and outstanding capital stock of the Borrower; (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Borrower by Persons who were neither (i) nominated by the board of directors of the Borrower nor (ii) appointed by directors so nominated; or (c) the failure of WMNA to remain a Wholly Owned Subsidiary of the Borrower.

"Change in Law" means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender (or, for purposes of Section 2.13(b), by any lending office of such Lender or by such Lender's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

"Class", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans, Term Loans or Money Market Loans and, when used in reference to any Commitment, refers to whether such Commitment is a Revolving Commitment or Term Commitment.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Commitment" means a Revolving Commitment or Term Commitment, or any combination thereof (as the context requires).

"Consolidated EBITDA" means, for any period, Consolidated Net Income for such period plus, without duplication and to the extent reflected as a charge in the statement of such Consolidated Net Income for such period, the sum of (a) income tax expense, (b) interest expense, amortization or writeoff of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness (including the Loans), (c) depreciation and amortization expense, (d) amortization of intangibles (including, but not limited to, goodwill) and organization costs, (e) any non-cash extraordinary, unusual or non-recurring expenses or losses (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, losses on sales of assets outside of the ordinary course of business) and (f) any other non-cash charges, and minus,

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without duplication and to the extent included in the statement of such Consolidated Net Income for such period, the sum of (a) interest income, (b) any non-cash extraordinary, unusual or non-recurring income or gains (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, gains on the sales of assets outside of the ordinary course of business) and (c) any other non-cash income, all as determined on a consolidated basis.

"Consolidated Leverage Ratio" means, at any date, the ratio of (a) Consolidated Total Debt on such date to (b) Consolidated EBITDA for the period of four consecutive fiscal quarters ending with the most recent fiscal quarter for which the relevant financial information is available.

"Consolidated Net Income" means, for any period, the consolidated net income (or loss) of the Borrower and its Subsidiaries, determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of the Borrower or is merged into or consolidated with the Borrower or any of its Subsidiaries, (b) the income (or deficit) of any Person (other than a Subsidiary of the Borrower) in which the Borrower or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Borrower or such Subsidiary in the form of dividends or similar distributions and (c) the undistributed earnings of any Subsidiary of the Borrower to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any Contractual Obligation (other than under this Agreement) or Requirement of Law applicable to such Subsidiary.

"Consolidated Net Worth" means the total stockholders' equity of the Borrower and its consolidated Subsidiaries determined in accordance with GAAP.

"Consolidated Total Debt" means, at any date, the aggregate principal amount of all long-term debt (whether or not classified as a current liability) and short-term debt required to be classified and accounted for as such on a balance sheet of the Borrower and its Subsidiaries at such date, determined on a consolidated basis in accordance with GAAP and consistent with the most recent balance sheet referred to in Section 3.04.

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

"Control" means the possession, directly or indirectly, of the power

to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Debt Offering" means the incurrence by the Borrower or any Subsidiary (other than any Excluded Subsidiary) of any Indebtedness for borrowed money, other than (a) commercial paper, (b) industrial revenue bonds, (c) Loans, (d) Non-Public Indebtedness (as defined below) of the Borrower incurred to finance the acquisition, construction or improvement of any fixed or capital assets, provided that such Indebtedness is incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement (and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof), (e) Non-Public Indebtedness of any

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Subsidiary incurred pursuant to clause (i), (ii), (iii), (iv), (v), (vi) or (vii) of Section 6.02(a), (f) Indebtedness owing to the Borrower or any Subsidiary and (g) any incurrence of Indebtedness resulting, when taken together with any one or more related incurrences, in aggregate Net Cash Proceeds of less than \$50,000,000. As used in this definition, "Non-Public Indebtedness" refers to Indebtedness that is not incurred pursuant to a public offering or a Rule 144A private placement.

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Disclosed Matters" means the collective reference to (a) actions, suits and proceedings and the environmental matters disclosed in Schedule 1.01 and (b) matters disclosed pursuant to filings made by the Borrower with the SEC that were publicly available prior to the Effective Date or pursuant to the Borrower's Annual Report on Form 10-K delivered to the Lenders on or prior to the Effective Date.

"dollars" or "\$" refers to lawful money of the United States of America.

"Effective Date" means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02), which date is March 31, 1998.

"Environmental Laws" means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to health and safety matters.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any of its Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Offering" means the issuance by the Borrower or any Subsidiary (other than any Excluded Subsidiary) of any Capital Stock, other than (a) issuances by the Borrower of common stock or common stock options to directors, officers and employees of the Borrower and its Subsidiaries in connection with

compensation programs, (b) issuances of Capital Stock to the Borrower or any Subsidiary and (c) any issuance of Capital Stock resulting, when taken together with any one or more related issuances, in aggregate Net Cash Proceeds of less than \$50,000,000.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of

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the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any of its ERISA Affiliates from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any of its ERISA Affiliates of any notice, or the receipt by any Multiemployer Plan from the Borrower or any of its ERISA Affiliates of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"Eurodollar", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

"Event of Default" has the meaning assigned to such term in Article VII.

"Excluded Subsidiaries" means the collective reference to WME, NSC Corporation, National Seal Company and their respective subsidiaries.

"Excluded Taxes" means, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Borrower is located and (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 2.17(b)), any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement or is attributable to such Foreign Lender's failure or inability to comply with Section 2.15(e) (other than as a result of a Change in Law occurring after the date such Foreign Lender becomes a Lender), except to the extent that such Foreign Lender's assignor (if any) was entitled, at the time of assignment, to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 2.15(a).

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average

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(rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Financial Officer" means the chief financial officer, principal accounting officer, treasurer, assistant treasurer or controller of the Borrower.

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Full Availability Date" means the date on or after April 1, 1998 on which the WTI Stock Purchase is consummated.

"GAAP" means generally accepted accounting principles in the United States of America.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Hedging Agreement" means any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all

obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (g) all Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty and (j) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Indemnitees" has the meaning set forth in Section 9.03(b).

"Index Debt Rating" means the respective ratings assigned by S&P and Moody's to the senior, unsecured, long-term indebtedness for borrowed money of the Borrower that is not guaranteed or subject to any other credit enhancement.

"Interest Election Request" means a request by the Borrower to convert or continue a Revolving Borrowing or Term Borrowing in accordance with Section 2.05.

"Interest Payment Date" means (a) with respect to any ABR Loan, the last day of each March, June, September and December, (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and (c) with respect to any Money Market Loan, the last day of the Interest Period applicable thereto.

"Interest Period" means (a) with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one month thereafter and (b) with respect to any Money Market Borrowing, the period (which shall not be less than seven days or more than thirty days) commencing on the date of such Borrowing and ending on the date specified in the relevant Money Market Bid Request; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Borrowing only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period pertaining to a Eurodollar Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and, in the case of a Eurodollar Borrowing, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Investments" has the meaning set forth in Section 6.02(c).

"Lenders" means the Persons listed on Schedule 2.01 and any other

Person that shall have become a party hereto pursuant to an Assignment and Acceptance, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Acceptance.

"Level I" applies at any date if, at such date, the Index Debt Rating is BBB or above by S&P and Baa2 or above by Moody's.

"Level II" applies at any date if, at such date, Level I is not applicable and the Index Debt Rating is BBB- or above by S&P and Baa3 or above by Moody's.

"Level III" applies at any date if, at such date, neither Level I nor Level II is applicable.

"LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on Dow Jones Markets Page 3750 (or on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the "LIBO Rate" with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which dollar deposits of \$5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Loan Repayment Obligations" has the meaning set forth in Section 6.02(c).

"Loans" means the loans made by the Lenders (or any of them) to the Borrower pursuant to this Agreement.

"Majority Revolving Lenders" means the holders of at least 51% of the Revolving Commitments, or if the Revolving Commitments have been terminated, the aggregate unpaid principal amount of the Revolving Loans.

"Majority Term Lenders" means the holders of at least 51% of the aggregate unpaid principal amount of the Term Loans.

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, operations, prospects or condition, financial or otherwise, of the Borrower and the

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Subsidiaries taken as a whole, (b) the ability of the Borrower to perform its obligations under this Agreement or (c) the rights of or benefits available to the Lenders under this Agreement.

"Material Asset Sale" means any sale, transfer or other disposition (including pursuant to a sale and leaseback transaction) of any property or asset of the Borrower or any Subsidiary (other than any Excluded Subsidiary), other than (a) dispositions expressly permitted by Section 6.04, (b)

dispositions of trade receivables and (c) any other disposition resulting, when taken together with any one or more related dispositions, in aggregate Net Cash Proceeds of less than \$50,000,000.

"Material Indebtedness" means Indebtedness of, commitments providing for the incurrence of Indebtedness by, or obligations in respect of one or more Hedging Agreements of, any one or more of the Borrower and its Subsidiaries in a principal amount exceeding, individually or in the aggregate, \$100,000,000. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of the Borrower or any Subsidiary in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Subsidiary would be required to pay if such Hedging Agreement were terminated at such time. Material Indebtedness shall not include the Loans or the Commitments.

"Money Market Bid" means an offer by a Lender to make a Money Market Loan in accordance with Section 2.06.

"Money Market Bid Rate" means, with respect to any Money Market Bid, the fixed rate offered by the Lender making such Money Market Bid.

"Money Market Bid Request" means a request by the Borrower for Money Market Bids in accordance with 2.06.

"Money Market Loan" means a Loan made pursuant to Section 2.06.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Cash Proceeds" means, with respect to any event, (a) the cash proceeds received in respect of such event including any cash received in respect of any non-cash proceeds, but only as and when received, net of (b) the sum of (i) all reasonable fees and out-of-pocket expenses paid by the Borrower and the Subsidiaries to third parties (other than Affiliates) in connection with such event, (ii) in the case of a sale or other disposition of an asset, the amount of all payments required to be made by the Borrower and the Subsidiaries as a result of such event to repay any Indebtedness secured by such asset and (iii) in the case of the sale or other disposition of an asset, the amount of all taxes paid (or reasonably estimated to be payable) by the Borrower and the Subsidiaries that are directly attributable to such event (as determined reasonably and in good faith by the chief financial officer of the Borrower).

