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Preliminary proxy statements, special meeting

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WILLCOX & GIBBS INC

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Proxy Statement Pursuant to Section 14(a) of
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Check the appropriate box:

[x] Preliminary Proxy Statement

[ ] Definitive Proxy Statement

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Willcox & Gibbs, Inc.

(Name of Registrant as Specified In Its Charter)

Willcox & Gibbs, Inc.

(Name of Person(s) Filing Proxy Statement)

Payment of Filing Fee (Check the appropriate box):

[x] $125 per Exchange Act Rules 0-11(c)(1)(ii), 14a-6(i)(1), or 14a-6(j)(2).

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1) Title of each class of securities to which transaction applies:

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2) Aggregate number of securities to which transaction applies:

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3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11:

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[ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

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PRELIMINARY COPY

[Letterhead of W&G]

January ---, 1994

Dear Stockholder:

You are cordially invited to attend the Special Meeting of Stockholders of Willcox & Gibbs, Inc. (the "Company") to be held on Thursday, February 24, 1994, at 11:00 A.M.

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The Company is asking you at this Special Meeting to vote on a proposal to approve the issuance by the Company to Rexel, S.A., a French societe anonyme formerly known as Compagnie de Distribution de Materiel Electrique, of additional shares of the Company's Common Stock, including (i) 3,491,280 shares of the Company's Common Stock at $9.00 per share in cash, for a total purchase price of $31,421,520, which issuance will increase Rexel's beneficial ownership of the outstanding Common Stock of the Company from 30% to 40%, and (ii) additional shares from time to time that would increase Rexel's beneficial ownership of the outstanding Common Stock to 45%.

For reasons set forth in the accompanying proxy statement, which you are urged to read, your Board of Directors recommends that you vote "FOR" the proposal.

The Board of Directors appreciates and encourages stockholder participation in the Company's affairs. Whether or not you plan to attend the Special Meeting, it is important that your shares be represented. Accordingly, we request you to sign, date and mail the enclosed proxy in the envelope provided.

Sincerely,

John K. Ziegler
Chairman of the Board, President and Chief Executive Officer

PRELIMINARY COPY

WILLCOX & GIBBS, INC.

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

NOTICE IS HEREBY GIVEN that a Special Meeting of Stockholders of WILLCOX & GIBBS, INC. (the "Company") will be held at the Executive Offices of the Company, 530 Fifth Avenue, 22nd Floor, New York, New York at 11:00 A.M. (New York City time) on Thursday, February 24, 1994, for the following purpose:

- to vote upon a proposal to approve the issuance by the Company to Rexel, S.A., a French societe anonyme formerly known as Compagnie de Distribution de Materiel Electrique, of additional shares of the Company's Common Stock, including (i) 3,491,280 shares of the Company's Common Stock at $9.00 per share in cash, for a total purchase price of $31,421,520, and (ii) additional shares from time to time that would increase Rexel's beneficial ownership of the

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outstanding Common Stock to 45%.

The Board of Directors has called the Special Meeting and fixed the close of business on January 21, 1994, as the record date for the determination of stockholders entitled to notice of and to vote at the meeting.

If you will be unable to attend the meeting, you are respectfully requested to sign and return the accompanying proxy in the enclosed envelope.

By Order of the Board of Directors,

Mary-Anne Kieran
Secretary

January ---, 1994

YOUR VOTE IS IMPORTANT. PLEASE SIGN AND RETURN YOUR PROXY CARD

PRELIMINARY COPY

WILLCOX & GIBBS, INC.

PROXY STATEMENT

This proxy statement is furnished to the stockholders of Willcox & Gibbs, Inc. (hereinafter referred to as the "Company" or "W&G") in connection with the solicitation of proxies for the Special Meeting of Stockholders to be held on February 24, 1994. The Special Meeting is being called to consider a proposal to approve the issuance by the Company to Rexel, S.A. ("Rexel"), a French societe anonyme formerly known as Compagnie de Distribution de Materiel Electrique, of additional shares of common stock, par value $1.00 per share, of the Company ("Common Stock"), including (i) 3,491,280 shares (the "Shares") of Common Stock at $9.00 per share in cash, for a total purchase price of $31,421,520, pursuant to the Purchase Agreement, dated as of December 10, 1993 (the "Purchase Agreement"), among the Company, Rexel and International Technical Distributors, Inc., a New York corporation and a subsidiary of Rexel ("ITD"), which issuance will increase Rexel's beneficial ownership of the outstanding Common Stock from 30% to 40%, and (ii) additional shares of Common Stock from time to time that would increase Rexel's beneficial ownership of the outstanding Common Stock to 45%. Pursuant to the Company's Certificate of

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Incorporation, no other business may be conducted at the Special Meeting.

The address of the Company's principal executive office and the Company's mailing address is 530 Fifth Avenue, New York, New York 10036 and the telephone number of its principal executive office is (212) 869-1800. This proxy statement and the enclosed proxy are being sent to stockholders commencing on or about January , 1994.

The enclosed proxy is solicited by the Board of Directors of the Company. Execution of the proxy will not affect a stockholder's right to attend the Special Meeting and to vote in person or to revoke the proxy. A proxy may be revoked at any time before it is exercised by written notice of revocation delivered to the Secretary of the Company.

PROPOSAL TO APPROVE THE ISSUANCE OF ADDITIONAL SHARES OF COMMON STOCK

PURPOSE OF THE PROPOSAL

The purpose of the sale of the Shares is to increase the Company's equity base and to obtain funds to reduce outstanding debt of the Company. On December 17, 1993, the Company acquired all of the outstanding capital stock of Summers Group, Inc. ("Summers") for $60,000,000 in cash and $25,000,000 stated

principal amount of three year notes of the Company, plus contingent consideration dependent on Summers's results for 1993 and 1994, subject to a maximum of $120,000,000. The cash portion of the purchase price for Summers was borrowed by the Company under the Revolving Credit and Reimbursement Agreement, dated as of December 17, 1993 (the "Credit Agreement"), among the Company, NationsBank of Florida, N.A., and Credit Lyonnais New York Branch. Also in connection with the Summers acquisition, the Company and The Prudential Insurance Company of America amended the Note Agreement, dated as of April 2, 1991 (the "Note Agreement"), under which $50,000,000 principal amount of Senior Notes due 2001 of the Company are outstanding, to permit the incurrence by the Company of debt relating to the Summers acquisition.

The Credit Agreement provides that if a sale of capital stock of the Company to Rexel for net cash proceeds of at least $20,000,000 does not occur by December 17, 1994, the amounts outstanding under the Credit Agreement must be repaid. In addition, the Note Agreement provides that, if the sale of the Shares pursuant to the Purchase Agreement does not occur by March 31, 1994, it will constitute a default under the Note Agreement that will permit acceleration of the notes outstanding thereunder. Accordingly, if the issuance of the Shares to Rexel does not occur, it will be necessary for the Company to seek amendments of the Credit Agreement and the Note Agreement or to repay amounts outstanding thereunder. Under the terms of the Note Agreement, repayment of the Notes would require payment of a premium determined pursuant to a formula based in part on the yield of certain U.S. Treasury securities, which premium would have been approximately $10,300,000 if the notes were repaid as of December 31, 1993. The Company expects that it would be able to negotiate amendments to the Credit Agreement and Note Agreement or to obtain

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financing to repay amounts thereunder if necessary, although no assurance can be given that the Company could do so. The Company believes that any such amendment or refinancing without an equity investment in the Company such as the sale of the Shares to Rexel would result in borrowing arrangements on terms less favorable to the Company than those currently applicable.

The New York Business Corporation Law does not require that the issuance of the Shares to Rexel be submitted for approval by the Company's stockholders. However, the Common Stock is listed on the New York Stock Exchange ("NYSE"), which has advised the Company that, under NYSE rules, stockholders' approval of the issuance of the Shares is required in order to list the Shares on the NYSE. The obligations of the Company, Rexel and ITD to consummate the transactions contemplated by the Purchase Agreement are subject to, among other things, the listing of the Shares on the NYSE.

BACKGROUND OF THE TRANSACTION

In November 1992, the Company issued to Rexel and ITD shares of Common Stock that constituted approximately 30% of the outstanding Common Stock. In connection with that acquisition, the Company, Rexel and ITD entered into an Investment Agreement, dated as of November 12, 1992 (the "Investment Agreement"), which established various rights and obligations with respect to Rexel's and ITD's investment in the Company. Pursuant to the Investment Agreement, Rexel was entitled to nominate three of the Company's ten directors and to approve any issuance of capital stock by the Company.

During the negotiations for the acquisition by the Company of Summers, John K. Ziegler, Chairman of the Board of the Company, held discussions with representatives of Rexel about an additional equity investment by Rexel in the Company. Rexel and the Company believed it desirable to increase the Company's equity capitalization as a result of the incurrence by the Company of additional indebtedness in connection with the Summers transaction. Due to Rexel's substantial ownership of Common Stock and representation on the Company's Board of Directors, Rexel may be deemed to be a controlling person of the Company. Accordingly, on November 9, 1993, the Board of Directors of the Company appointed a special committee of the Board (the "Special Committee"), comprised of John B. Fraser, Austin List and Michael B. Wilson, to consider the issuance of additional Common Stock to Rexel. Messrs. Fraser, List and Wilson are unaffiliated with Rexel and were directors of the Company prior to Rexel's initial investment in the Company. The Special Committee retained Kidder, Peabody & Co. Incorporated ("Kidder, Peabody") as financial advisor to the Special Committee. Kidder, Peabody had acted as financial advisor to a special committee of the Company's Board of Directors in connection with Rexel's acquisition of Common Stock in November 1992.

The Special Committee held meetings on December 1, 7 and 9, 1993, at which the issuance of Common Stock to Rexel and related amendments to the Investment Agreement requested by Rexel were discussed. In addition, members of the Special Committee and representatives of Kidder, Peabody held discussions with representatives of Rexel concerning the terms of such transaction. On December

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9, 1993, the Special Committee, after careful consideration of the benefits of the proposed issuance of the Shares and receipt of the oral opinion from Kidder, Peabody discussed below (see "Opinion of Independent Financial Advisor"), approved the Purchase Agreement and the transactions contemplated thereby, including the issuance of the Shares.

RECOMMENDATION OF THE BOARD OF DIRECTORS

The Board of Directors of the Company approved the Purchase Agreement and the transactions contemplated thereby and recommends that the stockholders of the Company vote FOR approval of the proposal to issue the Shares pursuant to the Purchase Agreement. In making its determination to approve the Purchase Agreement and the transactions contemplated thereby and to recommend that the Company stockholders approve the proposal to issue the Shares pursuant to the Purchase Agreement, the Board of Directors considered, among other things, (i) the opinion of Kidder, Peabody that the consideration to be received by the Company in the sale of the Shares to Rexel is fair, from a financial point of view, to the Company, (ii) the approval by the Special Committee of the Purchase Agreement and the transactions contemplated thereby and (iii) the factors considered by the Special Committee in its deliberations described below.

The Special Committee considered, among other things, the following factors in making its decision to approve the Purchase Agreement and the transactions contemplated thereby: (i) the opinion of Kidder, Peabody that the consideration to be received by the Company in the sale of the Shares to Rexel is fair, from a financial point of view, to the Company and the presentation

made by Kidder, Peabody to the Special Committee, (ii) the improvement to the Company's balance sheet resulting from the proposed transaction, including the reduction in debt and (iii) the provisions of the Purchase Agreement providing for amendments to the Investment Agreement and the Rights Agreement, including the right of the Company to sell additional shares of Common Stock to Rexel if Rexel determines to raise its ownership to 45% of the outstanding Common Stock and the increase in Rexel's nominees on the Company's Board of Directors to five of nine directors (see "Amendment to Investment Agreement" and "Amendment to Rights Agreement" below).

OPINION OF INDEPENDENT FINANCIAL ADVISOR

Kidder, Peabody has acted as financial advisor to the Special Committee in connection with the sale by W&G of 3,491,280 shares of Common Stock to Rexel for approximately $31,421,520 pursuant to the Purchase Agreement (the "Transaction") and has assisted the Special Committee in its examination of the fairness, from a financial point of view, of the consideration to be received by W&G in the Transaction.

On December 9, 1993, Kidder, Peabody rendered its oral opinion (subsequently confirmed in writing on December 10, 1993) to the Special Committee to the effect that, as of the date of such opinion, the consideration to be received by W&G was fair, from a financial point of view, to W&G. THE

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FULL TEXT OF THE WRITTEN OPINION OF KIDDER, PEABODY WHICH SETS FORTH THE ASSUMPTIONS MADE, PROCEDURES FOLLOWED, MATTERS CONSIDERED, LIMITATIONS ON AND THE SCOPE OF THE REVIEW BY KIDDER, PEABODY IN RENDERING ITS OPINION IS ATTACHED AS ANNEX A TO THIS PROXY STATEMENT AND IS INCORPORATED HEREIN BY REFERENCE. W&G STOCKHOLDERS ARE URGED TO READ KIDDER, PEABODY'S OPINION IN ITS ENTIRETY.

In connection with its opinion, Kidder, Peabody reviewed, among other things, the Purchase Agreement, the proposed amendment to the Investment Agreement among W&G, ITD and Rexel and the proposed third amendment to the Rights Agreement between W&G and Chemical Bank in the respective forms attached to the Purchase Agreement. Kidder, Peabody also reviewed certain financial and other information with respect to W&G and Summers that was publicly available or furnished to Kidder, Peabody by W&G, including certain internal financial analyses, financial forecasts, reports and other information prepared by W&G management. Kidder, Peabody held discussions with various members of W&G management concerning W&G and Summers's historical and current operations, financial condition and prospects as well as the strategic and operating benefits anticipated from the Summers acquisition. In addition, Kidder, Peabody: (i) reviewed the price and trading history of the Common Stock and compared such price and trading history with those of publicly traded companies it deemed relevant for purposes of its opinion; (ii) compared the financial positions and operating results of W&G and Summers with those of publicly traded companies it deemed relevant for purposes of its opinion; (iii) compared certain financial terms of the Transaction to certain financial terms of selected business combinations it deemed relevant for purposes of its opinion; (iv) reviewed the potential pro forma financial effects of the Transaction and the acquisition of Summers on W&G; and (v) conducted such other financial studies, analyses and investigations and reviewed such other factors as it deemed appropriate for purposes of its opinion.

In rendering its opinion, Kidder, Peabody relied, without independent verification, on the accuracy and completeness of all financial and other information reviewed by Kidder, Peabody that was publicly available or furnished to it by or on behalf of W&G. Kidder, Peabody assumed that the financial forecasts which it examined were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of W&G with respect to the future performance of W&G and Summers. Kidder, Peabody also assumed, with W&G's consent, that: (i) W&G (directly, or through a wholly-owned subsidiary of W&G) would acquire all of the outstanding capital stock of Summers pursuant to the terms of the agreement dated November 20, 1993 among W&G, Willcox & Gibbs Delaware Inc., SGDHC, Inc., Summers and BTR Dunlop, Inc. (the "Summers Agreement") and (ii) the strategic and operating benefits anticipated by senior management of W&G from the Summers acquisition will be realized. Kidder, Peabody did not make an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of W&G or Summers nor was Kidder, Peabody furnished with any such evaluations or appraisals. Kidder, Peabody's opinion is based upon the economic, monetary and market conditions existing on the date of such opinion. Furthermore, Kidder, Peabody expressed no opinion as to the range at which shares of Common Stock will trade or as to W&G's ability to access the capital markets prior or

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subsequent to the consummation of the Transaction. W&G did not place any limitations upon Kidder, Peabody with respect to the procedures followed or factors considered by Kidder, Peabody in rendering its opinion.

Kidder, Peabody believes that its analyses must be considered as a whole and that selecting portions of its analyses and of the factors considered by it, without considering all factors and analyses, could create a misleading view of the processes underlying its opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. In its analyses, Kidder, Peabody made numerous assumptions with respect to industry performance, general business, regulatory and economic conditions and other matters, many of which are beyond the control of W&G and Summers. Any estimates contained therein are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than such estimates. Estimates of values of companies or assets do not purport to be appraisals or necessarily reflect the prices at which companies or assets may actually be sold. Because such estimates are inherently subject to uncertainty, none of W&G, Kidder, Peabody or any other person assumes responsibility for their accuracy.

In connection with rendering its oral opinion and preparing its oral presentation to the Special Committee of the Board of Directors of W&G, Kidder, Peabody performed a variety of financial analyses, including those summarized below. The summary set forth below does not purport to be a complete description of the analyses performed by Kidder, Peabody in this regard.

