

SECURITIES AND EXCHANGE COMMISSION

FORM 10-K

Annual report pursuant to section 13 and 15(d)

Filing Date: **1994-03-01** | Period of Report: **1993-12-31**
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FILER

OAK INDUSTRIES INC

CIK: **73568** | IRS No.: **361569000** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **10-K** | Act: **34** | File No.: **001-04474** | Film No.: **94514094**
SIC: **3822** Auto controls for regulating residential & comml environments

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*BAY COLONY CORPORATE
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WALTHAM MA 02154*

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6178900400*

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

/x/ Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 [Fee Required]

For the fiscal year ended December 31, 1993

/ / Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 [No Fee Required]

For the transition period from _____ to _____

COMMISSION FILE NO. 1-4474

OAK INDUSTRIES INC.

(Exact name of Registrant as specified in its charter)

<TABLE>

<S>	DELAWARE (State or other jurisdiction of incorporation or organization)	<C>	36-1569000 (IRS Employer Identification Number)
	BAY COLONY CORPORATE CENTER 1000 WINTER STREET WALTHAM, MASSACHUSETTS (Address of principal executive offices)		02154 (Zip Code)

</TABLE>

(617) 890-0400

(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

<TABLE>

<CAPTION>			NAME OF EACH EXCHANGE ON WHICH REGISTERED
<S>	TITLE OF EACH CLASS Common Stock Par Value \$.01	<C>	New York Stock Exchange Pacific Stock Exchange

</TABLE>

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:

NONE
(Title of class)

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

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

The aggregate market value of Registrant's Common Stock held by persons who are not affiliates of Registrant was \$326,852,288 on January 31, 1994.

The Registrant had 17,202,752 shares of Common Stock, \$0.01 par value, issued and outstanding on January 31, 1994.

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of the documents of the Registrant listed below have

been incorporated by reference into the indicated parts of the Annual Report on Form 10-K:

<TABLE>
<C> Proxy Statement to be filed no later than April 3, 1994.....Part III, Items 10-13
</TABLE>

=====

PART I

ITEM 1. BUSINESS

(A) GENERAL DEVELOPMENT OF BUSINESS

Oak Industries Inc. (the "Company") was incorporated under the laws of the State of Delaware in 1960. The predecessor of the Company was incorporated in 1932 under the laws of the State of Illinois. The present corporate name was adopted in 1972. The Company's executive offices are located at Bay Colony Corporate Center, 1000 Winter Street, Waltham, Massachusetts 02154, and its telephone number is (617) 890-0400.

The Company manufactures and sells communications components, including cable television ("CATV") specialty connectors and frequency control devices, and control components, including electronic and mechanical controls and switches for consumer appliances and testing and industrial equipment. In addition, Oak manufactures and sells railway maintenance-of-way equipment and emergency lighting systems.

Oak Industries Inc. grew rapidly in the early 1980's due primarily to its cable television equipment, subscription television and other media related businesses. From 1982 to 1985, the Company sustained severe losses in this segment as a result of failed product introductions and the collapse of the subscription television industry. Seeking to arrest this decline, the Company initiated a series of actions, including the sale of unprofitable or underutilized assets, cost cutting programs designed to reduce corporate and divisional overhead costs and the substantial reduction of public debt from \$230 million in 1986 to zero as of December 31, 1992. A significant amount of this public debt was reduced through a series of debt exchanges, the largest of which involved the 1986 sale of the Company's materials segment to Allied-Signal Inc. for approximately \$152 million in cash. These proceeds, combined with the issuance of common stock, were used to retire approximately \$197 million of such debt. As a result of these actions, stockholders' equity rose from negative \$64.2 million at December 31, 1985 to positive \$89.0 million at December 31, 1988.

Despite these efforts, the Company continued to incur losses from continuing operations exclusive of non-recurring items and, in June 1989, a proxy contest resulted in the election of a new slate of directors. In late 1989 and early 1990, a new management team with extensive experience in industrial operations and acquisitions was installed. The charter of this new management team was and is to: 1) dispose of unprofitable businesses with low potential; 2) improve the profitability of the remaining operations; and 3) pursue a well planned, focused and consistent acquisition strategy. It is the intention of the Board of Directors that the Company will serve as a holding company managing a portfolio of companies which will include both existing operations and other businesses serving markets with good growth and income potential.

During 1990 the Company completed the sales of two of its operating businesses: Oak Communications Inc. and Diamond H Controls Ltd. Oak Communications Inc. designed and manufactured equipment for the cable television market. Diamond H Controls is a Norwich, England based manufacturer of electric range components for the British and European

appliance markets. This subsidiary was sold due to the lack of strategic fit with other Oak subsidiaries and to redeploy the cash proceeds generated by the transaction into domestic operations with greater growth and earnings potential. Shortly following the disposition of the assets of Oak Communications Inc. based in Rancho Bernardo, California, the Company relocated its corporate headquarters from Rancho Bernardo to Waltham, Massachusetts to be closer to its operating units and to reduce travel costs.

On January 4, 1991, the Company acquired the assets of Standard Grigsby, Inc. ("SGI"), a subsidiary of Flint Industries, Inc., including the stock of

SGI de Mexico, S.A. de C.V., for approximately \$7.5 million in cash and the assumption of certain liabilities. SGI manufactured switch products complementary to those of Oak Switch Systems Inc. During 1991, Company management combined the businesses of SGI and Oak Switch Systems, forming OakGrigsby Inc., in order to improve the profitability of each entity.

On September 10, 1992, the Company acquired the common stock of H.E.S. International, Inc. ("H.E.S."), a manufacturer of hermetically-sealed packages used by manufacturers of quartz crystals, for approximately \$2.8 million in net cash and a \$0.3 million note payable through September 1995. H.E.S. manufactured products complementary to those of the Houston Electronics division ("Houston") of Oak Crystal Inc. During 1992, Company management combined the operations of Houston into those of H.E.S. in order to improve the profitability of the combined entity.

On December 23, 1992, the Company, along with Bain Capital, through an acquisition company, Connector Holding Company ("Connector"), acquired 85 percent of the outstanding stock of Gilbert Engineering Co., Inc. ("Gilbert"), a Glendale, Arizona manufacturer and supplier of specialty connectors to the cable television and high-end microwave markets. Management of Gilbert retained ownership of the remaining 15 percent of Gilbert. The Company has the right of first refusal should Gilbert management wish to sell their shares in Gilbert. If the Company refuses the offer, Gilbert management may, after a specified period of time and at its option, exchange its shares of Gilbert for the Company's common stock. The Company owns 80 percent of Connector, with Bain Capital owning the other 20 percent. Bain may at any time after December 22, 1995 require Oak to buy and Oak may at any time after December 22, 1996 require Bain to sell its outstanding shares in Connector at a price determined according to the terms of the stockholders agreement entered into by Oak and Bain at the time of the acquisition. The aggregate purchase price was approximately \$106.9 million, including refinancing of existing debt of Gilbert and transaction expenses. Gilbert is required to make mandatory debt payments equal to 90% of annual cash flows from operations less capital expenditures and other expenditures as specified in the credit agreement relating to the financing of the acquisition.

On January 12, 1993, the Company acquired the assets of the hybrid oscillator business of Spectrum Technology Inc. ("Spectrum"), a subsidiary of Datum Inc., for approximately \$1.6 million in cash including consolidation costs. Spectrum manufactured products complementary to those of McCoy/Ovenaire. This acquired business was consolidated into the McCoy/Ovenaire operations during the first quarter of 1993.

Effective May 13, 1993, the Company's shareholders approved a one-for-five reverse stock split of the Company's common stock (the "Reverse Split"). All share and earnings per share amounts used herein have been restated to reflect the Reverse Split.

The Company is party to a 1989 agreement with Invesco MIM Management Limited, formerly MIM Ltd. ("MIM"), an international fund management company based in the United Kingdom, pursuant to which MIM and its clients (the "MIM Group") purchased 1.4 million shares of the Company's newly issued common stock at \$3.75 per share and a warrant to acquire an additional 0.6 million shares at \$6.00 per share until January 25, 1996. The agreement with MIM contains certain restrictions on the MIM Group's right to sell, transfer and purchase additional Oak common stock. It also grants the MIM Group certain rights with respect to the registration of the Oak securities acquired under the terms of the agreement. In a separate transaction in 1989, the MIM Group acquired 2 million shares of the Company's common stock previously held by ITEL Corporation. In December 1993, the MIM Group sold approximately 1.8 million shares, including 0.5 million shares obtained from the exercise of warrants, pursuant to registration rights under the 1989 agreement with MIM. As of December 31, 1993, the MIM Group held approximately 1.1 million shares, or 6% of the Company's outstanding common stock.

As of December 31, 1993, the Company had net operating loss carryforwards for federal income tax purposes of approximately \$164.0 million, primarily expiring from 1999 through 2006. Under federal tax law, certain changes in ownership of the Company, which may not be within the Company's control, may operate to restrict future utilization of these carryforwards.

(B) FINANCIAL INFORMATION ABOUT THE INDUSTRY SEGMENTS

The Company's businesses are currently classified into the Components Segment and the Other Segment. For information regarding sales, operating income and identifiable assets attributable to each industry segment, see Note 9 of the Notes to Consolidated Financial Statements which is incorporated

herein by reference.

(C) NARRATIVE DESCRIPTION OF BUSINESS

The Company's operations are conducted in two industry segments, the Components Segment and the Other Segment. The Company's Components Segment manufactures connectors for CATV systems and other precision applications, frequency control devices, controls for gas and electric appliances, switches and other products which generally have the common function of controlling or regulating the flow of energy. The Other Segment is composed of the Company's railway maintenance equipment and emergency lighting divisions.

COMPONENTS SEGMENT

The Company operates principally through its Components Segment, which manufactures and sells communications components and control components.

Communications Components

The Company's communications components include specialty connectors for use in CATV and other precision applications and devices which control radio frequencies such as quartz crystals, filters and oscillators and their related bases and enclosures. The Company has completed several acquisitions of businesses offering communications components and believes that, over time, the Company will expand its product offerings to the communications markets through new product development and the acquisition of businesses which compete in growing markets and offer strong margin potential. Collectively, communications components accounted for approximately 51% of the Company's net sales for 1993.

CATV and Specialty Connectors. On December 23, 1992, the Company, along with Bain Capital, through an acquisition company, Connector Holding Company ("Connector"), acquired 85 percent of the outstanding stock of Gilbert Engineering Co., Inc. ("Gilbert"). Management of Gilbert retained ownership of the remaining 15 percent of Gilbert. The Company owns 80 percent of Connector, with Bain Capital owning the other 20 percent.

Gilbert manufactures and supplies specialty connectors to the cable television and high-end microwave markets. Its operations are based in Glendale, Arizona and Amboise, France.

Domestic and export sales are made directly to cable television system operators as well as through distributors and manufacturers' representatives. Gilbert's wholly-owned French subsidiary, Societe d'Appareillages Electroniques, S.A. ("S.A.E."), sells primarily to cable operators in France. Gilbert's major customers include cable operators such as Tele-Communications, Inc. (TCI), Sammons Communications, Scripps Howard and Time Warner Cable, and distributors such as Antec Corporation. The top ten customers are responsible for approximately 55 percent of total sales.

The cable industry is experiencing a continuing expansion of channel capacity in response to the desire of cable operators to provide subscribers with more programming selections, including pay-per-view and additional programming services. In addition, rapid developments in fiber optic technology, digital compression (which allows several channels to be transmitted within the same bandwidth that a single analog channel currently requires), computer electronics and mass storage technology have placed the U.S. cable industry in a position to market and supply a wide array of communication services. The Company believes that cable operators will continue to invest capital, including investment in fiber optic trunk lines, to upgrade the technological capabilities of their systems, provide higher quality and more reliable signal transmission and increase channel capacity in order to meet subscriber demand for better picture quality and more programming services, such as expanded pay-per-view, premium services and telephony. Once a fiber optic "trunk" has replaced or supplemented the existing coaxial trunk in a cable system, or once digital compression is

utilized in a system, the active electronic components in the shorter "feeder" lines (which run from the trunk to the home) are generally upgraded to accommodate the increased information flow. As a general rule, when cable operators replace the active electronic components in a system, the connectors must also be replaced. Although connectors of the type manufactured by Gilbert are not used in fiber optic lines, the Company believes that most feeder lines will remain coaxial due to the lower cost and comparable quality of coaxial cable relative to fiber optic cable over short distances.

Gilbert is the leading U.S. manufacturer of aluminum connectors and a

major U.S. manufacturer of brass connectors for the cable television industry. Although the market for these products is highly competitive with respect to quality and delivery, the Company believes it competes favorably with respect to each of these factors. In particular, the Company's aluminum connector products are engineered to meet stringent reliability requirements. Certain parties are also attempting to develop technologies which could compete with those currently employed by Gilbert's customers. If successful, these developments could have a negative impact on Gilbert's business.

The primary raw materials used in the manufacture of specialty connectors are aluminum and brass. Gilbert currently purchases all of its aluminum requirements from a single supplier. Although the Company believes several alternative sources of supply of aluminum are available, a sudden disruption of its supply from this supplier could have a temporary adverse effect on the manufacture and sale of Gilbert's connector products. Gilbert is not dependent on any single supplier for its other raw materials. Management does not foresee any problems obtaining the raw materials necessary for the manufacture of specialty connectors.

Gilbert owns a number of patents but does not consider any one patent or group of patents material to the conduct of the business.

Shipments of Gilbert's products are typically made shortly after the receipt of the order. Accordingly, the Company does not consider Gilbert's order backlog at any date to be a significant predictor of Gilbert's future results of operations.

Frequency Control Devices. Through its frequency control devices business units, McCoy/Ovenaire/Spectrum, Croven Crystals and H.E.S. International, the Company offers its precision frequency control devices to original equipment manufacturers for both commercial and military applications. For these products, the Company provides custom design, joint development opportunities, value-added assembly and low cost component and subsystem manufacturing.

The Company's frequency control products include crystals, crystal oscillators, and crystal filters for a variety of applications, including key components made for cellular telephone base stations, telecommunications switching equipment, global positioning systems, satellite programs, scientific test and/or measurement equipment, avionics, and computer systems. Major customers of the Company's frequency control products include Rockwell International, Hewlett-Packard, Hughes Aircraft, AT&T, ITT, Motorola and Alcatel Network Systems.

There are many suppliers, both domestic and foreign, of crystal frequency control devices. In order to compete effectively in this market, the company places a strong emphasis on high quality and sophisticated design technology. A large percentage of the Company's frequency control products are manufactured to exacting customer specifications, and the Company relies to a large extent on its engineering staff in identifying customer needs and meeting production and delivery schedules. Sales of the Company's frequency control products are made through a direct sales force and manufacturers' representatives.

Manufacturing facilities for the Company's frequency control products are located in Mt. Holly Springs and Mercersburg, Pennsylvania, and Whitby, Ontario, Canada. Management believes that recent improvements in each facility allow the Company to provide superior quality and delivery performance for such products at competitive prices.

In 1993, sales of frequency control products to military contractors constituted less than 10% of the Company's total sales. In recent periods, the Company has reduced the percentage of its sales of frequency control products attributable to such customers through the introduction of new products for the commercial telecommunications industry.

The Company believes there is ready availability of the raw materials, principally natural and synthetic quartz, required for the production of its frequency control products. There are multiple suppliers of such raw materials, and the Company utilizes many of these suppliers. Moreover, the Company has recently entered into a strategic alliance with Alfa Quartz ("Alfa"), a subsidiary of Sural C.A. Alfa has made significant capital investments in its Venezuelan operation in order to become a major supplier of synthetic quartz crystals on the world market. The strategic alliance is intended to develop Alfa's finishing capabilities and thereby allow it to broaden its product offerings as well as ensure the Company of a ready supply of high-quality, low-cost crystal blanks.

The Company also manufactures glass-to-metal hermetically sealed packages used in a variety of products including frequency controls, lithium batteries and semiconductors. These operations are based in Kansas City, Kansas. The Company believes it is a leader in four major types of hermetically sealed packages: cold weld, resistance weld, solder seal and all-glass induction seal. Approximately 85% of the Company's sales of hermetic packages are to customers in the United States. These customers are currently serviced on a factory direct basis. Foreign sales are conducted through direct sales and distributors. In the sale of hermetic packages, the Company believes it enjoys competitive advantages including a worldwide reputation for superior quality and delivery performance, a leadership position in glass-to-metal sealing technology, low-cost, value-added contract assembly operations in Acuna, Mexico, and experience in the custom design of unique packages for customer needs.

Control Components

The Company's controls products include electronic, electro-mechanical and mechanical controls, switches and components sold to various consumer and industrial manufacturers. The Company provides gas range and outdoor grill controls, components and replacement parts through its Harper-Wyman Company subsidiary, and optical, rotary and appliance switches and other products through its OakGrigsby Inc. subsidiary. The Company expects to expand its product offerings to the market for control devices through new product development and acquisitions. Collectively, control components accounted for approximately 41% of the Company's net sales for 1993.

Appliance Components and Controls. The Company, through its Harper-Wyman Company subsidiary ("Harper-Wyman") manufactures a broad line of controls and components for gas and electric range appliances for sale to original equipment manufacturers in the consumer appliance industry. Harper-Wyman has operations in Aurora and Princeton, Illinois and Ciudad Juarez, Mexico.

Harper-Wyman's major customers include General Electric Corporation, Raytheon Company (Caloric and Amana), Maytag Corporation (Magic Chef and Jenn-Air) and Brown Stove Works Inc.

The sale of Harper-Wyman's products is conducted through its direct sales force with assistance from a small number of manufacturers' representatives. Harper-Wyman is dependent on a small number of customers, principally the major original equipment appliance manufacturers. The loss of any one of these customers could have a material adverse effect on Harper-Wyman's business.

The market in which Harper-Wyman participates is very competitive in terms of price, quality and delivery, with three significant competitors. Harper-Wyman believes it is a leading supplier to the market for its gas range products.

Harper-Wyman's domestic control products must conform to Underwriters' Laboratories and American Gas Association specifications. All such approvals have been obtained and Harper-Wyman's quality assurance team maintains compliance with these specifications. Harper-Wyman is not dependent upon any single supplier for raw materials. Harper-Wyman owns a number of patents but does not consider any one patent or group of patents material to the conduct of business.

Harper-Wyman, through its Harpco Division, is a manufacturer and supplier of replacement parts to the consumer appliance and outdoor grill industries. The market for Harpco Division's products consists of original equipment manufacturers and distributors. Sales are made primarily through manufacturers' representatives.

Switch Devices. The Company's OakGrigsby business unit manufactures low-power open frame, enclosed and encoded rotary switches along with solenoids, lighted push-button switches and appliance switches. OakGrigsby has also developed an optical switch which eliminates many of the mechanical aspects of rotary switches providing for a longer product life and more accurate control of switching operations. These products are sold primarily to original equipment manufacturers of industrial, test and medical equipment. The Company has recently introduced a new device which is used in sorting machines used by the U.S. Postal Service. The Company's switch manufacturing operations are located in Sugar Grove, Illinois and Ciudad Juarez, Mexico.

Some of OakGrigsby's top customers include Rockwell International, Motorola, the U.S. Government, Pitney Bowes and Tektronix. The top ten customers are responsible for approximately 36% of total sales. Open frame

rotary switches account for about 36% of total sales revenue. OakGrigsby's marketplace is principally domestic with some product shipped to Canada and Europe. Product is sold by manufacturers' representatives directly to customers across the United States and in Europe, with an increasing amount of product sold through distributors. OakGrigsby supplies to a highly fragmented market and competes primarily on the basis of price, technology, innovation and distribution.

OakGrigsby owns a number of patents but does not consider any one patent or group of patents material to the conduct of business. Management does not foresee any problems obtaining raw material for use in the production of OakGrigsby's products. The company is not dependent on any single supplier for raw materials.

OTHER SEGMENT

The businesses comprising the Company's Other Segment accounted for approximately 8% of the Company's net sales for 1993.

Railway Products. Through its Nordco Inc. subsidiary ("Nordco"), the Company manufactures, sells and leases products used in the construction, maintenance and repair of railway tracks. Nordco's products fall into three general categories: tie renewal equipment, rail renewal equipment and track inspection equipment. A significant portion of Nordco's business results from sales of replacement parts for these machines.

The sale of Nordco's products is conducted through a sales and distribution network throughout North America. Although Nordco has several key competitors, including Fairmont Tamper, the Company believes that no more than three competitors sell against Nordco in any particular product line. Management believes it is well-positioned for this competitive environment. The Company believes Nordco's strong marketing relationships and the resulting awareness of customer needs, combined with superior engineering capability, certain patents, which have remaining lives of 2 to 12 years, and a successful research and development program, have given Nordco a reputation as a technological and quality leader in this industry.

Nordco's primary market includes railroads in the United States and Canada designated as Class I (railroads with revenues in excess of \$96.1 million). Other markets for Nordco's products include Mexico, the Scandinavian countries and Australia.

Nordco's new equipment and parts customers have distinct seasonal demands. New equipment shipments are heaviest during early spring when the summer track maintenance programs commence and parts shipments are heaviest during the summer work season.

Nordco is primarily an assembler of purchased components from a wide variety of suppliers, and it is not dependent upon any single supplier.

Emergency Lighting. Through its Carpenter Emergency Lighting business unit ("Carpenter"), the Company manufactures and assembles self-powered emergency lights, exit signs, and portable lights for use in industrial, commercial, and office functions. Carpenter's operations are located in Charlottesville, Virginia.

Carpenter's products are sold to electrical distributors through a nationwide network of independent manufacturers' representatives. Sales are driven by new construction, renovation, and local safety code ordinances. The industry in which Carpenter operates is highly competitive, with approximately fifteen companies serving the industry. No single competitor has a dominant market share. The Company believes that the quality of Carpenter's products, the experience of its sales force, its short lead times, order to delivery, and competitive product pricing provide Carpenter with competitive advantages.

Raw materials, primarily plastics, metals, batteries, and electronic components, are purchased from a variety of vendors. Carpenter is not dependent upon any single supplier.

OTHER INVESTMENTS

Channel 44. The Company owns a 49% interest in TV Station WSNS which, as a Telemundo affiliate, broadcasts Spanish language programming in the Chicago metropolitan area.

O/E/N India. The Company owns a 45% interest in O/E/N India Ltd. ("O/E/N India"), located in Cochin, Kerala, India. O/E/N India assembles and markets

relays, potentiometers, and switches for the Indian market. The principal markets include communications systems, data processing equipment and industrial applications. O/E/N India and its subsidiaries' products also include floppy diskettes, terminals and connectors. The operations of O/E/N India do not have a material impact on the Company's financial condition or results of operations.

EMPLOYEES

At December 31, 1993, the company had approximately 2,620 employees, 1,728 of whom were located in the United States and 892 in foreign countries. Of these employees, 175 are members of unions. The Company believes its relationship with its employees are good.