"Other Taxes" means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement.

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"Participant" has the meaning set forth in Section 9.04(e).

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Permitted Encumbrances" means:

(a) Liens imposed by law for taxes that are not yet due or are being contested in compliance with Section 5.04;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's, statutory landlord's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with Section 5.04;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business; and

(e) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Subsidiary;

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any of its ERISA Affiliates is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by The Chase Manhattan Bank as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

"Register" has the meaning set forth in Section 9.04(c).

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

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"Required Lenders" means the holders of at least 51% of (a) until the Full Availability Date, the Commitments and (b) thereafter, the sum of (i) the aggregate unpaid principal amount of the Term Loans and (ii) the Revolving Commitments or, if the Revolving Commitments have been terminated, the aggregate unpaid principal amount of the Revolving Loans.

"Requirement of Law" means, as to any Person, the Certificate of Incorporation and By-Laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Restricted Payment" means, with respect to the Borrower and its Subsidiaries, any dividend or other distribution (whether in cash, securities or other property) made by the Borrower or such Subsidiary with respect to any shares of any class its capital stock, or any payment (whether in cash, securities or other property) by the Borrower or such Subsidiary, including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any shares of any class of its capital stock or any option, warrant or other right to acquire any shares of any class of its capital stock.

"Revolving Availability Period" means the period from and including

the Effective Date to but excluding the earlier of the Revolving Maturity Date and the date of termination of the Revolving Commitments.

"Revolving Commitment" means, with respect to each Lender, the commitment, if any, of such Lender to make Revolving Loans hereunder in an aggregate principal amount not to exceed the amount of such commitment, as such commitment may be (a) reduced from time to time pursuant to Section 2.07 or 2.09 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender's Revolving Commitment is set forth on Schedule 2.01, or in the Assignment and Acceptance pursuant to which such Lender shall have assumed its Revolving Commitment, as applicable. The initial aggregate amount of the Lenders' Revolving Commitments is \$675,000,000.

"Revolving Lender" means a Lender with a Revolving Commitment or, if the Revolving Commitments have terminated or expired, a Lender with outstanding Revolving Loans or Money Market Loans.

"Revolving Loan" means a Loan made pursuant to clause (b) of Section 2.01.

"Revolving Maturity Date" means December 31, 1998.

"S&P" means Standard & Poor's Rating Services.

"Sale/Leaseback Transaction" has the meaning set forth in Section 6.03(b).

"SEC" means the Securities and Exchange Commission.

"Statutory Reserve Rate" means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus

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the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"subsidiary" means, with respect to any Person (the "owner") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the owner in the owner's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the owner or one or more subsidiaries of the owner or by the owner and one or more subsidiaries of the owner.

"Subsidiary" means any subsidiary of the Borrower, other than WMFC.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"Term Commitment" means, with respect to each Lender, the commitment, if any, of such Lender to make Term Loans hereunder in an aggregate principal amount not to exceed the amount of such commitment, as such commitment may be (a) reduced from time to time pursuant to Section 2.07 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender's Term Commitment is set forth on Schedule 2.01, or in the Assignment and Acceptance pursuant to which such Lender shall have assumed its Term Commitment, as applicable. The initial aggregate amount of the Term Commitments is \$575,000,000.

"Term Lender" means a Lender with a Term Commitment or, if the Term Commitments have terminated or expired, a Lender with outstanding Term Loans.

"Term Loan" means a Loan made pursuant to clause (a) of Section 2.01.

"Term Maturity Date" means December 31, 1998.

"Trade Receivables Facility" has the meaning set forth in Section 4.01.

"Transactions" means the execution, delivery and performance by the Borrower of this Agreement, the borrowing of Loans and the use of the proceeds thereof.

"Type", when used in reference to any Loan or Borrowing (other than in respect of Money Market Loans), refers to whether the rate of interest on such Loan, or on the

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Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Alternate Base Rate.

"Wholly Owned Subsidiary" means, as to any Person, any other Person all of the capital stock of which (other than directors' qualifying shares required by law) is owned by such Person directly and/or through other Wholly Owned Subsidiaries.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"WME" means Waste Management International plc.

"WMFC" means Waste Management Financing Corporation.

"WMNA" means Waste Management of North America, Inc.

"WTI" means Wheelabrator Technologies Inc.

"WTI Stock Purchase" means the acquisition by the Borrower of the outstanding common stock of WTI not already owned by the Borrower.

SECTION 1.02. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to

any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.03. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time.

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ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, (a) each Term Lender agrees to make a Term Loan to the Borrower on the Full Availability Date in a principal amount not exceeding its Term Commitment and (b) each Revolving Lender agrees to make Revolving Loans to the Borrower from time to time during the Revolving Availability Period in an aggregate principal amount that will not result in (i) such aggregate principal amount exceeding such Lender's Revolving Commitment and (ii) the aggregate principal amount of all outstanding Revolving Loans and Money Market Loans exceeding (x) prior to the Full Availability Date, \$325,000,000 or (y) thereafter, the total Revolving Commitments. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans. Amounts repaid in respect of Term Loans may not be reborrowed.

SECTION 2.02. Loans and Borrowings. (a) Each Term Loan and Revolving Loan shall be made as part of a Borrowing consisting of Loans of the same Class and Type made by the Lenders ratably in accordance with their respective Commitments of the applicable Class. Each Money Market Loan shall be made in accordance with the procedures set forth in Section 2.06. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments and the Money Market Bids of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.12, each Term Borrowing and Revolving Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$10,000,000. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000. Notwithstanding anything to the contrary herein, there shall not at any time be more than a total of ten Eurodollar Borrowings outstanding. Borrowings of more than one Type and Class may be outstanding at the same time.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Term Maturity Date or the Revolving Maturity Date, as applicable.

SECTION 2.03. Requests for Term and Revolving Borrowings. To request a Term Borrowing or Revolving Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a

Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing and (b) in the case of an ABR Borrowing, not later than 12:00 noon, New York City time, on the Business Day of the proposed Borrowing. Each such telephonic Borrowing Request shall be

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irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Borrowing Request signed by the Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

- (i) whether the requested Borrowing is to be a Revolving Borrowing or a Term Borrowing;
- (ii) the aggregate amount of the requested Borrowing;
- (iii) the date of such Borrowing, which shall be a Business Day;
- (iv) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and
- (v) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.04.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04. Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 2:00 p.m., New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received (on the date of receipt so long as the 2:00 p.m. deadline specified above is satisfied), in like funds, to an account of the Borrower maintained with the Administrative Agent in New York City and designated by the Borrower in the applicable Borrowing Request or Money Market Bid Request.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the Federal Funds Effective Rate or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.05. Interest Elections. (a) Each Term Borrowing and Revolving Borrowing initially shall be of the Type specified in the applicable Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to

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continue such Borrowing, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Money Market Borrowings, which may not be converted or continued.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clause (iii) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day; and

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

SECTION 2.06. Procedure for Money Market Borrowing. (a) The Borrower may at any time and from time to time request any one or more of the Revolving Lenders to make offers to make Money Market Loans to the Borrower on any Business Day during the Revolving Availability Period; provided that in no event may the Borrower request a borrowing of Money Market Loans if, after giving effect to such borrowing and the use of proceeds thereof, the sum of the Money Market Loans and the Revolving Loans would be (x) prior to the Full Availability Date, \$325,000,000 or (y) thereafter, greater than the total

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Revolving Commitments. Each such Lender may, but shall have no obligation to, make such offer, and the Borrower may, but shall have no obligation to, accept any such offers in the manner set forth in this Section 2.06.

(b) In the event that the Borrower desires to borrow a Money Market Loan from a Lender, the Borrower shall request that such Lender provide a quotation to the Borrower of the terms under which such Lender would be willing to provide such Money Market Loan, including the Money Market Bid Rate.

(c) In the event that the Borrower elects to accept a Lender's offer for a Money Market Loan, the Borrower shall provide telephonic notice to such Lender of its election by no later than 30 minutes after the time that such offer was received by the Borrower. The failure of the Borrower to provide such notice of acceptance in a timely manner shall be deemed to constitute a rejection of the offer of such Lender. Any Money Market Loan to be made by a Lender pursuant to this Section 2.06 shall be made by the Lender in the manner specified in Section 2.04. The Borrower's acceptance of an offer of a Money Market Loan shall be deemed to constitute a representation and warranty by the Borrower that the conditions to borrowing set forth in clauses (a) and (b) of Section 4.02 have been satisfied as of the date of such Money Market Loan.

(d) The Borrower agrees to forward to the Lender with respect to a Money Market Loan written evidence of such Money Market Loan by sending on the date upon which such Money Market Loan was made a letter, substantially in the form of Exhibit E, executed and delivered by a duly authorized officer of the Borrower, confirming the amount so borrowed, the rate of interest applicable thereto and the maturity thereof (with such Money Market Loan being due and payable on such date of maturity); provided that the failure of the Borrower to provide such letter shall not impair the obligation of the Borrower to repay any Money Market Loan borrowed by it. All borrowings pursuant to this Section 2.06 shall bear interest at the rate quoted to the Borrower by the relevant Lender in its quotation described in clause (b) above, regardless of any change in the Federal Funds Effective Rate or any other interest rate between the time of quoting and the time of borrowing.

(e) The Borrower shall promptly notify the Administrative Agent of the amount, Money Market Bid Rate and Interest Period with respect to each Money Market Loan and the identity of the Lender with respect thereto.