Analyses Relating to W&G

1. COMPARATIVE COMPANY ANALYSIS. Kidder, Peabody compared the historical, current and relevant projected financial and operating results of W&G with that of such financial and operating results of selected publicly traded industrial distribution companies it deemed relevant (the "W&G Comparative Companies"). The W&G Comparative Companies were chosen based on

conversations with W&G management as to companies which possess general business, operating and financial characteristics representative of companies in the industry in which W&G operates. The W&G Comparative Companies consisted of Bearings, Inc., Hughes Supply Inc., Lawson Products, Inc., Noland Company, Sun Distributors L.P. and W.W. Grainger, Inc.

In order to measure W&G's current operating performance with that of the W&G Comparative Companies, Kidder, Peabody considered, among other things, that: (i) W&G's 1990 to latest four quarters compounded annual growth rate in sales was 6.6% compared with a median 1990 to latest four quarters compounded annual growth rate in sales for the W&G Comparative Companies of 2.0%; (ii) W&G's 1990 to latest four quarters compounded annual growth rate in earnings before interest, taxes, depreciation and amortization ("EBITDA") was 10.8% compared with a median 1990 to latest four quarters compounded annual rate of decline in EBITDA for the W&G Comparative Companies of 6.1%; (iii) W&G's 1990 to latest four quarters compounded annual growth rate in earnings before interest and taxes ("EBIT") was 11.5% compared with a median 1990 to latest

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four quarters compounded annual rate of decline in EBIT for the W&G Comparative Companies of 3.3%; (iv) W&G's 1990 to latest four quarters compounded annual growth rate in net income was 5.1% compared with a median 1990 to latest four quarters compounded annual rate of decline in net income for the W&G Comparative Companies of 1.1%; (v) W&G's projected one-year growth rate in net income (as per the 1993 to 1997 financial forecast for W&G provided by W&G management; the "W&G Financial Forecast") was 21.1% compared with a median projected one-year growth rate in net income (as per the Institutional Broker's Estimate Service; "IBES") for the W&G Comparative Companies of 20.0%; and (vi) W&G's projected long-term compounded annual growth rate in net income (as per the Financial Forecast) was 17.0% compared with a median projected long-term compounded annual growth rate in net income (as per IBES) for the W&G Comparative Companies of 10.0%.

In order to measure W&G's profitability with that of the W&G Comparative Companies, Kidder, Peabody considered, among other things, that: (i) W&G's 1990 to latest four quarters average gross margin was 23.3% compared with a median 1990 to latest four quarters average gross margin for the W&G Comparative Companies of 30.9%; (ii) W&G's 1990 to latest four quarters average EBITDA margin was 4.6% compared with a median 1990 to latest four quarters average EBITDA margin for the W&G Comparative Companies of 5.1%; (iii) W&G's 1990 to latest four quarters average EBIT margin was 3.0% compared with a median 1990 to latest four quarters average EBIT margin for the W&G Comparative Companies of 3.6%; (iv) W&G's 1990 to latest four quarters average net income margin was 0.5% compared with a median 1990 to latest four quarters average net income margin for the W&G Comparative Companies of 1.4%; (v) W&G's 1990 to latest four quarters average return on assets (tax-effected EBIT divided by average total assets; "ROA") was 2.7% compared with a median 1990 to latest four quarters average ROA for the W&G Comparative Companies of 5.2%; and (vi) W&G's 1990 to latest four quarters average return on equity (net income divided by average total net income; "ROE") was 2.2% compared with a median 1990 to latest four quarters average ROE for the W&G Comparative Companies of 10.0%.

In order to assess the relative public market valuations of W&G and the W&G Comparative Companies, Kidder, Peabody performed a market analysis of W&G

and the W&G Comparative Companies. With respect to such analysis, Kidder, Peabody calculated a range of market multiples for each of the W&G Comparative Companies based on dividing: (i) the market capitalization (total common shares outstanding times market price per share on December 3, 1993 plus latest reported total debt, capitalized leases and preferred stock, less cash and cash equivalents; the "Market Capitalization") of each of the W&G Comparative Companies by such company's latest four quarters sales, EBITDA and EBIT; (ii) the market value (total common shares outstanding times market price per share on December 3, 1993; the "Market Value") of each of the W&G Comparative Companies by such company's latest four quarters net income; (iii) the market price (the closing market price per share on December 3, 1993; the "Market Price") of each of the W&G Comparative Companies by such company's estimated calendar 1994 earnings per share ("EPS") (as per IBES); and (iv) the Market Value of each W&G Comparative Company by such company's latest reported book value. The range of market multiples for the W&G Comparative Companies

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included: (i) Market Capitalization to latest four quarters sales multiples of 0.23x to 1.69x; (ii) Market Capitalization to latest four quarters EBITDA multiples of 6.9x to 12.4x; (iii) Market Capitalization to latest four quarters EBIT multiples of 11.0x to 13.8x; (iv) Market Value to latest four quarters net income multiples of 20.4x to 22.3x; (v) Market Price to estimated calendar 1994 EPS (as per IBES) multiples of 13.0x to 18.2x; and (vi) Market Value to latest reported book value multiples of 1.22x to 3.25x. Based on the above measures, Kidder, Peabody then compared W&G's market multiples, based on its closing stock price on December 3, 1993, with the W&G Comparative Companies' median market multiples in order to establish the relationship between W&G's market multiples and those of the W&G Comparative Companies. With respect to such review, Kidder, Peabody noted that: (i) W&G's Market Capitalization to latest four quarters sales multiple was 0.48x compared with a median Market Capitalization to latest four quarters sales multiple of 0.44x for the W&G Comparative Companies; (ii) W&G's Market Capitalization to latest four quarters EBITDA multiple was 9.6x compared with a median Market Capitalization to latest four quarters EBITDA multiple of 9.4x for the W&G Comparative Companies; (iii) W&G's Market Capitalization to latest four quarters EBIT multiple was 13.8x compared with a median Market Capitalization to latest four quarters EBIT multiple of 12.5x for the W&G Comparative Companies; (iv) W&G's Market Value to latest four quarters net income multiple was 33.7x compared with a median Market Value to latest four quarters net income multiple of 21.3x for the W&G Comparative Companies; (v) W&G's Market Price to estimated calendar 1994 EPS (as per IBES) multiple was 16.2x compared with a median Market Price to estimated calendar 1994 EPS (as per IBES) multiple of 16.6x for the W&G Comparative Companies; and (vi) W&G's Market Value to latest reported book value multiple was 1.81x compared with a median Market Value to latest reported book value multiple of 2.76x for the W&G Comparative Companies.

Using such information, Kidder, Peabody derived a range of implied enterprise values (a theoretical aggregate valuation of a corporate entity before adjustments for non-operating assets and liabilities) for W&G of $179.4 million to $260.8 million by applying the aforementioned market multiples of the W&G Comparative Companies to the appropriate financial statistics of W&G. The range of implied enterprise values of W&G was then adjusted for non-operating assets and liabilities, where relevant, including: (i) total debt of $109.9 million as of December 31, 1993 (as per the W&G Financial Forecast); (ii) cash and cash equivalents of $24.8 million as of December 31, 1993 (as per the W&G Financial Forecast); (iii) the assumed conversion of the $50 million

principal amount of W&G's 7% Convertible Subordinated Debentures due August 1, 2014 (the "Debentures"), where such conversion would have a dilutive effect; and (iv) proceeds from the assumed exercise of the options exercisable as of December 3, 1993, at an average exercise price of $6.42 per share, of $0.1 million to yield implied equity values for W&G of $157.5 million to $198.4 million. The range of implied equity values of W&G was then divided by the fully diluted shares of Common Stock outstanding as of November 23, 1993 (representing 20,947,672 shares of Common Stock outstanding, 13,018 shares of Common Stock issuable upon exercise of options and 5,224,660 shares issuable upon the conversion of the Debentures, where such conversion would have a dilutive effect; the "Fully Diluted Shares Outstanding") to yield implied

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values of $7.52 to $9.47 per fully diluted share. Kidder, Peabody included only those options which were exercisable as of December 3, 1993.

2. DISCOUNTED CASH FLOW ANALYSIS. A discounted cash flow analysis is a traditional valuation methodology used to derive a valuation of a corporate entity by capitalizing the estimated future earnings and calculating the estimated future free cash flows of such corporate entity and discounting such aggregated results back to the present. Kidder, Peabody performed a discounted cash flow analysis of W&G based on the W&G Financial Forecast. Using the information set forth in the W&G Financial Forecast, Kidder, Peabody calculated the estimated "free cash flow" based on projected unleveraged net income (earnings before interest and after taxes; "EBIAT") adjusted for: (i) certain projected non-cash items (i.e., depreciation and amortization); (ii) projected capital expenditures; and (iii) projected non-cash working capital investment.

Kidder, Peabody analyzed the W&G Financial Forecast and discounted the stream of free cash flows provided in such projections back to December 31, 1993 using discount rates of 13.0% to 15.0%. To estimate the residual value of W&G at the end of the W&G Financial Forecast period, Kidder, Peabody applied terminal multiples of 7.0x to 9.0x to the projected fiscal 1997 EBITDA and discounted such value estimates back to December 31, 1993 using discount rates of 13.0% to 15.0%. Kidder, Peabody then summed the present values of the free cash flows and the present values of the residual values to derive a range of implied enterprise values for W&G of $216.0 million to $280.8 million. The range of implied enterprise values of W&G was then adjusted for non-operating assets and liabilities including: (i) total debt of $109.9 million as of December 31, 1993 (as per the W&G Financial Forecast); (ii) cash and cash equivalents of $24.8 million as of December 31, 1993 (as per the W&G Financial Forecast); (iii) the assumed conversion of the Debentures, where such conversion would have a dilutive effect; and (iv) proceeds from the assumed exercise of the options exercisable as of December 3, 1993, at an average exercise price of $6.42 per share, of $0.1 million to yield implied equity values for W&G of $130.9 million to $195.7 million. The range of implied equity values of W&G was divided by the Fully Diluted Shares Outstanding to yield implied values of $6.25 to $9.34 per fully diluted share.

3. COMPARATIVE TRANSACTION ANALYSIS. Kidder, Peabody compared certain financial and operating statistics of W&G with such financial and operating statistics of selected relevant industrial distribution companies (the "Industrial Distribution Companies") immediately prior to being acquired. The transactions involving the Industrial Distribution Companies, which occurred

or were announced between January 1, 1984 and April 30, 1993, included (acquiror/acquired company): Concord Corporation/Belknap, Inc.; Bethlehem Steel Corporation/ J.M. Tull Industries, Inc.; Itel Corporation/Anixter Bros., Inc.; Crane Co./Palmer G. Lewis Co., Inc.; Willcox & Gibbs, Inc./Clark Consolidated Industries Inc.; Kelso & Company, Inc./Earle M. Jorgensen Company; Arrow Electronics, Inc./North American electronics distribution business of Lex Service PLC; Willcox & Gibbs, Inc./Southern Electric Supply Company, Inc.; Noel Group, Inc./Curtis Industries, Inc.; Genuine Parts Company/Berry Bearing Company; and Willcox & Gibbs, Inc./Sacks Electrical Supply Co.

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In order to measure W&G's current operating performance and profitability with that of the Industrial Distribution Companies immediately prior to being acquired, Kidder, Peabody considered, among other things, that: (i) W&G's latest four quarters gross margin was 22.8% compared with a median latest four quarters gross margin for the Industrial Distribution Companies immediately prior to being acquired of 21.6%; (ii) W&G's latest four quarters EBITDA margin was 5.0% compared with a median latest four quarters EBITDA margin for the Industrial Distribution Companies immediately prior to being acquired of 3.9%; (iii) W&G's latest four quarters EBIT margin was 3.5% compared with a median latest four quarters EBIT margin for the Industrial Distribution Companies immediately prior to being acquired of 3.1% and (iv) W&G's latest four quarters net income margin was 0.9% compared with a median latest four quarters net income margin for the Industrial Distribution Companies immediately prior to being acquired of 1.7%.

Kidder, Peabody also performed an analysis of the multiples paid in the selected acquisition transactions involving the Industrial Distribution Companies in which it analyzed the adjusted purchase price (the Equity Cost, as defined below, plus latest reported total debt and capitalized leases, minus total cash and cash equivalents; the "Adjusted Purchase Price") for each of the Industrial Distribution Companies and divided such amount by each of such company's respective latest four quarters sales, EBITDA and EBIT immediately prior to being acquired to give a range of purchase price multiples. Kidder, Peabody also analyzed the equity cost (offer price per share multiplied by total common shares outstanding; the "Equity Cost") for each of the Industrial Distribution Companies acquired in the selected transactions and divided such amount by each of such company's respective latest four quarters net income and book value immediately prior to being acquired to give a range of purchase price multiples. Additionally, Kidder, Peabody analyzed the premium paid over the pre-announcement stock price (the percent increase of the offer price per share over the pre-announcement closing market price; the "Premium over Stock Price") for each of the Industrial Distribution Companies acquired in the selected transactions. The range of purchase price multiples and Premium over Stock Price paid in the selected acquisition transactions involving the Industrial Distribution Companies included: (i) Adjusted Purchase Price to latest four quarters (pre-acquisition) sales multiples of 0.19x to 0.99x; (ii) Adjusted Purchase Price to latest four quarters (pre-acquisition) EBITDA multiples of 3.4x to 14.6x; (iii) Adjusted Purchase Price to latest four quarters (pre-acquisition) EBIT multiples of 3.6x to 20.7x; (iv) Equity Cost to latest four quarters (pre-acquisition) net income multiples of 6.9x to 42.0x; (v) Equity Cost to latest reported (pre-acquisition) book value multiples of 1.01x to 2.50x; and (vi) Premium over Stock Price of 20.5% to 71.4%.

Using such information, Kidder, Peabody derived a range of implied enterprise values for W&G of $156.6 million to $262.5 million by applying the aforementioned purchase price multiples and Premium over Stock Price paid in the selected acquisition transactions involving the Industrial Distribution Companies to the appropriate financial statistics of W&G. The range of implied enterprise values of W&G was then adjusted for non-operating assets and

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liabilities including: (i) total debt of $109.9 million as of December 31, 1993 (as per the W&G Financial Forecast); (ii) cash and cash equivalents of $24.8 million as of December 31, 1993 (as per the W&G Financial Forecast); (iii) the assumed conversion of the Debentures, where such conversion would have a dilutive effect; and (iv) proceeds from the assumed exercise of the options exercisable as of December 3, 1993, at an average exercise price of $6.42 per share, of $0.1 million to yield implied equity values for W&G of $156.7 million to $211.0 million. The range of implied equity values of W&G was then divided by the Fully Diluted Shares Outstanding to yield implied values of $7.48 to $9.97 per fully diluted share.

Using such information, Kidder, Peabody also compared the implied purchase price multiples and Premium over Stock Price paid of the consideration to be received by W&G in the Transaction to the median purchase price multiples and Premium over Stock Price paid in the aforementioned acquisition transactions. Such analysis illustrated that: (i) the implied Adjusted Purchase Price to the latest four quarters sales multiple of the consideration was 0.49x compared with a median latest four quarters sales multiple of 0.47x in the selected transactions; (ii) the implied Adjusted Purchase Price to latest four quarters EBITDA multiple of the consideration was 9.8x compared with a median latest four quarters EBITDA multiple of 8.8x in the selected transactions; (iii) the implied Adjusted Purchase Price to latest four quarters EBIT multiple of the consideration was 14.1x compared with a median latest four quarters EBIT multiple of 13.0x in the selected transactions; (iv) the implied Equity Cost to latest four quarters net income multiple of the consideration was 38.5x compared with a median latest four quarters net income multiple of 18.4x in the selected transactions; (v) the implied Equity Cost to latest reported book value multiple of the consideration was 2.07x compared with a median latest reported book value multiple of 1.72x in the selected transactions; and (vi) the Premium over Stock Price of the consideration was 35.8% compared with a median Premium over Stock Price of 50.5% in the selected transactions.

4. PRO FORMA TRANSACTION ANALYSIS. Kidder, Peabody's analysis of the potential pro forma financial effects of the Transaction and the Summers acquisition on W&G was based principally upon the W&G Financial Forecast and the 1994 to 1997 financial forecast for Summers that was prepared by W&G management (the "Summers Financial Forecast"). Kidder, Peabody's pro forma financial analysis excluded fees and expenses related to the Transaction and the Summers acquisition and also assumed, among other things, that: (i) W&G (directly or through a wholly-owned subsidiary of W&G) would acquire all of the outstanding shares of Summers pursuant to the terms of the Summers Agreement and (ii) the strategic and operating benefits anticipated by senior management of W&G from the Summers acquisition will be realized.

Using the data and other information referred to above, Kidder, Peabody's pro forma financial analysis suggested, among other things, that the

Transaction and the Summers acquisition should result in accretion to W&G's EPS in each of fiscal years 1994 to 1997. Kidder, Peabody's pro forma financial analysis also suggested that W&G's total debt as a percent of total capitalization should increase as a result of the Transaction and the Summers

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acquisition.