BACKLOG

The Company's backlog of domestic and foreign orders for each industry segment at the indicated dates was as follows (dollars in thousands):

<TABLE>
<CAPTION>

	December 31, 1993 -----	December 31, 1992 -----
<S>	<C>	<C>
Components.....	\$39,585	\$38,343
Other.....	1,303	218
	-----	-----
Total	\$40,888 =====	\$38,561 =====

</TABLE>

Substantially all orders in each segment's backlog are considered firm and are expected to be delivered within twelve months of the dates indicated above. Consistent with practices in the Company's businesses, a portion of the backlog is unscheduled as to the delivery date. Orders are normally cancelable subject to payment by the purchaser of charges incurred by the Company up to the time of cancellation.

EXECUTIVE OFFICERS

The following table lists the name, age, position and offices of all executive officers of the Company. The term of office of all executive officers will expire upon the holding of the first meeting of the Board of Directors following the 1994 Annual Meeting of Stockholders.

<TABLE>
<CAPTION>

NAME ----	AGE ---	POSITION -----
<S>	<C>	<C>
William S. Antle III....	49	President and Chief Executive Officer since December 1989; President of the Hadleigh Group, a consulting firm specializing in improving the profitability of underperforming companies, June to December 1989; Executive Vice President of Bain and Company, an international strategy consulting firm, from prior to 1989.
Paul J. Halas.....	37	Senior Vice President, General Counsel, and Secretary since August 1990; Treasurer of Timex Group, Ltd., an international manufacturer and distributor of timepieces and other products, from June 1989 to July 1990, Assistant General Counsel and Assistant Secretary from prior to 1989 to June 1989.
John D. Richardson.....	48	Senior Vice President, Human Resources since August 1990; Corporate Vice President of Human Resources of Fidelity Investments, a privately-held mutual fund company, from prior to 1989 to July 1990.
William C. Weaver.....	52	Senior Vice President and Chief Financial

Officer since January 1990; Vice President and Chief Financial Officer of Kennametal, Inc., a provider of tools, tooling systems, supplies and services to the metalworking industry, from prior to 1989.

ITEM 2. PROPERTIES

The Company believes that its plants and facilities are suitable and adequate for its business. They are well maintained, are in sound operating condition, and are in regular use. The table below sets forth the location and general character of important properties of the Company as of December 31, 1993. Properties without reference to leases are owned by the Company.

</TABLE>
<TABLE>
<CAPTION>

LOCATION / YEAR LEASE EXPIRES -----	FLOOR SPACE (APPROXIMATE SQUARE FEET) -----
<S>	<C>
Amboise, France {A,C,D}.....	34,000 (2 buildings)
Aurora, Illinois (lease expires 11/30/96) {A,C}.....	16,000
Charlottesville, Virginia {C,D, E}.....	57,000
Glendale, Arizona (leases expire 12/31/97 and 8/31/01) {A,C,D}.....	157,000 (3 buildings)
Juarez, Mexico (lease expires 5/16/98) {A,D}.....	51,000
Kansas City, Kansas {A,C,D} (lease expires 9/30/97)....	19,000
Mercersburg, Pennsylvania {A,D}.....	34,000 (2 buildings)
Milwaukee, Wisconsin (lease expires 12/31/94) {C,D,E}..	92,000
Mt. Holly Springs, Pennsylvania {A,C,D}.....	79,000 (2 buildings)
Princeton, Illinois {A,D}.....	235,000 (2 buildings)
Sugar Grove, Illinois (leases expire 2/28/97 and 12/14/98) {A,C,D}.....	86,000 (2 buildings)
Waltham, Massachusetts (lease expires 7/15/95) {B,C}..	12,000
Whitby, Ontario, Canada {A,C,D}.....	25,000
Zaragosa, Mexico (lease expires 6/30/97) {A,D}.....	97,000

<FN>
{A} Used by the Components Segment.
{B} Corporate Headquarters.
{C} Office Space.
{D} Manufacturing Facilities.
{E} Used by the Other Segment

</TABLE>

ITEM 3. LEGAL PROCEEDINGS

Various pending or threatened legal proceedings by or against the Company or one or more of its subsidiaries involve alleged breaches of contract, torts and miscellaneous other causes of action arising in the ordinary course of business. Some of these proceedings involve claims for punitive damages in addition to other special relief. The Company's management does not consider any of such proceedings to be material.

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

During the fourth quarter of 1993, no matters were submitted to a vote of security holders.

PART II

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

The markets on which the common stock of the Company is traded are the New York Stock Exchange and the Pacific Stock Exchange. As of January 31, 1994, there were approximately 9,666 stockholders of record of common stock of the Company.

Information regarding the trading price of the Company's common stock for each quarterly period during the last two fiscal years is set forth below. No

dividends on the Company's common stock were paid during 1993 or 1992. (See description of dividend restrictions included in the Revolving Credit Facility Agreement in Note 4 to the Consolidated Financial Statements.)

<TABLE>
<CAPTION>

	PRICE OF COMMON STOCK			
	1993		1992	
	HIGH	LOW	HIGH	LOW
<S>	<C>	<C>	<C>	<C>
First Quarter.....	\$20	\$10 5/8	\$14 3/8	\$4 3/8
Second Quarter.....	27 1/4	14 3/8	12 1/2	5 5/8
Third Quarter.....	29	17	10	6 7/8
Fourth Quarter.....	20 5/8	12 1/2	13 1/8	6 7/8

ITEM 6. SELECTED FINANCIAL DATA

FINANCIAL RESULTS

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31				
	(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)				
	1993	1992	1991	1990	1989
<S>	<C>	<C>	<C>	<C>	<C>
Net sales:					
Components.....	\$201,593	\$123,375	\$108,555	\$120,635	\$121,326
Other.....	17,969	19,874	15,811	18,690	17,406
Net sales from continuing operations..	219,562	143,249	124,366	139,325	138,732
Interest expense.....	7,795	1,405	1,798	2,112	4,564
Income (loss) from continuing operations....	26,660	10,388	5,265	1,389	(20,222)
Net income (loss).....	26,660	14,438	5,570	9,669	(25,481)
Income (loss) per common share:					
Primary:					
Continuing operations.	1.47	.60	.32	.09	(1.23)
Net income (loss).....	1.47	.83	.34	.59	(1.55)
Fully-diluted:					
Continuing operations.	1.47	.59	.32	.09	(1.23)
Net income (loss)	1.47	.82	.34	.59	(1.55)
Cash dividends per common share.....	--	--	--	--	--

FINANCIAL POSITION

Working capital.....	\$ 69,575	\$ 54,829	\$ 61,805	\$ 63,476	\$ 43,961
Plant and equipment, net...	33,429	32,668	24,658	24,929	23,947
Total assets.....	237,727	228,948	124,512	130,848	127,753
Long-term debt.....	61,549	76,922	11,225	11,255	17,749
Stockholders' equity.....	126,919	98,074	84,182	78,278	68,613

GENERAL STATISTICS

Capital expenditures.....	\$ 7,018	\$ 4,111	\$ 4,667	\$ 6,461	\$ 4,657
Depreciation.....	\$ 6,142	\$ 4,380	\$ 4,322	\$ 4,609	\$ 4,453
Average common shares outstanding:					
Primary.....	18,100,104	17,309,489	16,505,446	16,504,892	16,407,217
Fully-diluted.....	18,100,104	17,666,745	16,505,446	16,504,892	16,407,217
Number of recordholders (at year end).....	9,732	12,146	12,113	12,716	13,199
Number of employees (at year end).....	2,620	2,253	1,620	1,708	2,203
Salaries and wages.....	\$ 53,016	\$ 40,435	\$ 38,544	\$ 44,516	\$ 46,289

All prior years' data has been restated to reflect only continuing operations as of December 31, 1993.

See description of 1992 change in accounting for income taxes in Note 8 to the Consolidated Financial Statements.

See description of December 23, 1992 acquisition of Gilbert Engineering Co., Inc. in Note 2 to the Consolidated Financial Statements.

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

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash flow remained strong throughout 1993 with cash and cash equivalents increasing by \$8.4 million to \$27.4 million at December 31, 1993. Operations generated \$31.3 million of cash during 1993 compared to \$10.6 million during 1992. The Company spent \$7.0 million for capital equipment and \$1.6 million to acquire a business. Cash of \$22.7 million was used to repay debt and \$6.0 million was freed from restriction due to the elimination of a requirement for collateral for a letter of credit. The Company also received \$3.2 million as the result of the exercise of warrants to purchase 540,000 shares of the Company's common stock.

In September 1993, the Company entered into a new revolving credit facility with a group of banks, increasing available borrowings from \$15.0 million to \$30.0 million. The new facility, which is available through December 1995, is at various interest rates at the Company's option based on the prime rate or LIBOR. Borrowings under the facility are secured by the Company's pledge of the outstanding capital stock of certain of the Company's subsidiaries. At December 31, 1993, there were no borrowings outstanding under this facility.

At December 31, 1993, cash and unused lines of credit totaled \$76.4 million of which \$21.2 million was available only to Gilbert and \$55.2 million was available for general corporate purposes, including acquisitions. The maximum amount of borrowing under the line of credit available only to Gilbert decreases at each quarter end through 1994 and will be \$10.0 million at December 31, 1994. The Company believes its current financial resources are sufficient to meet its continuing operating requirements, service its long-term debt, and provide for future growth.

The indebtedness of Gilbert incurred as a result of its acquisition by the Company and Bain Capital is repayable on various dates through 1999. Such indebtedness is collateralized by the assets and common stock of Gilbert and is non-recourse to the Company. At December 31, 1993, the principal amount of such indebtedness, net of original issue discount, was \$57.1 million. Such indebtedness as of December 31, 1993 bears various interest rates from LIBOR plus 3.0% to prime plus 3.0% per annum (6.3% to 9.0% at December 31, 1993). In addition to scheduled repayments, Gilbert is required to make mandatory prepayments on this indebtedness equal to 90% of annual cash flows from operations less capital expenditures and certain other expenditures. A portion of this indebtedness is outstanding under Gilbert's line of credit, and a portion of the scheduled repayments of this indebtedness account for the scheduled reductions in the maximum borrowings available under such line of credit described in the immediately preceding paragraph. In January 1994, Gilbert borrowed \$10.0 million under its line of credit in order to make certain mandatory prepayments as described above.

At December 31, 1993, the Company's Nordco Inc. subsidiary had \$5.6 million principal amount of indebtedness outstanding under a term loan agreement. This principal amount bears interest at 12.05% per annum and is repayable in equal semi-annual installments through 1997. The obligations are secured by a pledge of the common stock of Nordco Inc. held by the Company.

The Company is involved in certain environmental matters at several of its operating divisions. Management believes that the ultimate resolution of these environmental matters will not have a material effect on the Company's financial position or results of operations. The Company's operations, like those of similar manufacturing businesses, may involve certain ongoing risks to the environment.

Various pending or threatened legal proceedings by or against the Company or one or more of its subsidiaries involve alleged breaches of contract, torts and miscellaneous other causes of action arising in the course of business. Some of these proceedings involve claims for punitive damages in addition to other special relief. The Company's management, based upon advice of legal counsel representing the Company with respect to each of these proceedings, does not believe any of these proceedings will have a material effect on the

Company's consolidated financial position.

On December 23, 1992, the Company, along with certain affiliates of Bain Capital ("Bain Capital"), through an acquisition company, Connector Holding Company ("Connector"), acquired 85% of the outstanding stock of Gilbert. The aggregate purchase price was approximately \$106.9 million, including refinancing of existing debt of Gilbert and transaction expenses. Management of Gilbert retained ownership of the remaining 15% of Gilbert. The Company has the right of first refusal should Gilbert management wish to sell their shares in Gilbert. If the Company refuses the offer, Gilbert management may, after a specified period of time and at its option, exchange its shares of Gilbert for shares of the Company's common stock. The Company owns 80% of Connector, with Bain Capital owning the other 20%.

Bain Capital may at any time after December 22, 1995 require the Company to buy and Oak may at any time after December 22, 1996 require Bain Capital to sell its outstanding shares in Connector at a price determined according to the terms of the stockholders agreement entered into by the Company and Bain Capital at the time of the acquisition (the "Stockholders Agreement"). The price is the higher of fair market value as determined by an independent appraisal and a price based upon certain formulas applied to the earnings of Gilbert in certain periods. The Stockholders Agreement limits the ability of Connector or Gilbert to take certain fundamental corporate actions without the prior consent of the Company and Bain Capital. The agreement prohibits the sale by either the Company or Bain Capital of its equity interests in Connector. The Company's shares of Connector have been pledged to Bain Capital to secure the financial obligations of the Company under the Stockholders Agreement.

Although the Company operates internally with several businesses functioning as profit centers, these businesses are also managed as a group. That is, if a given business is performing strongly, corporate management may use this opportunity to invest additional funds in product development and marketing in another business. Certain agreements applicable to Gilbert limit Gilbert's ability to make distributions or advances to the Company and likewise the Company has no obligation to make further advances to, or investments in, Gilbert.

As of December 31, 1993, the Company had net operating loss carryforwards ("NOLs") for federal income tax purposes of approximately \$164.0 million, which will, if unused, expire from 1999 through 2006. Under federal tax law, certain changes in ownership of the Company, which may not be within the Company's control, may operate to restrict future utilization of these carryforwards.

In accordance with FAS 109, the Company has recorded as a deferred tax asset the expected tax benefit in future periods associated with the anticipated utilization of these NOLs. At December 31, 1993, this deferred tax asset was \$29.4 million. In order to realize the deferred tax asset, the Company must generate domestic pretax profit of at least \$80 million before the NOLs expire. Management has determined, based on the Company's history of prior operating earnings, the history of prior operating earnings of Gilbert and the Company's expectations for the future, that income of the Company will more likely than not be sufficient to utilize \$29.4 million of benefit from the utilization of NOLs prior to their expiration.

Consistent with its strategy, the Company will aggressively explore additional acquisition opportunities in 1994. If consummated, an acquisition would involve the expenditure of cash and may require borrowing against its existing revolving credit facility and/or new borrowing arrangements. Currently, the Company has no commitment, understanding, or arrangement relating to any material acquisition and there can be no assurance that additional transactions will be consummated in 1994.

RESULTS OF OPERATIONS

On December 23, 1992, the Company along with Bain Capital, through their acquisition company, Connector Holding Company ("Connector"), acquired 85% of the outstanding stock of Gilbert Engineering Co., Inc. ("Gilbert"), a Glendale, Arizona manufacturer and supplier of specialty connectors to the cable television, microwave, and high-end specialty precision markets. Management of Gilbert retained ownership of the remaining 15% of Gilbert. The Company owns 80% of Connector, with Bain Capital owning the other 20%. The acquisition was accounted for as a purchase and, accordingly the operating results of Gilbert for the nine days from the date of acquisition through December 31, 1992 were included in the Company's consolidated statement of

operations. The effect of these operating results on the Company's 1992 sales and net income was insignificant.

1993 COMPARED TO 1992

Consolidated sales for 1993 were \$219.6 million, an increase of \$76.4 million, or 53.3%, over 1992. Components Segment sales increased \$78.3 million, or 63.4% and Other Segment sales decreased \$1.9 million, or 9.6%. The increase in consolidated sales is attributable primarily to the acquisition of Gilbert at the end of 1992.

Net income during 1993 was \$26.7 million compared to net income of \$14.4 million in 1992. Each period, however, includes certain non-recurring items shown in the table below. Income from continuing operations before non-recurring items in 1993 increased by \$14.6 million, or 217.9% over 1992, primarily as a result of the inclusion of Gilbert's results of operations in the 1993 period. Included in income from continuing operations is equity in net income of affiliated companies of \$1.7 million and \$2.3 million for 1993 and 1992, respectively.

NET INCOME (\$ MILLIONS)

<TABLE>
<CAPTION>

	1993 ----- <C>	1992 ----- <C>
<S>		
Income from continuing operations		
before non-recurring items.....	\$21.3	\$ 6.7
Subtract non-recurring items:		
Restructuring charge (a).....	(2.9)	(1.5)
Add non-recurring items:		
Gain on resolution of income tax issue (b).....	3.9	--
Sale of minority interest investment (c).....	--	2.7
Adjustment to deferred income tax		
valuation reserve (d).....	6.0	2.5
Adjustment to minority interest (d).....	(1.6)	--
Effect of change in accounting principle (e)...	--	3.5
Income from discontinued operations.....	--	0.5
	-----	-----
Net income.....	\$26.7	\$14.4
	=====	=====

<FN>

(a) In the third quarter of 1993, the Company recorded a \$2.9 million restructuring charge to cover the costs associated with reorganizing its Mexican manufacturing operations, consolidating certain U.S. operations, and certain other overhead reductions. During the fourth quarter of 1992, the Company recognized a charge of \$1.5 million related to the reorganizations and facilities consolidations at certain divisions.

(b) In the third quarter of 1993, the Company recorded a gain of \$3.9 million resulting from an Internal Revenue Service refund relating to the settlement of a tax dispute.

(c) During the fourth quarter of 1992, the Company recognized a gain of \$2.7 million related to the sale of its investment in ComStream Corporation, in which the Company held a minority ownership interest.

(d) During the fourth quarters of 1993 and 1992, the Company adjusted its deferred income tax valuation reserve in accordance with FAS 109, resulting in an income tax benefit of \$6.0 million and \$2.5 million, respectively. The 1993 income tax benefit caused minority interest in net income of subsidiaries to increase \$1.6 million.

(e) In the first quarter of 1992, the Company adopted FAS 109, which allowed the Company to recognize a portion of the benefits from its net operating loss carryforwards. The effect of such adoption was income of \$3.5 million in 1992.

</TABLE>

The \$14.6 million improvement in income from continuing operations before non-recurring items for 1993 resulted primarily from a \$31.1 million increase in segment operating profitability (see discussion under "Segment Data") offset, in part, by several non-operating items. Interest expense increased

\$6.4 million due to higher debt levels resulting from the acquisition of Gilbert. Minority interest in net income of subsidiaries of \$5.8 million, before the non-recurring increase of \$1.6 million resulting from the FAS 109 adjustment, represents the minority stockholders' proportionate share of the income of Connector and Gilbert. Interest income decreased \$0.5 million due to lower invested balances and lower interest rates. Equity in net income of subsidiaries decreased \$0.6 million. Income tax expense, excluding the tax benefit related to the settlement of the tax dispute and adjustments to the deferred income tax valuation reserve, increased \$1.2 million due to higher foreign and state taxes, reflecting higher earnings levels.

In the first quarter of 1993, the Company adopted FAS 106, "Employers' Accounting for Postretirement Benefits Other than Pensions". This statement changes the past practice of accounting for the cost of postretirement benefits from a pay-as-you-go (cash) basis to the accrual basis. Under the new statement, the expected cost of providing those benefits to an employee, the employee's beneficiaries, and covered dependents will be recognized in the years that the employee renders the necessary service. The accumulated postretirement benefit obligation as of January 1, 1993 was \$1.1 million. The Company has elected to amortize this transition obligation over 20 years in accordance with the provisions of FAS 106. The effect on the financial statements of the adoption of the provisions of this statement was not material in 1993 and is not expected to be material in the future. The Company allows certain employees aged 55 or older and with 10 or more years of service to retire and continue their medical and/or dental coverage until age 65. In most cases, retirees are responsible for paying premiums to the Company to continue coverage.

The Financial Accounting Standards Board has issued FAS 112 "Employers' Accounting for Postemployment Benefits". This statement changes the past practice of accounting for the cost of certain postemployment benefits from a pay-as-you-go (cash) basis to an accrual basis. The statement generally requires adoption for fiscal years beginning after December 15, 1993. Management does not expect the effect of the adoption of this statement in 1994 to be material to the Company's financial statements.

SEGMENT DATA (\$ MILLIONS)

<TABLE>

<CAPTION>

	Sales		Operating Income	
	1993	1992	1993	1992
	<C>	<C>	<C>	<C>
Components.....	\$201.6	\$123.3	\$39.0	\$8.7
Other.....	18.0	19.9	1.9	1.1
	-----	-----	-----	-----
Subtotal.....	\$219.6	\$143.2	40.9	9.8
	=====	=====		
Restructuring charges.....			(2.9)	(1.5)
			-----	-----
Total.....			\$38.0	\$8.3
			=====	=====

</TABLE>

Sales of the Components Segment increased \$78.3 million, or 63.4%, in 1993 compared to 1992. This increase was due primarily to incremental sales of Gilbert, which was acquired in December 1992, and to a lesser extent, sales of two smaller businesses, acquired in January 1993 and September 1992, and to volume increases in the switch controls business, partially offset by volume declines in the appliance controls business (from historically high levels in 1992). Components Segment order backlog was \$39.6 million at December 31, 1993, up \$1.2 million, or 3.2% from December 31, 1992.

Excluding the effect of the restructuring charges discussed above, operating income of the Components Segment increased \$30.3 million, or 347.6%, in 1993 as compared to 1992. This improvement was primarily the result of the inclusion of Gilbert's results of operations in 1993.

The strength of the operating performance of the Components Segment during the first half of 1993 was primarily attributable to the high sales level of CATV connector products in this period. Sales of such products were slower in the second half of 1993, as cable operators took time to assess the financial impact of the Cable Act of 1992 on their capital spending plans.

Other Segment sales decreased \$1.9 million, or 9.6%, compared to 1992 due to decreased volume from the Company's railway maintenance equipment division. Operating income increased by \$0.8 million, or 70.2%, compared to 1992, however, due to higher gross margins resulting from various cost reduction programs. Order backlog for the segment was \$1.3 million at December 31, 1993, up \$1.1 million from December 31, 1992.

Consolidated gross profit increased as a percentage of sales in 1993 to 34.1% from 22.8% in 1992 due to higher sales volumes of higher margin products and productivity enhancements. Selling, general and administrative expenses increased \$10.3 million primarily as a result of the acquisition of Gilbert. As a percentage of sales, selling, general and administrative expenses decreased from 19.5% to 17.4%.

Equity in net income of affiliated companies decreased \$0.6 million in 1993, primarily as a result of increased amortization and interest expense of the Company's 49%-owned Chicago TV station WSNS ("Channel 44") as a result of costs incurred and payments made in connection with the 1992 reacquisition of its license to operate.

1992 COMPARED TO 1991

Consolidated sales for 1992 were \$143.2 million, an increase of \$18.8 million, or 15.2%, from 1991. Components Segment sales increased \$14.7 million, or 13.5%, and Other Segment sales increased \$4.1 million, or 25.9%. The Company acquired Gilbert on December 23, 1992, and therefore, the acquisition had only a minor effect on the Company's results for 1992.