SECTION 2.07. Termination and Reduction of Commitments. (a) Unless previously terminated, (i) the Term Commitments shall automatically terminate at 5:00 p.m., New York City time, on the Full Availability Date (or, if the Borrower shall withdraw its offer to consummate the WTI Stock Purchase, on the date of such withdrawal) or the Term Maturity Date, whichever is sooner and (ii) the Revolving Commitments shall automatically terminate on the Revolving Maturity Date.

(b) The Borrower may at any time terminate, or from time to time reduce, the Commitments of any Class; provided that (i) each reduction of the Commitments of any Class shall be in an amount that is an integral multiple of \$1,000,000 and not less than \$10,000,000 and (ii) the Borrower shall not terminate or reduce the Revolving Commitments if, after giving effect to any concurrent prepayment of the Revolving Loans in accordance with Section 2.09, the aggregate outstanding principal amount of Revolving Loans and Money Market Loans would exceed the total Revolving Commitments.

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(c) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination of the Revolving Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied.

(d) Any termination or reduction of the Commitments of any Class shall be permanent. Each reduction of the Commitments of any Class shall be made ratably among the Lenders in accordance with their respective Commitments of such Class.

SECTION 2.08. Repayment of Loans; Evidence of Debt. (a) The Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Revolving Lender the then unpaid principal amount of each Revolving Loan of such Lender on the Revolving Maturity Date, (ii) to the Administrative Agent for the account of each Term Lender the then unpaid principal amount of the Term Loan of such Lender on the Term Maturity Date and (iii) to the Administrative Agent for the account of each relevant Lender the then unpaid principal amount of each Money Market Loan made by such Lender on the last day of the Interest Period applicable to such Loan.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Class and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans of any Class made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

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SECTION 2.09. Prepayment of Loans; Mandatory Commitment Reductions.

(a) Subject to compliance with Section 2.14, the Borrower shall have the right at any time and from time to time to optionally prepay any Borrowing in whole or in part, subject to prior notice in accordance with paragraph (e) of this Section; provided that the Borrower shall not have the right to prepay any Money Market Loan without the prior consent of the Lender thereof.

(b) In the event and on each occasion that any Net Cash Proceeds are received by or on behalf of the Borrower or any Subsidiary in respect of any Equity Offering or Debt Offering, the Borrower shall, within three Business Days after such Net Cash Proceeds are received, prepay Term Loans in an aggregate amount equal to such Net Cash Proceeds.

(c) In the event and on each occasion that any Net Cash Proceeds are received by or on behalf of the Borrower or any Subsidiary in respect of any Material Asset Sale, (i) until the Term Loans have been paid in full, the Borrower shall, within three Business Days after such Net Cash Proceeds are received, prepay Term Loans in an aggregate amount equal to such Net Cash Proceeds or (ii) thereafter, until the Revolving Commitments have been reduced to \$325,000,000 or less, the Revolving Commitments shall automatically be permanently reduced on the date that is three Business Days after such Net Cash Proceeds are received in an aggregate amount equal to such Net Cash Proceeds, in

which case, on such date, the Borrower shall prepay the Revolving Loans and, once the Revolving Loans have been prepaid in full, cash collateralize the Money Market Loans to the extent the aggregate outstanding principal amount thereof exceeds the Revolving Commitments as so reduced.

(d) Prior to any optional or mandatory prepayment of Borrowings hereunder, the Borrower shall select the Borrowing or Borrowings to be prepaid and shall specify such selection in a written notice to the Administrative Agent; provided that each prepayment of Borrowings of any Class shall be applied to prepay ABR Borrowings of such Class before any other Borrowings of such Class. Notwithstanding anything to the contrary in this Section 2.09, mandatory prepayments that would otherwise be required to be applied to a Eurodollar Borrowing prior to the last day of the Interest Period applicable thereto may, at the option of the Borrower, be deferred until such last day, in which case the Borrower shall cash collateralize such Eurodollar Borrowing.

(e) The Borrower shall notify the Administrative Agent by telephone (confirmed by teletype) of any optional prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of prepayment or (ii) in the case of prepayment of an ABR Borrowing, not later than 11:00 a.m., New York City time, one Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Revolving Commitments as contemplated by Section 2.07, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.07. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each optional partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.11.

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(f) In order to cash collateralize any amount of any Loan otherwise required to be prepaid (such amount, a "Prepayment Amount") pursuant to this Section 2.09, the Borrower shall place an amount equal to such Prepayment Amount in an interest-bearing cash collateral account held by the Administrative Agent for the benefit of the relevant Lenders on terms reasonably satisfactory to the Administrative Agent; provided that any such amount will be unavailable to be withdrawn from such cash collateral account except on the last day of the Interest Period applicable to the relevant Loan. Amounts held in such cash collateral account shall be invested as reasonably directed by the Borrower. Any interest earned on the amount held in such cash collateral account shall be remitted to the Borrower after such Prepayment Amount and accrued interest thereon has been paid.

SECTION 2.10. Facility and Commitment Fees. The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender a facility fee, which shall accrue at an annual rate of 0.150% on the amount of the Revolving Commitment of such Lender (whether or not utilized) (or, if any Revolving Loans of such Lender remain outstanding after such Revolving Commitment is terminated, on the amount of such Revolving Loans) during the period from and including the Effective Date to but excluding the date on which such Commitment terminates (or, if later, the date such Revolving Loans are paid in full). Such accrued facility fees shall be payable in arrears, based on invoices submitted by the Administrative Agent to the Borrower, on the last day of March, June, September and December of each year and on the date on which the Revolving Commitments terminate (or, if later, the date the Revolving Loans are paid in full), commencing on June 30, 1998, and shall be paid in immediately available funds to the Administrative Agent for distribution to the Revolving Lenders. In addition, the Borrower agrees to pay to the Administrative Agent for the account of each Term Lender a commitment fee, which shall accrue during the period from the Effective Date to the Full Availability Date at an annual rate

of 0.150% on the unutilized amount of the Term Commitments, and shall be payable on the Full Availability Date or on such earlier date as the Term Commitments shall terminate pursuant to Section 2.07(a)(i). Facility fees and commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). Facility fees and commitment fees paid shall not be refundable under any circumstances.

SECTION 2.11. Interest. (a) The Loans comprising each ABR Borrowing shall bear interest at a rate per annum equal to the Alternate Base Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at a rate per annum equal to the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Margin.

(c) Each Money Market Loan shall bear interest at a rate per annum equal to the Money Market Bid Rate applicable to such Loan.

(d) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Eurodollar Loan or ABR Loan, 2% plus the rate otherwise applicable to such Loan as provided above or (ii) in the case of any other amount (including overdue Money Market Loans), the Alternate Base Rate plus 2%.

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(e) The Borrower unconditionally agrees to pay accrued interest on each Loan, in arrears, on each Interest Payment Date for such Loan; provided that (i) interest accrued pursuant to paragraph (d) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan prior to the end of the Revolving Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment, (iii) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion and (iv) all accrued interest shall be payable upon termination of the Commitments.

(f) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate or Adjusted LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.12. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the Adjusted LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or

continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective and (ii) if any Borrowing Request requests a Eurodollar Borrowing, such Borrowing shall be made as an ABR Borrowing.

SECTION 2.13. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate); or

(ii) impose on any Lender or the London interbank market any other condition affecting this Agreement or Eurodollar Loans or Money Market Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurodollar Loan or Money Market Loan (or of maintaining its obligation to

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make any such Loan) or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) If any Lender determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 30 days after receipt thereof.

(d) Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs or reductions incurred more than six months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; provided, further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof.

(e) Notwithstanding any other provision of this Section 2.13, no Lender shall demand compensation for any increased cost or reduction or other amount referred to above if it shall not at the time be the general policy or practice of such Lender to demand such compensation in similar circumstances under comparable provisions of other credit agreements.

(f) Notwithstanding any other provision of this Section 2.13, a Lender shall not be entitled to compensation pursuant to this Section in respect of any Money Market Loan if the Change in Law that would otherwise entitle it to such compensation shall have been publicly announced prior to submission of the Money Market Bid pursuant to which such Loan was made.

SECTION 2.14. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan or Money Market Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice is permitted to be revocable under Section 2.09(e) and is revoked in accordance herewith), (d) the failure to borrow any Money Market Loan after accepting the Money Market Bid to make such Loan, or (e) the assignment of any Eurodollar Loan or Money Market Loan other than on the last day

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of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.17, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurodollar Loan, the loss to any Lender attributable to any such event shall be deemed to include an amount determined by such Lender to be equal to the excess, if any, of (i) the amount of interest that such Lender would pay for a deposit equal to the principal amount of such Loan for the period from the date of such payment, conversion, failure or assignment to the last day of the then current Interest Period for such Loan (or, in the case of a failure to borrow, convert or continue, the duration of the Interest Period that would have resulted from such borrowing, conversion or continuation) if the interest rate payable on such deposit were equal to the Adjusted LIBO Rate for such Interest Period, over (ii) the amount of interest that such Lender would earn on such principal amount for such period if such Lender were to invest such principal amount for such period at the interest rate that would be bid by such Lender (or an affiliate of such Lender) for dollar deposits from other banks in the eurodollar market at the commencement of such period. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

SECTION 2.15. Taxes. (a) Any and all payments by or an account of any obligation of the Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent or the relevant Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Administrative Agent and each Lender, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Administrative Agent or such Lender, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender, or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return

reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

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(e) Each Foreign Lender shall deliver to the Borrower and the Administrative Agent two copies of either U.S. Internal Revenue Service Form 1001 or Form 4224, or, in the case of a Foreign Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a Form W-8, or any subsequent versions thereof or successors thereto (and, if such Foreign Lender delivers a Form W-8, an annual certificate representing that such Foreign Lender is not a "bank" for purposes of Section 881(c) of the Code, is not a 10-percent shareholder (within the meaning of Section 871(h)(3)(B) of the Code) of the Borrower and is not a controlled foreign corporation related to the Borrower (within the meaning of Section 864(d)(4) of the Code)), properly completed and duly executed by such Foreign Lender claiming complete exemption from U.S. federal withholding tax on all payments by the Borrower under this Agreement. Such forms shall be delivered by each Foreign Lender on or before the date it becomes a party to this Agreement. In addition, each Foreign Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Foreign Lender. Each Foreign Lender shall promptly notify the Borrower at any time it determines that it is no longer in a position to provide any previously delivered certificate to the Borrower (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Notwithstanding any other provision of this Section 2.15(e), a Foreign Lender shall not be required to deliver any form pursuant to this Section 2.15(e) that such Foreign Lender is not legally able to deliver.