5. OTHER FACTORS. In rendering its opinion, Kidder, Peabody considered certain other factors of which the material factors included: (i) a review of W&G's business and operations and the industry in which W&G operates to increase its understanding of W&G's business and its position within the industry in which it operates; (ii) a review of W&G's historical operating results and the W&G Financial Forecast to increase its understanding of the financial performance and prospects of W&G's business; (iii) a review of the current book value of W&G; and (iv) a review of the stock price performance of W&G and the W&G Comparative Companies and selected market indices over a one-year period to provide perspective on current and historical public market valuations and stock price performance of W&G and the W&G Comparative Companies relative to selected market indices.

Analyses Relating to Summers

1. COMPARATIVE COMPANY ANALYSIS. Kidder, Peabody compared the historical, current and relevant projected financial and operating results of Summers with that of such financial and operating results of selected publicly traded industrial distribution companies it deemed relevant (the "Summers Comparative Companies"). The Summers Comparative Companies were chosen based upon conversations with W&G management as to companies which possess general business, operating and financial characteristics representative of the industry in which Summers operates. The Summers Comparative Companies consisted of Bearings, Inc., Hughes Supply Inc., Lawson Products, Inc., Noland Company, Sun Distributors L.P. and W.W. Grainger, Inc.

In order to measure Summers's current operating performance with that of the Summers Comparative Companies, Kidder, Peabody considered, among other things, that: (i) Summers's 1990 to latest four quarters compounded annual growth rate in sales was 5.1% compared with a median 1990 to latest four quarters years compounded annual growth rate in sales for the Summers Comparative Companies of 2.0%; (ii) Summers's 1990 to latest four quarters compounded annual rate of decline in EBITDA was 0.7% compared with a median 1990 to latest four quarters compounded annual rate of decline in EBITDA for the Summers Comparative Companies of 6.1%; and (iii) Summers's 1990 to latest four quarters compounded annual rate of decline in EBIT was 5.0% compared with a median 1990 to latest four quarters compounded annual rate of decline in EBIT for the Summers Comparative Companies of 3.3%.

In order to measure Summers's profitability with that of the Summers Comparative Companies, Kidder, Peabody considered, among other things, that: (i) Summers's 1990 to latest four quarters average EBITDA margin was 4.0% compared with a median 1990 to latest four quarters average EBITDA margin for the Summers Comparative Companies of 5.1% and (ii) Summers's 1990 to latest four quarters average EBIT margin was 3.3% compared with a median 1990 to latest four quarters average EBIT margin for the Summers Comparative Companies of 3.6%.

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2. OTHER FACTORS. In rendering its opinion, Kidder, Peabody considered certain other factors with respect to Summers of which the material factors included: (i) a review of Summers's business and operations and the industry in which Summers operates to increase its understanding of Summers's business and its position within the industry in which it operates; (ii) a review of Summers's historical operating results and the Summers Financial Forecast to increase its understanding of the financial performance and prospects of Summers's business; and (iii) a review of the current book value of Summers.

Kidder, Peabody is a nationally recognized investment banking firm and as part of its investment banking business, Kidder, Peabody is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. The Special Committee selected Kidder, Peabody as its financial advisor to render a fairness opinion because of Kidder, Peabody's experience in transactions similar to the Transaction as well as Kidder, Peabody's prior relationship and familiarity with W&G. In the past, Kidder, Peabody has provided investment banking services to W&G including acting as financial advisor to the special committee of the W&G Board of Directors in connection with W&G's distribution of the shares of Worldtex, Inc. to W&G stockholders, the W&G's acquisition of Southern Electric Supply Company, Inc. and W&G's sale in 1992 of shares of W&G Common Stock to Rexel, then known as Compagnie de Distribution de Materiel Electrique. Kidder, Peabody received customary compensation for such services. Kidder, Peabody may provide investment banking and financial advisory services to W&G in the future.

As compensation for its services as financial advisor to the Special Committee, W&G has paid Kidder, Peabody a fee of $250,000. W&G has also agreed to reimburse Kidder, Peabody for its reasonable out-of-pocket expenses, including the fees and expenses of its legal counsel, and to indemnify Kidder, Peabody and its affiliates against certain liabilities, including liabilities under the Federal securities laws, relating to, arising out of or in connection with its engagement. In the ordinary course of its business, Kidder, Peabody may trade the debt and equity securities of W&G for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities.

THE PURCHASE AGREEMENT

The discussion presented below is a summary of certain provisions of the Purchase Agreement, which is attached as Annex B to this Proxy Statement. This summary is qualified in its entirety by reference to the Purchase Agreement.

Purchase and Sale. The closing under the Purchase Agreement (the "Closing") is to take place on the third business day following the date on which all conditions to the obligations of the Company and Rexel (excluding those relating to actions required to take place at the Closing) shall have been satisfied or waived. At the Closing, if the conditions shall have been satisfied or waived, the Company will issue and sell to Rexel 3,491,280 shares of Common Stock at $9.00 per share in cash, for a total purchase price of

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$31,421,520. Rexel, by itself and through ITD, currently beneficially owns 30% of the outstanding Common Stock, and after giving effect to the issuance of the Shares as contemplated by the Purchase Agreement it will beneficially own 40% of the outstanding Common Stock.

Conditions to the Transaction. The obligations of the Company, Rexel and ITD to consummate the transactions contemplated by the Purchase Agreement are subject to the following conditions: (i) the listing on the NYSE of the shares of Common Stock to be issued in connection with the transactions contemplated by the Purchase Agreement; (ii) the acquisition by the Company of all of the issued and outstanding capital stock of Summers, which has occurred; (iii) the accuracy in all material respects as of the date of the Purchase Agreement and as of the Closing of the representations and warranties of the other parties made to it under the Purchase Agreement; (iv) the absence of any court order, stay, injunction or decree that prevents or delays the consummation of any of the transactions contemplated by the Purchase Agreement; and (v) the delivery of certain documents.

Covenants, Representations and Warranties. The Purchase Agreement contains various covenants, representations and warranties made by the Company, Rexel and ITD.

The covenants in the Purchase Agreement include the agreements that, as of the Closing, the Company, Rexel and ITD will enter into an amendment to the Investment Agreement and that the Company will amend the Rights Agreement. See "Amendment to Investment Agreement" and "Amendment to Rights Agreement" below. In addition, each party has agreed to use its best efforts to consummate the transactions contemplated by the Purchase Agreement.

The representations and warranties of the Company, on the one hand, and Rexel and ITD, on the other hand, cover matters relating to due incorporation and good standing, corporate power and authority, enforceability of the Purchase Agreement, the absence of default under existing agreements and compliance with legal requirements. In addition, the Company's representations and warranties cover matters relating to the Common Stock to be issued and capitalization, and Rexel further represents and warrants that it is acquiring the Shares for investment in an unregistered private placement for its own account and not with a view towards, or for sale in connection with, any distribution thereof and that it has sufficient funds available for its purchase of the Shares pursuant to the Purchase Agreement.

Termination. The Purchase Agreement may be terminated at any time prior to the Closing (i) by mutual consent of the Company and Rexel; (ii) by the Company or Rexel if the Closing shall not have taken place on or before March 31, 1994, or such later date as shall have been approved by the Company and Rexel, other than by reason of a matter within the control of the party asserting such termination; and (iii) by the Company or Rexel if the transactions contemplated by the Purchase Agreement shall have been enjoined or prohibited by any nonappealable final order, decree, ruling or other action issued by a U.S. court of competent jurisdiction or other U.S. governmental body.

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AMENDMENT TO INVESTMENT AGREEMENT

Pursuant to the terms of the Purchase Agreement, at the Closing, the Company, Rexel and ITD will enter into Amendment No. 1 to the Investment Agreement (the "Amendment"). A copy of the Amendment is attached as Exhibit A to the Purchase Agreement, which is attached to this Proxy Statement as Annex B. Certain terms of the Amendment are summarized below. This summary is qualified in its entirety by reference to the Amendment and to the Investment Agreement, which is attached to this Proxy Statement as Annex C.

Limitations on Ownership. The Amendment provides that Rexel, ITD and their affiliates (the "Rexel Group") may not beneficially own in the aggregate, directly or indirectly, voting securities or other securities or rights convertible into or exercisable for voting securities of the Company giving them, on a fully exercised basis, in excess of 45% of the Total Voting Power of the Company (as defined in the Investment Agreement). Under the existing Investment Agreement, the Rexel Group was limited to 30% through November 12, 1995, 35% through November 12, 1996 and 40% through November 12, 1997. The Amendment provides that stock options granted under the Company's 1988 Stock Incentive Plan to any director of the Company nominated by Rexel and any shares of Common Stock acquired by such person upon exercise of such option will not be deemed to be beneficially owned by the Rexel Group for purposes of the Investment Agreement.

Board of Directors. The Board of Directors of the Company was required to consist of ten members during the term of the Investment Agreement. Pursuant to the Amendment, this number will be reduced to nine on the Closing Date. Wayne Campbell, Robert Merson and Michael B. Wilson have agreed to resign as directors of the Company, effective immediately after the Closing. On the Closing Date, two additional nominees of Rexel will be elected as directors. Accordingly, after the Closing, Rexel will be entitled to nominate five of the nine directors of the Company during the term of the Investment Agreement.

Rexel has advised the Company that its nominees are Frederic de Castro and Gerald E. Morris. Mr. de Castro, 36 years old, has been Chief Financial Officer of Rexel since April, 1992. From August 1990 until March 1992, Mr. de Castro was the treasurer of Recticel (formerly known as Gichem), a manufacturer of polyurethane and a subsidiary of Societe General de Belgique. Prior to that he was head of staff of the chief executive office of Societe General de Belgique (from March 1989 until Augut 1990) and head of the International Finance and Corporate Finance departments of Midland Bank S.A. in Paris, a subsidiary of Midland Bank Plc (U.K.) (from May 1988 until March 1989). Mr. de Castro is also a director of Guillevin Interntional, Inc. in Canada. Mr. Morris, 61 years old, has served as President of Intalite International N.V., a manufacturer and marketer of commercial ceilings headquartered in Netherlands Antilles, since 1968, and as President of Morris & Arndt Associates, Inc., an investment banking firm, located in New York City, since 1988. Mr. Morris is also a director of Beacon Trust Company, a state chartered bank headquartered

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in Chatham, New Jersey and, since 1987, a trustee of Blanchard Group of Funds headquartered in New York City. Messrs. de Castro and Morris will be added to the Board on the Closing Date, although they will not be assigned to classes of directors at that time, and will serve until the next election of directors by the stockholders of the Company.

In connection with the first election of directors by the Company's stockholders to occur after the Closing, the Company will nominate Mr. Morris and R. Gary Gentles (currently a director of the Company and Executive Vice President and President of the Cement Group of Lafarge Corporation) for election as a Class I director and Mr. de Castro for election as a Class II director.

The Amendment provides that Rexel will cause two Rexel nominees to resign as directors of the Company if Rexel and its affiliates beneficially own less than 30% of the Total Voting Power. Under the existing Investment Agreement, Rexel was required to reduce its nominees to three if it dropped below 35% of the Total Voting Power.

Purchases of Additional Shares by Rexel Group. The Amendment permits Rexel to purchase Company securities representing up to 45% of the Total Voting Power. However, under the Purchase Agreement Rexel will become the beneficial owner of 40% of the Total Voting Power. The Amendment provides that if Rexel desires to buy additional shares of Common Stock and such purchase is not prohibited by the Investment Agreement, Rexel will give written notice to the Company specifying the number of shares that Rexel desires to purchase and the price per share in cash that Rexel would agree to pay therefor (the "Offer Notice"). The Company, if approved by the Independent Directors (as defined in the Amendment), may elect to sell to Rexel up to the number of shares specified in the Offer Notice at the price per share in cash specified in the Offer Notice, and if the Company so elects, the Company shall issue and sell such shares to Rexel as promptly as practicable, subject only to approval of the NYSE and the Pacific Stock Exchange of the listing of such shares. If the Company does not elect to sell shares to Rexel pursuant to an Offer Notice or indicates that it will sell less than the number of shares specified in the Offer Notice, then Rexel will be free (subject to the other restrictions in the Investment Agreement) for a period of 180 days commencing on the date the Offer Notice was given to the Company to purchase up to the number of shares specified in the Offer Notice at a price per share at or below the price specified in the Offer Notice. Any shares purchased by Rexel pursuant to this provision are required to be for investment for Rexel's account and not with a view toward any distribution thereof. No member of the Rexel Group is permitted to acquire beneficial ownership of any Common Stock except in accordance with this provision.

Term of the Agreement. The obligations of the parties under the Investment Agreement, originally scheduled to terminate on November 12, 1997, will terminate on December 31, 1994, except that the provisions of Section 5(d) (relating to maintenance of directors' and officers' liability insurance) will continue in effect through November 12, 1997.

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AMENDMENT TO RIGHTS AGREEMENT

Pursuant to the Purchase Agreement, the Company will amend the Rights Agreement, dated as of January 10, 1989, between the Company and Chemical Bank, as rights agent, relating to the Company's outstanding preference stock

purchase rights. See "Other Considerations" below for a description of the preference stock purchase rights. The amendment will provide that the preference stock purchase rights will expire on December 31, 1994 (which coincides with the date of the termination of the Investment Agreement, as amended by the Amendment) and will permit Rexel to increase its beneficial ownership to 45% of the Total Voting Power prior to such expiration of the preference stock purchase rights, as contemplated by the Amendment.

REGISTRATION RIGHTS

In connection with Rexel's purchase of Common Stock in November 1992, the Company and Rexel entered into a Registration Rights Agreement, dated November 12, 1992, pursuant to which Rexel may demand that the Company effect two registrations under the Securities Act of 1933, as amended (the "Securities Act"), for the sale of shares of Common Stock owned by it or any of its affiliates (which would include the Shares), each for not less than 2,000,000 shares, at any time prior to November 12, 1997. During the same period, Rexel may also have its shares of Common Stock included in a registration under the Securities Act in connection with an underwritten public offering for the Company's own account or the account of others, provided that the managing underwriter determines that inclusion of Rexel's shares in such an offering would not interfere with the successful marketing of the stock for the account of the Company.

In connection with any registration of Rexel's shares of Common Stock pursuant to the Registration Rights Agreement, the Company will pay all out-of-pocket expenses of the Company incurred in connection with such registration, including SEC filing fees, fees and expenses incurred complying with securities or Blue Sky laws, printing expenses, fees and expenses of counsel and independent certified public accountants for the Company and any additional experts retained by the Company in connection with such registration, as well as internal expenses. Rexel will pay any underwriting fees, discounts or commissions attributable to the sale of its shares of Common Stock and any out-of-pocket expenses of Rexel including its counsel's fees and expenses. The Company has also agreed to indemnify Rexel and certain other persons for certain liabilities arising under the Securities Act in connection with any such registration statement.

USE OF PROCEEDS

The cash proceeds of $31,421,520 from the sale of the Shares by the Company pursuant to the Purchase Agreement will be used to repay debt outstanding under the Credit Agreement.

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DESCRIPTION OF REXEL

Rexel is a major supplier of electrical equipment with operations in 13 countries, mainly in Europe and North America. While its biggest customers are electrical contractors, Rexel also supplies electrical equipment to industrial and service companies, to government and local authorities, as well as to retailers. In addition, Groupe de Distribution de Fournitures Industrielles ("GDFI"), an affiliate of Rexel, distributes technical equipment used in industrial production machinery and its maintenance. GDFI is the leading distributor of industrial supplies in France. Rexel's shares are listed on the Paris Stock Exchange. Approximately 71.7% of the shares of Rexel are held by Pinault Printemps.

Pinault Printemps is a French industrial and commercial group with a presence in 36 countries and a combined work force of more than 56,000 concentrating its activities in the following five sectors: Retail Distribution, with several companies such as the department store chain "Le Printemps" and mail order company "LaRedoute"; Specialized Distribution, which includes the activities of Rexel; the Industry Sector, which covers mainly the activities of primary wood processing production and furniture manufacture; the Services Sector, comprising the activities of rental of vehicles and site equipment, road transport and other services; and International Trade, which includes trading in the following: cars, foodstuffs, construction materials, textiles, office automation, as well as trade and brokerage in tropical woods. The shares of Pinault Printemps are listed on the Paris Stock Exchange.

OTHER CONSIDERATIONS

Although the Company does not deem the proposal to approve the issuance of the Shares to Rexel to be an "anti-takeover" proposal, the proposal could be considered as having the effect of discouraging an attempt by another person to acquire control of the Company since the issuance of the Shares will increase Rexel's beneficial ownership to 40%. The proposal is not part of a plan or arrangement intended to have an anti-takeover effect, and management has no present intention to propose additional measures to stockholders that might have such an effect. Management reserves the right, however, as laws, interpretations thereof, or circumstances, in management's judgment, suggest a need for the same, to recommend such measures to the stockholders.