Consolidated net income for 1992 was \$14.4 million which included income from discontinued operations of \$0.5 million and income of \$3.5 million resulting from a change in accounting principle for income taxes. Net income for 1991 was \$5.6 million, which included income from discontinued operations of \$0.3 million. Exclusive of the adjustments for non-recurring items shown in the table below, the current year consolidated income was \$2.1 million greater than 1991. The increased income reflects higher operating profits as discussed below under "Segment Data".

NET INCOME (\$ MILLIONS)

<TABLE>

<CAPTION>

	1992	1991
	-----	-----
	<C>	<C>
<S>		
Income from continuing operations		
before non-recurring items.....	\$ 6.7	\$4.6
Subtract non-recurring items:		
Reorganizations and facility		
consolidation charges (a).....	(1.5)	(2.2)
McCoy/Ovenaire division environmental reserve..	--	(0.4)
Adec litigation costs.....	--	(0.2)
Add non-recurring items:		
Sale of minority interest investment (b).....	2.7	--
Adjustment to deferred income tax		
valuation reserve (c).....	2.5	--
Gain on resolution of income tax issue (d).....	--	3.5
Income from discontinued operations.....	0.5	0.3
Cumulative effect of change in		
accounting principle (e).....	3.5	--
	-----	-----
Net income.....	\$14.4	\$5.6
	=====	=====

<FN>

(a) During the fourth quarter of 1992, the Company recognized a charge of \$1.5 million related to the reorganizations and facilities consolidations at certain divisions. During the second quarter of 1991, the Company recognized a charge of \$2.2 million related to the reorganizations and facilities consolidations at certain divisions.

(b) During the fourth quarter of 1992, the Company recognized a gain of \$2.7 million related to the sale of its investment in ComStream Corporation, in which the Company held a minority ownership interest.

(c) During the fourth quarter of 1992, the Company adjusted its deferred income tax valuation reserve in accordance FAS 109 resulting in an income tax benefit of \$2.5 million.

(d) During the third quarter of 1991, the Company recognized a gain of \$3.5 million related to the favorable resolution of an income tax issue for which a reserve had been previously provided.

(e) Gain resulting from the adoption of FAS 109.

</TABLE>

SEGMENT DATA (\$ MILLIONS)

<TABLE>

<CAPTION>

	SALES		OPERATING INCOME	
	1992	1991	1992	1991
	<C>	<C>	<C>	<C>
Components.....	\$123.3	\$108.6	\$7.2	\$3.4
Other.....	19.9	15.8	1.1	0.9

</TABLE>

Components Segment sales increased \$14.7 million, or 13.5%, from 1991. Contributing to the higher volume was a more robust market as well as increased market share in one part of the business. Partially offsetting this increase were volume declines in other parts of the business resulting from reductions and delays in military spending and continued softness in the economy. Components Segment order backlog was \$38.3 million at year end, up \$2.2 million from December 31, 1991.

Operating income from the Components Segment increased \$3.8 million, or 111.8%, from 1991. Both 1992 and 1991 operating income included non-recurring charges for reorganizations and facilities consolidations of \$1.5 million and \$2.6 million, respectively. Exclusive of these non-recurring items, operating income increased \$2.3 million. This increase resulted primarily from higher gross profits resulting from the sales increase discussed above.

Other Segment sales increased \$4.1 million, or 25.9%, higher than 1991 due to increased volume from the Company's railway maintenance equipment and emergency lighting divisions reflecting increased purchasing activities by the railroads and higher sales of emergency lights and exit signs. Operating income increased only \$0.2 million despite higher sales volumes due to an unfavorable mix of product shipments. Order backlog for the segment was \$0.2 million at December 31, 1992, down \$1.9 million from the previous year. Backlog at December 31, 1991 was unusually high as several railroad customers placed orders earlier than usual.

Consolidated gross margins decreased as a percentage of sales in 1992 to 22.8% from 22.9% in 1991 due to higher sales volumes of lower margin products. Selling, general and administrative expenses increased 6.7% due to increased engineering, selling and marketing expenses reflecting the Company's strategy to grow the base businesses.

Equity in net income of affiliated companies increased \$0.5 million in 1992 from \$1.8 million in 1991 due to improved operating performance of the Company's 49% owned TV Station WSNS ("Channel 44").

The Company adopted FAS 109 effective January 1, 1992 on a prospective basis. The effect of such adoption was income of \$3.5 million in the first quarter 1992 consolidated statement of operations reported as "Cumulative effect of change in accounting principle." This income resulted from the recognition of a deferred tax asset of \$80.1 million, net of a valuation allowance of \$76.6 million. At December 31, 1992, the deferred tax asset was \$79.3 million and the valuation allowance was \$57.3 million resulting in a net asset of \$22.0 million. Of the increase in the net deferred tax asset, \$16.9 million resulted from purchase accounting related to the acquisitions of Gilbert and H.E.S. during 1992 and \$2.5 million resulted from an adjustment to the valuation allowance in the fourth quarter of 1992 due to management's improved expectations of future operating income. This \$2.5 million was recognized as an income tax benefit in the fourth quarter 1992 consolidated statement of operations as "Income taxes".

The tax provision for 1991 includes a benefit of \$3.5 million from the favorable resolution of an income tax issue for which a reserve had been previously provided.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

OAK INDUSTRIES INC.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT ACCOUNTANTS

FINANCIAL STATEMENTS -

Consolidated Balance Sheet at December 31, 1993 and 1992

Consolidated Statement of Operations for the years ended December 31, 1993, 1992 and 1991

Consolidated Statement of Stockholders' Equity for the years ended December 31, 1993, 1992 and 1991

Consolidated Statement of Cash Flows for the years ended December 31, 1993, 1992 and 1991

Notes to Consolidated Financial Statements

SCHEDULES -

II - Amounts Receivable from Related Parties and Underwriters, Promoters and Employers other than Related Parties

VIII - Valuation and Qualifying Accounts

X - Supplementary Statement of Operations Information

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Stockholders of Oak Industries Inc.

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Oak Industries Inc. and its subsidiaries at December 31, 1993 and 1992, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1993, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in Notes 1 and 8 to the consolidated financial statements, the Company changed its method of accounting for income taxes in 1992.

PRICE WATERHOUSE

Boston, Massachusetts
January 21, 1994

OAK INDUSTRIES INC.
CONSOLIDATED BALANCE SHEET
AT DECEMBER 31

ASSETS

<TABLE> <CAPTION>	1993 ----- <C>	1992 ----- <C>
<S>		
Current Assets:		
Cash and cash equivalents.....	\$ 27,367	\$ 18,937
Restricted cash.....	--	6,000
Receivables, less reserves of \$901 and \$1,030..	27,753	26,280
Inventories.....	31,325	32,461
Deferred income taxes.....	6,950	2,485
Other current assets.....	3,063	3,970
	-----	-----
Total current assets.....	96,458	90,133
	-----	-----
Plant and Equipment:		
Land.....	1,094	1,161
Buildings and leasehold improvements.....	16,934	16,986
Machinery and equipment.....	68,447	63,035
Furniture and fixtures.....	4,898	4,626
	-----	-----
	91,373	85,808
Less - Accumulated depreciation.....	(57,944)	(53,140)
	-----	-----
Total plant and equipment.....	33,429	32,668
	-----	-----
Other Assets:		
Deferred income taxes.....	22,400	20,400
Goodwill and other intangible assets, less accumulated amortization of \$5,839 and \$3,296.....	70,999	72,414
Investments in affiliates.....	8,962	7,606
Other assets.....	5,479	5,727
	-----	-----
Total other assets.....	107,840	106,147
	-----	-----
Total Assets.....	\$237,727 =====	\$228,948 =====

</TABLE>

The accompanying Notes to Consolidated Financial Statements are an integral part of these consolidated statements.

OAK INDUSTRIES INC.
CONSOLIDATED BALANCE SHEET
AT DECEMBER 31
(DOLLARS IN THOUSANDS)

LIABILITIES AND STOCKHOLDERS' EQUITY

<TABLE> <CAPTION>	1993 ----- <C>	1992 ----- <C>
<S>		
Current Liabilities:		
Current portion of long-term debt.....	\$ 1,546	\$ 8,503
Accounts payable.....	8,567	10,084
Accrued liabilities.....	16,770	16,717
	-----	-----
Total current liabilities.....	26,883	35,304
	-----	-----
Other Liabilities:		
Deferred compensation and pensions.....	5,461	7,445
Other.....	2,074	3,805
	-----	-----
Total other liabilities.....	7,535	11,250
	-----	-----

Long-Term Debt, Less Current Maturities.....	61,549	76,922
	-----	-----
Minority Interest.....	14,841	7,398
	-----	-----

Commitments and Contingent Liabilities

Stockholders' Equity:

Preferred stock, no par value; authorized 4,834,237 shares; none issued.....	--	--
Common stock, par value of \$0.01; authorized 50,000,000 shares; issued 17,202,783 and 16,524,135 shares..	172	165
Additional paid-in capital.....	280,467	276,637
Accumulated deficit.....	(151,850)	(178,510)
Cumulative translation adjustment.....	(530)	(23)
Treasury stock, 12,797, and 12,248 shares...	(35)	(31)
Other.....	(1,305)	(164)
	-----	-----
Total stockholders' equity.....	126,919	98,074
	-----	-----
Total Liabilities and Stockholders' Equity.....	\$237,727	\$228,948
	=====	=====

</TABLE>

- -----

The accompanying Notes to Consolidated Financial Statements are an integral part of these consolidated statements.

OAK INDUSTRIES INC.
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

<TABLE>

<CAPTION>

	1993	1992	1991
	-----	-----	-----
<S>	<C>	<C>	<C>
Net Sales.....	\$219,562	\$143,249	\$124,366
	-----	-----	-----
Costs, Expenses and Other Income (Expense):			
Cost of sales.....	(144,706)	(110,582)	(95,883)
Selling, general and administrative expenses.....	(38,207)	(27,907)	(26,148)
Interest expense.....	(7,795)	(1,405)	(1,798)
Interest income.....	731	1,248	1,976
Equity in net income of affiliated companies.....	1,673	2,296	1,783
Other income (expense).....	(4,991)	1,849	(2,579)
	-----	-----	-----
Total costs, expenses and other income (expense).....	(193,295)	(134,501)	(122,649)
	-----	-----	-----
Income from Continuing Operations before Income Taxes and Minority Interest.....	26,267	8,748	1,717
Income Tax Benefit.....	7,836	1,640	3,548
Minority Interest in Net Income of Subsidiaries.....	(7,443)	--	--
	-----	-----	-----
Income from Continuing Operations.....	26,660	10,388	5,265
Income from Discontinued Operations.....	--	550	305
Cumulative Effect of Change in Accounting Principle.....	--	3,500	--
	-----	-----	-----
Net Income.....	\$ 26,660	\$ 14,438	\$ 5,570
	=====	=====	=====
Income per Common Share:			
Primary:			
Continuing operations.....	\$ 1.47	\$.60	\$.32
Discontinued operations.....	--	.03	.02
Cumulative effect of change in accounting principle.....	--	.20	--
	-----	-----	-----
Net Income per Common Share.....	\$ 1.47	\$.83	\$.34
	=====	=====	=====

Fully-diluted:

Continuing operations.....	\$ 1.47	\$.59	\$.32
Discontinued operations.....	--	.03	.02
Cumulative effect of change in accounting principle.....	--	.20	--
	-----	-----	-----
Net Income per Common Share.....	\$ 1.47	\$.82	\$.34
	=====	=====	=====

</TABLE>

The accompanying Notes to Consolidated Financial Statements are an integral part of these consolidated statements.

OAK INDUSTRIES INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31
(DOLLARS IN THOUSANDS)

<TABLE>
<CAPTION>

	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	ACCUMULATED DEFICIT	CUMULATIVE TRANSLATION ADJUSTMENT	TREASURY STOCK	OTHER	TOTAL
	-----	-----	-----	-----	-----	-----	-----
	<C>	<C>	<C>	<C>	<C>	<C>	<C>
<S>							
Balance, December 31, 1990.....	\$16,514	\$260,245	\$(198,518)	\$ 556	\$(31)	\$(488)	\$ 78,278
Net income.....	--	--	5,570	--	--	--	5,570
Current year translation adjustment	--	--	--	15	--	--	15
Other.....	4	--	--	--	--	315	319
	-----	-----	-----	-----	-----	-----	-----
Balance, December 31, 1991.....	16,518	260,245	(192,948)	571	(31)	(173)	84,182
Net income.....	--	--	14,438	--	--	--	14,438
Current year translation adjustment	--	--	--	(594)	--	--	(594)
Reduction of par value.....	(16,359)	16,359	--	--	--	--	--
Other.....	6	33	--	--	--	9	48
	-----	-----	-----	-----	-----	-----	-----
Balance, December 31, 1992.....	165	276,637	(178,510)	(23)	(31)	(164)	98,074
Net income.....	--	--	26,660	--	--	--	26,660
Current year translation adjustment	--	--	--	(507)	--	--	(507)
Exercise of warrants.....	5	3,235	--	--	--	--	3,240
Employee notes receivable.....	--	--	--	--	--	(1,305)	(1,305)
Other.....	2	595	--	--	(4)	164	757
	-----	-----	-----	-----	-----	-----	-----
Balance, December 31, 1993.....	\$ 172	\$280,467	\$(151,850)	\$(530)	\$(35)	\$(1,305)	\$126,919
	=====	=====	=====	=====	=====	=====	=====

</TABLE>

The accompanying Notes to Consolidated Financial Statements are an integral part of these consolidated statements.

OAK INDUSTRIES INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31
(DOLLARS IN THOUSANDS)

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FROM:

<TABLE>
<CAPTION>

	1993	1992	1991
	-----	-----	-----
	<C>	<C>	<C>
<S>			
OPERATING ACTIVITIES:			
Income from continuing operations.....	\$ 26,660	\$ 10,388	\$ 5,265
Adjustments to reconcile income from continuing operations to net cash provided by operations:			
Depreciation and amortization.....	10,328	5,322	5,093
Change in minority interest.....	7,443	--	--
Gain on the sale of minority interest investment.....	--	(2,700)	--
Undistributed earnings of			

affiliated companies.....	(1,356)	(1,865)	(1,485)
Change in assets and liabilities, net of effects from acquisition of businesses:			
Receivables.....	(1,152)	1,239	1,002
Inventories.....	1,681	3,391	5,220
Accounts payable and accrued liabilities.....	(1,464)	(1,255)	(4,366)
Deferred compensation and pensions...	(1,984)	(1,088)	(3,391)
Deferred income taxes.....	(6,734)	(2,529)	(8)
Other.....	(2,120)	(292)	2,803
	-----	-----	-----
Net cash provided by continuing operations.....	31,302	10,611	10,133
	-----	-----	-----
INVESTING ACTIVITIES:			
Capital expenditures.....	(7,018)	(4,111)	(4,667)
Acquisition of businesses.....	(1,594)	(16,734)	(7,529)
Minority interest investment.....	--	(900)	--
Proceeds from the sale of minority interest investment.....	--	3,717	--
Loans to employees.....	(1,360)	--	--
Other.....	265	499	562
	-----	-----	-----
Net cash used in investing activities	(9,707)	(17,529)	(11,634)
	-----	-----	-----
FINANCING ACTIVITIES:			
Principal payments on long-term borrowings.....	(22,655)	(1,660)	(70)
Retirement of long-term debt.....	--	(4,071)	(5,365)
Cash restricted for letter of credit....	--	(6,000)	--
Reduction in cash restricted for letter of credit.....	6,000	--	--
Exercise of warrants.....	3,240	--	--
Other.....	757	12	--
	-----	-----	-----
Net cash used for financing activities.....	(12,658)	(11,719)	(5,435)
	-----	-----	-----
Effect of exchange rate changes.....	(507)	(594)	15
	-----	-----	-----
Net cash provided by discontinued operations.....	--	550	--
	-----	-----	-----
Net change during year.....	8,430	(18,681)	(6,921)
	-----	-----	-----
Balance, beginning of year.....	18,937	37,618	44,539
	-----	-----	-----
Balance, end of year.....	\$ 27,367	\$ 18,937	\$ 37,618
	=====	=====	=====

</TABLE>

- - - - -

The accompanying Notes to Consolidated Financial Statements are an integral part of these consolidated statements.

(1) STATEMENT OF ACCOUNTING POLICIES:

Following are the significant financial and accounting policies of the Company:

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and all of its majority-owned subsidiaries. All significant transactions between the Company and its subsidiaries are eliminated.

MINORITY INTEREST

Minority interest represents the minority stockholders' proportionate share of the equity and the income or loss of Connector and Gilbert (See Note 2). The minority interest in the income of these operations was insignificant in 1992.

INVESTMENTS IN AFFILIATES

The Company owns a 49% interest in TV Station WSNS, which broadcasts Spanish language programming in the Chicago metropolitan area, and a 45% interest in O/E/N India Ltd., located in Cochin, Kerala, India, which assembles and markets relays and switches for the Indian market. Investments in these affiliated companies are recorded at cost plus equity in undistributed earnings. The cumulative amount of these undistributed earnings included in consolidated accumulated deficit at December 31, 1993 and 1992 was approximately \$8,292,000 and \$6,937,000, respectively. Dividends received from these affiliated companies were \$317,000, \$431,000 and \$298,000 for 1993, 1992, and 1991, respectively. Summarized financial information of TV Station WSNS as of and for the year ended December 31 is as follows (dollars in thousands):

<TABLE>
<CAPTION>

	1993	1992	1991
	-----	-----	-----
<S>	<C>	<C>	<C>
Current assets.....	\$ 5,155	\$10,298	\$ 7,134
Non-current assets.....	21,443	4,247	3,135
Current liabilities.....	2,166	2,627	1,515
Net revenues.....	13,496	12,827	11,237
Gross profit.....	4,822	4,463	3,808
Net income.....	4,413	4,589	3,965

</TABLE>

TRANSLATION OF FOREIGN CURRENCIES

The financial statements of foreign subsidiaries are translated into U.S. dollars in accordance with FAS 52. Under this statement, balance sheet accounts are translated at the current exchange rate and income statement items are translated at the average exchange rate for the year. Resulting translation adjustments, if any, are made directly to a separate component of stockholders' equity. Foreign currency transaction gains and losses are included in net income when realized.

REVENUE RECOGNITION

Revenues from product sales are recognized at the time products are shipped.

INVENTORIES

Inventories are valued at the lower of cost (first-in, first-out basis) or market. Inventory costs, which include material, labor and factory manufacturing expenses, are as follows (dollars in thousands):

<TABLE>
<CAPTION>

	DECEMBER 31,	
	1993	1992
	-----	-----
<S>	<C>	<C>
Raw materials.....	\$ 8,736	\$ 7,756
Work in process.....	15,419	16,572
Finished goods.....	7,170	8,133
	-----	-----
	\$31,325	\$32,461
	=====	=====

</TABLE>

PLANT AND EQUIPMENT

Plant and equipment are stated at cost. Replacements and improvements are capitalized, while repairs and maintenance costs are charged to expense as incurred. Depreciation is provided under the straight-line method over the following useful lives:

Buildings.....	10 to 40 years
Machinery and equipment....	3 to 15 years
Furniture and fixtures.....	5 to 15 years

The cost and accumulated depreciation of items sold or retired are removed from the plant and equipment accounts and any resulting profit or loss is recognized currently.

INTANGIBLE ASSETS

Goodwill and other intangibles, and the related amortization are as follows (dollars in thousands):

<TABLE>
<CAPTION>

	GOODWILL	OTHER INTANGIBLES	TOTAL
	-----	-----	-----
	<C>	<C>	<C>
<S>			
Balance, December 31, 1991.....	\$ 6,594	\$2,683	\$ 9,277
Additions.....	63,954	32	63,986
Amortization.....	(306)	(543)	(849)
	-----	-----	-----
Balance, December 31, 1992.....	70,242	2,172	72,414
Additions.....	1,112	16	1,128
Amortization.....	(2,057)	(486)	(2,543)
	-----	-----	-----
Balance, December 31, 1993.....	\$69,297	\$1,702	\$70,999
	=====	=====	=====

</TABLE>

Goodwill represents the excess of the cost of acquired businesses over the fair market value of their net assets. Goodwill is being amortized on the straight-line method over periods of 15 to 40 years. Other intangibles, including patents and engineering drawings are stated at cost and amortized on the straight-line method over periods of 7 to 17 years.

CAPITALIZED DEBT COSTS

The Company capitalizes all costs related to the issuance of debt. The resulting capitalized debt costs (\$2,232,000 and \$3,261,000 at December 31, 1993 and 1992, respectively) are classified as "Other assets" on the consolidated balance sheet. The capitalized debt costs related to each debt issue are amortized to expense under the interest method over the life of the respective debt issue. During the years 1993, 1992 and 1991 the Company amortized \$1,318,000, \$93,000 and \$38,000, respectively, of capitalized debt costs.

INCOME TAXES

Effective January 1, 1992, the Company adopted FAS 109, "Accounting for Income Taxes". FAS 109 requires the recognition of deferred tax assets and liabilities for the difference between the financial statement and tax bases of assets and liabilities utilizing current tax rates. Deferred tax assets are recognized, net of any valuation allowance, for deductible temporary differences and operating loss and credit carryforwards. Deferred tax benefit or expense represents the change in the deferred tax asset or liability balances. Previously, the Company used the FAS 96 asset and liability approach which gave no recognition to future events other than the recovery of assets and settlement of liabilities at their carrying amounts.

RESEARCH AND DEVELOPMENT

Research and development costs, expensed as incurred, were \$3,345,000, \$1,361,000 and \$821,000 in 1993, 1992 and 1991, respectively.

EARNINGS PER COMMON SHARE

Earnings per share are based on the weighted average number of shares of common stock and common stock equivalents outstanding as follows:

<TABLE>
<CAPTION>

	1993	1992	1991
	-----	-----	-----
	<C>	<C>	<C>
<S>			
Primary.....	18,100,104	17,309,489	16,505,446

Fully-diluted..... 18,100,104 17,666,745 16,505,446
 </TABLE>

Effective May 13, 1993, the Company's stockholders approved a one-for-five reverse stock split of the Company's common stock (the "Reverse Split"). All share amounts and earnings per share amounts have been restated to reflect the Reverse Split.

CASH EQUIVALENTS

The Company's cash equivalents represent funds invested in a variety of liquid short-term instruments with maturities of less than three months. The carrying amount of these instruments approximates fair value.