SECTION 2.16. Payments Generally; Pro Rata Treatment; Sharing of Set-offs. (a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or fees, or under Section 2.13, 2.14 or 2.15, or otherwise) prior to 1:00 p.m., New York City time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 270 Park Avenue, New York, New York, except that payments pursuant to Sections 2.13, 2.14 and 2.15 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, to pay interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, to pay principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans of other Lenders to the extent necessary so that the benefit of all

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such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the Federal Funds Effective Rate.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(b), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Section until all such unsatisfied obligations are fully paid.

SECTION 2.17. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.13, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.15, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.13 or 2.15, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 2.13, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.15, or if any Lender defaults in its obligation to fund Loans hereunder, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement (other than any

outstanding Money Market Loans held by it) to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior

written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans (other than Money Market Loans), accrued interest thereon, accrued fees and all other amounts payable to it hereunder, including amounts that would be payable under Section 2.14 if such assignment were a prepayment, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.13 or payments required to be made pursuant to Section 2.15, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

ARTICLE III

Representations and Warranties

The Borrower represents and warrants to the Lenders that:

SECTION 3.01. Existence. Each of the Borrower and its Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

SECTION 3.02. Power and Authority; Enforceability. The Transactions are within the corporate or other organizational powers of the Borrower and have been duly authorized by all necessary corporate or other organizational and, if required, stockholder action. This Agreement has been duly executed and delivered by the Borrower and constitutes a legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03. No Conflicts; No Burdensome Restrictions. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, (b) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of the Borrower or any of its Subsidiaries or any order of any Governmental Authority, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Borrower or any of its Subsidiaries or its assets, or give rise to a right thereunder to require any payment to be made by the Borrower or any of its Subsidiaries, and (d) will not result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries. No Requirement of Law or Contractual Obligation applicable to the Borrower or any of its Subsidiaries could reasonably be expected to have a Material Adverse Effect.

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SECTION 3.04. Financial Statements; Liabilities; Disclosure; No Material Adverse Change. (a) The Borrower has heretofore furnished to the Lenders its Annual Report on Form 10-K for the fiscal year ended December 31, 1997, which contains (i) its restated consolidated balance sheet and statements of income, stockholders equity and cash flows as of and for the fiscal years ended December 31, 1995 and December 31, 1996, reported on by Arthur Andersen LLP, independent public accountants, and (ii) its consolidated balance sheet and statements of

income, stockholders equity and cash flows as of and for the fiscal year ended December 31, 1997, reported on by Arthur Andersen LLP, independent public accountants. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Borrower and its consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP. As of the Effective Date, the Borrower and its Subsidiaries do not have any material Guarantee obligations, contingent liabilities and liabilities for taxes, or any long-term leases or unusual forward or long-term commitments, including, without limitation, any material interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, that have materially changed from those reflected, individually or in the aggregate, in either (i) the most recent financial statements referred to in this paragraph or (ii) the Disclosed Matters. During the period from December 31, 1997 to and including the date hereof there has been no disposition by the Borrower or any of its Subsidiaries of any material part of their business or property (determined on a consolidated basis with respect to the Borrower and its Subsidiaries), other than dispositions disclosed in the Disclosed Matters. The Borrower has disclosed to the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

(b) None of the reports, financial statements, certificates or other information furnished by or on behalf of the Borrower to the Administrative Agent or any Lender on or prior to the Effective Date in connection with the negotiation of this Agreement or delivered hereunder, taken as a whole, contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

(c) During the period from December 31, 1997 through the Effective Date, there has been no material adverse change in the business, assets, operations, prospects or condition, financial or otherwise, of the Borrower and its Subsidiaries, taken as a whole.

(d) In connection with the representations and warranties made by the Borrower in this Section 3.04, the Lenders agree that the Borrower shall not be deemed in breach of any representation or warranty in this Section 3.04 on account of the Borrower's completing the matters or taking the actions described in the Borrower's Annual Report on Form 10-K for the fiscal year ended December 31, 1997, as filed with the SEC, under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations", or, in respect of any such matter or action or other matters emerging from comments received by the Borrower from the SEC or the Borrower's review of its accounting policies, practices or procedures, having incurred charges, increased reserves or written down asset values or adjusted, revised or restated financial statements or footnotes for one or more quarters or years, so long as the nature and amount of any such charge, reserve, write-down,

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adjustment, revision or restatement are substantially within the parameters disclosed to the Lenders prior to the Effective Date.

SECTION 3.05. Litigation. Except for the Disclosed Matters, as of the Effective Date, there are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its Subsidiaries (a) could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than the Disclosed Matters) or (b) that involve this Agreement or the Transactions.

SECTION 3.06. Property Matters. (a) Each of the Borrower and its

Subsidiaries has good title to, or valid leasehold interests in, all its real and personal property material to its business, except for defects in title that do not materially interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes, and none of such property is subject to any Lien except as permitted by Section 6.03.

(b) Each of the Borrower and its Subsidiaries owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, and the use thereof by the Borrower and its Subsidiaries does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(c) Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Borrower nor any of its Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

SECTION 3.07. Compliance; No Default. Except for the Disclosed Matters, each of the Borrower and its Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

SECTION 3.08. Investment and Holding Company Status. Neither the Borrower nor any of its Subsidiaries is (a) an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940 or (b) a "holding company" as defined in, or subject to regulation under, the Public Utility Holding Company Act of 1935.

SECTION 3.09. Taxes. Each of the Borrower and its Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

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SECTION 3.10. Labor Matters. Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect, (a) there are no strikes or other labor disputes against the Borrower or any of its Subsidiaries pending or, to the knowledge of the Borrower, threatened, (b) hours worked by and payment made to employees of the Borrower and its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Requirement of Law dealing with such matters and (c) all payments due from the Borrower or any of its Subsidiaries on account of employee health and welfare insurance have been paid or accrued as a liability on the books of the Borrower or the relevant Subsidiary.

SECTION 3.11. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. The present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than \$40,000,000 the fair market value of the assets of all such

ARTICLE IV

Conditions

SECTION 4.01. Effective Date. The obligations of the Lenders to make Loans hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived by each Lender):

(a) The Administrative Agent shall have received (i) from the Borrower, a counterpart of this Agreement (or a copy thereof by facsimile transmission) signed on behalf of the Borrower and (ii) from each Lender listed on Schedule 2.01, an executed Addendum (or a copy thereof by facsimile transmission).

(b) The Borrower shall have terminated its existing credit facility entered into as of December 29, 1997 and shall have extended the termination date of its receivables-based financing arrangements (the "Trade Receivables Facility") to December 31, 1998.

(c) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of Winston & Strawn, counsel for the Borrower, substantially in the form of Exhibit D, and covering such other matters relating to the Borrower and its Subsidiaries, this Agreement or the Transactions as the Required Lenders shall reasonably request. The Borrower hereby requests such counsel to deliver such opinion.

(d) The Administrative Agent shall have received such documents and certificates as the Administrative Agent may reasonably request relating to the organization, existence and good standing of the Borrower, incumbency of officers thereof, the authorization of the Transactions, any necessary corporate, organizational, governmental and third party approvals and any other legal matters relating to the

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Borrower, this Agreement or the Transactions, all in form and substance satisfactory to the Administrative Agent.

(e) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder.

(f) The Lenders shall have received the financial statements referred to in Section 3.04(a).

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding.

SECTION 4.0.2 Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrower set forth in this Agreement (other than Sections 3.04(c) and 3.05) shall be true and correct on and as of the date of such Borrowing.

(b) At the time of and immediately after giving effect to such Borrowing, no Default shall have occurred and be continuing.

(c) In the case of the Term Loans, the merger certificate with respect to the merger of WMI Merger Sub, Inc. and WTI shall have been filed substantially concurrently with such Borrowing.

Each Borrowing shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a), (b) and (c) of this Section.

ARTICLE V

Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full, the Borrower covenants and agrees with the Lenders that:

SECTION 5.01. Financial Statements and Other Information. The Borrower will furnish to the Administrative Agent and each Lender:

(a) within 105 days after the end of each fiscal year of the Borrower, to the extent prepared to comply with SEC requirements, a copy of Form 10-Ks filed with the SEC for such fiscal year or, if no such Form 10-K was so filed by Borrower for such fiscal year, its audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, in each case reported on by Arthur Andersen LLP or other independent public

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accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) within 60 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, to the extent prepared to comply with SEC requirements, a copy of Form 10-Qs filed with the SEC for such fiscal quarter or, if no such Form 10-Q was so filed by Borrower for such fiscal quarter, its consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, in each case certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of the Borrower (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.01 and, with respect to any items exceeding \$10,000,000, Sections 6.02(a)(viii) and 6.03(a)(vii) and (iii) stating whether any change in GAAP has had a material effect on the financial statements accompanying such certificate and specifying the nature of any such change;

(d) promptly after the same become available, copies of all reports on Form 10-K, 10-Q or 8-K and all proxy statements filed by the Borrower or WTI with the SEC and any materials distributed by the Borrower or WTI to its shareholders generally; and

(e) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Borrower or any Subsidiary, or compliance with the terms of this Agreement, as the Administrative Agent or any Lender may reasonably request.