The Company currently has provisions in its Certificate of Incorporation and By-Laws which are intended to reduce the detrimental effects associated with certain unsolicited takeover proposals. The following is a brief summary of such provisions and does not purport to be complete. The summary is subject in all respects to the provisions of the Certificate of Incorporation and By-Laws, which are available from the Secretary of the Company, and to the laws of the State of New York.

Pursuant to the Certificate of Incorporation, the Company's Board of Directors is divided into three classes, each of which must consist of at least three directors who serve for a term of three years, with one class being

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elected each year. The directors have sole authority to increase (up to a maximum of 12 directors) or decrease (to a minimum of nine directors) the size of the Board and to fill all vacancies, and directors may be removed only for cause. Only the Board of Directors is authorized to call special meetings of the stockholders, and the written consent of all stockholders is required for action without a meeting. The affirmative vote of the holders of 75% of the stock entitled to vote for the election of directors is required to amend the foregoing provisions or adopt any provision of the Certificate of Incorporation or By-Laws inconsistent therewith.

The Certificate of Incorporation further provides that a merger, consolidation or other specified business combination (a "Business Combination") involving a holder of at least ten percent of the voting stock of the Company (a "Related Person") must be approved by the holders of 75% of the voting power of the Company's outstanding shares unless certain approvals are given by at least a majority of the Company's directors who were directors before the Related Person became a Related Person or, if the Business Combination is a merger or consolidation, certain minimum price requirements are met. This provision is not be applicable to Rexel because Rexel's purchase of Common Stock in November 1992 was unanimously approved by the Board of Directors of the Company. The affirmative vote of the holders of 75% of the outstanding voting power is required to repeal or amend the foregoing provision.

In addition, the Company's stockholders have authorized two million shares of Preference Stock. Under the terms of such approval, the Board of Directors may issue the Preference Stock from time to time in one or more series and may fix the dividend rates, voting rights and liquidation preferences and establish redemption, sinking fund, conversion, exchange and other relative rights, preferences and limitations of particular series.

On January 10, 1989, the Board of Directors declared a dividend distribution of one preference stock purchase right (the "Rights") for each share of Common Stock outstanding. Each Right entitles the holder to purchase one one-hundredth of a share of newly-created Junior Participating Preference Stock, par value $1.00 per share. The Rights will become exercisable upon the occurrence of certain events at an exercise price of $15 for each one one-hundredth of a share of Preference Stock. In the event a person or group acquires 20% or more of the Company's outstanding Common Stock, each Right shall entitle the holder to purchase, by paying the $15 exercise price, stock of the Company with a value of twice the exercise price. In addition, if the Company is acquired in a merger or other business combination, the rightholder shall be entitled to purchase, by paying the $15 exercise price, common stock of the acquiring company with a value of twice the exercise price. The Rights are redeemable by the Company at $.01 per Right under certain circumstances. The Rights Agreement applicable to the Rights was amended in connection with Rexel's purchase of Common Stock in November 1992 to permit that transaction and will be further amended in connection with the Purchase Agreement. See "Amendment to Rights Agreement."

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In addition, as a corporation organized and headquartered in New York and with significant business operations and employees and at least ten percent of its beneficial owners resident in the State, the Company is subject to Section 912 of the New York Business Corporation Law, which effectively prohibits for five years specified "business combinations" with "interested shareholders" (basically 20% beneficial owners) without approval of the incumbent directors before the potential acquiror becomes an "interested shareholder," and to Section 513 of such Law, which prohibits a corporation's "greenmail" purchases of more than ten percent of its stock from certain holders without stockholder approval. Rexel is not subject to the restrictions set forth in Section 912 because Rexel's purchase of Commmon Stock in November 1992 was unanimously approved by the Board of Directors of the Company.

VOTE REQUIRED FOR THE PROPOSAL

Holders of Common Stock on January 21, 1994, will be entitled to cast one vote per share, either in person or by proxy, on the proposal to be presented

at the Special Meeting, and holders of at least a majority of such shares must be present, in person or by proxy, to constitute a quorum for the transaction of business at such meeting. The favorable vote of a majority of the votes cast at the meeting, in person or by proxy, provided that the total vote cast represents a majority of the outstanding shares of Common Stock, will be required in order for the Shares to be listed on the NYSE. Rexel, the beneficial owner of 30% of the outstanding shares of Common Stock, has agreed to cause all such shares to be voted in favor of the proposal.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR APPROVAL OF THE PROPOSAL TO ISSUE THE SHARES TO REXEL, AND THE ENCLOSED PROXY WILL BE VOTED FOR SUCH APPROVAL, UNLESS A CONTRARY SPECIFICATION IS MADE.

Under the Company's Certificate of Incorporation and By-laws and under New York law, abstentions and broker non-votes will be counted for quorum purposes but will not be counted in determining votes cast on the proposal. Accordingly, abstentions and broker non-votes may have the effect of a vote against the proposal if they result in a failure of the total vote cast to represent a majority of the outstanding shares of Common Stock.

VOTING SECURITIES OUTSTANDING

The only outstanding class of voting securities of the Company is its Common Stock, of which there were 20,947,672 shares issued and outstanding at January 4, 1994. Each share is entitled to one vote. Holders of shares of Common Stock are not entitled to preemptive rights.

Only holders of Common Stock of record at the close of business on January 21, 1994 will be entitled to notice of and to vote at the Special Meeting of Stockholders.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following persons were known by the Company to be the beneficial owners of more than five percent of the outstanding Common Stock as of December 31, 1993 (based on the most recently available Schedule 13G and 13D SEC filings):

[CAPTION]

NAME AND ADDRESS OF BENEFICIAL OWNER	SHARES OWNED	PERCENT OF CLASS
[S]	[C]	[C]
Rexel, S.A. 26, rue de Londres, 75009 Paris, France	1,647,307	7.9%
International Technical Distributors, Inc. 301 46th Court Meridian, Mississippi 39305	4,636,994(1)	22.1%
Wanger Asset Management, L.P. 227 West Monroe Street Suite 3000 Chicago, Illinois	1,463,000(2)	7.0%

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[FN]

(1) Reported in a Schedule 13D, dated November 25, 1992, that Groupe Pinault, S.A. ("Pinault"), by virtue of its control of Rexel and ITD, may be deemed to be the indirect beneficial owner of the shares of Common Stock held by Rexel and ITD, and may be deemed to share power to vote or dispose of such shares with such companies. Further reported that Rexel and Pinault may be deemed to share the power to direct the vote or disposition of the shares of Common Stock held directly by ITD with Robert Merson, a director and minority shareholder of ITD and a director of the Company, and that pursuant to a shareholders' agreement among Mr. Merson, Rexel and ITD, ITD may not sell, pledge, assign or otherwise dispose of any shares of the Common Stock without Mr. Merson's approval (except as may otherwise be provided).

[FN]

(2) Reported shared power to dispose of such shares and no power to vote such shares. Reportedly includes 1,087,000 shares beneficially owned by Acorn Investment Trust, Series Designated Acorn Fund ("Acorn"), as to which Wanger Asset Management, L.P. reports that it serves as investment adviser. Acorn claims shared power to dispose of such shares and sole power to vote such shares. Information based on Schedule 13G dated February 14, 1993.

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SECURITY OWNERSHIP OF MANAGEMENT

As of January 5, 1994, shares of Common Stock were beneficially owned by directors and nominees for directors, by the executive officers, and by directors and executive officers as a group, as follows:

NAME	SHARES OWNED(1)	PERCENT OF CLASS(2)
[S]	[C]	[C]
Wayne Campbell	29,053(3)	*
Frederic de Castro	0	*
John B. Fraser	3,000	*
R. Gary Gentles	0	*
Allan M. Gonopolsky	32,184(4)	*
Austin List	2,369	*
Eric Lomas	0	*
Robert M. Merson	200(5)	*
Gerald E. Morris	0	*
Alain Viry	0	*
Serge Weinberg	0	*
Michael B. Wilson	1,184	*
John K. Ziegler	318,689(6)	1.5
All Directors and Executive Officers as a Group	386,679(7)	1.8

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[FN]
* Less than 1%.

[FN]
(1) The persons included in the table had sole voting and investment power with respect to shares reported as beneficially owned, except as otherwise indicated in the following notes.

[FN]
(2) Percentages are calculated by dividing (x) shares in the "Shares Owned" column by (y) the number of shares of Common Stock outstanding as of January 5, 1994 and the shares which a particular owner (or group of owners) has a right to acquire within 60 days of such date.

[FN]
(3) Includes 9,053 shares as to which Mr. Campbell shares voting power with the Trustee under the Company's Employee Stock Ownership Plan.

[FN]
(4) Includes 10,275 shares as to which Mr. Gonopolsky shares voting power with the Trustee under the Company's Employee Stock Ownership Plan.

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[FN]
(5) Does not include 4,636,994 shares of Common Stock owned by ITD, of which Mr. Merson is a vice president and director and in which he owns a 13.16% interest. Mr. Merson disclaims beneficial ownership of such shares.

[FN]
(6) Includes 18,519 shares as to which Mr. Ziegler shares voting power with the Trustee under the Company's Employee Stock Ownership Plan. Also includes 47,000 shares held by Mr. Ziegler as Co-trustee for the benefit of his children, as to which Mr. Ziegler shares voting and investment power, and 13,510 shares held by Mr. Ziegler as trustee for the benefit of his wife, as to which Mr. Ziegler has sole voting and investment power.

[FN]
(7) Includes 37,847 shares as to which voting power is shared with the Trustee under the Company's Employee Stock Ownership Plan.

STOCKHOLDER PROPOSALS

Pursuant to the By-Laws of the Company, nominations for the election of directors may be made by the Board of Directors, the Nominating Committee or any stockholder entitled to vote for the election of directors, provided such stockholder has delivered written notice of his intention to make such nomination in accordance with the By-Laws. Such notice must be delivered to or mailed, postage prepaid, and received by the Secretary of the Company at 530 Fifth Avenue, New York, New York 10036, in the case of an annual meeting, not later than 90 days prior to the anniversary date of the immediately preceding Annual Meeting. However, if the Annual Meeting is to be held more than 30 days before or after the anniversary date of the immediately preceding Annual Meeting, and in the case of any special meeting, such notice must be delivered or received not later than the close of business on the 10th day following the first public disclosure by the Company of the date of such meeting. Each such notice must state: (i) the name and address of the stockholder who intends to make the nomination and of the person(s) to be nominated; (ii) a representation that the stockholder is a holder of record of stock entitled to vote at such meeting (or if the record date for such meeting is subsequent to the date required for notice, a representation that the stockholder is a holder of record at the time of such notice and intends to be a holder of record on the record date for such meeting), specifying the number and class of shares so held, and that the stockholder intends to appear in person or by proxy at the meeting to nominate the person(s) specified in the notice; (iii) a description of all arrangements or understandings between the stockholder and each nominee and any other person(s) (naming such person(s)) pursuant to which the nomination(s) are to be made; (iv) such other information regarding each nominee as would have been required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission had each nominee been nominated, or intended to be nominated, by the Board of Directors; and (v) the consent of each nominee to serve as a director of the Company if so elected.

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The By-Laws of the Company also provide that no business may be brought before an Annual Meeting except such business as shall be specified in the notice of the meeting (or any supplement thereto) given by or at the direction of the Board of Directors, other business brought before the meeting by or at the direction of the Board of Directors or the Chairman of the Board or business brought before the meeting by a stockholder entitled to vote thereon, provided such stockholder has given written notice of such stockholder's intention to bring such business before the Annual Meeting in accordance with the By-Laws. Such notice must be delivered to, or mailed, postage prepaid, and received by, the Secretary of the Company at the address specified above within the time period described above. Each such notice must state: (i) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting; (ii) the name and address of the stockholder who intends to propose such business; (iii) a representation that the stockholder is a holder of record of stock of the Company entitled to vote at such meeting (or if the record date for such meeting is subsequent to the date required for such stockholder notice, a representation that the stockholder is a holder of record at the time of such notice and intends to be a holder of record on the record date for such meeting), and that the stockholder intends to appear in person or by proxy at such meeting to propose such business; and (iv) any material interest of the stockholder in such business.

A copy of the By-Laws of the Company is available by written request to the Secretary of the Company at the above address or by oral request at (212) 869-1800.

In the event that any stockholder desired to present a proposal to be reflected in the Company's form of proxy and proxy statement for the 1994 Annual Meeting of Stockholders, that proposal must have been received at the Company's principal offices on or before December 27, 1993. Timely receipt of a stockholder proposal satisfies only one of the various requirements for inclusion of such a proposal in the Company's proxy materials.

OTHER MATTERS

The Company will bear the cost of the solicitation of proxies, including the charges and expenses of brokerage firms and others for forwarding solicitation material to beneficial owners of stock. In addition to the use of the mails, proxies may be solicited by personal interview, telephone or telegraph. The Company has retained Chemical Bank to assist in the solicitation of proxies, and anticipates that fees and expenses for this service will not exceed $5,000.

By Order of the Board of Directors,

Mary-Anne Kieran
Secretary

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January , 1994

ANNEX A

KIDDER, PEABODY & CO.
Incorporated
10 Hanover Square
New York, NY 10005

December 10, 1993

Special Committee of the Board of Directors
Willcox & Gibbs, Inc.
530 Fifth Avenue
New York, NY 10036

Dear Gentlemen:

You have requested our opinion as to whether the consideration to be received by Willcox & Gibbs, Inc. ("W&G" or the "Company") in the Transaction (as hereinafter defined) is fair, from a financial point of view, to the Company. The "Transaction" is the sale by W&G of 3,491,280 shares of common stock, par value $1.00 per share, of W&G ("W&G Common Stock") to Rexel, S.A. ("Rexel") for approximately $31,421,520 in cash pursuant to the Purchase Agreement, dated as of December 10, 1993, (the "Purchase Agreement") among the Company, Rexel and International Technical Distributors, Inc. ("ITD"), a subsidiary of Rexel. The terms and conditions of the Transaction are more fully set forth in the Purchase Agreement.

Kidder, Peabody & Co. Incorporated, as part of its investment banking business, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. We are currently acting as financial advisor to the Special Committee of the Board of Directors of the Company and will receive a fee for such services. Kidder, Peabody may provide investment banking and financial advisory services to the Company in the future.

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In connection with our opinion, we have reviewed the Purchase Agreement and the proposed amendment to the Investment Agreement dated as of November 12, 1992 among W&G, ITD and Rexel and the proposed third amendment to the Rights Agreement between W&G and Chemical Bank dated January 10, 1989 in the respective forms attached as exhibits to the Purchase Agreement. We also have reviewed certain financial and other information with respect to W&G and Summers Group, Inc. ("Summers"), a subsidiary of BTR plc, proposed to be acquired by W&G, that was publicly available or furnished to us by W&G, including certain internal financial analyses, financial forecasts, reports and other information prepared by W&G management. We held discussions with various members of W&G management concerning W&G and Summers historical and current operations, financial condition and prospects, as well as the strategic and operating benefits anticipated from the Summers acquisition. In addition, we have (i) reviewed the price and trading history of the W&G Common Stock and compared such price and trading history with those of publicly-traded companies we deemed relevant; (ii) compared the financial position and operating results of W&G and Summers with those of publicly-traded companies we deemed relevant; (iii) compared certain financial terms of the Transaction to certain financial terms of selected other transactions we deemed relevant; (iv) reviewed the potential pro forma financial effects of the Transaction and the acquisition of Summers on W&G; and (v) conducted such other financial studies, analyses and investigations and reviewed such other factors as we deemed appropriate for the purposes of this opinion.

In rendering this opinion, we have relied, without independent verification, on the accuracy and completeness of all financial and other information that was otherwise publicly available or furnished to us by W&G. With respect to the financial forecasts examined by us, we have assumed that they were reasonably prepared by the management of W&G on bases reflecting the best currently available estimates and good faith judgments of the management of W&G with respect to the future performance of W&G and Summers. We have also assumed, with your consent, that: (i) W&G (directly or through a wholly-owned subsidiary of W&G) will acquire all of the outstanding capital stock of Summers pursuant to the terms of the agreement, dated as of November 20, 1993 among W&G, Willcox & Gibbs Delaware, Inc., SGDHC, Inc., Summers and BTR Dunlop, Inc. and (ii) the strategic and operating benefits anticipated by senior management of W&G from the Summers acquisition will be realized. We have not made an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of W&G or Summers nor have we been furnished with any such evaluations or appraisals. Our opinion is based on economic, monetary and market conditions existing on the date of such opinion. Furthermore, we express no view as to the price or trading range at which shares of W&G Common Stock will trade or as to W&G's ability to access the capital markets prior to

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or subsequent to the consummation of the Transaction.