CONSOLIDATED STATEMENT OF CASH FLOWS

Supplementary information for the consolidated statement of cash flows is as follows (dollars in thousands):

Cash paid during the year for:

<TABLE>
 <CAPTION>

	1993	1992	1991
	-----	-----	-----
	<C>	<C>	<C>
<S>			
Interest.....	\$ 6,280	\$ 1,260	\$ 1,770
Income taxes.....	\$ 4,890	\$ 568	\$ 817

Details of businesses acquired were as follows:

<TABLE>
 <CAPTION>

	1993	1992	1991
	-----	-----	-----
	<C>	<C>	<C>
<S>			
Assets acquired.....	\$ 1,594	\$118,470	\$ 8,489
Liabilities assumed.....	--	(12,364)	(960)
Debt assumed.....	--	(82,888)	--
Minority interest cash investment.....	--	(3,400)	--
	-----	-----	-----
Cash paid.....	1,594	19,818	7,529
Cash acquired.....	--	(3,084)	--
	-----	-----	-----
Net cash paid.....	\$ 1,594	\$ 16,734	\$ 7,529
	=====	=====	=====

RECLASSIFICATIONS

Certain items in the 1992 and 1991 financial statements have been reclassified to conform with the 1993 presentation.

(2) ACQUISITIONS:

On December 23, 1992, the Company, along with Bain Capital, through their acquisition company, Connector Holding Company ("Connector"), acquired 85% of the outstanding stock of Gilbert Engineering Co., Inc. ("Gilbert"), a Glendale, Arizona and Amboise, France manufacturer and supplier of specialty connectors to the cable television, local area network, microwave and high-end specialty precision markets. Management of Gilbert retained ownership of the remaining 15% of Gilbert. The Company has the right of first refusal should Gilbert management wish to sell their shares in Gilbert. If the Company refuses the offer, Gilbert management may, after a specified period of time and at its option, exchange its shares of Gilbert for 282,353 shares of the Company's common stock (see Note 5 - Exchangeable Shares). The Company owns 80% of Connector, with Bain Capital owning the other 20%. Bain may at any time after December 22, 1995 require Oak to buy and Oak may at any time after December 22, 1996 require Bain to sell its outstanding shares in Connector at a price determined according to the terms of the stockholders agreement entered into by Oak and Bain at the time of the acquisition. The Company's shares of Connector have been pledged to Bain Capital to secure the financial obligations of the Company under the stockholders agreement.

The aggregate purchase price was approximately \$106,900,000, including refinancing of existing debt of Gilbert and transaction expenses. The purchase price was financed with (i) a \$13,600,000 cash equity investment by the Company, (ii) a \$3,400,000 cash investment by Bain Capital, (iii) a \$3,000,000 junior subordinated note issued by Connector to the Company, (iv) an aggregate of \$10,000,000 of 8% senior subordinated promissory notes issued by Connector to the selling stockholders of Gilbert, and (v) \$76,900,000 of senior indebtedness of Gilbert provided by General Electric Capital Corporation. The acquisition was accounted for as a purchase and, accordingly, operating results of this business subsequent to the date of

acquisition were included in the Company's consolidated statement of operations. Goodwill resulting from this acquisition of approximately \$59,737,000 in the United States and \$2,773,000 in France is being amortized over 40 and 15 years, respectively. The transaction also resulted in the recording of a deferred tax asset of approximately \$16,200,000 which reflects the expected future benefit from the utilization of the Company's net operating loss carryforwards to offset Gilbert's taxable income (see Note 8).

The following unaudited pro forma summary combines the consolidated results of operations of the Company and Gilbert as if the acquisition had occurred at the beginning of 1992, after giving effect to certain adjustments, including amortization of goodwill, increased interest expense on the acquisition debt, related income tax effects, and minority interest. The pro forma summary does not necessarily reflect the results of operations as they would have been if the Company and Gilbert had constituted a single entity during such period.

(Dollars in thousands, except per share amounts.)

<TABLE>

<CAPTION>

December 31, 1992
(Unaudited)

<C>

<S>

Net sales.....	\$211,618
Income from continuing operations.....	19,111

Income from continuing operations
per common share:

Primary.....	1.10
Fully-diluted.....	1.08

</TABLE>

On September 10, 1992, the Company acquired all of the outstanding common stock of H.E.S. International, Inc. ("H.E.S."), a manufacturer of hermetically sealed packages used by manufacturers of quartz crystals, for approximately \$2,800,000 in net cash and a \$257,000 note. The acquisition was accounted for as a purchase and, accordingly, operating results of this business subsequent to the date of acquisition were included in the Company's consolidated statement of operations. Goodwill resulting from this acquisition is being amortized over 25 years.

On January 12, 1993, the Company acquired the assets of the hybrid oscillator business of Spectrum Technology Inc., a subsidiary of Datum Inc., for approximately \$1,594,000 in cash, including consolidation costs. The acquisition was accounted for as a purchase and, accordingly, operating results of the business subsequent to the date of acquisition were included in the Company's consolidated statement of operations. Goodwill resulting from this acquisition is being amortized over 15 years.

On January 4, 1991, the Company acquired the assets of Standard Grigsby, Inc. ("SGI"), a manufacturer of switches for industrial and commercial applications, including the stock of SGI de Mexico, S.A. de C.V. for approximately \$7,529,000 in cash and the assumption of certain liabilities. The acquisition was accounted for as a purchase and, accordingly, operating results of this business subsequent to the date of acquisition were included in the Company's consolidated statement of operations. Goodwill resulting from this acquisition is being amortized over 25 years.

(3) DISCONTINUED OPERATIONS:

On August 3, 1990, the Company sold the assets of its wholly-owned Oak Communications Inc. subsidiary, including the stock of the Taiwan

manufacturing subsidiary, Oak Industries Taiwan Ltd., for \$7,065,000 (subject to post-closing adjustment) including a note for \$2,000,000 and the assumption of certain liabilities. During 1992, the Company and the buyer reached an agreement on the post-closing adjustment and determined the final sale price to be \$6,565,000 with the buyer paying the Company an additional \$1,500,000 through March 30, 1994. The agreement was renegotiated in December 1992 to settle certain outstanding litigation. This agreement required the buyer to pay a total of \$1,385,000 to the Company as settlement of the purchase price dispute, for use of the Company's trademark and to reimburse certain expenses. During 1992, \$1,200,000 was received related to these matters. Income from discontinued operations in 1992 includes \$800,000 net of related expenses and \$400,000 is included in other income. During 1993, the final \$185,000 was received related to these matters and is included in other income.

During 1991, a gain on sale of discontinued operations of \$305,000 was recorded as a result of the resolution of various commitments and other matters related to the Company's 1984 disposal of STV and related operations.

(4) INDEBTEDNESS:

Long-term debt at December 31 is summarized as follows (dollars in thousands):

<TABLE>
<CAPTION>

	DECEMBER 31,	
	1993	1992
	<C>	<C>
<S>		
Gilbert Engineering borrowings:		
Term Loan A.....	\$43,334	\$62,000
Term Loan B.....	7,123	8,957
Revolving Credit Facility.....	237	785
Connector Holding Company Senior Subordinated Notes.....	6,250	5,925
Nordco borrowings.....	5,600	7,000
Other.....	551	758
	-----	-----
	63,095	85,425
Less -		
Current maturities.....	(1,546)	(8,503)
	-----	-----
	\$61,549	\$76,922
	=====	=====

</TABLE>

In connection with its acquisition by the Company, Gilbert entered into a credit agreement with General Electric Capital Corporation dated as of December 23, 1992 and amended on April 1, 1993. The Gilbert borrowings under this agreement are collateralized by the assets, excluding the common stock of its foreign subsidiary, and the common stock of Gilbert and are non-recourse to the Company. Gilbert must meet certain financial covenants related to fixed charge coverage, interest coverage and earnings targets. The credit agreement will not allow Gilbert to pay cash dividends to the Company. Gilbert is required to make mandatory debt payments equal to 90% of its annual cash flow from operations less capital expenditures and other expenditures as defined in the credit agreement. As a result of the agreement to make these mandatory debt payments, in January 1994, Gilbert will borrow \$10,005,000 on the revolving credit facility and use \$7,123,000 to pay off Term Loan B in its entirety and \$2,882,000 to pay down Term Loan A. Term Loan A bears interest at LIBOR plus 3.0% or prime plus 1.5% and is repayable from 1995 through 1997. The revolving credit facility, which expires and is repayable on December 23, 1997 and bears interest at LIBOR plus 3.0% or prime plus 1.5%, provides for borrowings up to \$21,000,000 at December 31, 1993 decreasing at each quarter end through 1994 to \$10,000,000 at December 31, 1994. The book value of these borrowings approximates fair value.

In connection with the acquisition of Gilbert, Connector issued \$10,000,000 of 8.0% senior subordinated notes to the sellers of Gilbert. These notes are recorded net of original issue discount (\$3,750,000 at December 31, 1993) based on an interest rate of 18.5%. These notes are subordinated to the Gilbert borrowings described above and mature on December 23, 1999. The net book value of these borrowings approximates fair value.

In December 1987, the Nordco Inc. ("Nordco") subsidiary entered into a

\$13,000,000 financing agreement. Borrowings under this agreement are secured by Nordco common stock pledged by the Company. Warrants to purchase 150,000 shares of the Company's common stock were issued in consideration for execution of the financing agreement (see Note 5). Under the term loan portion of the agreement, Nordco borrowed \$7,000,000 at an interest rate of 12.05%. The principal amount of the debt of \$5,600,000 at December 31, 1993 is repayable in equal semi-annual installments from 1994 through 1997. Based on the borrowing rates currently available, the fair value of this debt is approximately \$6,200,000 at December 31, 1993.

In September 1993, the Company entered into a new revolving credit facility with a group of banks, increasing available borrowings from \$15,000,000 to \$30,000,000. The new facility, which is available through December 1995, is at various interest rates at the Company's option based on the prime rate or LIBOR. Borrowings under the facility are secured by the Company's pledge of the outstanding capital stock of certain of the Company's subsidiaries. At December 31, 1993, there were no borrowings outstanding under this facility.

Scheduled maturities of long-term debt at December 31, 1993 are as follows (dollars in thousands):

<TABLE>
<CAPTION>

	December 31 -----
<S>	<C>
1994.....	\$ 1,546
1995.....	16,158
1996.....	17,903
1997.....	21,094
1998.....	0
Thereafter.....	10,144

</TABLE>

(5) CAPITAL STOCK:

COMMON STOCK

At December 31, 1990, Invesco MIM Management Limited ("MIM"), an international fund management company based in the United Kingdom, and various funds that MIM advises held approximately 3,660,000 shares of the Company's common stock and warrants for the purchase of 600,000 common shares. In 1992, MIM and its clients sold approximately 520,000 shares of the Company's common stock. In November 1992, a MIM client was liquidated and an aggregate of 2,275,540 shares and warrants for the purchase of 420,000 shares were transferred to MIM and a successor fund, Second Consolidated Trust plc ("Second Consolidated"). At December 31, 1992, MIM and its clients held

approximately 1,696,000 shares and warrants for the purchase of 333,000 shares while Second Consolidated held approximately 1,445,000 shares and warrants for the purchase of 267,000 shares. In January 1993, a client of MIM for which one of the Company's directors is the managing director transferred its management contract from MIM to another fund management company. As a result, the holdings managed by MIM decreased by 430,000 common shares and warrants for the purchase of 60,000 shares. In December 1993, MIM and its clients and Second Consolidated sold approximately 1,103,000 shares and 693,000 shares, respectively, including those obtained from the exercise of warrants, in a secondary offering pursuant to registration rights under a 1989 agreement between the Company and MIM. In addition, MIM and its clients sold approximately 345,000 shares during 1993. At December 31, 1993, MIM and its clients held approximately 91,000 shares and Second Consolidated held approximately 1,019,000 shares.

In connection with the secondary offering in December 1993, the Company lent \$1,305,000 to its corporate officers and certain key divisional managers for the purchase of 90,000 shares of the Company's stock from the selling shareholders. The principal amount of such loans is repayable in full in February 1997, with interest on such loans accruing at prime plus 0.5% per annum, payable annually in February of each year beginning in 1995 until maturity. These loans, which are included in stockholders' equity on the balance sheet, are secured by the common stock purchased and certain other amounts owed to such individuals by the Company.

Effective May 13, 1993, the Company's stockholders approved a one-for-five reverse stock split of the Company's common stock (the "Reverse Split"). All share amounts and earnings per share amounts have been restated to reflect

the Reverse Split.

On June 3, 1992, the Company's shareholders approved an amendment to the Restated Certificate of Incorporation, as amended, to change the par value of the Company's common stock from \$1.00 per share to \$.01 per share resulting in a reduction of "Common stock" and an increase of "Additional paid-in capital" of \$16,359,000 on the consolidated balance sheet.

PREFERRED STOCK

At December 31, 1993 and 1992, there were 4,834,237 shares of authorized preferred stock without par value available for issuance. The Company has no issues of preferred stock outstanding.

WARRANTS

The Company, in conjunction with the 1987 Nordco financing (see Note 4), issued Series E warrants to purchase 150,000 shares of common stock to the lender in consideration for execution of the financing agreement.

The Company issued Series F warrants in conjunction with the sale of common stock to MIM (see Common Stock). In December 1993, warrants for the purchase of 540,000 shares of common stock were exercised.

Under the terms of the warrant agreements, the exercise price of the warrants and the number of shares purchasable with each warrant are adjusted whenever common stock is issued at a share price below the current market value. At December 31, 1993, the following warrants were outstanding:

<TABLE>
<CAPTION>

	Number of Shares ----- <C>	Exercise Price ----- <C>	Expiration Date ----- <C>
<S>			
Warrant Series E.....	150,000	\$6.00	December 1, 1997
Warrant Series F.....	60,000	\$6.00	January 25, 1996

</TABLE>

EXCHANGEABLE SHARES

In connection with the Company's 1992 acquisition of Gilbert, the Company issued options under the 1992 Non-qualified Stock Option Plan (see Note 6) pursuant to which Gilbert management may, beginning in 1995, exchange their shares in Gilbert for 282,353 shares of the Company's common stock.

(6) STOCK OPTIONS AND AWARDS:

1982 INCENTIVE STOCK OPTION PLAN

The 1982 Incentive Stock Option Plan provides for the issuance of up to 435,400 shares of common stock to key full-time salaried employees at the market value of the stock on the date of the grant. The options vest over periods of three to five years from the date the options are granted. This plan expired on May 16, 1992 and no new options may be granted under this plan.

1986 STOCK OPTION AND RESTRICTED STOCK PLAN

The 1986 Stock Option and Restricted Stock Plan provides for the issuance of up to 600,000 shares of common stock to executives and key employees of the Company at not less than 100% of the market value of such shares on the date of the grant. The options vest over periods of three to four years from the date the options are granted.

1988 STOCK OPTION PLAN FOR NON-EMPLOYEE DIRECTORS

The 1988 Stock Option Plan for Non-Employee Directors of Oak Industries Inc. provides for the issuance of up to 100,000 shares of common stock to non-employee directors at the market value of the stock on the date of the grant. The options vest over a four-year period from the date the options are granted.

1992 STOCK OPTION AND RESTRICTED STOCK PLAN

The 1992 Stock Option and Restricted Stock Plan provides for the issuance

of up to 1,000,000 shares of common stock to non-employee directors, executives, and key employees of the Company at the market value of such shares on the date of the grant. The options granted under this plan to date vest over a three year period from the date the options are granted.

1992 NON-QUALIFIED STOCK OPTION PLAN

The 1992 Non-Qualified Stock Option Plan provides for the issuance of up to 500,000 shares of common stock to employees, consultants and advisors of the Company but not to officers and directors. Options become exercisable and terminate as determined by the Compensation Committee and as detailed in the Stock Option Agreements for each grant. The options granted under this plan to date have been granted at the market value of the common stock on the date of grant. In addition to the shares described under "Exchangeable Shares" in Note 5 above, 120,000 of such options have been granted and vest over a three year period.

STOCK OPTION SUMMARY

<TABLE>

<CAPTION>

	Shares ----- <C>	Option Price ----- <C>
<S>		
Outstanding at December 31, 1990....	620,550	\$3.15 to \$59.40
Granted.....	343,400	\$4.05 to \$5.00
Expired or cancelled.....	(112,200)	\$4.05 to \$5.65

Outstanding at December 31, 1991....	851,750	\$3.15 to \$59.40
Granted.....	755,400	\$4.05 to \$11.25
Expired or cancelled.....	(56,300)	\$4.05 to \$59.40
Exercised.....	(10,750)	\$4.15 to \$5.65

Outstanding at December 31, 1992....	1,540,100	\$3.15 to \$11.25
Granted.....	200,665	\$16.50 to \$17.50
Expired or cancelled.....	(88,835)	\$4.06 to \$11.25
Exercised.....	(137,751)	\$3.15 to \$11.25

Outstanding at December 31, 1993....	1,514,179	\$4.06 to \$17.50
	=====	
Exercisable at December 31, 1993....	828,986	
	=====	
Available for grant at December 31, 1993.....	483,985	
	=====	
Available for grant at December 31, 1992.....	636,183	
	=====	

</TABLE>

There were 2,280,517 shares of common stock reserved for issuance in connection with the Company's stock option and award plans at December 31, 1993. Options issued under all option plans, if not exercised, expire ten years from the date of grant.

(7) POSTRETIREMENT BENEFITS:

The Company has a number of noncontributory pension plans covering substantially all of its employees. Benefits under the plans are generally based on years of service and employees' compensation during the last years of employment or a specified dollar benefit. It is the Company's policy to fund at least the minimum amount required by ERISA for each plan.

Net periodic pension cost for all defined benefit plans was comprised of the following (dollars in thousands):

<TABLE>

<CAPTION>

	1993 ----- <C>	1992 ----- <C>	1991 ----- <C>
<S>			
Service costs - benefits earned during the period....	\$ 666	\$ 686	\$ 569
Interest cost on projected benefit obligation.....	2,376	2,328	2,113
Actual return on assets.....	(2,700)	(1,382)	(3,624)
Net amortization and deferral.....	506	(235)	2,121

Net periodic pension cost.....	\$ 848	\$1,397	\$1,179
	=====	=====	=====

</TABLE>

The following table sets forth the funded status of all defined benefit plans at December 31, 1993 and 1992 (dollars in thousands):

<TABLE>
<CAPTION>

	1993		1992	
	Assets Exceed Accumulated Benefits	Accumulated Benefits Exceed Assets	Assets Exceed Accumulated Benefits	Accumulated Benefits Exceed Assets
	<C>	<C>	<C>	<C>
Actuarial present value of benefit obligations:				
Vested.....	\$690	\$27,961	\$521	\$24,268
Nonvested.....	7	580	7	553
	----	-----	----	-----
Accumulated benefit obligation.....	\$697	\$28,541	\$528	\$24,821
	=====	=====	=====	=====
Fair value of assets.....	\$838	\$22,558	\$676	\$20,272
Less: Projected benefit obligation.....	930	31,470	760	28,741
	----	-----	----	-----
Underfunded plans.....	(92)	(8,912)	(84)	(8,469)
Unrecognized transition liability.....	11	176	13	205
Unrecognized prior service costs.....	1	539	1	831
Unrecognized net loss.....	182	2,717	153	1,036
Additional liability.....	--	(283)	--	(170)
	----	-----	----	-----
Accrued pension cost.....	\$102	\$(5,763)	\$ 83	\$(6,567)
	=====	=====	=====	=====

</TABLE>

In 1993 and 1991, the Company incurred curtailments in several plans as a result of reduced employment levels and plan design changes. The impact of these curtailments were gains of \$359,000 in 1993 and \$678,000 in 1991. The 1991 curtailment gain was included in the reorganizations and facility consolidation charges recorded during 1991.

The projected benefit obligation was determined using an assumed discount rate of 7.5% for 1993 and 8.5% for 1992 and 1991 and an assumed rate of compensation increase of 5.0% for 1993 and 6.0% for 1992 and 1991. The expected long-term rate of return on plan assets was 9.0% for all three years.

The assets of the plans at December 31, 1993 and 1992 consist principally of common stocks, bonds, cash equivalents and real estate.

The Company has defined contribution plans covering substantially all full-time employees who meet certain eligibility requirements. Contributions by the Company and the employees are determined according to salary-based formulas. Pension expense recognized by the Company related to these plans was \$1,014,000, \$382,000 and \$280,000 in 1993, 1992 and 1991, respectively. The Company allows certain employees aged 55 or older and with 10 or more years of service to retire and continue their medical and/or dental coverage until age 65. In most cases, retirees are responsible for paying premiums to the Company to continue coverage.

In the first quarter of 1993, the Company adopted FAS 106 "Employers' Accounting for Postretirement Benefits Other than Pensions." This statement changes the past practice of accounting for the cost of postretirement benefits from a pay-as-you-go (cash) basis to an accrual basis. Under the new statement, the expected cost of providing those benefits to an employee, the employee's beneficiaries, and covered dependents will be recognized in the years that the employee renders the necessary service. The accumulated postretirement benefit obligation as of January 1, 1993 was \$1,096,000. In determining the present value of the accumulated postretirement benefit obligation, none of which has been funded, the Company used a 15 percent health care cost trend rate for 1993, decreasing 1 percent per year until 1998, then decreasing 1/2 percent per year until leveling off at 5 percent. A

1 percent increase in the trend rate would increase the accumulated postretirement obligation by approximately 12 percent. The weighted average discount rate used was 7.5 percent. The Company has elected to amortize this transition obligation over 20 years in accordance with the provisions of FAS 106. The effect on the financial statements of the adoption of this statement is not material in 1993 and is not expected to be material in the future.

The Financial Accounting Standards Board has issued FAS 112 "Employers' Accounting for Postemployment Benefits". This statement changes the past practice of accounting for the cost of certain postemployment benefits from a pay-as-you-go (cash) basis to an accrual basis. Management does not expect the effect of the adoption of this statement in 1994 to be material to the Company's financial statements.

(8) INCOME TAXES

Pretax income from continuing operations for the years ended December 31 consists of the following sources (dollars in thousands):

<TABLE>
<CAPTION>

	1993	1992	1991
	-----	-----	-----
	<C>	<C>	<C>
<S>			
Domestic.....	\$25,284	\$7,476	\$ 984
Foreign.....	983	1,272	733
	-----	-----	-----
	\$26,267	\$8,748	\$1,717
	=====	=====	=====

</TABLE>

The income tax benefit for the years ended December 31 consists of the following (dollars in thousands):

<TABLE>
<CAPTION>

	1993	1992	1991
	-----	-----	-----
	<C>	<C>	<C>
<S>			
Current -			
Federal (a).....	\$3,782	\$ (203)	\$3,900
Foreign.....	(255)	(528)	(278)
State and local.....	(2,156)	(129)	(74)
	-----	-----	-----
	1,371	(860)	3,548
Deferred -			
Benefit from federal rate increase.....	465	--	--
Benefit from change in deferred tax asset valuation allowance.....	6,000	2,500	--
	-----	-----	-----
Total Benefit.....	\$7,836	\$1,640	\$3,548
	=====	=====	=====

<FN>

(a) The income tax benefit in 1993 includes the receipt of \$3,878,000 resulting from the settlement of an Internal Revenue Service tax dispute. The income tax benefit in 1991 includes a benefit of \$3,900,000 from the favorable resolution of income tax issues for which reserves had been previously provided. These issues related to periods prior to the generation of the existing net operating loss carryforwards.
</TABLE>

The Company adopted FAS 109 on a prospective basis. The adjustment to the January 1, 1992 balance sheet to adopt FAS 109 amounted to \$3,500,000. This amount is reflected in 1992 net income as the cumulative effect of a change in accounting principle. It primarily represents the tax benefits of net operating loss carryforwards that could not be recorded under FAS 96.