SECTION 5.02. Notices of Material Events. The Borrower will furnish to the Administrative Agent and each Lender prompt written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any Affiliate thereof that could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect; and

(d) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

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Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Existence; Conduct of Business. The Borrower will, and will cause each of its Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business; provided that the foregoing shall not prohibit any merger, consolidation, sale of assets, liquidation or dissolution permitted under Section 6.04.

SECTION 5.04. Payment of Obligations. The Borrower will, and will cause each of its Subsidiaries to, pay its obligations, including Tax liabilities, that, if not paid, could result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05. Maintenance of Properties; Insurance . The Borrower will, and will cause each of its Subsidiaries to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, and (b) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations.

SECTION 5.06. Books and Records; Inspection Rights. The Borrower will, and will cause each of its Subsidiaries to, keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities. The Borrower will, will cause each of its Wholly Owned Subsidiaries to and, to the extent practicable, will cause each of its other Subsidiaries to, permit any representatives

designated by the Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested.

SECTION 5.07. Compliance with Laws and Contractual Obligations . The Borrower will, and will cause each of its Subsidiaries to, comply with all Requirements of Law (including, without limitation, Environmental Laws) and all Contractual Obligations applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

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SECTION 5.08. Use of Proceeds. The proceeds of the Term Loans shall be used only to finance the WTI Stock Purchase. The proceeds of the Revolving Loans and Money Market Loans shall be used only to finance the working capital needs of the Borrower and its Subsidiaries in the ordinary course of business, to refinance commercial paper of the Borrower issued from time to time prior to the Revolving Maturity Date and for other general corporate purposes (including to finance the WTI Stock Purchase and other non-hostile acquisitions). No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations G, U and X.

ARTICLE VI

Negative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full, the Borrower covenants and agrees with the Lenders that:

SECTION 6.01. Financial Covenants. (a) The Borrower will not permit the Consolidated Leverage Ratio at any time to exceed 3.50 to 1.

(b) The Borrower will not permit Consolidated Net Worth as of the last day of any fiscal quarter or fiscal year of the Borrower to be less than \$1,000,000,000.

SECTION 6.02. Subsidiary Indebtedness; Guarantee Obligations. (a) The Borrower will not permit any of its Wholly Owned Subsidiaries to create, incur, assume or permit to exist any Indebtedness, except:

(i) Indebtedness created hereunder or under the Trade Receivables Facility;

(ii) Indebtedness existing on the date hereof and, in the case of any item of Indebtedness exceeding \$25,000,000, described on Schedule 6.02, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof;

(iii) Indebtedness of any Subsidiary to the Borrower or any other Subsidiary and, in the case of any item of Indebtedness exceeding \$25,000,000 outstanding on the date hereof and owing to any non-Wholly Owned Subsidiary, described on Schedule 6.02, so long as such Indebtedness results from the operation of the Borrower's cash management system in the ordinary course of business consistent with past practices;

(iv) Indebtedness of any Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets, including Capital Lease Obligations, provided that such Indebtedness is incurred prior to or within 90 days after such acquisition or the

completion of such construction or improvement; and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof;

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(v) Indebtedness of any Person that becomes a Subsidiary after the date hereof and any Indebtedness assumed in connection with the acquisition of any assets or secured by a Lien on any assets prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof; provided that such Indebtedness exists at the time such Person becomes a Subsidiary or at the time such acquisition is consummated and is not created in contemplation of or in connection with such Person becoming a Subsidiary or the consummation of such acquisition;

(vi) Indebtedness in respect of performance bonds, bid bonds, appeal bonds, bankers acceptances, letters of credit, surety bonds or other similar obligations arising in the ordinary course of business consistent with past practices, and extensions, renewals and replacements thereof;

(vii) Indebtedness of any foreign Subsidiary of the Borrower to the Borrower or any other Subsidiary, provided that the Investment resulting from the incurrence of such Indebtedness is permitted by Section 6.02(c); and

(viii) other Indebtedness for all Wholly Owned Subsidiaries in an aggregate principal amount not exceeding \$100,000,000 at any one time outstanding.

(b) The Borrower will not, and will not permit any of its Wholly Owned Subsidiaries to, Guarantee any obligations of any other Person, except (i) Guarantees by the Borrower, WMNA or WTI of obligations of any Subsidiary not prohibited hereunder, provided that any Investment resulting from the making of such Guarantee is permitted by Section 6.02(c) and (ii) Guarantees by the Borrower, WMNA or WTI of obligations of third parties made in the ordinary course of business consistent with past practices, provided that after the Effective Date, no more than \$25,000,000 of additional Guarantees of Indebtedness for borrowed money shall be made pursuant to this clause (ii).

(c) The Borrower will not, and will not permit any of its Wholly Owned Subsidiaries to, after the Effective Date, make any investment, loan or advance in or to, or Guarantee any obligations of (collectively, "Investments"), any Person (other than a Wholly Owned Subsidiary or WMFC), except:

(i) Investments funded prior to the Effective Date;

(ii) Investments made pursuant to binding commitments, Loan Repayment Obligations (as defined below) or Guarantees in effect on the Effective Date and, in the case of any commitment, Loan Repayment Obligation or Guarantee exceeding \$25,000,000, as described on Schedule 6.02, so long as such Investments are not funded until the Borrower or the relevant Subsidiary is required by the terms thereof to do so; and

(iii) other Investments for the Borrower and its Wholly Owned Subsidiaries, taken together, not exceeding \$100,000,000 in the aggregate at any one time outstanding.

The repayment of Indebtedness owing by the Borrower or any Wholly Owned Subsidiary to any non-Wholly Owned Subsidiary ("Loan Repayment Obligations") shall be deemed to be an Investment for the purposes of this paragraph (c).

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SECTION 6.03. Liens; Sale/Leaseback Transactions. (a) The Borrower will not, and will not permit any Subsidiary (other than any Excluded

Subsidiary) to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(i) Permitted Encumbrances;

(ii) any Lien on any property or asset of the Borrower or any Subsidiary existing on the date hereof, or incurred pursuant to binding commitments in effect on the date hereof, and, in the case of Liens securing obligations (or commitments in respect thereof) in excess of \$25,000,000, described on Schedule 6.03; provided that (A) such Lien shall not apply to any other property or asset of the Borrower or any Subsidiary and (B) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(iii) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary; provided that (A) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (B) such Lien shall not apply to any other property or assets of the Borrower or any Subsidiary and (C) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof; together with extensions, renewals and replacements of any such Liens that satisfy the requirements specified in clauses (B) and (C) above;

(iv) Liens on fixed or capital assets acquired, constructed or improved by the Borrower or any Subsidiary, or on revenues of fixed or capital assets so acquired, constructed or improved; provided that (A) such security interests secure Indebtedness permitted by clause (iv) of Section 6.02(a), (B) such security interests and the Indebtedness secured thereby are incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement, (C) the Indebtedness secured thereby does not exceed 100% of the cost of acquiring, constructing or improving such fixed or capital assets and (D) such security interests shall not apply to any other property or assets of the Borrower or any Subsidiary; together with extensions, renewals and replacements of any such Liens that satisfy the requirements specified in clauses (A), (C) and (D) above;

(v) any Lien that may be deemed to be created by the Trade Receivables Facility;

(vi) judgment Liens created by or resulting from any litigation or legal proceeding if released or bonded within 30 days of the date of creation thereof, unless such litigation or legal proceedings could reasonably be expected to have a Material Adverse Effect; and

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(vii) other Liens not otherwise permitted by the foregoing clauses (i) through (vi) securing any Indebtedness of any Subsidiary; provided, that the aggregate outstanding principal amount of obligations secured by Liens permitted by this clause (vii), when added to the then outstanding amount of Attributable Debt, shall not exceed \$50,000,000.

(b) The Borrower will not, and will not permit any Subsidiary to, enter into any arrangement with any Person providing for the leasing by the Borrower or any Subsidiary of real or personal property which has been or is to be sold or transferred by the Borrower or such Subsidiary to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of the Borrower or such

Subsidiary (each, a "Sale/Leaseback Transaction"), unless the aggregate outstanding principal amount of Attributable Debt resulting from all such transactions, when added to the then outstanding amount of obligations secured by Liens permitted by Section 6.03(a) (vii), does not exceed \$50,000,000.

(c) The applicability of the covenants contained in this Section 6.03 to non-Wholly Owned Subsidiaries is subject to the provisions of Section 9.02(c).

SECTION 6.04. Fundamental Changes. The Borrower will not, and will not permit any Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) any substantial part of its assets (determined on a consolidated basis with respect to the Borrower and its Subsidiaries), or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing (a) any Subsidiary (other than WMNA) may merge into the Borrower in a transaction in which the Borrower is the surviving corporation, (b) any Subsidiary may merge into WMNA in a transaction in which WMNA is the surviving corporation, (c) any Person (other than the Borrower or WMNA) may merge into any Subsidiary (other than WMNA) in a transaction in which the surviving entity is or becomes a Subsidiary, (d) any Subsidiary (other than WMNA) may sell, transfer, lease or otherwise dispose of its assets to another Subsidiary and (e) any Subsidiary may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders.