In the ordinary course of our business, we trade the debt and equity securities of the Company for our own account and for the accounts of our customers and, accordingly, may at any time hold a long or short position in such securities.

It is understood that this letter is for the information of the Special Committee of the Board of Directors of W&G only and may not be used for any other purpose without our prior written consent; provided, however, this letter may be reproduced in full in the proxy statement to be filed by W&G with the Securities and Exchange Commission.

Based upon and subject to the foregoing, it is our opinion that the consideration to be received by the Company in the Transaction is fair, from a financial point of view, to the Company.

Very truly yours,

KIDDER, PEABODY & CO. INCORPORATED

ANNEX B

PURCHASE AGREEMENT

Agreement, dated as of December 10, 1993, among Willcox & Gibbs, Inc., a New York corporation ("W&G") whose business address is 530 Fifth Avenue, New York, New York 10036, U.S.A., International Technical Distributors, Inc., a New York corporation whose business address is 301 46th Court, Meridian, Mississippi 39305 U.S.A., and Rexel, S.A., a French societe anonyme formerly known as Compagnie de Distribution de Materiel Electrique ("Buyer") whose business address is 26, rue de Londres, 75009, Paris, France.

W&G desires to issue and sell certain shares of its common stock, par value $1.00 per share ("Common Stock"), and Buyer desires to increase its equity investment in W&G through the purchase of such shares of Common Stock, all subject to the terms and conditions hereof.

Accordingly, the parties hereto agree as follows:

1. DEFINITIONS

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1.1 Certain Definitions. Certain terms are defined elsewhere in this Agreement. In addition, for purposes of this Agreement, the following terms shall have the following meanings:

"Affiliate" of a specified Person shall mean a Person directly or indirectly controlling, controlled by, or under common control with, such other Person. For the purposes of this definition, "control" when used with respect to any Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Best Efforts" shall mean, whenever used with reference to a party's obligation, an obligation of such party to use every reasonable commercial effort, but shall not be interpreted to require such party to take any action or refrain from taking any action that would be materially burdensome to such party or to amend this Agreement or any agreement contemplated hereby or to forego or waive any of its rights hereunder or thereunder.

"Business Day" shall mean any day other than a Saturday, Sunday or other day on which banks in New York City, New York, U.S.A. or Paris, France are required to or may be closed.

"Closing" shall have the meaning provided in Section 2.2

"Closing Date" shall mean the date on which the Closing is to occur.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Liens" shall mean all liens, charges, security interests, rights or claims of others, restraints on transfer or other encumbrances.

"Person" shall mean and include an individual, corporation, partnership, joint venture, association, trust, any other unincorporated organization or entity and a governmental entity or any department or agency thereto.

"Subsidiary" shall mean, with respect to any Person, any corporation in which securities representing a majority of the combined voting power of voting interests entitled to vote generally for the election of directors are beneficially owned by such Person and/or one or more Subsidiaries of such Person.

2. PURCHASE AND SALE

2.1 Purchase and Sale. Subject to the terms and conditions set forth in this Agreement, at the Closing W&G shall issue, sell and deliver to Buyer, and Buyer shall purchase and acquire from W&G, 3,491,280 shares of Common Stock

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(the "Shares"), in consideration of the payment by Buyer to W&G of $9.00 per share of Common Stock, for an aggregate purchase price equal to $31,421,520 (the "Purchase Price").

2.2 Closing. Unless the parties shall agree in writing upon a different location, time or date, the sale and purchase of Shares (the "Closing") shall take place at the offices of W&G, 530 Fifth Avenue, New York, New York at 10:00 a.m. on the later of (i) January 4, 1994, or (ii) the third Business Day following the date on which all conditions to the obligations of Buyer and W&G hereunder (other than those requiring an exchange of a certificate or other document, or the taking of other action, at the Closing) shall have been satisfied or waived as provided in Articles 7 and 8.

2.3 Deliveries at the Closing. Subject to the terms and conditions set forth in this Agreement, at the Closing, (i) W&G shall deliver to Buyer a certificate representing all of the Shares registered in the name of Buyer, (ii) Buyer shall deliver the Purchase Price by wire transfer of immediately available funds to an account of W&G designated by W&G, and (iii) W&G, ITD and Buyer shall deliver all certificates and other instruments and documents required by this Agreement to be delivered by each of them, respectively, at the Closing.

3. REPRESENTATIONS AND WARRANTIES OF BUYER AND ITD

Buyer and ITD, jointly and severally, represent and warrant to W&G as follows:

3.1 Organization. Buyer is a societe anonyme duly organized, validly existing and in good standing under the laws of the Republic of France, and ITD is a corporation duly organized, validly existing and in good standing under the laws of the State of New York.

3.2 Authority; Binding Effect. Each of Buyer and ITD has the corporate power and corporate authority to execute and deliver this Agreement and the other instruments and documents required or contemplated herein to be executed and delivered by it, to perform its obligations hereunder and thereunder and to consummate the transactions provided for herein and therein, and all corporate action of Buyer and ITD necessary for the making and performance of this Agreement and such other instruments and documents by Buyer and ITD has been duly taken. Such execution, delivery, performance and consummation do not and will not (i) contravene any provisions of the certificate of incorporation or by-laws or similar organizational instruments of Buyer or ITD, (ii) contravene or conflict with, result in a breach of or loss of benefits to Buyer or ITD under, require any consent, waiver or approval of any party (other than Buyer or ITD) to, or entitle any party (with notice or the passage of time or both) to terminate, accelerate any obligations under or call a default with respect to, any agreement or instrument to which Buyer or ITD is party or by which any of its properties or assets are bound, (iii) result in the creation of a Lien upon such properties or assets, (iv) result in any violation by Buyer or ITD of

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any law, rule or regulation applicable to it, (v) violate or require any consent or approval under any judgment, injunction or decree of any court or governmental authority or (vi) except for filings under the Exchange Act, require any consent or approval of, notice to or filing, registration or qualification with, any court or governmental authority. This Agreement has been duly executed by Buyer and ITD and constitutes, and the other instruments and documents required or contemplated to be executed and delivered by Buyer or ITD herein will be duly executed by it at or before the Closing and when so executed and delivered will constitute, the valid and binding obligations of Buyer and ITD, as the case may be, enforceable against Buyer and ITD, as the case may be, in accordance with their terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally or by the principles governing the availability of equitable remedies).

3.3 Acquisition of Stock for Investment. Buyer is acquiring the Shares for investment in an unregistered private placement for its own account and not with a view toward, or for sale in connection with, any distribution thereof. Upon the purchase of the Shares by Buyer pursuant to this Agreement, Buyer and its Affiliates will "beneficially own" (as defined under the Exchange Act) 9,775,581 shares of Common Stock.

3.4 Financing. Buyer has at the date of this Agreement, and will have on the Closing Date, sufficient available funds to pay the Purchase Price.

4. REPRESENTATIONS AND WARRANTIES OF W&G

W&G represents and warrants to Buyer and ITD as follows:

4.1 Organization. W&G is a corporation duly organized, validly existing and in good standing under the laws of the State of New York.

4.2 Capital Stock of W&G.

(a) The authorized capital stock of W&G consists of 35,000,000 shares of Common Stock, 2,000,000 shares of Preference Stock, par value $1.00 per share, and 600,000 shares of Preferred Stock, par value $12.00 per share. As of October 19, 1993, there were 20,947,672 shares of Common Stock issued and outstanding and 266,281 shares of Common Stock held in W&G's treasury, and since such date no shares of Common Stock have been issued except pursuant to obligations referred to in Section 4.2(b). No shares of Preference Stock or Preferred Stock of W&G are issued and outstanding or held in W&G's treasury.

(b) There is no security, option, warrant, call, subscription or other right, commitment or understanding of any nature whatsoever, fixed or contingent, to which W&G or any of its Subsidiaries is bound or subject that, directly or indirectly, calls for the issuance, sale, pledge or other disposition by W&G or any such Subsidiary of any shares of capital stock of W&G or any securities convertible into or other rights to acquire any shares of

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capital stock of W&G, or that relates to the voting or control of any shares of such capital stock, except for (i) this Agreement, (ii) the rights associated with the Common Stock issued under the Rights Agreement, dated as of January 10, 1989, as amended, (iii) the Stock Acquisition Plan of W&G, (iv) the stock options granted under W&G's stock option plans, (v) the Indenture, dated as of August 1, 1989, and the 7% Convertible Subordinated Debentures due 2014 issued thereunder, (vi) the Purchase Agreement, dated as of April 22, 1992, among W&G, ITD, Buyer and Southern Electric Supply Company, Inc. and (vii) the Investment Agreement, dated as of November 12, 1992, as amended, among W&G, ITD and Buyer (the "Investment Agreement").

(c) The Shares, when issued and delivered to and paid for by Buyer pursuant to this Agreement, will be duly authorized and validly issued, fully paid, nonassessable and free of preemptive rights and any Liens attributable directly or indirectly to W&G or its Subsidiaries other than those contemplated by the Investment Agreement or applicable securities laws.

4.3 Authority; Binding Effect. W&G has the corporate power and corporate authority to execute and deliver this Agreement and the other instruments and documents required or contemplated herein to be executed and delivered by it, to perform its obligations hereunder and thereunder and to consummate the transactions provided for herein and therein, and all corporate action of W&G necessary for the making and performance of this Agreement and such other instruments and documents by W&G have been duly taken. Such execution, delivery, performance and consummation do not and will not (i) contravene any provisions of the certificate of incorporation or by-laws of W&G, (ii) contravene or conflict with, result in a breach of or loss of benefits to W&G under, require any consent, waiver or approval of any party (other than W&G, the amendments to the Investment Agreement and Rights Agreement contemplated by this Agreement and the listing of the Shares contemplated by Section 6.1) to, or entitle any party (with notice or the passage of time or both) to terminate, accelerate any obligations under or call a default with respect to any agreement or instrument to which W&G or any of its Subsidiaries is party or by which any of their respective properties or assets are bound, (iii) result in the creation of a Lien upon such properties or assets, (iv) result in any violation by W&G of any law, rule or regulation applicable to W&G, (v) violate or require any consent or approval under any judgment, injunction or decree of

any court or governmental authority or (vi) except for filings under the Exchange Act, require any consent or approval of or notice to or filing, registration or qualification with, any court or governmental authority. This Agreement has been duly executed by W&G and constitutes, and the other instruments and documents required or contemplated to be executed and delivered by W&G herein will be duly executed and delivered by W&G at or before the Closing and when so executed will constitute, the valid and binding obligations of W&G enforceable against W&G in accordance with their terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally or by the principles governing the availability of equitable remedies).

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5. MUTUAL COVENANTS

Each party hereby covenants and agrees as follows:

5.1 Announcements. Neither Buyer, ITD, W&G nor any of their respective agents shall issue any press release or otherwise make any public statement prior to the Closing with respect to the transactions contemplated hereby without prior consultation with W&G (in the case of a statement by Buyer, ITD or any of their respective agents) or Buyer (in the case of a statement by W&G or any of its agents), except as may be required by applicable law or the rules of the New York Stock Exchange, the Pacific Stock Exchange or the Paris Stock Exchange.

5.2 Expenses; Transfer Taxes. Buyer and ITD shall pay their own fees and expenses (including the fees of any attorneys, accountants, investment bankers or others engaged by any such party) and W&G shall pay its own fees and expenses (including the fees of any attorneys, accountants, investment bankers or others engaged by such party) in connection with this Agreement and the transactions contemplated hereby whether or not the transactions contemplated hereby are consummated. W&G shall pay any sales, transfer, stamp or other taxes imposed upon or with respect to the sale of the Shares to Buyer.

5.3 Additional Agreements. Subject to the terms and conditions of this Agreement, each party agrees to use its Best Efforts at its own expense to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement. In case at any time after the Closing any further action is necessary or desirable to carry out the purposes of this Agreement, the proper officers of such party shall take all such necessary action. At the Closing, W&G, ITD and Buyer each shall execute and deliver the Amendment to the Investment Agreement substantially in the form of Exhibit A hereto, subject to satisfaction or waiver of the conditions to such party's obligations under Articles 7 and 8.

6. COVENANTS OF W&G

W&G hereby covenants and agrees as follows:

6.1 Listing of W&G Shares. W&G shall use its Best Efforts to obtain, prior to the Closing Date, approval for listing the Shares on the New York Stock Exchange and the Pacific Stock Exchange.

6.2 Amendment of the Rights Agreement. Immediately prior to the Closing, W&G shall amend the Rights Agreement, dated as of January 10, 1989, as amended, between W&G and Chemical Bank (formerly known as Manufacturers Hanover Trust Company), as rights agent, relating to W&G's outstanding preference stock purchase rights as provided in Exhibit B hereto.

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7. CONDITIONS TO W&G'S OBLIGATIONS

The obligations of W&G required to be performed by it at the Closing shall be subject to the satisfaction, at or prior to the Closing, of each of the following conditions, each of which may be waived by W&G as provided herein except as otherwise required by applicable law:

7.1 Representations and Warranties; Covenants. The representations and warranties of Buyer and ITD contained in this Agreement shall be true and correct in all material respects as of the date hereof and (having been deemed to have been made again at and as of the Closing in the same language) shall be true and correct in all material respects as of the Closing, each of the obligations, covenants and agreements of each of Buyer and ITD required by this Agreement to be performed by it at or prior to the Closing shall have been duly performed and complied with in all material respects as of the Closing and, at the Closing, W&G shall have received certificates, dated the Closing Date and duly executed by an officer of Buyer and of ITD, representing that the foregoing conditions have been satisfied.

7.2 Absence of Litigation. No order, stay, injunction or decree of any court of competent jurisdiction shall be in effect that prevents or delays the consummation of any of the transactions contemplated hereby.

7.3 Purchase of Summers Group, Inc. W&G (directly or through a wholly-owned Subsidiary of W&G) shall have acquired all of the issued and outstanding capital stock of Summers Group, Inc., a Delaware corporation ("Summers").

7.4 Listing of W&G Shares. The Shares shall have been approved for listing on the New York Stock Exchange and the Pacific Stock Exchange, subject to official notice of issuance.

8. CONDITIONS TO BUYER'S AND ITD'S OBLIGATIONS

The obligations of Buyer and ITD required to be performed by them at the Closing shall be subject to the satisfaction, at or prior to the Closing, of each of the following conditions, each of which may be waived by Buyer and ITD as provided herein except as otherwise provided by applicable law:

8.1 Representations and Warranties; Covenants. The representations and warranties of W&G contained in this Agreement shall be true and correct in all material respects as of the date hereof and (having been deemed to have been made again at and as of the Closing in the same language) shall be true and correct in all material respects as of the Closing, each of the obligations, covenants and agreements of W&G required by this Agreement to be performed by it at or prior to the Closing shall have been duly performed and complied with in all material respects as of the Closing and, at the Closing, Buyer shall have received a certificate, dated the Closing Date and duly executed by an officer of W&G, representing that the foregoing conditions have been satisfied.

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8.2 Absence of Litigation. No order, stay, injunction or decree of any court of competent jurisdiction shall be in effect that prevents or delays the consummation of any of the transactions contemplated hereby.

8.3 Purchase of Summers Group, Inc. W&G (directly or through a wholly-owned Subsidiary of W&G) shall have acquired all of the issued and outstanding capital stock of Summers.

8.4 Listing of W&G Shares. The Shares shall have been approved for listing on the New York Stock Exchange and the Pacific Stock Exchange, subject to official notice of issuance.

9. TERMINATION

9.1 Termination. This Agreement may be terminated at any time prior to the Closing: (i) by mutual consent of W&G and Buyer; (ii) by W&G or Buyer, if the Closing shall not have taken place on or prior to March 31, 1994, or such later date as shall have been approved by W&G and Buyer, other than by reason of a matter within the control of the party asserting such termination; or (iii) by W&G or Buyer if any court of competent jurisdiction in the United States or other United States governmental body shall have issued an order, decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement, and such order, decree, ruling or other action shall have become final and nonappealable. If W&G or Buyer shall terminate this Agreement pursuant to the provisions hereof, such termination shall be effected by notice to the other party specifying the provision hereof pursuant to which such termination is made.

9.2 Effect of Termination. Except for any breach of this Agreement, upon the termination of this Agreement pursuant to Section 9.1 hereof, this

Agreement shall forthwith become null and void and none of the parties hereto or any of their respective officers, directors, employees, agents, consultants, stockholders or principals shall have any liability or obligation hereunder or with respect hereto.