Deferred income tax assets (liabilities) at December 31 are comprised of the following (dollars in thousands):

<TABLE>
<CAPTION>

	1993	1992
	-----	-----
	<C>	<C>
<S>		
Net operating loss carryforwards.....	\$67,500	\$71,000
Other.....	11,800	15,100
	-----	-----
Gross deferred tax assets.....	79,300	86,100
Gross deferred tax liabilities.....	(9,300)	(6,900)
Deferred tax asset valuation allowance....	(41,300)	(57,250)
	-----	-----
Net deferred tax asset.....	\$28,700	\$21,950
	=====	=====

</TABLE>

During 1993 and 1992, the net deferred income tax asset increased by \$6,465,000 and \$2,500,000, respectively, reflecting the increase in the expected future benefit from the utilization of the Company's net operating loss carryforwards due to management's improved expectations of future income and an increase in the federal income tax rate. In addition, during 1992, the net deferred income tax asset increased by \$16,885,000 which reflected the expected future tax benefits from the utilization of the Company's net operating loss carryforwards to offset taxable income from the Gilbert and H.E.S. acquisitions. At December 31, 1993 and 1992, deferred income tax liabilities of \$650,000 and \$935,000, respectively, are classified as "Other liabilities".

The income tax benefit differs from the amount of income tax determined by applying the applicable U.S. statutory federal income tax rate to income from continuing operations before income taxes and minority interest as a result of the following differences (dollars in thousands):

<TABLE>
<CAPTION>

	1993		1992		1991	
	-----	-----	-----	-----	-----	-----
	Amount	Percent	Amount	Percent	Amount	Percent
	-----	-----	-----	-----	-----	-----
	<C>	<C>	<C>	<C>	<C>	<C>
<S>						
Computed statutory tax.....	\$ (9,194)	(35.0)	\$ (2,974)	(34.0)	\$ (584)	(34.0)
Increase (decrease) in tax benefit resulting from -						
Operating loss carryforward which resulted in						
current tax benefit.....	8,849	33.7	2,541	29.0	335	19.5
Change in deferred tax asset valuation allowance....	6,000	22.8	2,500	28.6	--	--
Resolution of tax issues.....	3,878	14.8	--	--	3,900	227.1
State income taxes.....	(2,156)	(8.2)	(129)	(1.5)	(74)	(4.3)
Enacted federal rate change benefit.....	465	1.7	--	--	--	--
Other.....	(6)	--	(298)	(3.4)	(29)	(1.7)
	-----	-----	-----	-----	-----	-----
Income tax benefit.....	\$ 7,836	29.8	\$ 1,640	18.7	\$3,548	206.6
	=====	=====	=====	=====	=====	=====

</TABLE>

At December 31, 1993, the Company has net operating loss carryforwards of approximately \$164,000,000 for tax reporting purposes, which will, if unused, expire from 1999 to 2006. The Company has an alternative minimum tax credit carryforward of approximately \$513,000 as of December 31, 1993, which may be carried forward indefinitely. The Company has investment tax credit carryforwards of approximately \$3,298,000 at December 31, 1993 which, if unused, will expire from 1996 to 2001. The Company also has a research and development tax credit carryforward of approximately \$809,000 at December 31, 1993 which will, if unused, expire from 1998 to 2000. The use of the carryforwards is limited to future taxable earnings of the Company. Under Federal tax law, certain potential changes in ownership of the Company, which may not be within the Company's control, may operate to restrict future utilization of these carryforwards.

(9) SEGMENT INFORMATION:

The Company's industry and geographic data for continuing operations for the years ended December 31 are as follows (dollars in thousands):

<TABLE>
<CAPTION>

	1993	1992	1991
	-----	-----	-----
	<C>	<C>	<C>
<S>			
INDUSTRY SEGMENTS (a)			
SALES			
Components (b).....	\$201,593	\$123,375	\$108,555
Other.....	17,969	19,874	15,811
	-----	-----	-----
Consolidated sales.....	\$219,562	\$143,249	\$124,366
	=====	=====	=====
OPERATING INCOME			
Components (c).....	\$ 36,151	\$ 7,225	\$ 3,378
Other.....	1,888	1,109	929
	-----	-----	-----
Operating income.....	38,039	8,334	4,307
Corporate expense (d).....	(6,381)	(1,725)	(4,551)
Interest income (expense), net.....	(7,064)	(157)	178
Equity income.....	1,673	2,296	1,783
	-----	-----	-----
Income before taxes and minority interest....	\$ 26,267	\$ 8,748	\$ 1,717
	=====	=====	=====
IDENTIFIABLE ASSETS			
Components.....	\$192,019	\$180,690	\$ 81,975
Other.....	13,104	12,024	11,260
	-----	-----	-----
Corporate assets.....	205,123	192,714	93,235
	32,604	36,234	31,277
	-----	-----	-----
Consolidated assets.....	\$237,727	\$228,948	\$124,512
	=====	=====	=====
DEPRECIATION AND AMORTIZATION			
Components.....	\$ 9,770	\$ 4,840	\$ 4,576
Other.....	309	281	358
	-----	-----	-----
Corporate.....	10,079	5,121	4,934
	249	201	159
	-----	-----	-----
Consolidated depreciation and amortization...	\$ 10,328	\$ 5,322	\$ 5,093
	=====	=====	=====
CAPITAL EXPENDITURES			
Components.....	\$ 6,905	\$ 3,904	\$ 4,433
Other.....	83	166	187
	-----	-----	-----
Corporate.....	6,988	4,070	4,620
	30	41	47
	-----	-----	-----
Consolidated capital expenditures.....	\$ 7,018	\$ 4,111	\$ 4,667
	=====	=====	=====
GEOGRAPHIC AREAS			
SALES (e)			
United States:			
Unaffiliated.....	\$207,410	\$136,188	\$117,185
To foreign affiliates.....	274	220	326
Foreign:			
Unaffiliated.....	12,152	7,061	7,181
To United States affiliates.....	426	147	324
Total sales between geographic areas.....	(700)	(367)	(650)
	-----	-----	-----
Consolidated sales.....	\$219,562	\$143,249	\$124,366
	=====	=====	=====
OPERATING INCOME			
United States.....	\$ 36,822	\$ 7,070	\$ 3,649
Foreign.....	1,217	1,264	658
	-----	-----	-----
Operating income.....	\$ 38,039	\$ 8,334	\$ 4,307
	=====	=====	=====
IDENTIFIABLE ASSETS			
United States.....	\$192,153	\$175,171	\$ 84,215
Foreign.....	12,970	17,543	9,020
	-----	-----	-----
Identifiable assets.....	\$205,123	\$192,714	\$ 93,235
	=====	=====	=====

<FN>

(a) The Company's operations serving the Components Segment manufacture connectors for CATV systems and other precision applications, frequency control devices, controls for gas and electric appliances, switches and other products which generally have the common function of controlling or regulating the flow of energy. The Other Segment represents the railway maintenance equipment and emergency lighting divisions.

(b) Sales to one customer in the Components Segment amounted to \$23,241,000, \$28,199,000 and \$18,105,000, in 1993, 1992 and 1991, respectively. Sales to another customer in the Components Segment amounted to \$18,695,000 and \$18,267,000 in 1992 and 1991, respectively.

(c) The Components Segment's 1993 operating income includes a \$2,900,000 charge to cover the costs associated with reorganizing its Mexican manufacturing operations, consolidating certain U.S. operations, and certain other overhead reductions.

The Components Segment's 1992 operating income includes a \$1,500,000 charge for costs related to reorganizations and facilities consolidations at certain divisions.

The Components Segment's 1991 operating income includes a \$2,590,000 charge for costs related to reorganizations and facility consolidations and a \$400,000 charge related to an environmental matter at the McCoy division.

(d) Corporate expense for 1992 includes a gain of \$2,700,000 related to the sale of the Company's investment in ComStream Corporation, in which the Company held a minority ownership interest.

Corporate expense for 1991 includes \$350,000 of income from the release of an excess reorganization reserve established in a prior year.

(e) Export sales were \$36,440,000, \$29,282,000 and \$17,271,000 for 1993, 1992, and 1991, respectively. These sales were principally to customers in North America and Europe.

</TABLE>

(10) ACCRUED LIABILITIES:

Accrued liabilities at December 31 are summarized as follows (dollars in thousands):

<TABLE>

<CAPTION>

	1993	1992
	-----	-----
	<C>	<C>
<S>		
Wages, bonuses, commissions, vacation, and severance....	\$ 5,260	\$ 4,506
Insurance.....	3,574	3,466
Contribution to employees' retirement income plans.....	1,957	1,269
Income taxes.....	1,529	2,975
Other.....	4,450	4,501
	-----	-----
	\$16,770	\$16,717
	=====	=====

</TABLE>

(11) COMMITMENTS AND CONTINGENCIES:

Rent expense for facilities and office equipment was \$3,249,000, \$1,721,000 and \$1,482,000 in 1993, 1992, and 1991, respectively. At December 31, 1993, the Company was committed under non-cancelable operating leases for minimum annual rentals for the next five years as follows: 1994 - \$3,396,000; 1995 - \$3,164,000; 1996 - \$2,870,000; 1997 - \$2,017,000; 1998 - \$1,327,000; thereafter - \$2,272,000.

Various pending or threatened legal proceedings by or against the Company or one or more of its subsidiaries involve alleged breaches of contract, torts and miscellaneous other causes of action arising in the course of business. Some of these proceedings involve claims for punitive damages in addition to other special relief. The Company's management, based upon advice of legal counsel representing the Company with respect to each of these proceedings, does not believe any of these proceedings will have a significant impact on the Company's consolidated financial position.

(12) OTHER INCOME (EXPENSE) :

Other income (expense) for the years ended December 31 are summarized as follows (dollars in thousands):

<TABLE>
<CAPTION>

	1993	1992	1991
	-----	-----	-----
	<C>	<C>	<C>
<S>			
Reorganizations and facility consolidation charges....	\$ (2,900)	\$ (1,500)	\$ (2,240)
Amortization of intangibles.....	(2,543)	(849)	(733)
Royalty income.....	686	1,026	1,179
Environmental clean-up reserves.....	--	--	(400)
Sale of minority interest investment.....	--	2,700	--
Other.....	(234)	472	(385)
	-----	-----	-----
	\$ (4,991)	\$ 1,849	\$ (2,579)
	=====	=====	=====

</TABLE>

(13) Quarterly Results of Operations (Unaudited):

The following is a summary of the unaudited quarterly results of operations for 1993 and 1992 (dollars in thousands, except per share data):

<TABLE>
<CAPTION>

	Quarter Ended				Full Year
	March 31	June 30	September 30	December 31	
	-----	-----	-----	-----	-----
	<C>	<C>	<C>	<C>	<C>
<S>					
1993					
Net sales.....	\$59,223	\$58,223	\$51,578	\$50,538	\$219,562
	=====	=====	=====	=====	=====
Gross margin.....	\$19,131	\$19,792	\$18,395	\$17,538	\$ 74,856
	=====	=====	=====	=====	=====
Income from continuing operations.....	\$ 5,015	\$ 5,565	\$ 6,450	\$ 9,630	\$ 26,660
	=====	=====	=====	=====	=====
Net income.....	\$ 5,015	\$ 5,565	\$ 6,450	\$ 9,630	\$ 26,660
	=====	=====	=====	=====	=====
Income per common share:					
Primary:					
Continuing operations.....	\$.28	\$.31	\$.35	\$.53	\$ 1.47
	=====	=====	=====	=====	=====
Net income.....	\$.28	\$.31	\$.35	\$.53	\$ 1.47
	=====	=====	=====	=====	=====
Fully-diluted:					
Continuing operations.....	\$.28	\$.30	\$.35	\$.53	\$ 1.47
	=====	=====	=====	=====	=====
Net income.....	\$.28	\$.30	\$.35	\$.53	\$ 1.47
	=====	=====	=====	=====	=====
1992					
Net sales.....	\$35,983	\$38,204	\$33,242	\$35,820	\$143,249
	=====	=====	=====	=====	=====
Gross margin.....	\$ 9,023	\$ 8,952	\$ 7,253	\$ 7,439	\$ 32,667
	=====	=====	=====	=====	=====
Income from continuing operations.....	\$ 2,485	\$ 2,425	\$ 1,186	\$ 4,292	\$ 10,388
	=====	=====	=====	=====	=====
Net income.....	\$ 5,985	\$ 2,425	\$ 1,736	\$ 4,292	\$ 14,438
	=====	=====	=====	=====	=====
Income per common share:					
Primary:					
Continuing operations.....	\$.15	\$.14	\$.07	\$.25	\$.60
	=====	=====	=====	=====	=====
Net income.....	\$.35	\$.14	\$.10	\$.25	\$.83
	=====	=====	=====	=====	=====
Fully-diluted:					
Continuing operations.....	\$.15	\$.14	\$.07	\$.24	\$.59
	=====	=====	=====	=====	=====
Net income.....	\$.35	\$.14	\$.10	\$.24	\$.82
	=====	=====	=====	=====	=====

</TABLE>

(13) QUARTERLY RESULTS OF OPERATIONS (UNAUDITED) (CONTINUED):

CONTINUING OPERATIONS

FOURTH QUARTER - 1993

The Company recognized an income tax benefit of \$6,000,000 resulting from an adjustment to its deferred income tax valuation reserve in accordance with FAS 109. This benefit caused minority interest in net income of subsidiaries to increase \$1,600,000.

THIRD QUARTER - 1993

The Company recognized a gain of \$3,878,000 resulting from an Internal Revenue Service refund relating to the settlement of a tax dispute.

The Company recognized a restructuring charge of \$2,900,000 to cover the costs associated with reorganizing its Mexican manufacturing operations, consolidating certain U.S. operations, and certain other overhead reductions.

FOURTH QUARTER - 1992

The Company recognized a gain of \$2,700,000 related to the sale of its investment in ComStream Corporation, in which the Company held a minority interest.

The Company recognized an income tax benefit of \$2,500,000 resulting from an adjustment to its deferred income tax valuation reserve in accordance with FAS 109.

The Company recognized a charge of \$1,500,000 related to certain reorganizations and facilities consolidations at certain divisions.

DISCONTINUED OPERATIONS

THIRD QUARTER - 1992

The Company recognized income of \$550,000 related to an additional payment received, net of expenses, resulting from the post-closing adjustment to the sales price of its discontinued Oak Communications business.

CHANGE IN ACCOUNTING PRINCIPLE

FIRST QUARTER - 1992

The Company recognized income of \$3,500,000 related to the cumulative effect of adopting FAS 109.

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

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

For information with respect to the executive officers of the registrant, see "Executive Officers" at the end of Part I of this report. For information with respect to the Directors of the registrant, see "Elections of Directors" in the Proxy Statement to be filed no later than April 3, 1994 for the Annual Meeting of Stockholders to be held on May 3, 1994 which is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information set forth under the caption "Executive Officers, Compensation and Other Information" in the Proxy Statement to be filed no later than April 3, 1994 for the Annual Meeting of Stockholders to be held on May 3, 1994 is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information set forth under the caption "Voting Securities and Stock Ownership" in the Proxy Statement to be filed no later than April 3, 1994 for the Annual Meeting of Stockholders to be held on May 3, 1994 is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information set forth under the caption "Certain Relationships and Transactions" in the Proxy Statement to be filed no later than April 3, 1994 for the Annual Meeting of Stockholders to be held on May 3, 1994 is incorporated herein by reference.

PART IV

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

(A) LIST OF DOCUMENTS FILED AS PART OF THE REPORT:

1. Financial Statements

Consolidated balance sheet at December 31, 1993 and 1992

Consolidated statement of operations for the years ended December 31, 1993, 1992 and 1991

Consolidated statement of stockholders' equity for the years ended December 31, 1993, 1992 and 1991

Consolidated statement of cash flows for the years ended December 31, 1993, 1992 and 1991

Notes to consolidated financial statements

2. Schedules

II - Amounts receivable from related parties and underwriters, promoters and employees other than related parties

VIII - Valuation and qualifying accounts

X - Supplementary statement of operations information

All other schedules have been omitted since the information is either not applicable, not required or is included in the financial statements or notes thereto.

3. Exhibit Index

2(a) Stockholders Agreement dated as of December 22, 1992 by and among Connector Holding Company, Oak Industries Inc., Tyler Capital Fund, L.P., Tyler Massachusetts, L.P., Tyler International, L.P.-II, BCIP Associates, BCIP Trust Associates, and, solely as to Sections 1.5 and 11 thereof, Bain Venture Capital, a California limited partnership filed as Exhibit 2.1 to the Company's Amendment No. 2 to Form S-3 dated December 16, 1993 is incorporated herein by this reference.

(3) (a) Restated Certificate of Incorporation of Oak Industries Inc. dated October 28, 1980; Certificate of Amendment of Restated Certificate of Incorporation dated May 1, 1981; Certificate of Amendment of Restated Certificate of Incorporation as Amended dated August 14, 1985; Certificate of Amendment of Restated Certificate of Incorporation as Amended dated September 30, 1986; Certificate of Amendment of Certificate of Incorporation as Amended dated July 15, 1987; Certificate of Amendment of Certificate of Incorporation as Amended dated June 3, 1992; and Certificate of Amendment of Restated Certificate of Incorporation, as Amended dated May 7, 1993 all filed as Exhibit 3.1 to the Company's Amendment No. 1 to Form S-3 dated November 24, 1993 are incorporated herein by this reference.

(3) (b) Bylaws of Oak Industries Inc. as amended through February 3, 1993, filed herewith.

(4) (a) \$3,000,000 Junior Subordinated Note due 2000 issued by Connector Holding Company to the Company, filed as Exhibit (4)-2 to the Company's Form 8-K dated January 6, 1993 is incorporated herein by this reference.

(4) (b) Form of Senior Subordinated Note issued by Connector Holding Company, filed as Exhibit (4)-3 to the Company's Form 8-K dated January 6, 1993 is incorporated herein by this reference.

(4) (c) Series E Warrant Agreement dated December 1, 1987, filed as Exhibit 4(k) to the Company's 1988 Annual Report on Form 10-K dated March 31, 1989, is incorporated herein by this reference.

(10) (a) 1982 Incentive Stock Option Plan filed as Exhibit (A) to the Company's 1982 Proxy Statement is incorporated herein by this reference.

(10) (b) 1986 Stock Option and Restricted Stock Plan for Executive and Key Employees of Oak Industries Inc. filed as Annex III to the Proxy Statement dated February 14, 1986 for a Special Meeting of Stockholders is incorporated herein by this reference.

(10) (c) 1988 Stock Option Plan for Non-Employee Directors of Oak Industries Inc. filed as Exhibit A to the Company's Proxy Statement in connection with 1988 Annual Meeting of Stockholders filed with the Commission on April 6, 1988 is incorporated herein by this reference.

(10) (d) 1992 Stock Option and Restricted Stock Plan filed as Exhibit A to the Company's Proxy Statement in connection with the 1992 Annual Meeting of Stockholders is incorporated herein by this reference.

(10) (e) Oak Industries Inc. Non-Qualified Stock Option Plan, filed as Exhibit 10(e) to the Company's 1992 Annual Report on Form 10-K dated March 15, 1993 is incorporated herein by this reference.

(10) (f) Agreement between the Company and MIM Ltd. dated January 25, 1989, filed as Exhibit 10(g) to the Company's 1989 Annual Report on Form 10-K dated March 28, 1990, Commission File Number 1-4474 is incorporated herein by this reference.

(10) (g) Amended and Restated Revolving Credit Agreement between the Company and The First National Bank of Boston dated as of September 1, 1993, filed herewith.

(10) (h) First Amendment to the Amended and Restated Revolving Credit Agreement dated as of November 1, 1993 between the Company and The First National Bank of Boston, filed herewith.

(10) (i) Credit Agreement dated as of December 23, 1992 among General Electric Capital Corporation, Heller Financial, Inc., Gilbert Engineering Co., Inc. and Connector Holding Company, filed as Exhibit (4)-1 to the Company's Form 8-K dated January 6, 1993 is incorporated herein by this reference.

(10) (j) Amendment No. 1 dated as of December 23, 1992 to Credit Agreement dated as of December 23, 1992 among General Electric Capital Corporation, Heller Financial, Inc., Gilbert Engineering Co., Inc. and Connector Holding Company, filed as Exhibit 10(j) to the Company's 1992 Annual Report on Form 10-K dated March 15, 1993 is incorporated herein by this reference.

(10) (k) Amendment No. 2 dated as of February 24, 1993 to Credit Agreement dated as of December 23, 1992 among General Electric Capital Corporation, Heller Financial, Inc., Gilbert Engineering Co., Inc. and Connector Holding Company, filed as Exhibit 10(k) to the Company's 1992 Annual Report on Form 10-K dated March 15, 1993 is incorporated herein by this reference.

(10) (l) Amendment No. 3 dated as of April 1, 1993 to Credit Agreement dated as of December 23, 1993 among General Electric Capital Corporation, Heller Financial, Inc., Gilbert Engineering Co., Inc. and Connector Holding Company filed as Exhibit 10.1 to the Company's Amendment No. 2 to Form S-3 dated December 16, 1993 is incorporated herein by this reference.

(11) Statement regarding computation of per share earnings, filed herewith.

(13) 1993 Annual Report to be provided no later than March 31, 1994 for the information of the Commission and not deemed "filed" as a part of the filing.

(21) Subsidiaries of the Company, filed herewith.

(99) (a) Financial Statements and Financial Statement Schedules of Video 44 for the years ended December 31, 1992, 1991 and 1990, filed as Exhibit (28) (a) to the Company's 1992 Annual Report on Form 10-K dated March 15, 1993, is incorporated herein by this reference.

(B) REPORTS ON FORM 8-K:

The Company filed a report on Form 8-K dated November 5, 1993 relating to

(i) its filing of a Registration Statement on Form S-3 with the Securities and Exchange Commission and (ii) certain other financial information.

CONSENT OF INDEPENDENT ACCOUNTANTS TO INCORPORATION
BY REFERENCE INTO FORM S-8 FILING

We hereby consent to the incorporation by reference in the Prospectus constituting part of the Registration Statement on Form S-8 (File Nos. 33-14708, 2-71969, 33-32104, 2-83639, 33-53012, and 33-58878) of Oak Industries Inc. of our report dated January 21, 1994 appearing previously in this Form 10-K.