SECTION 6.05. Restricted Payments. The Borrower will not, and will not permit any of its Subsidiaries (other than any Excluded Subsidiary) to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except (a) the Borrower may declare and pay dividends with respect to its capital stock payable solely in additional shares of its capital stock or rights thereto, (b) the Borrower and its Subsidiaries may make Restricted Payments pursuant to and in accordance with stock option plans or other benefit plans for management or employees of the Borrower and its Subsidiaries, (c) any Subsidiary may declare and pay dividends on a pro rata basis to the holders of its capital stock, (d) so long as no Event of Default shall have occurred and be continuing, the Borrower may pay regularly scheduled dividends in an aggregate amount not to exceed \$100,000,000 in any calendar quarter and (e) so long as no Event of Default shall have occurred and be continuing, the Borrower and each Subsidiary may repurchase its capital stock so long as the aggregate amount expended in connection with all such repurchases does not exceed \$50,000,000 during the term of this Agreement. The applicability of the covenants contained in this Section 6.05 (to the extent relating to repurchases of capital stock) to non-Wholly Owned Subsidiaries is subject to the provisions of Section 9.02(c).

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SECTION 6.06. Transactions with Affiliates. The Borrower will not, and will not permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) in the ordinary course of business at prices and on terms and conditions not less favorable to the Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions between or among the Borrower and its Subsidiaries not involving any other Affiliate and (c) any Restricted Payment permitted by Section 6.05.

SECTION 6.07. Limitation on Optional Payments and Modifications of Debt Instruments. The Borrower will not, and will not permit any of its Subsidiaries (other than any Excluded Subsidiary) to, (a) optionally make or offer to make any payment, prepayment, repurchase or redemption of or otherwise defease or segregate funds with respect to any item of its Indebtedness (other than the Loans) having a principal amount in excess of \$100,000,000 (other than in connection with any refinancing of any such item of Indebtedness in full

through the incurrence of Indebtedness permitted hereby and other than in connection with payment of Indebtedness under existing revolving credit facilities) or (b) amend, modify, waive or otherwise change, or consent or agree to any amendment, modification, waiver or other change to, any of the terms of any item of its Indebtedness (other than the Loans) having a principal amount in excess of \$100,000,000 (other than any such amendment, modification, waiver or other change which (i) would extend the maturity or reduce the amount of any payment of principal thereof or which would reduce the rate or extend the date for payment of interest thereon, (ii) does not adversely affect the interests of the Administrative Agent or any Lender under this Agreement or (iii) is of a technical or clarifying nature). The applicability of the covenants contained in this Section 6.07 to non-Wholly Owned Subsidiaries is subject to the provisions of Section 9.02(c).

SECTION 6.08. Limitation on Changes in Fiscal Periods. The Borrower will not change its method of determining fiscal quarters or fiscal years.

SECTION 6.09. Restrictive Agreements. The Borrower will not, and will not permit any of its Subsidiaries (other than any Excluded Subsidiary) to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of the Borrower or any Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets, or (b) the ability of any Subsidiary to pay dividends or other distributions with respect to any shares of its capital stock, to make or repay loans or advances to the Borrower or any other Subsidiary, to transfer assets to the Borrower or any other Subsidiary or to Guarantee Indebtedness of the Borrower or any other Subsidiary; provided that (i) the foregoing shall not apply to restrictions and conditions imposed by law or by this Agreement, (ii) the foregoing shall not apply to restrictions and conditions contained in documentation governing Indebtedness of (or commitments providing for the incurrence of Indebtedness by) the Borrower or any of its Subsidiaries, or in agreements between the Borrower and USA Waste Services, Inc., which are in effect on the date hereof and identified on Schedule 6.09, together with any restrictions and conditions contained in documentation governing any Indebtedness incurred (or commitments received) after the Effective Date so long as any such restrictions or conditions are no more onerous than those applicable to the corresponding type of Indebtedness (or commitment) referred to on said Schedule, (iii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder, (iv) clause (a) above shall not apply to restrictions or

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conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness and (v) clause (a) above shall not apply to customary provisions in leases restricting the assignment thereof.

ARTICLE VII

Events of Default

If any of the following events ("Events of Default") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for repayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement, when and as the same shall

become due and payable, and such failure shall continue unremedied for a period of five days;

(c) any representation or warranty made or deemed made by or on behalf of the Borrower or any Subsidiary in or in connection with this Agreement or any amendment or modification hereof, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any amendment or modification hereof, shall prove to have been incorrect when made or deemed made;

(d) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02, 5.03 (with respect to the existence of the Borrower or WMNA) or 5.08 or in Article VI;

(e) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause (a), (b) or (d) of this Article), and such failure shall continue unremedied for a period of 30 days after notice thereof from the Administrative Agent (given at the request of the Required Lenders) to the Borrower;

(f) the Borrower or any Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable (subject, in the case of interest, to the expiration of any stated grace period);

(g) (i) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, but subject to the expiration of any stated grace period) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, to require the prepayment, repurchase, redemption or defeasance thereof, or to terminate any commitment associated therewith, prior to its scheduled maturity or termination date or (ii) a Termination Event occurs under and as defined in the Trade Receivables Facility;

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(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) the Borrower or any Subsidiary shall become unable, admit in writing or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of \$100,000,000 shall be rendered against the Borrower, any Subsidiary or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any Subsidiary to enforce any such judgment;

(l) an ERISA Event shall have occurred that, in the opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect; or

(m) a Change in Control shall occur;

then, and in every such event (other than an event with respect to the Borrower described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, with the consent of the Required Lenders, and shall, at the request of the Required Lenders, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to the Borrower described in clause (h) or (i) of this Article, the Commitments shall

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automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

ARTICLE VIII

The Administrative Agent

Each of the Lenders hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto.

The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or

other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise in writing by the Required Lenders, and (c) except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders or in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any

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liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Administrative Agent shall be the same as

those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Administrative Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices. Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

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(a) if to the Borrower, to it at 3003 Butterfield Road, Oak Brook, Illinois 60523, Attention of Vice President - Finance (Telecopy No. 630-572-1340);

(b) if to the Administrative Agent, to The Chase Manhattan Bank, Agent Bank Services Group, 1 Chase Manhattan Plaza, New York, New York 10081, Attention of Maggie Swayle (Telecopy No. (212) 552-5662), with a copy to The Chase Manhattan Bank, 270 Park Avenue, New York, New York 10017, Attention of Joe Lillis (Telecopy No. (212) 270-1063); and

(c) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

SECTION 9.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agent or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent or any Lender may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender directly affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender directly affected thereby, (iv) change any of the provisions of Section 2.09(b) or (c) without the written consent of the Majority Term Lenders, (v) change any of the provisions of Section 2.09(c) without the written consent of the Majority Revolving Lenders or (vi) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder without the prior written consent of the Administrative Agent.

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(c) Each Lender agrees that, in the event that any transaction that would be prohibited by Section 6.03, Section 6.05 (in the case of repurchases of capital stock) or Section 6.07 is consummated or proposed to be consummated by a non-Wholly Owned Subsidiary as a result of recommendations by management or the independent members of the board of directors of such Subsidiary, such Lender will not unreasonably withhold its consent to any request by the Borrower to effectuate appropriate modifications to this Agreement permitting such transaction, subject to satisfaction of any conditions such Lender reasonably deems appropriate in connection therewith.

SECTION 9.03. Expenses; Indemnity; Damage Waiver. (a) The Borrower agrees to pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, in connection with the syndication of the credit facilities provided for herein, the preparation and administration of this Agreement or any amendments, modifications or waivers of the provisions of this Agreement (whether or not the transactions contemplated hereby shall be consummated) and (ii) all out-of-pocket expenses incurred by the Administrative Agent or any Lender, including the fees, charges and disbursements of any counsel (including the reasonably documented and allocated cost of internal counsel) for the Administrative Agent or any Lender, in connection with the enforcement or protection of its rights in connection with this Agreement, including its rights under this Section, or in connection with the Loans made hereunder, including in connection with any workout, restructuring or negotiations in respect thereof.

(b) The Borrower agrees to indemnify the Administrative Agent and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement or any agreement or instrument contemplated hereby, the performance by the parties hereto or thereto of their respective obligations hereunder or thereunder or the consummation of the Transactions or any other transactions contemplated hereby or thereby, (ii) any Loan or the use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort

or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee.

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent in its capacity as such.

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(d) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable not later than 10 days after written demand therefor.

SECTION 9.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that (i) except in the case of an assignment to a Lender or an Affiliate of a Lender, each of the Borrower and the Administrative Agent must give their prior written consent to such assignment (which consent shall not be unreasonably withheld), (ii) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment and/or Term Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 unless each of the Borrower and the Administrative Agent otherwise consent, (iii) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of \$3,500, and (iv) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire, except that this proviso shall not apply to rights in respect of outstanding Money Market Loans; provided further that any consent of the Borrower otherwise required under this paragraph shall not be required if an Event of Default under clause (h) or (i) of Article VII has occurred and is continuing. Any such assignment need not be ratable as between any Class of Commitments or Loans. Upon acceptance and recording pursuant to paragraph (d) of this Section, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement,

and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.13, 2.14, 2.15 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (e) of this Section.

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(c) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices in The City of New York a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary.

(d) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(e) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. Subject to paragraph (f) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.13, 2.14 and 2.15 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section.

(f) A Participant shall not be entitled to receive any greater payment under Section 2.13 or 2.15 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.15 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.15(e) as though it were a Lender.

(g) Prior to disclosing information relating to the Borrower and its Subsidiaries to any proposed assignee or Participant, each Lender shall cause

such proposed assignee or Participant to enter into a confidentiality agreement substantially in the form previously executed and delivered by such Lender or otherwise acceptable to the Borrower.

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(h) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any such pledge or assignment to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such assignee for such Lender as a party hereto.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid and so long as the Commitments have not expired or terminated. The provisions of Sections 2.13, 2.14, 2.15 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

SECTION 9.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender to or for the credit or the account of the Borrower against any of and all the obligations of the Borrower now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured. The rights of each Lender

under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or its properties in the courts of any jurisdiction.