10. MISCELLANEOUS

The following additional provisions are part of this Agreement:

10.1 Brokerage. In the event any Person shall assert a claim to a fee, commission or other compensation on account of alleged employment as a broker or finder, or performance of services as a broker or finder, in connection with the transactions contemplated by this Agreement, the party (or parties) alleged to have been responsible for such employment or performance of services shall hold harmless the other party (or parties) as well as the party's (or parties') directors, officers and employees, from and against such claim and at the indemnifying party's (or parties') sole expense defend any and all actions, suits or proceedings involving such claim that may at any time be brought

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against those so indemnified and satisfy promptly any settlement or judgment arising therefrom. If, however, it is ultimately determined in any such action, suit or proceeding in which the indemnified party (or parties) were afforded the opportunity to have their counsel participate in the defense, that the employment was by or services were performed for the indemnified party (or parties), then the latter shall be responsible under this Section 10.1 and shall reimburse any amounts theretofore paid by the indemnifying party (or parties) by reason hereof.

10.2 Entire Agreement; Modification. This Agreement (together with the Exhibits hereto) sets forth the entire agreement and understanding among the parties with respect to the subject matter hereof and supercedes all agreements and understandings with respect to the subject matter hereof entered into prior to the execution hereof. This Agreement may be modified only by a written instrument duly executed by or on behalf of each party.

10.3 Notices. Any notice, direction or other advice or communication required or permitted to be given hereunder shall be in writing and shall be given by certified mail, delivery service such as D.H.L. or Federal Express or personal delivery against receipt to the party to whom it is to be given (i) at such party's address set forth in the preamble to this Agreement, or (ii) to such other address as the party shall have furnished in writing in accordance with the provisions of this Section 10.3. Any notice or other communication shall be deemed to have been given on the seventh Business Day after so mailed, on the third Business Day after dispatch when sent by delivery service or as of the date so personally delivered.

10.4 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. This Agreement shall not be assignable by any party without the consent of the other parties and any purported assignment without such consent shall be void.

10.5 Counterparts; Governing Law. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and it shall be governed by and construed in accordance with the laws of the State of New York.

10.6 Headings. The section and article headings herein are for convenience of reference only, do not constitute part of this Agreement and shall not be deemed to limit or otherwise affect any of the provisions hereof.

10.7 Specific Performance. W&G, ITD and Buyer recognize that any breach of the terms of this Agreement may give rise to irreparable harm for which money damages would not be an adequate remedy, and accordingly agree that, in addition to other remedies, any nonbreaching party shall be entitled to enforce the terms of this Agreement by a decree of specific performance without the necessity of proving the inadequacy as a remedy of money damages.

10.8 Consent to Jurisdiction; Receipt of Process. Each party hereby

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consents to the jurisdiction of, and confers non-exclusive jurisdiction upon, any federal or state court located in the City of New York, Borough of Manhattan, and appropriate appellate courts therefrom, over any action, suit or proceeding arising out of or relating to this Agreement, or any of the transactions contemplated hereby. Each party hereby irrevocably waives, and agrees not to assert as a defense in any such action, suit or proceeding, any objection which it may now or hereafter have to venue of any such action, suit or proceeding brought in any such federal or state court and hereby irrevocably waives any claim that any such action, suit or proceeding brought in any such court or tribunal has been brought in an inconvenient forum. Process in any such action, suit or proceeding may be served on any party anywhere in the world, whether within or without the State of New York, provided that notice thereof is provided pursuant to the provisions for notice under this Agreement.

10.9 Third-Party Beneficiaries. This Agreement is not intended to confer upon any Person (other than the signatories hereto) any rights or remedies hereunder.

[The remainder of this page is blank and
the signature page is the next page.]

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

WILLCOX & GIBBS, INC.

By /s/ John K. Ziegler

Name: John K. Ziegler
Title: Chairman of the Board

INTERNATIONAL TECHNICAL DISTRIBUTORS, INC.

By /s/ Serge Weinberg

Name: Serge Weinberg
Title: President

REXEL, S.A.

By /s/ Serge Weinberg

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Name: Serge Weinberg
Title: President et Directeur General

EXHIBIT A

AMENDMENT NO. 1 TO
INVESTMENT AGREEMENT

Amendment No. 1, dated as of , to the Investment Agreement, dated as of November 12, 1992, among Willcox & Gibbs, Inc., a New York corporation (the "Company"), International Technical Distributors, Inc., a New York corporation ("ITD"), and Rexel, S.A., a French societe anonyme formerly known as Compagnie de Distribution de Materiel Electrique ("CDME" and, together with ITD, "Buyers").

Pursuant to the Purchase Agreement, dated as of April 22, 1992, among the Company, Southern Electric Supply Company, Inc. ("SES"), CDME and ITD (the "Purchase Agreement"), the Company issued to CDME and to ITD shares of common stock, par value $1.00 per share, of the Company (the "Common Stock") in consideration of the transfer by ITD to the Company of all of the issued and outstanding capital stock of SES, a Subsidiary of ITD engaged in the distribution of electrical supplies, and an additional cash payment by CDME. In connection with the transactions contemplated by the Purchase Agreement, Buyers and the Company entered into the Investment Agreement, dated as of November 12, 1992 (the "Investment Agreement"), to establish various rights and obligations in connection with Buyers' investment in Common Stock. Pursuant to the Purchase Agreement, dated as of December 10, 1993, among the Company, ITD and CDME, CDME has agreed to purchase from the Company and the Company has agreed to sell to CDME additional shares of Common Stock, and in connection therewith the Company, CDME and ITD wish to amend certain provisions of the Investment Agreement.

Accordingly, the parties hereto agree to amend the Investment Agreement as follows:

Section 1. The definition of "Independent Director" in Section 1 of the Investment Agreement is amended to read in its entirety as follows:

"Independent Director" means (i) each of John B. Fraser, R. Gary Gentles, Austin List and Michael B. Wilson, so long as he is a director of the Company, and (ii) each other director of the Company that is not and has never been an officer, director, employee or partner of any member of the Buyer Group, of any Person that has a material business relationship with any member of the Buyer Group or of an Associate (as defined under the Exchange Act) of any member of the Buyer Group, is not and has never been a CDME Nominee, is not and has never been an officer or employee of the Company, any of its Subsidiaries or of any of the Spin-Off Subsidiaries, has not prior to the date of this Agreement been a director of the Company (other than Messrs. Fraser, Gentles, List and Wilson), any of its Subsidiaries or any of the Spin-Off Subsidiaries and is not

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a member of the immediate family of any of the foregoing referred to in this clause (ii).

Section 2. The definition of "Percentage Limitation" in Section 1 of the Investment Agreement is amended to read in its entirety as follows:

"Percentage Limitation" means that number of Voting Securities which then represents 45% of the Total Voting Power.

Section 3. The following definition is added to Section 1 of the Investment Agreement at the end thereof:

"W&G Shares" shall mean the Common Stock acquired by CDME under the Purchase Agreement, dated as of December 10, 1993, among the Company and the Buyers.

Section 4. Section 2(c)(1) of the Investment Agreement is amended to read in its entirety as follows:

(c) Legends and Stop Transfer Orders.

(1) Each Buyer agrees to the placement of the following legend on the certificates representing the Total Acquired W&G Shares, on the certificates representing the W&G Shares and on the certificates, if any, representing the shares issued pursuant to Section 2.4(c) of the Purchase Agreement or pursuant to this Agreement (and on any shares of Common Stock issued upon any stock split, stock dividend or reclassification of Common Stock with respect to any such shares):

"The shares represented by this certificate have not been registered under the Securities Act of 1933 or securities laws of any other jurisdiction and may not be sold or transferred except in compliance with such Act and other laws. In addition, the shares represented by this certificate are subject to an Investment Agreement dated as of November 12, 1992, as it may be amended from time to time, a copy of which as so amended is on file at the office of the Company, which provides, among other things, for certain rights of purchase of such shares by the Company and certain restrictions on transfer thereof. The shares represented by this certificate may not be sold or otherwise transferred except in compliance with said Agreement, and any sale or other transfer not in compliance therewith shall be void."

Section 5. Section 5 of the Investment Agreement is amended to read in its entirety as follows:

5. Board of Directors.

(a) CDME has previously designated Eric Lomas, Alain Viry and Serge Weinberg as CDME Nominees. On the date of Amendment No. 1 to this Investment Agreement (the "Change Date"), the Company shall decrease the number of

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directors to nine, Wayne Campbell, Robert Merson and Michael B. Wilson shall resign as directors and the Company shall elect as directors effective on the Change Date two additional nominees designated in writing by CDME to the Company (the "New CDME Nominees"). In connection with the first election of directors of the Company by its shareholders to occur after the Change Date, the Company shall nominate and recommend for election R. Gary Gentles for

election as a Class I director, one New CDME Nominee for election as a Class I director and one New CDME Nominee for election as a Class II director. CDME shall cause two CDME Nominees to resign as directors of the Company if CDME's and its Affiliates' aggregate beneficial ownership of Voting Securities declines to less than 30% of the Total Voting Power after the date of this Agreement. If CDME and its Affiliates shall cease to be the beneficial owners, in the aggregate, of 10% or more of the Total Voting Power, CDME shall cause all CDME Nominees to resign as directors of the Company. CDME shall cause such CDME Nominees to resign as directors of the Company so that no more than two CDME Nominees shall serve as directors if (i) CDME or any of its Affiliates shall have disposed of Restricted Securities and CDME and its Affiliates shall cease to be the beneficial owners, in the aggregate, of 20% or more of the Total Voting Power or (ii) CDME and its Affiliates shall cease to be the beneficial owners, in the aggregate, of 15% or more of the Total Voting Power. In connection with the expiration of the term as a director of the Company of each of the CDME Nominees and of John K. Ziegler, the Nominating Committee shall nominate and recommend for reelection each such director (or, in the case of CDME Nominees, such other person as CDME shall designate in writing to the Company) if he agrees to be nominated and, in the case of Mr. Ziegler, if he is then an officer of the Company, subject to the obligations of CDME to cause CDME Nominees to resign as set forth above in this Section. Any successor to John B. Fraser, R. Gary Gentles or Austin List as a director of the Company nominated by the Nominating Committee or elected by the Board of Directors of the Company to fill a vacancy shall qualify as an Independent Director.

(b) During the term of this Agreement the Board of Directors of the Company shall consist of nine members.

(c) CDME and the Company agree that (i) the Executive Committee of the Board of Directors of the Company and the Nominating Committee shall be comprised of one CDME Nominee, the chief executive officer of the Company (for so long as he remains a director of the Company and, if the chief executive officer is not also a director, then a director approved by a majority of the Independent Directors) and one Independent Director, (ii) the Audit Committee of the Board of Directors of the Company shall be comprised solely of Independent Directors, and (iii) the Executive Compensation Committee shall be comprised of two Independent Directors and one CDME Nominee, each of whom qualifies as a "disinterested person" within the meaning of Rule 16b-3 under the Exchange Act (or any successor rule), or, if no such CDME Nominee so qualifies, another Independent Director who so qualifies.

(d) W&G shall cause to be maintained in effect for not less than five years from the Closing the policies of directors' and officers' liability insurance maintained by W&G as of the Closing (provided that W&G may substitute

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therefor policies of at least the same coverage containing terms and conditions which are no less advantageous) with respect to matters occurring prior to the Closing to the extent available, provided that in no event shall W&G be required to expend to maintain or procure insurance coverage pursuant to this Section 5(d) any amount per annum in excess of 200% of the aggregate premiums paid in 1991 on an annualized basis for such purpose. The directors and officers of W&G, their heirs and representatives shall be the beneficiaries of this Section 5(d).

Section 6. Section 6 of the Investment Agreement is amended to add the following subsections at the end thereof:

(i) Stock options granted under the Company's 1988 Stock Incentive Plan, as amended through the date hereof, to any CDME Nominee and any shares of Common Stock acquired by a CDME Nominee upon exercise of such options will not be deemed to be beneficially owned by any member of the Buyer Group for purposes of this Agreement nor subject to any of the provisions hereof.

(j) If CDME desires to purchase additional shares of Common Stock and such purchase is not prohibited by this Agreement, CDME shall give written notice to the Company specifying the number of shares that CDME desires to purchase and the price per share in cash that CDME would agree to pay therefor (the "Offer Notice"). The Company, if approved by a majority of the Independent Directors, may elect to sell to CDME up to the number of shares specified in the Offer Notice at the price per share in cash specified in the Offer Notice by written notice to CDME given within 10 Business Days after the Offer Notice is given to the Company (the "Acceptance Notice"). If the Company so elects, the Company shall sell and CDME shall purchase shares of Common Stock in accordance with the Acceptance Notice as promptly as practicable, subject only to approval of the New York Stock Exchange and the Pacific Stock Exchange of the listing of such shares. If the Company fails to give to CDME an Acceptance Notice within the time provided above or gives to CDME an Acceptance Notice indicating that it will sell less than all shares specified in the Offer Notice, then CDME shall be free (subject to the other restrictions in this Agreement) to purchase up to the number of shares specified in the Offer Notice less the number of shares, if any, to be sold to CDME pursuant to such Acceptance Notice, at any time or from time to time within 180 days after the date that the Offer Notice was given to the Company for a purchase price per share at or below the price specified in the Offer Notice. CDME agrees that any shares of Common Stock purchased by it hereunder shall be for investment for its own account and not with a view toward any distribution thereof. No member of the Buyer Group shall acquire beneficial ownership of any Common Stock from any person other than the Company other than in accordance with the provisions of this Section 6(j).

Section 7. The first sentence of Section 8 of the Investment Agreement is amended to read in its entirety as follows:

The obligations of the parties under this Agreement shall terminate and be of no further force and effect from and after December 31, 1994, except that

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the provisions of Section 5(d) shall continue in effect through the fifth anniversary of the Closing Date.

Section 8. Miscellaneous.

(a) Continued Effect. Except as expressly changed hereby, the Investment Agreement shall continue in full force and effect.

(b) Governing Law. This Amendment shall be governed by and construed in accordance with the substantive law of the State of New York without giving effect to the principles of conflict of laws thereof.

(c) Counterparts. This Amendment may be executed in counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement.

(d) Effect of Headings. The section headings herein are for convenience only and shall not affect the construction thereof.

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

WILLCOX & GIBBS, INC.

By----------
Name:
Title:

REXEL, S.A.

By----------
Name:
Title:

INTERNATIONAL TECHNICAL DISTRIBUTORS, INC.

By----------
Name:
Title:

EXHIBIT B

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THIRD AMENDMENT TO RIGHTS AGREEMENT

AMENDMENT, dated as of , 1994 (the "Amendment"), to the Rights Agreement, dated as of January 10, 1989 (as amended, the "Rights Agreement"), between Willcox & Gibbs, Inc., a New York corporation (the "Company"), and Chemical Bank, a New York bank (formerly known as Manufacturers Hanover Trust Company) (the "Rights Agent").

WHEREAS, the Company and the Rights Agent entered into the Rights Agreement specifying the terms of the Rights (as defined therein);

WHEREAS, the Company and the Rights Agent have amended the Rights Agreement pursuant to the Amendment, dated as of November 12, 1992, and the letter agreement, dated May 21, 1993, between the Company and the Rights Agent; and

WHEREAS, the Company and the Rights Agent desire to further amend the Rights Agreement in accordance with Section 28 thereof;

NOW, THEREFORE, in consideration of the premises and mutual agreements set forth in the Rights Agreement and this Amendment, the parties hereby agree as follows:

1. Section 1(q) of the Rights Agreement is amended to read in its entirety as follows:

(q) "Percentage Limitation" shall mean that number of Voting Securities which then represents 45% of the Total Voting Power.

2. Section 7(a) of the Rights Agreement is amended by deleting the date "November 12, 1997" and substituting therefor the date "December 31, 1994."

3. Exhibit B is amended by changing Footnotes 5 and 6 to read "Insert December 31, 1994."

4. The term "Agreement" as used in the Rights Agreement shall be deemed to refer to the Rights Agreement as amended hereby.

5. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

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

ATTEST: WILLCOX & GIBBS, INC.

By:---------- By:----------
Name: Name:

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Title: Title:

ATTEST: CHEMICAL BANK

By:---------- By:----------
Name: Name:
Title: Title:

ANNEX C

INVESTMENT AGREEMENT

Agreement, dated as of November 12, 1992, among Willcox & Gibbs, Inc., a New York corporation (the "Company"), International Technical Distributors, Inc., a New York corporation ("ITD"), and Compagnie de Distribution de Materiel Electrique, a French societe anonyme ("CDME" and, together with ITD, "Buyers").

Pursuant to the Purchase Agreement, dated as of April 22, 1992, among the Company, Southern Electric Supply Company, Inc. ("SES"), CDME and ITD (the "Purchase Agreement"), the Company is issuing to CDME (or its assignee Affiliate) and to ITD shares of common stock, par value $1.00 per share, of the Company (the "Common Stock") in consideration of the transfer by ITD to the Company of all of the issued and outstanding capital stock of SES, a Subsidiary of ITD engaged in the distribution of electrical supplies, and an additional cash payment by CDME. In connection with the transactions contemplated by the Purchase Agreement, Buyers and the Company desire to enter into this Agreement to establish various rights and obligations in connection with Buyers' investment in Common Stock.