PRICE WATERHOUSE

Boston, Massachusetts
February 28, 1994

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934, THE COMPANY HAS DULY CAUSED THIS REPORT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED.

OAK INDUSTRIES INC.

Dated: February 28, 1994

By WILLIAM S. ANTLE III
WILLIAM S. ANTLE III
President and
Chief Executive Officer

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, THIS REPORT HAS BEEN SIGNED BELOW BY THE FOLLOWING PERSONS ON BEHALF OF THE COMPANY AND IN THE CAPACITIES AND ON THE DATES INDICATED.

<TABLE>

<CAPTION>

NAME	TITLE	DATE
----	-----	----
<S>	<C>	<C>
WILLIAM S. ANTLE III (WILLIAM S. ANTLE III)	President and Chief Executive Officer	February 28, 1994
WILLIAM C. WEAVER (WILLIAM C. WEAVER)	Senior Vice President and Chief Financial Officer	February 28, 1994
THE RT. HON. LORD STEVENS OF LUDGATE (THE RT. HON. LORD STEVENS OF LUDGATE)	Chairman of the Board	February 28, 1994
RODERICK M. HILLS (RODERICK M. HILLS)	Vice Chairman of the Board	February 28, 1994
DANIEL W. DERBES (DANIEL W. DERBES)	Director	February 28, 1994
GEORGE W. LEISZ (GEORGE W. LEISZ)	Director	February 28, 1994
GILBERT E. MATTHEWS (GILBERT E. MATTHEWS)	Director	February 28, 1994
CHRISTOPHER H.B. MILLS (CHRISTOPHER H.B. MILLS)	Director	February 28, 1994
ELLIOT L. RICHARDSON (ELLIOT L. RICHARDSON)	Director	February 28, 1994

</TABLE>

OAK INDUSTRIES INC.
SCHEDULE II

AMOUNTS RECEIVABLE FROM RELATED PARTIES AND UNDERWRITERS,
PROMOTERS AND EMPLOYEES OTHER THAN RELATED PARTIES
For the Years Ended December 31, 1993, 1992, and 1991
(Dollars in thousands)

<TABLE>
<CAPTION>

Name	Note	Balance at 12/31/90	Increase (Decrease)	Balance at 12/31/91	Increase (Decrease)	Balance at 12/31/92	Increase (Decrease)	Balance at 12/31/93
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
W. S. Antle	(1)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 362	\$ 362
E. A. Carter	(3) (4)	578	--	578	--	578	(578)	--
M. F. Goss	(1)	--	--	--	--	--	116	116
J. P. Gwin	(3)	126	--	126	--	126	--	126
P. J. Halas	(1)	--	--	--	--	--	145	145
D. A. Himes	(1)	--	--	--	--	--	116	116
J. C. Horne	(1)	--	--	--	--	--	116	116
R. Mehra	(1)	--	--	--	--	--	44	44
J. D. Richardson	(1)	--	--	--	--	--	145	145
J. D. Richardson	(2)	--	--	--	--	--	55	55
T. F. Sheehan	(1)	--	--	--	--	--	116	116
B. J. Smith	(3) (4)	163	(163)	--	--	--	--	--
W. C. Weaver	(1)	--	--	--	--	--	145	145

<FN>

(1) Represents promissory notes receivables with the Company's corporate officers and certain key divisional managers for the purpose of permitting such individuals to purchase stock in the secondary offering dated December 16, 1993 from the selling shareholders. The promissory notes, which are secured by the common stock purchased and certain other amounts owed to such individuals by the Company, are repayable in full on February 21, 1997, with interest on such loans accruing at a market rate and payable annually in February of each year beginning in 1995 until maturity.

(2) Represents unsecured demand promissory note for the purpose of reimbursing the individual for certain relocation costs. Interest accrues at a market rate and is payable upon demand. The principal and interest on this note will be forgiven over a three-year period provided the individual remains employed by the Company.

(3) Represents unsecured notes receivable which were due on December 15, 1990 or earlier if the related shares were sold or under certain other conditions. Interest is payable quarterly and is equal to the dividends received on the common stock of the registrant purchased and held pursuant to stock options exercised on December 15, 1980. The loans were made to enable the above former employees to exercise these options and pay income taxes generated by such exercises. The original loans made totaled \$2,948,000. Loans totaling \$2,822,000 have subsequently been settled. The remaining book balance of these loans at December 31, 1993 is zero, which reflects a realizability reserve.

(4) The decreases in 1993 and 1991 are primarily the result of offsetting a supplemental pension liability against the notes receivable.

</TABLE>

OAK INDUSTRIES INC.
SCHEDULE VIII

VALUATION AND QUALIFYING ACCOUNTS
For the Years Ended December 31, 1993, 1992 and 1991
(Dollars in thousands)

ALLOWANCE FOR LOSSES IN COLLECTION

<TABLE>
<CAPTION>

	1993	1992	1991
<S>	<C>	<C>	<C>
Balance, beginning of year.....	\$1,030	\$ 674	\$ 763
Provision charged to selling, general, and administrative expenses.....	312	219	195
Recoveries of accounts previously written off.....	7	35	54
Less write-off of uncollectible			

accounts.....	(448)	(291)	(338)
Acquisition of businesses.....	--	393	--
	-----	-----	-----
Balance, end of year.....	\$ 901	\$1,030	\$ 674
	=====	=====	=====

</TABLE>

OAK INDUSTRIES INC.
SCHEDULE X

SUPPLEMENTARY STATEMENT OF OPERATIONS INFORMATION
For the Years Ended December 31, 1993, 1992 and 1991
(Dollars in thousands)

<TABLE>
<CAPTION>

	1993	1992	1991
	-----	-----	-----
	<C>	<C>	<C>
<S>			
Charged to costs and expenses -			
Depreciation.....	\$6,142	\$4,380	\$4,322
Amortization of intangibles.....	2,543	849	733
Amortization of other deferred			
expenses.....	1,643	93	38
Maintenance and repairs.....	3,406	2,417	2,260

</TABLE>

- - - - -

Note 1: Amounts for other taxes, royalties and advertising have been omitted since each is less than 1% of net sales.

OAK INDUSTRIES INC.

EXHIBIT 3(b) - BY-LAWS OF OAK INDUSTRIES INC.

BY-LAWS
OF
OAK INDUSTRIES INC.
(A Delaware Corporation)

(as amended through February 3, 1993)

ARTICLE I
Offices

Section 1. Registered Office. The registered office shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 2. Other Offices. The corporation may also have offices at such other places both within and without the State of Delaware as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II
Stockholders

Section 1. Place of Meetings. All meetings of the stockholders for the election of directors shall be held at such place as may be fixed from time to time by the board of directors. Meetings of stockholders for any other purpose may be held at such time and place, within and without the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Annual Meetings. Annual meetings of the stockholders shall be held on the date and at the time fixed from time to time by the directors, provided each annual meeting shall be held on a date within six months after the end of each fiscal year or within thirteen months after the date of the preceding annual meeting, whichever shall be the earlier date.

Section 3. Notice of Annual Meeting. Written notice of the annual meeting shall be given to each stockholder entitled to vote thereat at least ten days before the date of the meeting.

Section 4. List of Stockholders. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten days before every election of directors, a complete list of the stockholders entitled to vote at said election, arranged in alphabetical order, showing the address of

and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, during ordinary business hours, for a period of at least ten days prior to the election, either at a place within the city, town or village where the election is to be held and which place shall be specified in the notice of the meeting, or, if not specified, at the place where said meeting is to be held, and the list shall be produced and kept at the time and place of election during the whole time thereof, and subject to the inspection of any stockholder who may be present.

Section 5. Special Meetings. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the certificate of incorporation, may be called by the chairman of the board or the president and shall be called by the chairman of the board, the president or secretary at the request in writing of the stockholders owning not less than 75% of all the shares of capital stock of the corporation which are issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

Section 6. Notice of Special Meetings. Written or printed notice of a special meeting of stockholders, stating the time, place and object thereof, shall be given to each stockholder entitled to vote thereat, at least ten days before the date fixed for the meeting.

Section 7. Business at Special Meetings. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 8. Quorum. The holders of stock having a majority of the voting power of the issued and outstanding stock entitled to vote thereat, when present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the certificate of incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified.

Section 9. Necessary Vote. When a quorum is present at any meeting, a majority of the votes by the stockholders, present in person or represented by proxy and entitled to vote thereon, shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of the certificate of incorporation or of these by-laws, a different vote is required in which case such express provision shall govern and control the decision of such question.

Section 10. Vote, Proxies. Each stockholder shall at every meeting of the stockholders be entitled to such vote (in person or by proxy) for each share of the capital stock having voting power held by such stockholder and entitled to vote at such meeting as shall be fixed by the certificate of incorporation.

No proxy shall be voted on after three years from its date, unless the proxy provides for a longer period. Except where the transfer books of the corporation have been closed or a date has been fixed as a record date for the determination of its stockholders entitled to vote, no share of stock shall be voted on at any election for directors which has been transferred on the books of the corporation within twenty days next preceding such election of directors.

ARTICLE III Directors

Section 1. Number. The number of directors which constitutes the whole board of directors shall be fixed from time to time by resolution of the board of directors provided, however, that such number of directors shall be not less than six nor more than nine as required by ARTICLE TWELFTH of the Restated Certificate of Incorporation, as amended. The term of office of directors is to expire at the first annual meeting of stockholders after their election or until their respective successors are elected and qualified. Directors need not be stockholders.

Section 2. Nominations. A nomination with respect to the corporation's board of directors (other than by a nominating committee of the board of directors) shall be proposed at least 60 days before the date of the corporation's annual meeting of stockholders in order for the nominee to be eligible for election to the corporation's board of directors. Director nominations other than by a nominating committee of the board of directors must be made over the signature of at least five stockholders holding an aggregate of at least 5% of the total number of outstanding stock of the corporation.

Section 3. Retirement. Board members who attain the age of 71 during their term as a member of the board must retire at the Annual Meeting following that director's 71st birthday, and no person over the age of 71 may be elected to the board of directors.

Section 4. Vacancies. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, and the directors so chosen shall hold office until the next annual election of the class for which each such director has been chosen and until his successor is elected and qualified.

Section 5. Powers. The business of the corporation shall be managed by its board of directors which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these by-laws directed or required to be exercised or done by the stockholders.

Section 6. Meetings. The board of directors of the corporation, and any committee thereof, may hold meetings, both regular and special, either within or without the State of Delaware. Members of the board of directors or of any committee of the board of directors may participate in a meeting of such board

or committee by conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in such a meeting shall constitute presence in person at the meeting.

Section 7. Organization Meeting. An organization meeting of the board of directors shall be held following, and at the same place as, the annual meeting of stockholders and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present. In the event such meeting of the board of directors is not held at such time and place, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the board of directors, or as shall be specified in a written waiver signed by all of the directors.

Section 8. Regular Meetings. Regular meetings of the board of directors shall be held without notice at such time and place as shall from time to time be determined by the board of directors.

Section 9. Special Meetings. Special meetings of the board of directors may be called by the chairman of the board or the president on two days notice to each director, either personally or by mail or by telegram, and special meetings shall be called by the chairman of the board, the president or secretary in like manner and on like notice on the written request of two directors.

Section 10. Quorum. At all meetings of the board of directors not less than one-third of the total number of directors, but in any event not less than two directors, shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors, except as may be otherwise specifically provided by statute or by the certificate of incorporation. If a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 11. Action Without Meeting. Unless otherwise restricted by the certificate of incorporation or these by-laws, any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting, if prior to such action a written consent thereto is signed by all members of the board of directors or of such committee as the case may be, and such written consent is filed with the minutes of proceedings of the board of directors or committee.

Section 12. Committees of directors. The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of one or more of the directors of the corporation. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member

of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the board of directors, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to amending the certificate of incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets, recommending to the stockholders a dissolution of the corporation or a revocation of a dissolution, or amending the by-laws of the corporation; and unless the resolution expressly so provides, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors.

Section 13. Reports of Committees. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

Section 14. Compensation. The board of directors, by the affirmative vote of a majority of the directors then in office and irrespective of any personal interests of any of its members, shall have authority to establish reasonable compensation of all directors for services to the corporation as directors, officers or otherwise, and shall have authority to reimburse directors for their expenses, if any, of attendance at each meeting of the board of directors. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Directors serving on committees, designated by the board of directors, may be paid additional compensation for serving on such committees.

ARTICLE IV Notices

Section 1. Notices. Notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the corporation. Notice by mail shall be deemed to be given at the time when the same shall be mailed. Notice to directors may also be given by telegram and in such case shall be deemed to be given at the time when the same shall be delivered to the telegraph company.

Section 2. Waiver of Notice. Whenever any notice is required to be given under the provisions of the statutes or of the certificate of incorporation or of these by-laws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE V
Officers

Section 1. Designation; Number; Election. The board of directors, at its first regular meeting after each annual meeting of stockholders, shall elect the officers of the corporation. Such officers shall be a chairman of the board, a president, one or more vice presidents (the number thereof to be determined by the board of directors), a secretary, and a treasurer and such assistant secretaries and assistant treasurers as the board of directors may choose. The board of directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board.

Section 2. Compensation. The salaries of all principal officers of the corporation shall be fixed by the board of directors. The salaries of all other officers of the corporation shall be fixed by the chairman of the board or by any other principal officer designated by the chairman of the board.

Section 3. Term, Removal, Vacancy. The officers of the corporation shall hold office until their successors are chosen and qualified, except as hereinafter provided. Any officer may be removed at any time by the affirmative vote of a majority of the board of directors.

Section 4. Chairman of the board. The chairman of the board, if such an officer be elected, shall be the chief executive officer of the corporation. He shall have the general direction of the affairs of the corporation, and may sign all deeds, mortgages, notes, contracts, proxies or other instruments on behalf of the corporation, except where the signing thereof shall have been expressly delegated by the board of directors or these by-laws, or shall be required by law, to be signed by some other officer. He shall preside at all meetings of the stockholders and of the board of directors of the corporation. Subject to the board of directors, the chairman of the board shall be the chief policy making officer of the corporation. He shall be responsible for presentation of any proposed changes in the major policies of the corporation to the board of directors for action; shall report to the board of directors with respect to matters of policy affecting the corporation; and in general shall discharge all other responsibilities and perform all other duties usually incident to the office of chairman of the board and chief executive officer and such as are assigned to him from time to time by the board. (The office of chairman of the board shall also be known as chairman and chairman of the board of directors.)

Section 5. Vice-Chairman of the board. In the event of the absence, disability or inability to act of the chairman of the board, the vice-chairman of the board shall perform the duties of the chairman of the board and when so acting shall also have all the powers of and be subject to all restrictions upon the chairman of the board. The vice-chairman shall perform such other duties as from time to time may be prescribed by the board of directors or delegated by the chairman of the board.

Section 6. President. The president shall be the chief operating officer of the corporation and shall in general supervise and manage the day to day business and affairs of the corporation. He shall implement and carry into effect all orders and resolutions of the board of directors or of the executive committee and shall submit to the board of directors and the executive committee, at the regular meetings thereof or, upon their request, at special meetings thereof, detailed reports of the operations of the corporation and shall also submit to the board of directors a complete and detailed report of the operations of the corporation for each fiscal year. The president shall from time to time report to the board of directors all matters within his knowledge which the interests of the corporation may require to be brought to its notice. In the absence of the chairman and vice-chairman of the board, or in the event of their disability or inability to act, the president shall assume the responsibilities and perform the duties of the chairman of the board, and when so acting shall have all the powers of and be subject to all the restrictions upon the chairman of the board.

Section 7. Vice-Presidents.

(a) In the event of the absence, disability or inability to act of the president, the vice-presidents in the order determined by the board of directors, or in the absence of such determination, in the order each shall have respectively held the office of vice-president for the longest time, shall perform the duties of the president and when so acting shall also have all the powers of and be subject to all the restrictions upon the president.

(b) In the event of the absence, disability or inability to act of the president and chairman of the board, the vice-president who shall have assumed the performance of the duties of the president shall also perform the duties of the chairman of the board, and when so acting, shall have all the powers of and be subject to all the restrictions upon the chairman of the board.

(c) The vice-presidents shall have such titles as may be designated by the board of directors. The vice-presidents shall perform such other duties as from time to time may be prescribed by the board of directors or delegated by the president or the chairman of the board.

Section 8. Secretary. The secretary shall attend all meetings of the board of directors and all meetings of the stockholders and record all the proceedings of the meetings of the corporation and of the board of directors in books to be kept for that purpose and shall perform like duties for the committees of directors when required. He shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the board of directors. He shall have custody of the corporate seal of the corporation and he, and any assistant secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his signature or by the signature of such assistant secretary. He shall perform all duties incident to the office of secretary and such other duties as from time to time may be prescribed by the board of directors or delegated by the chairman of the board or the president. The board of directors may give authority to any other officer to affix the seal of the corporation and to

attest the affixing by his signature.

Section 9. Assistant Secretaries. In the absence of the secretary, or in the event of his disability, or inability to act or to continue to act, the assistant secretaries, in the order determined by the board of directors, shall perform the duties of the secretary and, when so acting, shall have all the powers of and be subject to all the restrictions upon the secretary. The assistant secretaries shall perform such other duties as from time to time may be prescribed by the board of directors or delegated by the secretary.

Section 10. Treasurer. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the board of directors. He shall disburse or cause to be disbursed the funds of the corporation as may be ordered by the board of directors, taking proper vouchers for such disbursements, and shall render to the president and the board of directors, at its regular meetings, or when the board of directors so requires, an account of his transactions as treasurer and of the financial condition of the corporation. If required by the board of directors, he shall give the corporation a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation. He shall perform all duties incident to the office of treasurer and such other duties as from time to time may be prescribed by the board of directors or delegated by the chairman of the board or the president.

Section 11. Assistant Treasurers. In the absence of the treasurer, or in the event of his disability, or inability to act or continue to act, the assistant treasurers, in the order determined by the board of directors, shall perform the duties of the treasurer and, when so acting, shall have all the powers of and be subject to all the restrictions upon the treasurer. If required by the board of directors, the assistant treasurers shall give the corporation bonds (as the treasurer may be required to do) in such sums and with such surety or sureties as shall be satisfactory to the board of directors. The assistant treasurers shall perform such other duties as from time to time may be prescribed by the board of directors or delegated by the treasurer.

Section 12. Controller. The controller shall have supervision over all accounts and account books of the corporation, and establish and maintain all controls and accounting procedures. He shall direct the keeping of accounts and records, analyze the accounts and records of the company and prepare and furnish statements and reports to the board of directors, the president, and the vice president, finance, concerning the financial condition of the company and establish and maintain accounting policies. He shall direct and supervise the internal auditing procedures of the company. He shall cause the books and

accounts of all officers and agents charged with the receipt and disbursement of money to be examined as often as practicable, or when requested by the president or vice president, finance, and shall ascertain whether or not the cash and vouchers covering the balances are actually on hand. He shall perform all other duties incident to the office of controller and such other duties as from time to time may be prescribed by the board of directors or designated by the president or delegated by the vice president, finance.

ARTICLE VI
Certificates of Stock

Section 1. Form and Execution of Certificates. Every holder of stock in the corporation shall be entitled to have a certificate signed by, or in the name of the corporation by, the chairman of the board, the president or any vice president and the treasurer or an assistant treasurer or the secretary or an assistant secretary of the corporation, certifying the number of shares owned by him in the corporation. Such certificates shall be in such form as may be determined by the board of directors. During the period while more than one class of stock of the corporation is authorized there will be set forth on the face or back of the certificate which the corporation shall issue to represent each class or series of stock, a statement that the corporation will furnish without charge to each stockholder who so requests, the designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Where a certificate is signed by a transfer agent acting on behalf of the corporation and a registrar, the signature of any such chairman of the board, president, vice president, treasurer, assistant treasurer, secretary or assistant secretary may be facsimile. In case any officer or officers who have signed, or whose facsimile signature or signatures have been used on, any such certificate or certificates shall cease to be such officer or officers of the corporation, whether because of death, resignation or otherwise, before such certificate or certificates have been delivered by the corporation, such certificate or certificates may nevertheless be adopted by the corporation and be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of the corporation.

Section 2. Lost Certificates. The board of directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost or destroyed.

Section 3. Transfers of Stock. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

Section 4. Closing of Transfer Books. The board of directors may close the stock transfer books of the corporation for a period not exceeding sixty days preceding the date of any meeting of stockholders or the date for payment of any dividend or the date for the allotment of rights or the date when any change or conversion or exchange of capital stock shall go into effect or for a period not exceeding sixty days in connection with obtaining the consent of stockholders for any purpose. In lieu of closing the stock transfer books as aforesaid, the board of directors may fix in advance a date, not exceeding sixty days preceding the date of any meeting of stockholders, or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or a date in connection with obtaining such consent, as a record date for the determination of the stockholders entitled to notice of, and to vote at, any such meeting, and any adjournment thereof, or entitled to receive payment of any such dividend, or to any such allotment of rights, or to exercise the rights in respect of any such change, conversion or exchange of capital stock, or to give such consent, and in such case such stockholders and only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting and any adjournment thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, or to give such consent, as the case may be notwithstanding any transfer of any stock on the books of the corporation after such record date fixed as aforesaid.

ARTICLE VII

Miscellaneous Provisions

Section 1. Contracts. The board of directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the board of directors. Such authority may be general or confined to specific instances.

Section 3. Bank Accounts. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such general or special bank account or accounts in such banks, trust companies or other depositaries as the board of directors may from time to time designate, and the board of directors may make such special rules and regulations with respect thereto as it may deem expedient.

Section 4. Checks, Drafts, Notes. All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the corporation shall be signed by such officer or officers or such agent or agents of the corporation as the board of directors may from time to time designate.

Section 5. Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the certificate of incorporation.

Section 6. Reserves. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the directors shall think conducive to the interest of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

Section 7. Proxies. The board of directors may appoint and direct any officer or officers of any other agent or agents of the corporation to cast the votes which the corporation may be entitled to cast as a stockholder or otherwise in any other corporation any of whose stock or other securities may be held by the corporation at meetings of the holders of the stock or other securities of such other corporation, or to consent in writing to any action by such other corporation. Unless otherwise ordered by the board of directors, the president shall have full power and authority to cast such votes and to consent to such action as he may deem in the best interests of the corporation.

Section 8. Fiscal Year. The fiscal year of the corporation shall begin on the first day of January of each year.

Section 9. Seal. The corporate seal shall have inscribed thereon the name of the corporation and the words "Corporate Seal, Delaware." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 10. Amendments. These by-laws may be altered or repealed at any regular or special meeting of the board of directors, if notice of such alteration or repeal be contained in the notice of such special meeting.