(c) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. The Borrower hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) The Borrower irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

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SECTION 9.12. Confidentiality. Each Lender agrees to maintain the confidentiality of information furnished to it by or on behalf of the Borrower in connection with the Transactions as provided in any separate confidentiality agreement entered into between the Borrower and such Lender.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year

first above written.

WASTE MANAGEMENT, INC.

By _____
Name:
Title:

THE CHASE MANHATTAN BANK, as
Administrative Agent

By _____
Name:
Title:

LETTER OF TRANSMITTAL
TO ACCOMPANY CERTIFICATE(S) FORMERLY REPRESENTING SHARES
OF COMMON STOCK
OF

WHEELABRATOR TECHNOLOGIES INC.
SURRENDERED FOR CASH PAYMENT PURSUANT TO THE MERGER OF
WMI MERGER SUB, INC., A WHOLLY OWNED SUBSIDIARY
OF WASTE MANAGEMENT, INC., WITH AND INTO WHEELABRATOR TECHNOLOGIES INC.

The Paying Agent:
HARRIS TRUST COMPANY OF NEW YORK

By Mail:
Wall Street Station
P.O. Box 1010
New York, NY 10268-1010

By Hand or by Overnight Courier:
Wall Street Plaza
88 Pine Street, 19th Floor
New York, NY 10005

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET
FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

The Instructions accompanying this Letter of Transmittal should be read
carefully before this Letter of Transmittal is completed. If certificates are
registered in different names, a separate letter of transmittal must be
submitted for each different registered owner. See Instruction 3.

This Letter of Transmittal is to be completed by shareholders surrendering
certificates evidencing Shares (as defined below) of Wheelabrator Technologies
Inc.

DESCRIPTION OF CERTIFICATES(S) SURRENDERED

NAME(S) AND ADDRESS(ES) CERTIFICATE(S) SURRENDERED
OF REGISTERED HOLDER(S) (ATTACH ADDITIONAL LIST IF
NECESSARY. SEE INSTRUCTION 8.)

SHARE NUMBER OF
CERTIFICATE SHARES
NUMBER(S) REPRESENTED BY
CERTIFICATE(S)

TOTAL SHARES

PLEASE READ CAREFULLY THE ACCOMPANYING INSTRUCTIONS

Ladies and Gentlemen:

In connection with the merger (the "Merger") of WMI Merger Sub, Inc. ("Merger Sub"), a wholly owned subsidiary of Waste Management, Inc. ("Waste Management"), with and into Wheelabrator Technologies Inc. (the "Company") pursuant to the Agreement and Plan of Merger, dated as of December 8, 1997 (the "Merger Agreement"), by and among Waste Management, Merger Sub and the Company, the undersigned, the registered holder(s) of the stock certificate(s) (the "Certificates") formerly representing shares of common stock, par value \$.01 per share, of the Company (the "Shares") referred to above, or the transferee or assignee of such registered holder(s), hereby surrenders the Certificate(s) in exchange for \$16.50 in cash (without interest) per Share. The undersigned has received a copy of the letter dated March 30, 1998 (the "Notice of Merger") sent to holders of Certificates with this Letter of Transmittal.

The undersigned represents that the undersigned has full authority to surrender the Certificate(s), free and clear of all liens, claims and encumbrances. The undersigned will, upon request, execute and deliver any additional documents reasonably deemed appropriate or necessary by Waste Management or Harris Trust Company of New York (the "Paying Agent") in connection with the surrender of the Certificate(s). All authority conferred or agreed to be conferred in this Letter of Transmittal shall be binding upon the successors, assigns, heirs, executors, administrators and legal representatives of the undersigned and shall not be affected by, and shall survive, the death or incapacity of the undersigned.

The undersigned understands that surrender is not made in acceptable form until receipt by the Paying Agent of this Letter of Transmittal, or a facsimile hereof, duly completed and signed, together with all accompanying evidences of authority in form satisfactory to Waste Management (which may delegate power in whole or in part to the Paying Agent). All questions as to validity, form and eligibility of any surrender of Certificates hereunder will be determined by Waste Management (which may delegate power in whole or in part to the Paying Agent) and such determination shall be final and binding.

The undersigned understands that payment for surrendered Certificate(s) will be made as promptly as practicable after surrender of Certificate(s) is made in acceptable form.

Please issue and deliver the check in payment for the Certificate(s) surrendered pursuant to this Letter of Transmittal to the undersigned at the address specified above under "DESCRIPTION OF CERTIFICATE(S) SURRENDERED"

unless otherwise indicated under "SPECIAL PAYMENT INSTRUCTIONS" or "SPECIAL DELIVERY INSTRUCTIONS" below.

SPECIAL PAYMENT INSTRUCTIONS
(SEE INSTRUCTIONS 2 AND 6)

SPECIAL DELIVERY INSTRUCTIONS
(SEE INSTRUCTIONS 2 AND 6)

To be completed ONLY if the check(s) for surrendered Certificate(s) are to be issued in the name of someone other than the undersigned.

To be completed ONLY if the check(s) for surrendered Certificate(s) are to be issued in the name of the undersigned, but are to be sent to the undersigned at an address other than that set forth above.

Issue check to:

Mail check to:

Name:
(PLEASE PRINT)

Name:
(PLEASE PRINT)

Address:

Address:

.....

.....

.....
(INCLUDE ZIP CODE)

.....
(INCLUDE ZIP CODE)

.....
(SOCIAL SECURITY NUMBER OR TAXPAYER
I.D. NUMBER;
SEE SUBSTITUTE FORM W-9 ON REVERSE
SIDE)

IMPORTANT
SHAREHOLDERS: SIGN HERE
(PLEASE COMPLETE SUBSTITUTE FORM W-9 ON REVERSE)

Signature(s) of Holder(s)

Dated: , 1998

(Must be signed by the registered holder(s) exactly as name(s) appear(s) on Certificate(s) or by a person(s) authorized to become a registered holder(s) by certificates and documents transmitted herewith. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or

representative capacity, please provide the following information. See Instruction 3.)

Name (s) :

(Please Print)

Capacity (full title):

Address:

(Include Zip Code)

Area Code and Telephone No.:

Taxpayer Identification or Social Security No.:

(See Substitute Form W-9 on reverse side)

GUARANTEE OF SIGNATURE(S)
(IF REQUIRED--SEE INSTRUCTIONS 2 AND 3)

FOR USE BY FINANCIAL INSTITUTIONS ONLY. PLACE MEDALLION GUARANTEE IN SPACE BELOW.

Authorized Signature:

Name:

(Please Print)

Name of Firm:

Address:

(Include Zip Code)

Area Code and Telephone No.:

Dated:

-----, 1998

INSTRUCTIONS

1. Delivery of Letter of Transmittal and Certificates. Please do not send your Certificate(s) directly to the Company or Waste Management. This Letter of Transmittal or a facsimile hereof, filled in and signed, must be used in connection with the delivery and surrender of Certificates. A Letter of Transmittal and the Certificates must be received by the Paying Agent in satisfactory form in order to make an effective surrender. Certificates evidencing all surrendered Shares, as well as a properly completed and duly executed Letter of Transmittal (or facsimile thereof) and any other documents required by this Letter of Transmittal, must be received by the Paying Agent at one of its addresses set forth on the reverse hereof in order to receive payment for Shares. If Certificates are forwarded to the Paying Agent in multiple deliveries, a properly completed and duly executed Letter of Transmittal must accompany each such delivery.

THE METHOD OF DELIVERY OF THIS LETTER OF TRANSMITTAL, CERTIFICATES AND ALL OTHER REQUIRED DOCUMENTS IS AT THE OPTION AND RISK OF THE SURRENDERING SHAREHOLDER, AND THE DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE PAYING AGENT. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED.

Surrender may be made by mail or hand delivery to Harris Trust Company of New York, as Paying Agent, at the addresses shown on the reverse side of this Letter of Transmittal. A mailing envelope addressed to the Paying Agent is enclosed for your convenience.

2. Guarantee of Signatures. Except as otherwise provided below, no signature guarantee is required on this Letter of Transmittal. Signatures on this Letter of Transmittal must be guaranteed by a financial institution (including most banks, savings and loan associations and brokerage houses) that is a participant in the Securities Transfer Agents Medallion Program (each an "Eligible Institution") if (a) the Certificate surrendered herewith is registered in a name other than that of the person surrendering the Certificate, or (b) the registered holder of Certificates surrendered herewith has completed either the box entitled "SPECIAL DELIVERY INSTRUCTIONS" or the box entitled "SPECIAL PAYMENT INSTRUCTIONS" on the reverse hereof. See Instruction 3.

3. Signatures on Letter of Transmittal, Stock Powers and Endorsements. If this Letter of Transmittal is signed by the registered holder(s) of the Certificate(s) surrendered hereby, the signatures(s) must correspond with the name(s) as written on the face of the Certificate(s) without alteration, enlargement or any other change whatsoever.

If any Certificate surrendered hereby is owned of record by two or more persons, all such persons must sign this Letter of Transmittal.

If this Letter of Transmittal is signed by the registered holder(s) of the Certificate(s) surrendered hereby, no endorsements of Certificate(s) or separate stock powers are required, unless payment is to be made to a person other than the registered holder(s), in which case the Certificate(s) surrendered hereby must be endorsed or accompanied by appropriate stock

powers, in either case signed exactly as the name(s) of the registered holder(s) appear(s) on such Certificate(s). Signatures on such Certificate(s) and stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of the Certificate(s) surrendered hereby, the Certificate(s) surrendered hereby must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear(s) on such Certificate(s). Signatures on such Certificate(s) and stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal or any Certificate or stock power is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and proper evidence satisfactory to Waste Management of such person's authority so to act must be submitted.

If Certificates are registered in different names (e.g., "John Doe" and "J. Doe") or different forms of ownership (e.g., as a joint holder and as a trustee), it will be necessary to fill in, sign and submit as many separate Letters of Transmittal as there are different registrations of Certificates surrendered.