Accordingly, the parties hereto agree as follows:

1. Certain Definitions. Terms defined in the Purchase Agreement are used herein as therein defined, unless otherwise defined herein. In addition, the following terms shall have the following meanings:

"Acquisition Proposal" means any offer or proposal for, or any indication of interest in, a merger or other business combination involving the Company or the acquisition by any Person of beneficial ownership of Restricted Securities representing, on a fully exercised basis, more than 50% of the Total Voting Power or of all or substantially all of the assets of the Company.

"Affiliate" means, with respect to any Person, any Person directly or indirectly controlling, controlled by, or under common control with, such other Person. For the purposes of this definition, "control" when used with respect to any Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise;

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and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Average Closing Price" means, with respect to any Restricted Security, the arithmetic average of the closing prices of such Restricted Security on the national securities exchange (as defined under the Exchange Act) located in or nearest to the City of New York on which such security is then listed or, if not listed on any national securities exchange, as reported by NASDAQ, for any specified days.

"Beneficial ownership" and "beneficially own" shall be determined in accordance with Rule 13d-3 under the Exchange Act.

"Buyer Group" means CDME, ITD and their Affiliates (excluding the Company and its Subsidiaries).

"CDME Nominee" means any person designated by CDME as a nominee for election to the Company's Board of Directors pursuant to Section 5(a).

"Closing Date" means the date of this Agreement.

"Company Stock Plan" means any present or future employee benefit plan, employee agreement, restricted stock, stock option, stock purchase or other similar type of plan of the Company which provides for the issuance of equity securities or options or rights to purchase equity securities of the Company to officers, directors or employees of the Company or any of its Subsidiaries.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Fully exercised basis" means, in determining beneficial ownership of any Person, an assumption that all securities and rights convertible into or exercisable for Voting Securities beneficially owned by such Person have been fully converted and exercised, regardless of whether by their terms they may be so converted and exercised at that time, but without assuming conversion or exercise by any other Person.

"Group" shall have the meaning provided under Section 13(d)(3) of the Exchange Act.

"Independent Director" means (i) each of John B. Fraser, Austin List and Michael B. Wilson, so long as he is a director of the Company, and (ii) each other director of the Company that is not and has never been an officer, director, employee or partner of any member of the Buyer Group, of any Person that has a material business relationship with any member of the Buyer Group or of an Associate (as defined under the Exchange Act) of any member of the Buyer Group, is not and has never been a CDME Nominee, is not and has never been an officer or employee of the Company, any of its Subsidiaries or of any of the Spin-Off Subsidiaries, has not prior to the date of this Agreement been a

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director of the Company (other than Messrs. Fraser, List and Wilson), any of its Subsidiaries or any of the Spin-Off Subsidiaries and is not a member of the immediate family of any of the foregoing referred to in this clause (ii).

"Nominating Committee" means the Nominating Committee of the Board of Directors of the Company established pursuant to the By-Laws of the Company.

"Percentage Limitation" means that number of Voting Securities which then represents (x) prior to the third anniversary of the Closing Date, 30%, (y) on or after the third anniversary but prior to the fourth anniversary of the Closing Date, 35%, or (z) on or after the fourth anniversary of the Closing Date, 40%, of the Total Voting Power.

"Person" means an individual, corporation, partnership, joint venture, association, trust, any other unincorporated organization or entity and a governmental entity or any department or agency thereof.

"Registration Rights Agreement" shall mean the Registration Rights Agreement between the Company and CDME of even date herewith.

"Restricted Securities" means any Voting Securities and any other securities or rights convertible into or exercisable (whether immediately or otherwise) for Voting Securities.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Subsidiary" means, with respect to any Person, any corporation in which such Person beneficially owns securities representing a majority of the combined voting power of voting interests entitled to vote generally for the election of directors, provided that Worldtex, Inc. and its Subsidiaries shall not be deemed to be Subsidiaries of the Company.

"Total Acquired W&G Shares" shall mean the Common Stock acquired by Buyers under the Purchase Agreement.

"Total Voting Power" means the aggregate number of votes which may be cast by holders of outstanding Voting Securities. In determining the number of outstanding Voting Securities, Voting Securities held in the treasury of the Company shall not be deemed to be outstanding.

"Voting Securities" means the Common Stock and any other securities of the Company entitled to vote generally for the election of directors of the Company.

2. Investment Covenants. Each Buyer covenants and agrees as follows:

(a) Each Buyer will not, and will not permit its Affiliates to, directly or indirectly:

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(1) beneficially own any Restricted Securities if, on a fully exercised basis, the members of the Buyer Group would, in the aggregate, beneficially own Voting Securities in excess of the Percentage Limitation,

or acquire, solicit an offer to sell or agree to acquire, any Restricted Securities if the effect of such acquisition, on a fully exercised basis, would be to increase the aggregate number of Voting Securities then beneficially owned, directly or indirectly, by the members of the Buyer Group, in the aggregate, to a number greater than the Percentage Limitation; provided that members of the Buyer Group shall not be in violation of this provision (x) by reason of their beneficial ownership of Restricted Securities which complied with the applicable Percentage Limitation when such Restricted Securities first became beneficially owned by a member of the Buyer Group but which subsequently exceeded the applicable Percentage Limitation as a result of a reduction in the number of outstanding Voting Securities in a transaction approved by a majority of the Independent Directors or (y) by reason of an acquisition of Common Stock pursuant to Section 7.

(2) take any action to advise, encourage or assist any other Person to purchase or acquire in any manner Restricted Securities, or participate with or provide assistance to any Person in the purchase or other acquisition of Restricted Securities, except to the extent necessary or appropriate to effect a permitted disposition pursuant to Section 2(a)(7) below.

(3) make (except in accordance with Section 3), or take any action to advise, encourage or assist any other Person to make, an Acquisition Proposal.

(4) become a member of a group with respect to any Restricted Securities, other than a group consisting solely of CDME and Affiliates of CDME.

(5) "solicit," or become a "participant" in any "solicitation" of, "proxies" (as such terms are defined in Regulation 14A under the Exchange Act) from any holder of Voting Securities in connection with any vote or other action on any matter, or agree or announce its intention to vote with any Person undertaking a "solicitation," or seek to advise, encourage or influence any Person with respect to the voting of any Voting Security; provided, however, that a Buyer shall not, in any event, be deemed to "solicit" or to be such a "participant" by reason of (x) the exercise of its voting rights with respect to Voting Securities beneficially owned by, a Buyer or any of its Affiliates, (y) the membership of CDME Nominees on the Company's Board of Directors as provided in Section 5 of this Agreement or (z) such CDME Nominees acting in their capacity as members of the Board of Directors of the Company by voting at a Board meeting, dissenting at a Board meeting, expressing views as to their vote to the Company's Board of Directors and otherwise participating in any voting recommendations made by the Board of Directors; provided, further, that members of the Buyer Group may "solicit" or become a "participant" in any

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"solicitation" of "proxies" in connection with (i) an Acquisition Proposal made by a Person other than a member of the Buyer Group at any time after a "proxy statement" (as defined in Regulation 14A under the Exchange Act) relating to such Acquisition Proposal has been distributed generally to stockholders of the Company or (ii) an Acquisition Proposal made by CDME and approved by the Independent Directors in accordance with Section 3.

(6) deposit any Restricted Securities in a voting trust, or, except as contemplated by this Agreement, subject any Restricted Securities to a voting or similar agreement, except one to which only CDME and Affiliates of CDME are parties.

(7) sell, transfer, pledge or otherwise dispose of or encumber any Restricted Securities, or agree to take any of the foregoing actions, except:

(i) sales of Restricted Securities pursuant to a firm commitment, underwritten distribution to the public, registered under the Securities Act, in which the selling stockholder and the underwriters use their best efforts to (x) effect as wide a distribution of such Restricted Securities as reasonably practicable, and (y) prevent any Person or group from acquiring through such offering beneficial ownership, on a fully exercised basis, of Voting Securities having in the aggregate more than 1% of the Total Voting Power; or

(ii) sales of Restricted Securities pursuant to Rule 144 under the Securities Act; provided, that any such sale shall be subject to the volume and manner of sale limitations set forth in such rule, whether or not legally required; or

(iii) to the Company pursuant to Section 2(b) or pursuant to a tender or exchange offer made by the Company; or

(iv) pursuant to an Acquisition Proposal approved by a majority of the Board of Directors; or

(v) sales or transfers of Restricted Securities to CDME or an Affiliate of CDME; or

(vi) a bona fide pledge to an internationally recognized financial institution to secure indebtedness for borrowed money on a full recourse basis to the pledgor, provided that the pledgee agrees, in a manner satisfactory in form and substance to the Company, (x) not to foreclose on any pledged Restricted Securities prior to the termination of this Agreement without affording the Company its right of first refusal contemplated by Section 2(b), (y) to be bound by the obligations of Buyers under this Agreement if the pledgee forecloses on such pledged Restricted Securities, but not to have any of the rights of either Buyer under Sections 3, 5, 6 and 7.

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Any proposed disposition pursuant to clause (i) or (ii) above shall be subject to the provisions of Section 2(b). No transaction pursuant to clauses (i) through (vi) shall be permitted prior to the date of the certificates for the Closing W&G Shares and the Purchase Price W&G Shares delivered at the Closing.

(b) CDME shall give written notice to the Company at least thirty (30) days prior to the date of any proposed sale pursuant to clause (i) or (ii) of Section 2(a)(7) specifying the amount of Restricted Securities which CDME and its Affiliates intend to sell and the proposed manner of sale. If during the

thirty day period following such notice (the "Notice Period") the Company gives written notice to CDME of the pendency of any underwritten offering by the Company of Restricted Securities, neither Buyer nor any of their Affiliates will effect such proposed sale until the earlier of (x) thirty days after the consummation by the Company of such offering and (y) ninety days after the Company gives CDME such written notice. If, in the case of a proposed sale pursuant to clause (i) of Section 2(a)(7), the Company gives CDME written notice during the Notice Period that the Company desires to purchase the Restricted Securities set forth in such notice of CDME as proposed to be sold, the Company shall purchase and CDME shall sell or cause its Affiliate to sell, such Restricted Securities at a price per share or other unit equal to the Average Closing Price of such Restricted Security during the 20 consecutive trading days preceding the date CDME gives notice to the Company of the proposed disposition, except that if such Restricted Security is not listed on a national securities exchange or quoted on NASDAQ during such 20 day period (an "Unlisted Security"), the price shall be as agreed between the Company and CDME or, if they cannot agree within five business days after the date such notice of purchase is given by the Company, the fair market value thereof as established by a nationally recognized U.S. investment banking firm selected by a majority vote of the Independent Directors (and the Company shall pay the fees of any such investment banking firm). The closing of any such purchase by the Company shall take place on the fifth business day after such notice of purchase is given by the Company or, in the case of an Unlisted Security, after the purchase price is determined as provided in the preceding sentence. If the Company does not exercise its right of purchase hereunder within the time specified for such exercise, CDME or the Affiliate of CDME intending to make such disposition shall be free during the period of 90 days following the expiration of such time for exercise (or, in the case of a sale in accordance with Section 2(a)(7)(i), until such time as the Company is no longer required to maintain the effectiveness of the registration statement under the Securities Act relating to such sale pursuant to the Registration Rights Agreement) to sell the Restricted Securities in the manner and amount specified in such notice of intention of CDME. If such sale is not consummated within such 90 day period, no sale may be made by CDME or any of its Affiliates without again complying with this Section 2(b).

(c) Legends and Stop Transfer Orders.

(1) Each Buyer agrees to the placement of the following legend on the certificates representing the Total Acquired W&G Shares and on the certificates, if any, representing the shares issued pursuant to Section

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2.4(c) of the Purchase Agreement (and on any shares of Common Stock issued upon any stock split, stock dividend or reclassification of Common Stock with respect to any such shares):

"The shares represented by this certificate have not been registered under the Securities Act of 1933 or securities laws of any other jurisdiction and may not be sold or transferred except in compliance with such Act and other laws. In addition, the shares represented by this certificate are subject to an Investment Agreement dated as of November 12, 1992, as it may be amended from time to time, a copy of which as so amended is on file at the office of the Company, which provides, among other things, for certain rights of purchase of such shares by the Company and certain

restrictions on transfer thereof. The shares represented by this certificate may not be sold or otherwise transferred except in compliance with said Agreement, and any sale or other transfer not in compliance therewith shall be void."

(2) Each Buyer agrees to the entry of stop transfer orders with the transfer agent (or agents) and the registrar (or registrars) of the Company's securities against the transfer of securities held by each Buyer or any of its Affiliates except in compliance with the requirements of this Agreement.

(3) Upon termination of this Agreement and upon written request of CDME, the Company shall issue a new certificate for a Restricted Security beneficially owned by CDME or any of its Affiliates bearing only the first sentence of the legend set forth in paragraph (c)(1) above. Upon written request of CDME, the Company shall cause such legend to be removed in its entirety from any certificate for a Restricted Security transferred pursuant to clause (i) or (ii) of Section 2(a)(7).

(d) Agreement to Provide Information. Each Buyer agrees to provide to the Company all information concerning the members of the Buyer Group as may be necessary for the Company to prepare any reports or filings required by the Securities Act, the Exchange Act, or other applicable federal and state securities laws, provided that confidential information regarding the Buyer Group need not be provided unless such information is required as a matter of law.

(e) Voting. Each Buyer shall vote or cause to be voted all Voting Securities beneficially owned by any member of the Buyer Group for nominees to the Board of Directors of the Company who have been recommended by the Nominating Committee, provided that the Company is in compliance with Sections 5(a) and 5(b) hereof. So long as the Company has not breached its obligations under Section 5(a) or 5(b), each Buyer shall cause all Voting Securities beneficially owned by any member of the Buyer Group to be represented, in person or by proxy, at all meetings of holders of Voting Securities of which such Buyer has actual notice, so that such Voting Securities may be counted for the purpose of determining the presence of a quorum at such meetings.

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(f) CDME Affiliates. CDME shall not permit ITD or any other Affiliate of CDME to cease to be an Affiliate of CDME unless all Restricted Securities beneficially owned by such Affiliate shall upon termination of being an Affiliate of CDME cease to be beneficially owned by such Affiliate and continue to be beneficially owned by CDME or another Affiliate of CDME.

3. Acquisition Proposal By CDME. CDME may, at any time, either directly or through any Affiliate of CDME submit to the Company's Board of Directors a proposal to acquire all of the outstanding Voting Securities not then beneficially owned by the Buyer Group, provided that CDME shall, and shall cause its Affiliates to, maintain the confidentiality of any such proposal (including the fact that such a proposal was made) and not issue any press release or make any public disclosure with respect thereto unless and until such proposal or the public disclosure thereof has been approved by vote of a majority of the Independent Directors.

4. Right to Purchase Restricted Securities. Each Buyer agrees that, in the event of any violation of Section 2(a)(1), in addition to its other rights and remedies, the Company or any Person or group designated by the Company shall have the right and option to purchase from each Buyer and each of its Affiliates, and Buyers shall sell and cause their Affiliates to sell, such Restricted Securities beneficially owned by them as is necessary to reduce the total combined voting power of all Voting Securities beneficially owned, on a fully exercised basis, by the members of the Buyer Group, in the aggregate, to the then applicable Percentage Limitation. Any Restricted Securities purchased by the Company or its designee pursuant to this Section shall be purchased for cash at a price per share or other unit equal to the lower of (i) the weighted average cost per share or other unit to the Buyer Group of all Restricted Securities of the class to be purchased then held by them, and (ii) the Average Closing Price of the Restricted Securities of the class to be purchased for the 20 consecutive trading days ending five trading days preceding the date on which the Company or its designee gives written notice to CDME of its intent to exercise its option under this Section, provided that in the case of a violation of Section 2(a)(1) to which the proviso to such Section would have been applicable had the transaction referred to in such proviso been approved by a majority of the Independent Directors, if no CDME Nominee has voted to approve such transaction, then the sole remedy of the Company for such violation shall be to purchase Restricted Securities in accordance with this Section 4 at a price equal to the higher of the prices referred to in the preceding clauses (i) and (ii). The right and option provided for in this Section shall be exercised by the Company's delivery of written notice, within 90 days after the Company first learns of the event giving rise to such option, to CDME specifying the nature of such event, the number and class of Restricted Securities to be purchased and the date on which said purchase shall occur, which date shall be not less than five nor more than 60 days after the date on which such notice was given to CDME. For so long as the Buyer Group is in violation of the Percentage Limitation, Voting Securities beneficially owned by the members of the Buyer Group, in the aggregate, in excess of the Percentage Limitation shall be voted in proportion to the shares voted by shareholders of the Company other than Buyers and their respective Affiliates.

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5. Board of Directors.