Section 11. Indemnification and Insurance. The corporation shall, to the fullest extent to which it is empowered to do so by the General Corporation Law of Delaware, or any other applicable laws, as from time to time in effect, indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or officer of the corporation or a division thereof,

or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding. This section shall not be construed as requiring the corporation to indemnify any person by reason of the fact that he is or was a director or officer of a constituent corporation absorbed in a consolidation or merger in which the corporation was the resulting or surviving corporation.

The provisions of this section shall be deemed to be a contract between the corporation and each director or officer who serves in any such capacity at any time while this section and the relevant provisions of the General Corporation Law of Delaware or other applicable law, if any, are in effect, and any repeal or modification of any such law shall not affect any rights or obligations then existing with respect to any state of facts then or theretofore existing or any action, suit or proceeding theretofore or thereafter brought or threatened based in whole or in part upon any such state of facts.

Persons who are not covered by the foregoing provisions of this section and (a) who are or were employees or agents of the corporation or a division thereof, or are or were serving at the request of the corporation as employees or agents of another corporation, partnership, joint venture, trust or other enterprise, or (b) are or were directors, officers, employees or agents of a constituent corporation absorbed in a consolidation or merger in which the corporation was the resulting or surviving corporation, or who are or were serving at the request of such constituent corporation as directors, officers, employees or agents of another corporation, partnership, joint venture, trust or other enterprise, may be indemnified to the extent authorized at any time or from time to time by the board of directors of the corporation.

The indemnification provided or permitted by this section shall not be deemed exclusive of any other rights to which those indemnified may be entitled by law or otherwise, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

The corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or of a constituent corporation absorbed in a consolidation or merger in which the corporation was the resulting or surviving corporation, or is or was serving at the request of the corporation or of such a constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this section.

OAK INDUSTRIES INC.

EXHIBIT 10 (g)

AMENDED AND RESTATED
REVOLVING CREDIT AGREEMENT

Dated as of September 1, 1993

OAK INDUSTRIES INC.

THE BANKS LISTED ON THE SIGNATURE PAGES HERETO

and

THE FIRST NATIONAL BANK OF BOSTON, AS AGENT

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AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT

THIS REVOLVING CREDIT AGREEMENT is made as of September 1, 1993, by and between OAK INDUSTRIES INC., a Delaware corporation having its chief executive office at Bay Colony Corporate Center, 1000 Winter Street, Waltham, Massachusetts 02154 (the "Company"), each of the banks listed on the signature pages hereto (individually, a "Bank," and collectively, the "Banks") and THE FIRST NATIONAL BANK OF BOSTON, a national banking association having its head office at 100 Federal Street, Boston, Massachusetts 02110 ("FNBB"), as agent for the Banks (FNBB in such capacity, the "Agent").

WHEREAS, the Company and FNBB entered into that certain Revolving Credit Agreement dated as of December 4, 1992, as amended from time to time (the "Old Credit Agreement"); and

WHEREAS, the parties hereto desire to amend and restate the Old Credit Agreement in its entirety.

NOW, THEREFORE, the parties agree as follows:

SECTION I DEFINITIONS

Section 1.1. Definitions. All capitalized terms used in this Agreement or in any other Bank Agreement or in any certificate, report or other document

made or delivered pursuant to this Agreement (unless otherwise defined therein) shall have the respective meanings assigned to them below:

Acquisition. Any purchase or other acquisition by the Company or any of its Subsidiaries of all or substantially all of (a) the capital stock of, or other equity interest in, any Person (other than the Company or any Subsidiary of the Company existing on the date of this Agreement or hereafter formed by the Company or a Subsidiary), or (b) any assets of such Person, if such assets include all or substantially all of the fixed assets and inventory of such Person or any business division, line of business or business operation conducted by such Person.

Additional Commitment Fee Period. As of any date, the period consisting of the shorter of (a) the preceding 180 days, or (b) the period commencing on the date of this Agreement and ending on the date of determination.

Adjusted Debt Service. For any Person with respect to any period, the sum of (a) Interest Expense for such period, plus (b) scheduled installments of principal required to be paid in respect of Indebtedness of such Person for such period, plus (c) cash dividends paid during such period in respect of capital stock issued by such Person, plus (d) all principal and interest required to be paid by such Person pursuant to Guarantees which are permitted hereunder.

Adjusted Eurodollar Rate. Applicable to any Interest Period, shall mean a rate per annum determined pursuant to the following formula:

$$\text{AER} = \left[\text{IOR} \right] * \left[1.00 - \text{RP} \right]$$

AER = Adjusted Eurodollar Rate
IOR = Interbank Offered Rate
RP = Reserve Percentage

*The amount in brackets shall be rounded upwards, if necessary, to the next higher 1/100 of 1%.

WHERE:

"Interbank Offered Rate" applicable to any Eurodollar Loan for any Interest Period means the rate of interest determined by the Agent to be the prevailing rate per annum at which deposits in U.S. dollars are offered to the Agent by first-class banks in the Interbank Eurodollar market in which it regularly participates on or about 10:00 a.m. (Boston time) two (2) Business Days before the first day of such Interest Period in an amount approximately equal to the principal amount of the Eurodollar Loan to which such Interest Period is to apply for a period of time beginning on the first day of such Interest Period and of a length approximately equal to such Interest Period.

"Reserve Percentage" applicable to any Interest Period means the rate (expressed as a decimal) applicable to the class of banks of which the Agent is a member during such Interest Period under regulations issued from time to

time by the Board of Governors of the Federal Reserve System for determining the maximum reserve requirement (including, without limitation, any basic, supplemental, emergency or marginal reserve requirement) of the class of banks of which the Agent is a member with respect to "Eurocurrency liabilities" as that term is defined under such regulations.

The Adjusted Eurodollar Rate shall be adjusted automatically as of the effective date of any change in the Reserve Percentage.

Affected Loans. See Section 2.8(a).

Agent. See Preamble.

AGREEMENT. This Agreement, as the same may be supplemented or amended from time to time.

Bank(s). See Preamble.

Bank Agreement. This Agreement, the Note, the Pledge Agreement, the Guaranty, and any other present or future agreement from time to time entered into between the Borrower and/or a Subsidiary and the Agent or any Bank relating to this Agreement, each as from time to time amended or modified.

Base Rate. The greater of (a) the rate of interest announced from time to time by the Agent at its head office as its Base Rate, and (b) the Federal Funds Effective Rate plus 1/2 of 1% per annum (rounded upwards, if necessary, to the next 1/8 of 1%).

Base Rate Loan. Any Revolving Loan bearing interest determined with reference to the Base Rate.

Business Day. (a) For all purposes other than as covered by clause (b) below, any day other than a Saturday, Sunday or legal holiday on which banks in Boston, Massachusetts or New York, New York are open for the conduct of a substantial part of their commercial banking business, and (b) with respect to all notices and determinations in connection with, and payments of principal and interest on, Eurodollar Loans, any day that is a Business Day described in clause (a) and that is also a day for trading by and between banks in U.S. Dollar deposits in the Interbank Eurodollar market.

Capital Expenditures. Amounts paid or Indebtedness incurred by any Person in connection with the purchase or lease by such Person of capital assets that would be required to be capitalized and shown on the balance sheet of such Person in accordance with generally accepted accounting principles.

Capitalized Leases. Leases under which the discounted future rental payment obligations are required to be capitalized on the balance sheet of the lessee or obligor in accordance with generally accepted accounting principles.

Cash Flow Coverage Ratio. For any Person at any date as of which the amount thereof shall be determined and for the period specified, the quotient obtained by dividing (a) the sum of (i) Net Income of such Person for such

period excluding the effect of any non-cash item of income or expense, PLUS (ii) depreciation and amortization expense of such Person for such period, MINUS (iii) Capital Expenditures of such Person for such period, by (b) Adjusted Debt Service for such period.

Code. The Internal Revenue Code of 1986 and the rules and regulations thereunder, collectively, as the same may from time to time be supplemented or amended and remain in effect.

Combined or combined. With reference to any term defined herein, shall mean that term as applied to the accounts of the Company and each of the Combined Subsidiaries, combined in accordance with generally accepted accounting principles.

Combined Subsidiaries. Collectively, each of the Guarantors, Croven Crystals Ltd., Acunatronics S.A., SGI de Mexico, S.A. de C.V., Harper-Mex, S.A. de C.V., and Nordco.

Commitment Amount. As to any Bank, an amount equal to the product of (a) the Maximum Revolving Credit, times (b) such Bank's Commitment Percentage.

Commitment Fee. See Section 2.3(a).

Commitment Percentage. As to each Bank the percentage figure set forth below such Bank's name on the signature pages hereto.

Company. See Preamble.

Compliance Certificate. See Section 5.1(c).

Consolidated or consolidated. With reference to any term defined herein, shall mean that term as applied to the accounts of the Company and all of its Subsidiaries, consolidated in accordance with generally accepted accounting principles.

Controlled Group. All trades or businesses (whether or not incorporated) under common control that, together with the Company, are treated as a single employer under Section 414(b) or 414(c) of the Code or Section 4001 of ERISA.

Default. An Event of Default or event or condition that, but for the requirement that time elapse or notice be given, or both, would constitute an Event of Default.

Encumbrances. See Section 7.4.

ERISA. The Employee Retirement Income Security Act of 1974 and the rules and regulations thereunder, collectively, as the same may from time to time be supplemented or amended and remain in effect.

Environmental Laws. Any and all applicable foreign, federal, state and local environmental, health or safety statutes, laws, regulations, rules,

ordinances, policies and rules or common law (whether now existing or hereafter enacted or promulgated), of all governmental agencies, bureaus or departments which may now or hereafter have jurisdiction over the Company or any of its Subsidiaries and all applicable judicial and administrative and regulatory decrees, judgments and orders, including common law rulings and determinations, relating to injury to, or the protection of, real or personal property or human health or the environment, including, without limitation, all requirements pertaining to reporting, licensing, permitting, investigation, remediation and removal of emissions, discharges, releases or threatened releases of Hazardous Materials, chemical substances, pollutants or contaminants whether solid, liquid or gaseous in nature, into the environment or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of such Hazardous Materials, chemical substances, pollutants or contaminants.

Eurodollar Loan. Any Revolving Loan bearing interest at a rate determined with reference to the Adjusted Eurodollar Rate.

Event of Default. Any event described in Section 8.1.

Existing Letters of Credit. Collectively, the following standby letters of credit issued by FNBB for the account of the Company, together with any replacements, renewals and extensions thereof issued by FNBB:

DATE OF OPENING	FACE AMOUNT	BENEFICIARY
-----	-----	-----
November 12, 1991	\$ 50,000	Aurora National Bank
February 25, 1992	\$ 500,000	Sentry Insurance Company

Federal Funds Effective Rate. For any day, a fluctuating interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day on such transactions received by the Agent from three Federal funds brokers of recognized standing selected by the Agent.

Guarantees. As applied to the Company and its Subsidiaries, all guarantees, endorsements or other contingent or surety obligations with respect to obligations of others whether or not reflected on the consolidated balance sheet of the Company and its Subsidiaries, including any obligation to furnish funds, directly or indirectly (whether by virtue of partnership arrangements, by agreement to keep - well or otherwise), through the purchase of goods, supplies or services, or by way of stock purchase, capital contribution, advance or loan, or to enter into a contract for any of the foregoing, for the purpose of payment of obligations of any other person or entity.

Guarantors. Collectively, each of the Subsidiaries of the Company (i) listed on SCHEDULE 4.12 attached hereto as a Guarantor, or (ii) which may

hereafter become a Guarantor pursuant to the provisions of Section 9.2.

Hazardous Material. Any substance (a) the presence of which at the time in question requires notification, investigation or remediation under any Environmental Law; (b) which at the time in question is defined as a "hazardous waste", "hazardous material" or "hazardous substance" or "controlled industrial waste" or "pollutant" or "contaminant" under any Environmental Law or amendments thereto in effect at the time in question including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.) and any applicable local statutes and the regulations promulgated thereunder; (c) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is regulated by any governmental authority, agency, department, commission, board, agency or instrumentality of any foreign country, the United States, any state of the United States, or any political subdivision thereof to the extent any of the foregoing has or had jurisdiction over the Company; or (d) without limitation, which contains gasoline, diesel fuel or other petroleum products, asbestos or polychlorinated biphenyls ("PCB's").

Indebtedness. As applied to the Company and its Subsidiaries, (a) all obligations for borrowed money or other extensions of credit whether secured or unsecured, absolute or contingent, including, without limitation, unmatured reimbursement obligations with respect to letters of credit or guarantees issued for the account of the Company and its Subsidiaries and all obligations representing the deferred purchase price of property, other than accounts payable arising in the ordinary course of business, (b) all indebtedness, obligations and liabilities which, in accordance with generally accepted accounting principles, would be reflected on the consolidated balance sheet of the Company and its Subsidiaries, (c) all obligations evidenced by bonds, notes, debentures or other similar instruments, (d) all obligations secured by any mortgage, pledge, security interest or other lien on property owned or acquired by the Company or any of its Subsidiaries whether or not the obligations secured thereby shall have been assumed, (e) that portion of all obligations arising under Capitalized Leases that is required to be capitalized on the consolidated balance sheet of the Company and its Subsidiaries, (f) all Guarantees, and (g) all obligations that are immediately due and payable out of the proceeds of or production from property now or hereafter owned or acquired by the Company or any of its Subsidiaries.

Interest Expense. For any Person with respect to any period, the aggregate amount of interest required by generally accepted accounting principles to be expensed by such Person during such period on all Indebtedness of such Person outstanding during all or any part of such period (including interest expense in respect of Guarantees incurred by such Person as if such interest expense was a direct interest expense of such Person but excluding the effect of any non-cash expense related to amortization of original issue discount), whether such interest was or is required to be reflected as an item of expense or capitalized, including payments consisting of interest in respect of Capitalized Leases.

Interest Period. With respect to each Eurodollar Loan, the period commencing on the date of the making or continuation of or conversion to such Eurodollar Loan and ending one, two, three or six months thereafter, as the Company may elect in the applicable Notice of Borrowing or Conversion; provided that:

(i) any Interest Period (other than an Interest Period determined pursuant to clause (iii) below) that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in the next calendar month, in which case such Interest Period shall end on the immediately preceding Business Day;

(ii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (iii) below, end on the last Business Day of a calendar month;

(iii) any Interest Period during the Revolving Credit Period that would otherwise end after the Revolving Credit Termination Date shall end on the Revolving Credit Termination Date;

(iv) notwithstanding clause (iii) above, no Interest Period applicable to a Eurodollar Loan shall have a duration of less than one month, and if any Interest Period applicable to a Eurodollar Loan would be for a shorter period, such Interest Period shall not be available hereunder.

Investment. The purchase or acquisition of any share of capital stock, partnership interest, evidence of indebtedness or other equity security of any other person or entity; any loan, advance or extension of credit to, or contribution to the capital of, any other person or entity; any real estate acquired for sale or investment; any commodities futures contracts held other than in connection with bona fide hedging transactions; any other investment in any other person or entity; and the making of any commitment, or acquisition of any option, to make an Investment.

L/C Notice. See Section 2.15.2.

Letter of Credit. A Letter of Credit issued by the Agent for the account of the Company in accordance with the provisions of Section 2.15.

Major Subsidiaries. Collectively, each of the Subsidiaries of the Company listed on SCHEDULE 4.12 as Major Subsidiaries.

Material Adverse Effect. A material adverse effect on the business, assets, properties, prospects or condition, financial or otherwise, of (a) the Company, or (b) the Company and the Combined Subsidiaries taken as a whole.

Maximum Letter of Credit Amount. \$10,000,000 or any lesser amount, including zero, resulting from a termination or reduction of such amount in accordance with Section 2.4 or 8.2 hereof.

Maximum Revolving Credit. \$30,000,000 or any lesser amount, including zero, resulting from a termination or reduction of such amount in accordance with Section 2.4 or 8.2 hereof.

Net Income. The net income (or net deficit) of the applicable Person, after all expenses, taxes and other proper charges, determined in accordance with generally accepted accounting principles.

Net Worth. For any Person at any date as of which the amount thereof shall be determined, the total assets of the applicable Person minus the Total Liabilities of such Person.

Nordco. Nordco Inc., a Delaware corporation.

Nordco Payable. The net of the intercompany account payable by the Company to Nordco less the intercompany account payable by Nordco to the Company, in each case as shown on the latest of the financial statements referred to in Section 4.6.

Nordco Note. The promissory note of the Company dated December 8, 1987 payable to the order of Nordco (as successor to Railway Maintenance Equipment Company) in the original principal amount of \$10,000,000, and any amendments or modifications thereto or substitutions or replacements therefor.

Note. A promissory note of the Company, substantially in the form of Exhibit A attached hereto, evidencing the obligation of the Company to each Bank to repay the Revolving Loans made by such Bank.

Notice of Borrowing or Conversion. See Section 2.2.

Obligations. Any and all obligations of the Company to the Agent or any Bank arising under this Agreement, the Notes and the other Bank Agreements, of every kind and description, direct or indirect, absolute or contingent, primary or secondary, due or to become due, whether now existing or hereafter arising, including obligations to perform acts and refrain from taking action as well as obligations to pay money, and further including, without limitation, all Revolving Loans and all other indebtedness and obligations arising under any Bank Agreement.

Payment Restriction. With respect to the Company and any of the Guarantors, any encumbrance, restriction or limitation, whether by operation of the terms of its charter or by reason of any agreement or instrument to which the Company or such Guarantor is a party, on the ability of: (a) any such Guarantor to (i) pay dividends or make other distributions on its capital stock or make payments on any obligation, liability or Indebtedness owed to the Company or any other Guarantor, (ii) make loans or advances to the Company or any other Guarantor, or (iii) transfer any of its properties or assets to the Company or any other Guarantor; or (b) the Company or any such Guarantor to receive or retain any such dividends, distributions, payments, loans, advances, or transfers of properties or assets.

PBGC. The Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

Permitted Encumbrances. See Section 7.4.

Person. An individual, corporation, partnership, joint venture, association, estate, joint stock company, trust, organization, business, or a government agency or political subdivision thereof.

Plan. At any time, an employee pension or other benefit Plan that is subject to Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and is either (a) maintained by the Company or any member of the Controlled Group for employees of the Company or any member of the Controlled Group or (b) if such Plan is established, maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which the Company or any member of the Controlled Group is then making or accruing an obligation to make contributions or has within the preceding five Plan years made contributions.

Pledged Subsidiaries. Collectively, the Subsidiaries listed on Exhibit 4.12 as Pledged Subsidiaries, which, as of the date of this Agreement, constitute all of the direct Subsidiaries of the Company other than Nordco, Connector Holding Company and Oak Investment Corporation.

Qualified Investments. As applied to the Company and its Subsidiaries, Investments in (a) notes, bonds or other obligations of the United States of America or any agency thereof that as to principal and interest constitute direct obligations of or are guaranteed by the United States of America; (b) certificates of deposit or other deposit instruments or accounts or bankers acceptances of any Bank or of other banks or trust companies organized under the laws of the United States or any state thereof that (i) have capital and surplus of at least \$100,000,000, and (ii) have a short-term deposit rating of A-2/P-2 or equivalent from Moody's Investors Service, Inc. or Standard & Poor's Corporation, respectively, or their successors; (c) commercial paper that is rated not less than prime-one or A-1 or their equivalents by Moody's Investors Service, Inc. or Standard & Poor's Corporation, respectively, or their successors; (d) any repurchase agreement secured by any one or more of the foregoing; and (e) money market mutual funds investing exclusively in one or more of the foregoing.

Reimbursement Amount. See Section 2.15.3.

Required Banks. The Banks having made at least 75% of the aggregate principal amount of the Revolving Loans outstanding or, if no Revolving Loans shall be outstanding, such Banks holding at least 75% of the aggregate Commitments.

Revolving Credit Period. The period beginning on the date of this Agreement and extending through and including the Revolving Credit Termination Date or such earlier date on which the Banks' commitments to make Revolving Loans are terminated or the Commitment Amount is reduced to zero in accordance with the

terms hereof.

Revolving Credit Termination Date. December 21, 1995.

Revolving Loans. The loans made to the Company pursuant to Section 2.1(a) of this Agreement.

Subsidiary. Any corporation, association, joint stock company, business trust or other similar organization of which 50% or more of the ordinary voting power for the election of a majority of the members of the board of directors or other governing body of such entity is held or controlled by the Company or a Subsidiary of the Company; or any other such organization the management of which is directly or indirectly controlled by the Company or a Subsidiary of the Company through the exercise of voting power or otherwise; or any joint venture, whether incorporated or not, in which the Company has at least a 50% ownership interest.

Tangible Net Worth. For any Person at any date as of which the amount thereof shall be determined, the total assets of the applicable Person minus (a) the sum of any amounts attributable to (i) goodwill, (ii) intangible items such as unamortized debt discount and expense, patents, trade and service marks and names, copyrights and research and development expenses except prepaid expenses (but in no event including tax loss carry forwards described in Statement of Financial Accounting Standards No. 109), (iii) all reserves not already deducted from assets, and (iv) any write-up in the book value of assets resulting from any revaluation thereof subsequent to the date of the financial statements referred to in Section 4.6, and (b) Total Liabilities.

Total Liabilities. For any Person at any date as of which the amount thereof shall be determined, all obligations that should, in accordance with generally accepted accounting principles, be classified as liabilities on the balance sheet of the applicable Person, including, without limitation, minority interests in subsidiaries.

Unused Amount. See Section 2.3(a).

Section 1.2. Accounting Terms. All terms of an accounting character shall have the meanings assigned thereto by generally accepted accounting principles applied on a basis consistent with the financial statements referred to in Section 4.6 of this Agreement, modified to the extent, but only to the extent, that such meanings are specifically modified herein.

SECTION II DESCRIPTION OF CREDIT

Section 2.1. The Revolving Loans.

(a) Subject to the terms and conditions hereof, each Bank severally agrees to make Revolving Loans to the Company, from time to time until the close of business on the Revolving Credit Termination Date, in such sums as the Company may request, provided that the aggregate principal amount of all

Revolving Loans and the aggregate face amount of all Letters of Credit at any one time outstanding hereunder shall not exceed the Commitment Amount. The Company may borrow, prepay pursuant to Section 2.10 and reborrow, from the date of this Agreement until the Revolving Credit Termination Date, the full amount of the Commitment Amount or any lesser sum that is at least \$100,000 and an integral multiple of \$100,000. Any Revolving Loan not repaid by the Revolving Credit Termination Date shall be due and payable on the Revolving Credit Termination Date.

(b) Provided that no Default shall have occurred and be continuing, the Company may convert all or any part (in integral multiples of \$100,000) of any outstanding Revolving Loan into a Revolving Loan of any other type provided for in this Agreement in the same aggregate principal amount. Provided that no Event of Default shall have occurred and be continuing, the Company may convert all or any part (in integral multiples of \$100,000) of any outstanding Eurodollar Loan to a Base Rate Loan in the same aggregate principal amount. Any such conversion shall be on any Business Day (which, in the case of a conversion of a Eurodollar Loan, shall be the last day of the Interest Period applicable to such Eurodollar Loan). The Company shall give the Bank prior notice of each such conversion (which notice shall be effective upon receipt) in accordance with Section 2.2.