4. Stock Transfer Taxes. The Company will bear the liability for any state stock transfer taxes applicable to the delivery of checks in payment for surrendered Certificate(s); provided, however, that if any such check is to be issued to any person(s) other than the registered holder(s) of the surrendered Certificate(s) or if surrendered Certificate(s) are registered in the name of any person other than the person(s) signing this Letter of Transmittal, the amount of any stock transfer taxes (whether imposed on the registered holder(s), such other person or otherwise) payable on account of the transfer to such other person will be deducted from the amount payable for such Certificate(s) surrendered, unless evidence satisfactory to Waste Management of the payment of such taxes, or exemption therefrom, is submitted. Except as provided in this Instruction 4, it will not be necessary for transfer tax stamps to be affixed to the Certificate(s) surrendered hereby.

5. Validity of Surrender; Irregularities. All questions as to validity, form and eligibility of any surrender of Certificates hereunder will be determined by Waste Management (which may delegate power in whole or in part to the Paying Agent), and such determination shall be final and binding. Waste Management reserves the right to waive any irregularities or defects in the surrender of any Certificates, and its interpretations of the terms and conditions of the Merger Agreement, the Notice of Merger and of this Letter of Transmittal (including these instructions) with respect to such irregularities or defects shall be final and binding. A surrender will not be deemed to have been made until all irregularities have been cured or waived.

6. Special Payment and Delivery Instructions. If checks for surrendered Certificate(s) are to be issued in the name of someone other than the

person(s) signing this Letter of Transmittal, the box entitled "SPECIAL PAYMENT INSTRUCTIONS" on the reverse hereof must be completed. If checks for surrendered Certificate(s) are to be issued to the person(s) signing this Letter of Transmittal but are to be sent to an address other than that shown in the box entitled "DESCRIPTION OF SHARES SURRENDERED" then the box entitled "SPECIAL DELIVERY INSTRUCTIONS" on the reverse hereof must be completed. See also Instruction 2.

7. Additional Copies. Additional copies of this Letter of Transmittal and of the Notice of Merger may be obtained from the Paying Agent or the Information Agent at the address listed on the reverse hereof.

8. Inadequate Space. If the space provided on this Letter of Transmittal is inadequate, the Certificate numbers and number of Shares formerly represented thereby should be listed on a separately signed schedule affixed hereto.

9. Lost Certificate(s). If any Certificate(s) have been lost, destroyed or stolen, such should be indicated on the face of this Letter of Transmittal. In such event, the Paying Agent will forward additional documentation necessary to be completed in order to effectively surrender such lost, destroyed or stolen Certificate(s). No interest will be paid on amounts due for Certificate(s).

10. Substitute Form W-9. Each person or entity surrendering Certificate(s) hereby is required to provide the Paying Agent with a correct Taxpayer Identification Number ("TIN") on Substitute Form W-9, which is provided under "IMPORTANT TAX INFORMATION" below, and to indicate that such person or entity is not subject to backup withholding by checking the box in Part 2 of the form. Failure to provide the information on the Substitute Form W-9 may subject the surrendering holder of Shares to a penalty and a 31 percent federal income tax withholding on the payment of the amounts due for the Certificate(s). The box in Part 3 of the form may be checked if you have not been issued a TIN and have applied for a number or intend to apply for a number in the near future. If the box in Part 3 is checked and the Paying Agent is not provided with a TIN within 60 days, the Paying Agent will withhold 31 percent on payment of the amounts due for the Certificate(s) until a TIN is provided to the Paying Agent.

IMPORTANT TAX INFORMATION

Under the federal income tax law, a shareholder is required by law to provide the Paying Agent (as payer) with such shareholder's correct TIN on Substitute Form W-9 below. If such shareholder is an individual, the TIN is the shareholder's social security number. If the Paying Agent is not provided with the correct TIN, the shareholder may be subject to a penalty imposed by the Internal Revenue Service. In addition, payments that are made to such Shareholder pursuant to the Merger Agreement and the Notice of Merger may be subject to backup withholding of 31 percent.

Exempt shareholders (including, among others, all corporations and certain

foreign individuals) are not subject to these backup withholding and reporting requirements. (In order for a foreign individual to qualify as an exempt recipient, such person must submit a statement, signed under penalties of perjury, attesting to such person's exempt status. Such statements can be obtained from the Paying Agent). See the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional instructions.

If backup withholding applies, the Paying Agent is required to withhold 31 percent of any payments made to the shareholder. Backup withholding is not an additional tax. Rather, the tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained from the Internal Revenue Service.

PURPOSE OF SUBSTITUTE FORM W-9

To prevent backup withholding on payments made to a shareholder pursuant to the Merger, the shareholder must notify the Paying Agent of such shareholder's correct TIN by completing the form below certifying that the TIN provided on Substitute Form W-9 is correct (or that such shareholder is awaiting a TIN) and that (1) such shareholder has not been notified by the Internal Revenue Service that such shareholder is subject to backup withholding as a result of failure to report all interest or dividends or (2) the Internal Revenue Service has notified such shareholder that such shareholder is no longer subject to backup withholding.

WHAT NUMBER TO GIVE THE PAYING AGENT

The Shareholder is required to give the Paying Agent the social security number or employer identification number of the record owner of the Shares. If the Shares are in more than one name or are not in the name of the actual owner, consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional guidelines on which number to report.

PAYER'S NAME: Harris Trust Company of New York

PART 1--PLEASE PROVIDE YOUR Social Security Number
TIN IN THE BOX AT THE RIGHT OR
AND CERTIFY BY SIGNING AND Employer Identification
DATING BELOW. Number

SUBSTITUTE
FORM W-9
DEPARTMENT OF
THE TREASURY
INTERNAL
REVENUE
SERVICE

PART 2--Check this box if you are NOT subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code because (1) you have not been notified that you are subject to backup withholding as a result of failure to report all interest or dividends or (2)

the Internal Revenue Service has notified you that you are no longer subject to backup withholding.----> [_]

PAYER'S
REQUEST FOR
TAXPAYER

IDENTIFICATION
NUMBER (TIN)

CERTIFICATION--UNDER THE PENALTIES OF PER-
JURY, I CERTIFY THAT THE INFORMATION PRO-
VIDED ON THIS FORM IS TRUE, CORRECT, AND
COMPLETE.

PART 3--

Awaiting TIN -
----> [_]

SIGNATURE..... DATE.....

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 31 PERCENT OF ANY PAYMENTS MADE TO YOU WITH RESPECT TO CERTIFICATES SURRENDERED IN CONNECTION WITH THE MERGER. PLEASE REVIEW ENCLOSED "GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9" FOR ADDITIONAL DETAILS.

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECKED THE BOX IN PART 3 OF SUBSTITUTE FORM W-9.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I CERTIFY UNDER PENALTIES OF PERJURY THAT A TIN HAS NOT BEEN ISSUED TO ME, AND EITHER (A) I HAVE MAILED OR DELIVERED AN APPLICATION TO RECEIVE A TIN TO THE APPROPRIATE INTERNAL REVENUE SERVICE CENTER OR SOCIAL SECURITY ADMINISTRATION OFFICE OR (B) I INTEND TO MAIL OR DELIVER AN APPLICATION IN THE NEAR FUTURE. I UNDERSTAND THAT IF I DO NOT PROVIDE A TIN WITHIN SIXTY (60) DAYS, 31 PERCENT OF ALL REPORTABLE PAYMENTS MADE TO ME THEREAFTER WILL BE WITHHELD UNTIL I PROVIDE A NUMBER.

Signature.....Date.....

If you have any questions or require assistance submitting your Certificate(s), please call:

HARRIS TRUST COMPANY OF NEW YORK
88 Pine Street
19th Floor
New York, NY 10005
(212) 701-7694

Holders of Shares may also contact the Information Agent at the following address and telephone number:

WHEELABRATOR SHAREHOLDER SERVICES
P.O. Box 1400

Pittsburgh, PA 15230
(800) 443-6474

WHEELABRATOR TECHNOLOGIES INC.
4 LIBERTY LANE WEST
HAMPTON, NEW HAMPSHIRE 03482

March 30, 1998

Dear Wheelabrator Technologies Inc. Stockholder:

Today, WMI Merger Sub, Inc. was merged into Wheelabrator Technologies Inc. (the "Company") under the provisions of Section 251 of the Delaware General Corporation Law. The Company thus became a wholly owned subsidiary of Waste Management, Inc. In the merger, the previously outstanding shares of common stock of the Company were converted into the right to receive \$16.50 per share in cash.

You must now turn in your stock certificates for the Company shares to receive the \$16.50 in cash per share merger consideration (unless you wish to assert appraisal rights, as noted in the next paragraph). A Letter of Transmittal is enclosed for you to submit your certificates. You should complete the Letter of Transmittal and sign it at the appropriate places (including the substitute Form W-9 taxpayer identification number certification) and return it along with your stock certificate(s) to Harris Trust Company of New York in the enclosed pre-addressed envelope, in the manner set forth in the instructions to the Letter of Transmittal.

If you were a stockholder of record of the Company as of the effective date of the merger and asserted appraisal rights, as provided in Section 262 of the Delaware General Corporation Law, do not turn in your stock certificates with the Letter of Transmittal. Strict compliance with the requirements of Section 262 is necessary in order to properly perfect appraisal rights, and you are urged to review those requirements carefully.

If you have any questions or require assistance, please call Wheelabrator Shareholder Services, the Information Agent, at (800) 443-6474 or Harris Trust Company of New York, the Paying Agent, at (212) 701-7694.

Wheelabrator Technologies Inc.

Enclosures:

Letter of Transmittal, Guidelines for Certification of
Taxpayer Identification Number, Return Envelope