(a) On the Closing Date, the Company shall increase the number of directors to ten, Barry Setzer, Bernard Zients and Richard Warsoff shall resign as directors and the Company shall elect as directors effective on the Closing Date three nominees designated in writing by CDME to the Company reasonably acceptable to the Nominating Committee and a fourth nominee meeting the qualifications of an Independent Director approved by the Nominating Committee and by CDME (the "New Director"). In connection with the first election of directors of the Company by its shareholders to occur after the Closing Date, the Company shall nominate and recommend for election (i) one CDME Nominee for election as a Class I director, one CDME Nominee for election as a Class II director and one CDME Nominee for election as a Class III director, (ii) Wayne Campbell (if he is then an officer of the Company and agrees to be nominated) for election as a Class I director, (iii) the New Director (if he agrees to be nominated) for election as a Class III director and (iv) Robert Merson (if he is then an officer of the Company and agrees to be nominated) for election as a

Class II director. The Company shall nominate an additional nominee designated in writing by CDME to the Company reasonably acceptable to the Nominating Committee for election as a director at the first election of directors of the Company by its shareholders to occur after such time as CDME increases its beneficial ownership of Voting Securities to 35% or more of the Total Voting Power; provided, however, that CDME shall cause such director to resign if CDME's beneficial ownership of Voting Securities subsequently declines to less than 35% of the Total Voting Power. If CDME and its Affiliates shall cease to be the beneficial owners, in the aggregate, of 10% or more of the Total Voting Power, CDME shall cause all CDME Nominees to resign as directors of the Company. CDME shall cause such CDME Nominees to resign as directors of the Company so that no more than two CDME Nominees shall serve as directors if (i) CDME or any of its Affiliates shall have disposed of Restricted Securities and CDME and its Affiliates shall cease to be the beneficial owners, in the aggregate, of 20% or more of the Total Voting Power or (ii) CDME and its Affiliates shall cease to be the beneficial owners, in the aggregate, of 15% or more of the Total Voting Power. In connection with the expiration of the term as a director of the Company of each of the foregoing directors and of John K. Ziegler, the Nominating Committee shall nominate and recommend for reelection each such director (or, in the case of CDME Nominees, such other person as CDME shall designate in writing to the Company reasonably acceptable to the Nominating Committee) if he agrees to be nominated and, in the case of Messrs. Campbell, Merson and Ziegler, if he is then an officer of the Company, subject to the obligations of CDME to cause CDME Nominees to resign as set forth above in this Section. Any successor to John B. Fraser, Austin List or Michael Wilson as a director of the Company nominated by the Nominating Committee or elected by the Board of Directors of the Company to fill a vacancy shall qualify as an Independent Director.

(b) During the term of this Agreement the Board of Directors of the Company shall consist of ten members.

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(c) CDME and the Company agree that (i) the Executive Committee of the Board of Directors of the Company and the Nominating Committee shall be comprised of one CDME Nominee, John K. Ziegler (for so long as he remains a director of the Company and thereafter a director approved by a majority of the Independent Directors) and one Independent Director, (ii) the Audit Committee of the Board of Directors of the Company shall be comprised solely of Independent Directors, including the New Director so long as he is a director of the Company, and (iii) the Executive Compensation Committee shall be comprised of two Independent Directors and one CDME Nominee, each of whom qualifies as a "disinterested person" within the meaning of Rule 16b-3 under the Exchange Act (or any successor rule), or, if no such CDME Nominee so qualifies, the New Director so long as he is a director of the Company if he so qualifies or, if he does not so qualify, another Independent Director who so qualifies.

(d) W&G shall cause to be maintained in effect for not less than five years from the Closing the current policies of directors' and officers' liability insurance maintained by W&G (provided that W&G may substitute therefor policies of at least the same coverage containing terms and conditions which are no less advantageous) with respect to matters occurring prior to the Closing to the extent available, provided that in no event shall W&G be required to expend to maintain or procure insurance coverage pursuant to this

Section 5(d) any amount per annum in excess of 200% of the aggregate premiums paid in 1991 on an annualized basis for such purpose. The directors and officers of W&G, their heirs and representatives shall be the beneficiaries of this Section 5(d).

6. Additional Covenants.

(a) The provisions of the By-Laws of the Company establishing the Executive Committee, the Nominating Committee, the Audit Committee and the Executive Compensation Committee in effect on the Closing Date shall not be amended or repealed, or a provision inconsistent therewith adopted, without approval of shareholders of the Company holding 75% of the Total Voting Power.

(b) The Company shall not, and shall not permit any of its Subsidiaries to, (i) sell in any transaction or series of related transactions assets (including the capital stock of any Subsidiary) for a sales price in excess of $5 million, other than sales of inventory in the ordinary course of business, (ii) acquire all or substantially all of the assets or the capital stock of any company engaged in the electrical distribution business if the purchase price therefor exceeds $5 million, or (iii) acquire all or substantially all of the assets or the capital stock of any company engaged in a business which is not related to the Company's business as it is conducted on the Closing Date, except (w) any transaction consisting of the transfer of assets from the Company or one or more of its Subsidiaries to the Company or one or more of its Subsidiaries, (x) pursuant to obligations outstanding on the date hereof that are referred to in the Purchase Agreement, an Exhibit or Schedule to the Purchase Agreement, the W&G Disclosure Letter or an SEC Report, (y) if approved by the Board of Directors of the Company, including the favorable vote of all

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of the CDME Nominees who are present at a meeting of the Board of Directors when such matter is properly put to a vote of the directors (provided that at least one CDME Nominee is present at such meeting) or (z) if otherwise approved by CDME. The sales price and purchase price referred to in this Section shall not include any payment which, at the time of creation of the obligation to make the payment, was contingent upon future economic performance of the assets sold or purchased, as the case may be.

(c) The Company shall not effect a transaction to which clause (i) of Section 6(b) is applicable unless, if requested by a majority vote of the Independent Directors, a fairness opinion of a nationally recognized U.S. investment banking firm is obtained.

(d) The Company shall not issue any capital stock of the Company or securities convertible into or exercisable for capital stock of the Company except (i) pursuant to obligations outstanding on the date hereof that are referred to in the Purchase Agreement, an Exhibit or Schedule to the Purchase Agreement, the W&G Disclosure Letter or an SEC Report, including the issuance of shares of stock contemplated by the Purchase Agreement and the agreements between the Company and certain of its executive officers referred to in Section 7.8 of the Purchase Agreement, or pursuant to any Company Stock Plan, (ii) if approved by the Board of Directors of the Company, including the favorable vote of all of the CDME Nominees who are present at a meeting of the Board of Directors when such matter is properly put to a vote of the directors

(provided that at least one CDME Nominee is present at such meeting) or (iii) if otherwise approved by CDME.

(e) On the Closing Date, Robert Merson shall be elected as a Vice President of the Company.

(f) The Company shall not waive or forego any right to seek indemnification under Section 5.5 of the Purchase Agreement unless approved by a majority of the Independent Directors. The Company shall not pay any indemnification under Section 5.5 of the Purchase Agreement unless required to do so by final order of a court of competent jurisdiction, unless approved by a majority of the Independent Directors.

(g) The Company shall not reduce the conversion price of its 7% Convertible Subordinated Debentures due 2014 pursuant to Section 11.13 of the Indenture, dated as of August 1, 1989, unless approved as provided in clause (ii) or (iii) of Section 6(d).

(h) The Company shall not be obligated to pay any fees to any CDME Nominee in connection with his or her service as a director of the Company, provided that the Company shall reimburse each CDME Nominee for his or her reasonable out-of-pocket expenses incurred in connection with attending meetings of the Board of Directors of the Company or any committee thereof of which such person is a member. Promptly after a CDME Nominee becomes a director of the Company, the Company shall offer such CDME Nominee the opportunity to enter into an Indemnity Agreement substantially the same as the

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Indemnity Agreement, dated November 18, 1986, between W&G and certain directors and officers of W&G.

7. Unsubscribed Shares. If the Company distributes any rights or warrants to all holders of Common Stock entitling them to purchase shares of Common Stock and, upon the expiration of such right to purchase any shares remain unpurchased, CDME or an Affiliate of CDME designated by CDME shall be entitled to purchase all such unpurchased shares pursuant to the terms and conditions of such rights or warrants for a period of 10 days after the expiration thereof, notwithstanding the provisions of Section 2(a)(1).

8. Term. The obligations of the parties under this Agreement shall terminate and be of no further force and effect from and after the fifth (5th) anniversary of the Closing Date. The obligations of the Company under Sections 5, 6 and 7 shall terminate and be of no further force and effect from and after the date on which CDME and its Affiliates shall cease to be the beneficial owner, in the aggregate, of 10% or more of the Total Voting Power.

9. Miscellaneous.

(a) Severability. If any one or more of the provisions of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected thereby. To the extent permitted by applicable law, each party waives any provision of law which renders any provision of this Agreement invalid, illegal or unenforceable in any respect.

(b) Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of and be enforceable by and against the successors and assigns of the parties hereto. No right or obligation hereunder shall be assignable without the consent of the other parties hereto, and any such purported assignment shall be void.

(c) Entire Agreement; Modification. This Agreement, the Purchase Agreement and the Registration Rights Agreement referred to in the Purchase Agreement set forth the entire agreement and understanding among the parties and supercedes all agreements and understandings entered into prior to the execution hereof. This Agreement may be modified only by a written instrument duly executed by or on behalf of each party and, in the case of the Company, only if approved by a majority of the Independent Directors. No breach of any covenant, agreement, warranty or representation shall be deemed waived unless expressly waived in writing by and on behalf of the party who might assert such breach and, in the case of a breach of either Buyer, only if approved by a majority of the Independent Directors.

(d) Notices. Any notice, direction or other advice or communication required or permitted to be given hereunder shall be in writing and shall be given by certified mail, delivery service such as D.H.L or Federal Express or personal delivery against receipt to the party to whom it is to be given at such party's address set forth below or to such other address as the party

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shall have furnished in writing in accordance with the provisions of this Section. Any notice or other communication shall be deemed to have been given on the seventh business day after so mailed, on the third business day after dispatch when sent by delivery service or as of the date so personally delivered.

If to the Company:

Willcox & Gibbs, Inc.
530 Fifth Avenue
New York, New York 10036, U.S.A.
Attention: Chief Executive Officer

If to either Buyer:

Compagnie de Distribution
de Materiel Electrique
26, rue de Londres
75009 Paris, France.
Attention: Chief Executive Officer

(e) Governing Law. This Agreement shall be governed by and construed in accordance with the substantive law of the State of New York without giving effect to the principles of conflict of laws thereof.

(f) Counterparts. This Agreement may be executed in counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement.

(g) Effect of Headings. The section headings herein are for convenience only and shall not affect the construction thereof.

(h) Specific Performance. The Company, ITD and CDME recognize that any breach of the terms of this Agreement may give rise to irreparable harm for which money damages would not be an adequate remedy, and accordingly agree that, in addition to other remedies, any nonbreaching party shall be entitled to enforce the terms of this Agreement by a decree of specific performance without the necessity of proving the inadequacy as a remedy of money damages.

(i) ITD Obligations. CDME shall cause ITD to perform ITD's obligations under this Agreement.

(j) Consent to Jurisdiction; Receipt of Process. Each party hereby consents to the jurisdiction of, and confers non-exclusive jurisdiction upon, any federal or state court located in the City of New York, Borough of Manhattan, and appropriate appellate courts therefrom, over any action, suit or proceeding arising out of or relating to this Agreement, or any of the transactions contemplated hereby. Each party hereby irrevocably waives, and

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agrees not to assert as a defense in any such action, suit or proceeding, any objection which it may now or hereafter have to venue of any such action, suit or proceeding brought in any such federal or state court and hereby irrevocably waives any claim that any such action, suit or proceeding brought in any such court or tribunal has been brought in an inconvenient forum. Process in any such action, suit or proceeding may be served on any party anywhere in the world, whether within or without the State of New York, provided that notice thereof is provided pursuant to provisions for notice under this Agreement.

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

WILLCOX & GIBBS, INC.

By /s/ Allan M. Gonopolsky

Name: Allan M. Gonopolsky
Title: Assistant Secretary

COMPAGNIE DE DISTRIBUTION DE
MATERIEL ELECTRIQUE

By /s/ Serge Weinberg

Name: Serge Weinberg
Title: President et
Directeur General

INTERNATIONAL TECHNICAL
DISTRIBUTORS, INC.

By /s/ Serge Weinberg

Name: Serge Weinberg
Title: President

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[FRONT]

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THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED AS DIRECTED BY THE STOCKHOLDER. IF NO DIRECTION IS GIVEN WHEN THE DULY EXECUTED PROXY IS RETURNED, SUCH SHARES WILL BE VOTED "FOR" APPROVAL OF ITEM 1.

ACCOUNT NUMBER	COMMON	Will Attend

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" APPROVAL OF ITEM 1.

Item 1 - Proposal to approve the issuance of shares of common stock, par value $1.00 per share, of Willcox & Gibbs, Inc. to Rexel, S.A., including (i) 3,491,280 shares for $9.00 per share and (ii) additional shares from time to time pursuant to the arrangements described in the Company's Proxy Statement under the caption "Amendment to the Investment Agreement - Purchase of Additional Shares by Rexel Group" that would increase Rexel's beneficial ownership of the outstanding Common Stock to 45%.

FOR	AGAINST	ABSTAIN
---	---	---

In their discretion, the proxies are authorized to vote upon other business as may properly come before the meeting.

PLEASE MARK YOUR CHOICE LIKE THIS --- IN BLUE OR BLACK INK.

[BACK]

WILLCOX & GIBBS, INC.

Solicited by the Board of Directors for use at the Special Meeting of Stockholders of Willcox & Gibbs, Inc. -- February 24, 1994, at 11:00 A.M. at the Executive Offices of the Company, 530 Fifth Avenue, New York, New York.

The undersigned hereby appoints Allan M. Gonopolsky and John K. Ziegler, and any one or both of them, attorneys and proxies, with full power of substitution and revocation in each, for and on behalf of the undersigned, and with all the powers the undersigned would possess if personally present, to vote at the above Special Meeting and any adjournment thereof all shares of stock that the undersigned would be entitled to vote at such meeting.

Date----------
Signature----------
Signature----------
Please mark, date and sign as your name appears

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to the left and return in the enclosed envelope. If acting as executor, administrator, trustee, guardian, etc., you should so indicate when signing. If the signer is a corporation, please sign the full corporate name, by duly authorized officer. If shares are held jointly, each stockholder named should sign.

THIS PROXY IS CONTINUED ON THE REVERSE SIDE. PLEASE MARK ON THE REVERSE SIDE AND RETURN PROMPTLY.

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THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED AS DIRECTED BY THE STOCKHOLDER. IF NO DIRECTION IS GIVEN WHEN THE DULY EXECUTED PROXY IS RETURNED, SUCH SHARES WILL BE VOTED "FOR" APPROVAL OF ITEM 1.

ACCOUNT NUMBER	COMMON	Will Attend

The Board of Directors Recommends a vote "FOR" approval of Item 1.

Item 1-- Proposal to approve the issuance of shares of common stock, par value $1.00 per share, of Willcox & Gibbs, Inc. to Rexel, S.A., including (i) 3,491,280 shares for $9.00 per share and (ii) additional shares from time to time pursuant to the arrangements described in the Company's Proxy Statement under the caption "Amendment to the Investment Agreement - Purchase of Additional Shares by Rexel Group" that would increase Rexel's beneficial ownership of the outstanding Common Stock to 45%.

FOR	AGAINST	ABSTAIN
---	---	---

Date----------

Signature----------

Signature----------

PLEASE MARK, DATE AND SIGN as your name appears hereon and return in the enclosed envelope. If acting as executor, administrator, trustee, guardian, etc. you should so indicate when signing. If the signer is a corporation, please sign the full corporate name, by duly authorized

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officer. If shares are held jointly, each stockholder named should sign.

PLEASE MARK YOUR CHOICE LIKE THIS -X- IN BLUE OR BLACK INK.

[BACK]

WILLCOX & GIBBS, INC.

Solicited by the Board of Directors for use at the Special Meeting of Stockholders of Willcox & Gibbs, Inc. -- February 24, 1994 at 11:00 A.M., at the Executive Offices of the Company, 530 Fifth Avenue, New York, New York.

The undersigned hereby appoints Allan M. Gonopolsky and John K. Ziegler, and any one of them, attorneys and proxies, with full power of substitution and revocation in each, for and on behalf of the undersigned, and with all the powers the undersigned would possess if personally present, to vote at the above Special Meeting and any adjournment thereof all shares of stock that the undersigned would be entitled to vote at such meeting.

THIS PROXY IS CONTINUED ON THE REVERSE SIDE
PLEASE SIGN ON THE REVERSE SIDE AND RETURN PROMPTLY

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