Section 2.2. Notice and Manner of Borrowing or Conversion of Loans.

(a) Whenever the Company desires to obtain or continue a Revolving Loan hereunder or to convert an outstanding Revolving Loan into a Revolving Loan of another type provided for in this Agreement, the Company shall notify the Agent (which notice shall be irrevocable) by telex, telegraph or telephone received no later than (i) 1:00 p.m. Boston time on the date on which the requested Revolving Loan is to be made or continued as or converted to a Base Rate Loan, and (ii) 11:00 a.m. Boston time on the date two (2) Business Days before the day on which the requested Revolving Loan is to be made or continued as or converted to a Eurodollar Loan. Such notice shall specify (x) the effective date and amount of each Revolving Loan or portion thereof to be continued or converted, subject to the limitations set forth in Section 2.1, (y) the interest rate option to be applicable thereto, and (z) the duration of the applicable Interest Period, if any (subject to the provisions of the definition of Interest Period and Section 2.6). Each such notification (a "Notice of Borrowing or Conversion") shall be immediately followed by a written confirmation thereof by the Company in substantially the form of Exhibit B-1 attached hereto, provided that if such written confirmation differs in any material respect from the action taken by the Agent, the records of the Agent shall control absent manifest error.

The Agent shall give the Banks prompt notice of each Notice of Borrowing or Conversion. The Company agrees to indemnify and hold the Agent and the Banks harmless for any action, including the making of any Revolving Loan hereunder, or loss or expense, taken or incurred by the Agent or the Banks in good faith reliance upon any such request.

(b) Subject to the terms and conditions of this Agreement, each Bank

shall make available no later than 12:00 noon on the date specified in the Notice of Borrowing or Conversion, at the office of the Agent at 100 Federal Street, Boston, Massachusetts in immediately available funds, such Bank's Commitment Percentage of each Revolving Loan. After the Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III hereof, the Agent will credit such funds to the Company's demand deposit account with the Agent on the date specified in the Notice of Borrowing or Conversion.

(c) Unless the Agent shall have received notice from a Bank prior to the date of any Revolving Loan that such Bank will not make available to the Agent such Bank's Commitment Percentage of such Revolving Loan, the Agent may assume that such Bank has made such funds available to the Agent on the date of such Revolving Loan in accordance with and as provided in this Section 2.2, and the Agent may, in reliance upon such assumption (but shall have no obligation to), make available on such date a corresponding amount to the Company. If and to the extent any Bank shall not have made its Commitment Percentage of any Revolving Loan available to the Agent and the Agent shall have made available a corresponding amount to the Company, such Bank agrees to pay to the Agent promptly on demand, and the Company agrees to repay to the Agent within one (1) Business Day after demand (but only after demand for payment has first been made to such Bank and such Bank has failed to make such payment), an amount equal to such corresponding amount together with interest thereon for each day from the date the Agent shall have made such amount available to the Company until the date such amount is paid or repaid to the Agent, at an interest rate equal to the interest rate applicable at the time to the Revolving Loans. If such Bank shall pay to the Agent such corresponding amount, such amount so paid shall constitute such Bank's Revolving Loan for purposes of this Agreement. If the Company makes a repayment required by the foregoing provisions of this Section 2.2(c) and thereafter the applicable Bank or Banks make the payments to the Agent required by this Section 2.2(c), the Agent shall promptly refund the amount of the Company's payment.

(d) The failure of any Bank to make any Revolving Loan shall not relieve any other Bank of its obligation, if any, hereunder to make its Commitment Percentage of such Revolving Loan on the date of such Revolving Loan, but no Bank shall be responsible for the failure of any other Bank to make the Revolving Loan to be made by such other Bank.

Section 2.3. Fees.

(a) The Company shall pay to the Agent, for the ratable amount of the Banks, during the Revolving Credit Period a commitment fee (the "Commitment Fee") on the average daily amount of the unborrowed portion of the Commitment Amount during each quarter or portion thereof (the "Unused Amount"). Commitment Fees shall be payable quarterly in arrears, on the last day of March, June, September and December of each year beginning September 30, 1992, and on the last day of the Revolving Credit Period, and shall be computed as follows:

(i) So long as the aggregate outstanding Revolving Loans and Letters

of Credit have never exceeded the sum of \$20,000,000, the Commitment Fee shall be an amount equal to the sum of (A) one-quarter of one percent (1/4%) per annum of the Unused Amount; and (B) one-eighth of one percent (1/8%) per annum of the amount by which the Unused Amount exceeds \$10,000,000;

(ii) From and after the date that the aggregate outstanding Revolving Loans and Letters of Credit first exceed the sum of \$20,000,000, then at all times thereafter the Commitment Fee shall be an amount equal to three-eighths of one percent (3/8%) per annum of the Unused Amount.

(b) In addition to the Commitment Fee, on the first date on which the aggregate outstanding Revolving Loans and Letters of Credit exceeds the sum of \$20,000,000, the Company shall pay to the Agent, for the ratable account of the Banks, an additional commitment fee computed at the rate of one-eighth of one percent (1/8%) per annum on the sum of \$10,000,000 for the Additional Commitment Fee Period.

(c) The Company shall pay to the Agent, for the ratable account of the Banks a non-refundable closing fee in the amount of \$150,000 payable on the date of this Agreement.

(d) The Company agrees to pay to the Agent, for the ratable account of the Banks a fee (the "Letter of Credit Facility Fee") with respect to each Letter of Credit issued hereunder, computed at a rate of one and one-quarter percent (1.25%) per annum on the aggregate amount available to be drawn on all outstanding Letters of Credit, from and including the date of issuance of each Letter of Credit until the expiration date thereof. The Letter of Credit Facility Fee shall be payable quarterly in advance, on the date of issuance of the initial Letter(s) of Credit and thereafter on the first day of each March, June, September and December.

Section 2.4. Reduction of Commitment Amount and Maximum Letter of Credit Amount. The Company may from time to time by written notice delivered to the Agent at least five Business Days prior to the date of the requested reduction, reduce by integral multiples of \$1,000,000 any unborrowed portion of the Commitment Amount and/or the Maximum Letter of Credit Amount. No reduction of the Commitment Amount shall be subject to reinstatement.

Section 2.5. The Notes.

(a) The Revolving Loans shall be evidenced by the Notes, payable to the order of each Bank. Each Note shall be in the original principal amount of the applicable Bank's Commitment Amount; shall be dated on or before the date of the first Revolving Loan and shall have the blanks therein appropriately completed; and shall have a final maturity of December 21, 1995.

(b) Each Bank shall, and is hereby irrevocably authorized by the Company to, enter on the schedule forming a part of its Note or otherwise in its records appropriate notations evidencing the date and the amount of each Revolving Loan made by such Bank, the interest rate applicable thereto and the date and amount of each payment of principal made by the Company with respect

thereto; and in the absence of manifest error, such notations shall constitute conclusive evidence thereof. Each Bank is hereby irrevocably authorized by the Company to attach to and make a part of its Note a continuation of any such schedule as and when required. No failure on the part of any Bank to make any notation as provided in this subsection (b) shall in any way affect any Revolving Loan or the rights or obligations of the Bank or the Company with respect thereto.

Section 2.6. Duration of Interest Periods.

(a) Subject to the provisions of the definition of Interest Period, the duration of each Interest Period applicable to a Revolving Loan shall be as specified in the applicable Notice of Borrowing or Conversion. The Company shall have the option to elect a subsequent Interest Period to be applicable to such Revolving Loan by delivering to the Agent a Notice of Borrowing or Conversion evidencing such election received no later than 10:00 a.m. Boston time on the date one Business Day before the end of the then applicable Interest Period if such Revolving Loan is to be continued as or converted to a Base Rate Loan and two (2) Business Days before the end of the then applicable Interest Period if such Revolving Loan is to be continued as or converted to a Eurodollar Loan.

(b) If the Agent does not receive a notice of election of duration of an Interest Period for a Eurodollar Loan pursuant to subsection (a) above within the applicable time limits specified therein, or if, when such notice must be given, a Default exists or the representation and warranty contained in Section 4.7 is untrue as of such date, the Company shall be deemed to have elected to convert such Revolving Loan in whole into a Base Rate Loan on the last day of the then current Interest Period with respect thereto.

(c) Notwithstanding the foregoing, the Company may not select an Interest Period that would end, but for the provisions of the definition of Interest Period, after the Revolving Credit Termination Date.

Section 2.7. Interest Rates and Payments of Interest.

(a) Each Base Rate Loan shall bear interest on the outstanding principal amount thereof at a rate per annum equal to the Base Rate plus one-half of one percent (1/2%), which rate shall change contemporaneously with any change in the Base Rate. Such interest shall be payable on the last day of March, June, September and December of each year, commencing September 30, 1992, and when such Revolving Loan is due (whether at maturity, by reason of acceleration or otherwise).

(b) Each Eurodollar Loan shall bear interest on the outstanding principal amount thereof, for each Interest Period applicable thereto, at a rate per annum equal to the Adjusted Eurodollar Rate plus two and one-half of one percent (2-1/2%). Such interest shall be payable for such Interest Period on the last day thereof and when such Eurodollar Loan is due (whether at maturity, by reason of acceleration or otherwise) and, if such Interest Period is longer than three months, at intervals of three months after the first day

thereof.

Section 2.8. Changed Circumstances.

(a) In the event that:

(i) on any date on which the Adjusted Eurodollar Rate would otherwise be set the Agent shall have determined in good faith (which determination shall be final and conclusive) that adequate and fair means do not exist for ascertaining the Interbank Offered Rate; or

(ii) at any time any Bank shall have determined in good faith (which determination shall be final and conclusive) that the making or continuation of or conversion of any Revolving Loan to a Eurodollar Loan has been made impracticable or unlawful by (A) the occurrence of a contingency that materially and adversely affects the Interbank Eurodollar market, or (B) compliance by such Bank in good faith with any applicable law or governmental regulation, guideline or order or interpretation or change thereof by any governmental authority charged with the interpretation or administration thereof or with any request or directive of any such governmental authority (whether or not having the force of law); then, and in such event, such Bank shall forthwith so notify the Agent and the Company thereof. Until such Bank notifies the Agent and the Company that the circumstances giving rise to such notice no longer apply, the obligation of the Agent to allow selection by the Company of the type of Revolving Loan affected by the contingencies described in this Section 2.8(a) (herein called "Affected Loans") shall be suspended. If at the time a Bank so notifies the Company, the Company has previously given the Agent a Notice of Borrowing or Conversion with respect to one or more Affected Loans but such Revolving Loans have not yet gone into effect, such notification shall automatically be deemed to be a notice of borrowing or conversion (as the case may be) with respect to a Base Rate Loan, unless the Agent is instructed otherwise by the Company's giving of a substitute Notice of Borrowing or Conversion.

Upon such date as shall be specified in such notice (which shall not be earlier than the date such notice is given) the Company shall, with respect to the outstanding Affected Loans, prepay the same, together with interest thereon and, in the event of an occurrence of the type specified in Section 2.8(a)(ii), any amounts required to be paid pursuant to Section 2.13, and may borrow a Revolving Loan of another type in accordance with Section 2.1 hereof by giving a Notice of Borrowing or Conversion pursuant to Section 2.2 hereof.

(b) In case any change of general applicability to the class of banks of which any Bank is a member in law, regulation, treaty or official directive or the interpretation or application thereof by any court or by any governmental authority charged with the administration thereof or the compliance with any guideline or request of any central bank or other governmental authority (whether or not having the force of law):

(i) subjects such Bank to any tax with respect to payments of principal or interest or any other amounts payable hereunder by the Company or

otherwise with respect to the transactions contemplated hereby (except for taxes on the overall net income of such Bank imposed by the United States of America or any political subdivision thereof); or

(ii) imposes, modifies or deems applicable any deposit insurance, reserve, special deposit or similar requirement against assets held by, or deposits in or for the account of, or loans by, such Bank (other than such requirements as are already included in the determination of the Adjusted Eurodollar Rate); or

(iii) imposes upon such Bank any other condition with respect to its performance under this Agreement;

and the result of any of the foregoing is to increase the cost to such Bank, reduce the income receivable by such Bank or impose any expense upon such Bank with respect to any Revolving Loans, the Bank shall notify the Agent and the Company thereof. The Company agrees to pay to such Bank the amount of such increase in cost, reduction in income or additional expense as and when such cost, reduction or expense is incurred or determined, upon presentation by such Bank of a statement in the amount and setting forth the Bank's calculation thereof, which statement shall be deemed true and correct absent manifest error.

Section 2.9. Capital Requirements. If after the date hereof any Bank determines that (a) the adoption of or change in any law, rule, regulation or guideline of general applicability regarding capital requirements for banks or bank holding companies, or any change in the interpretation or application thereof by any governmental authority charged with the administration thereof, or (b) compliance by such Bank or its parent bank holding company with any generally applicable guideline, request or directive of any such entity regarding capital adequacy (whether or not having the force of law), has the effect of reducing the return on such Bank's or such holding company's capital as a consequence of such Bank's commitment to make Revolving Loans hereunder to a level below that which such Bank or such holding company could have achieved but for such adoption, change or compliance (taking into consideration such Bank's or such holding company's then existing policies with respect to capital adequacy and assuming the full utilization of such entity's capital) by any amount deemed by such Bank to be material, then such Bank shall notify the Company thereof. The Company agrees to pay to such Bank the amount of such reduction of the return on capital as and when such reduction is determined, upon presentation by such Bank of a statement in the amount and setting forth such Bank's calculation thereof, which statement shall be deemed true and correct absent manifest error. In determining such amount, the Bank may use any reasonable averaging and attribution methods.

Section 2.10. Payments and Prepayments of the Revolving Loans. Revolving Loans that are Eurodollar Loans may be prepaid at any time, without premium or penalty, on the last day of any Interest Period applicable thereto, upon three Business Days' notice to the Agent. Revolving Loans that are Base Rate Loans may be prepaid at any time, without premium or penalty, upon one Business Day's notice to the Agent. Any interest accrued on the amounts so prepaid to

the date of such payment must be paid at the time of any such payment. No prepayment of the Revolving Loans during the Revolving Credit Period shall affect the Commitment Amount or impair the Company's right to borrow as set forth in Section 2.1.

Section 2.11. Method of Payment. All payments and prepayments of principal and all payments of interest shall be made by the Company to the Agent, for the ratable account of the Banks, at 100 Federal Street, Boston, Massachusetts in immediately available funds, on or before 11:00 a.m. (Boston time) on the due date thereof, free and clear of, and without any deduction or withholding for, any taxes or other payments. The Agent may, and the Company hereby authorizes the Agent to, debit the amount of any payment not made by such time to the demand deposit account of the Company with the Agent.

Section 2.12. Overdue Payments.

(a) Overdue principal (whether at maturity, by reason of acceleration or otherwise) and, to the extent permitted by applicable law, overdue interest and fees or any other amounts payable hereunder or under the Note shall bear interest from and including the due date thereof until paid, compounded daily and payable on demand, at a rate per annum equal to 2% above the rate then applicable to Base Rate Loans, which interest shall be compounded daily and payable on demand.

(b) If a payment of principal or interest hereunder is not made within 10 days of its due date, the Company will also pay on demand a late payment charge equal to 5% of the amount of such payment. Nothing in the preceding sentence shall affect the Bank's right to exercise any of its rights or remedies, including those provided in Section 8.2, if an Event of Default has occurred and is continuing.

Section 2.13. Payments Not at End of Interest Period. If the Company for any reason makes any payment of principal with respect to any Eurodollar Loan on any day other than the last day of an Interest Period applicable to such Eurodollar Loan, or fails to borrow or continue or convert to a Eurodollar Loan after giving a Notice of Borrowing or Conversion Pursuant to Section 2.2, or if any Eurodollar Loan is accelerated pursuant to Section 8.2(b), the Company shall pay to the Bank an amount computed pursuant to the following formula.

$$L = (R - T) \times P \times D$$

360

L = amount payable to the Banks

R = interest rate on such Revolving Loan

T = effective interest rate per annum at which any readily marketable bond or other obligation of the United States, selected at the Agent's sole discretion, maturing on or near the last day of the then applicable Interest

Period of such Revolving Loan and in approximately the same amount as such Revolving Loan can be purchased by the Agent on the day of such payment of principal or failure to borrow or continue or convert

P = the amount of principal prepaid or the amount of the requested Revolving Loan

D = the number of days remaining in the Interest Period as of the date of such payment or the number of days of the requested Interest Period

The Company shall pay such amount upon presentation by the Agent of a statement setting forth the amount and the Agent's calculation thereof pursuant hereto, which statement shall be deemed true and correct absent manifest error.

Section 2.14. Computation of Interest and Fees. Interest and all fees payable hereunder shall be computed daily on the basis of a year of 360 days and paid for the actual number of days for which due. If the due date for any payment of principal is extended by operation of law, interest shall be payable for such extended time. If any payment required by this Agreement becomes due on a day that is not a Business Day, the due date for such payment shall be extended to the next succeeding Business Day (subject to clause (i) of the definition of Interest Period), and such extension shall be included in computing interest in connection with such payment.

Section 2.15. Letter of Credit Facility.

Section 2.15.1. Letter of Credit. Subject to the terms and conditions hereof, including satisfaction of the conditions set forth in Section 3.2 hereof, and provided no Default has occurred, the Agent shall, upon the request of the Company pursuant to Section 2.15.2 hereof, issue Letters of Credit, provided that: (a) the aggregate outstanding stated amount of outstanding Letters of Credit shall not exceed the Maximum Letter of Credit Amount; (b) the aggregate outstanding stated amount of outstanding Letters of Credit and the aggregate outstanding amount of Revolving Loans shall not exceed the Commitment Account; and (c) each Letter of Credit shall expire on or before the date one year after issuance thereof.

Section 2.15.2. Issuing Letters of Credit. The Company may request that the Agent issue a Letter of Credit by written notice in the form attached hereto as Exhibit B-2 (the "L/C Notice") given to the Agent not less than two (2) Business Days prior to the proposed date of issuance of such Letter of Credit. The L/C Notice shall specify the proposed date of issuance and the beneficiary and amount of such Letter of Credit, and shall be accompanied by a letter of credit application completed to the satisfaction of, and with such amendments and modifications as may be deemed necessary by, the Agent. The Agent shall notify each Bank of the L/C Notice prior to the date of issuance of the applicable Letter of Credit.

Section 2.15.3. Banks' Participation. Upon the issuance by the Agent of a Letter of Credit, and without further action, each Bank shall be deemed to

have irrevocably purchased, to the extent of its Commitment Percentage, a participation interest in such Letter of Credit. The Agent shall notify each Bank of the presentment for payment of any draft under a Letter of Credit, together with notice of the date (the "Disbursement Date") on which such payment shall be made. On the Disbursement Date each Bank shall deliver to the Agent by wire funds transfer such Bank's Commitment Percentage of the draft paid by the Agent under the applicable Letter of Credit.

Section 2.15.4. Reimbursement and other Payments.

(a) The Company hereby agrees to pay to the Agent on the date on which the Agent shall be required to pay any draft presented under any Letter of Credit, a sum (the "Reimbursement Amount") equal to: (i) the amount so paid under such Letter of Credit, plus (ii) interest on any amount remaining unpaid by the Company to the Agent under clause (i) from and including the date on which such amount becomes payable pursuant to clause (i) until payment in full, payable on demand, at a per annum rate of interest equal to the rate applicable to Revolving Loans under Section 2.7(a). If the Company shall fail to pay to the Agent the Reimbursement Amount on the date on which the Agent shall be required to pay any draft presented under any Letter of Credit, the Agent shall, to the extent the Company has availability to request a Revolving Loan, consider such failure to be a request for a Revolving Loan in the amount of the unpaid Reimbursement Amount, and, to the extent the Agent has received each Bank's Commitment Percentage of the amount paid by the Agent under such Letter of Credit the Agent shall apply the proceeds of such Revolving Loan to reimburse the Banks for such amounts received from the Banks.

(b) The Company hereby agrees to pay to the Agent, for its own account, sums equal to any and all reasonable charges and expenses which the Agent may pay or incur relative to the issuance of any Letter of Credit, any amendment or transfer thereof or any payment by the Agent thereunder, all as described in the Agent's customary schedule of fees provided to the Company from time to time.

Section 2.15.5. Obligations Absolute. The obligations of the Company with respect to the Letters of Credit shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including, without limitation, the following circumstances:

(a) any lack of validity or enforceability of the Letters of Credit or this Agreement;

(b) any amendment or waiver of or any consent to or actual departure from this Agreement;

(c) the existence of any claim, set-off, defense or other right which the Company may have at any time against any beneficiary or any transferee of a Letter of Credit (or any persons or entities for which any such beneficiary or any such transferee may be acting), the Agent, any Bank or any other person or entity, whether in connection with this Agreement, the transactions

contemplated herein or in any other agreements or any unrelated transaction;

(d) any statement or any other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(e) payment by the Agent under a Letter of Credit against presentation by the beneficiary thereof of a draft or certificate which does not comply with the terms of such Letter of Credit; or

(f) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

Section 2.15.6. The Uniform Customs and Practice. The Uniform Customs and Practice shall be binding on the Company, the Agent and the Banks. The Company assumes all risks of the acts or omissions of the beneficiary of each Letter of Credit with respect to such Letter of Credit. In furtherance of, and not in limitation of the Agent's rights and powers under the Uniform Customs and Practice, but subject to all other provisions of this Section 2.15.6, it is understood and agreed that the Agent and the Banks shall not have any liability for, and that the Company assumes all responsibility for: (a) the genuineness of any signature; (b) the form, correctness, validity, sufficiency, genuineness, falsification and legal effect of any draft, certification or other document required by a Letter of Credit or the authority of the person signing the same; (c) the failure of any instrument to bear any reference or adequate reference to a Letter of Credit or the failure of any persons to note the amount of any instrument on the reverse of a Letter of Credit or to surrender a Letter of Credit (d) the good faith or acts of any person other than the Bank and its agents and employees; (e) the existence, form, sufficiency or breach of or default under any agreement or instrument of any nature whatsoever; (f) any delay in giving or failure to give any notice, demand or protest; and (g) any error, omission, delay in or nondelivery of any notice or other communication, however sent. The determination as to whether the required documents are presented prior to the expiration of a Letter of Credit and whether such other documents are in proper and sufficient form for compliance with a Letter of Credit shall be made by the Agent in its sole discretion, which determination shall be conclusive and binding upon the Company absent manifest error. Any action, inaction or omission on the part of the Agent under or in connection with the Letters of Credit or any related instruments or documents, if in good faith and in conformity with such laws, regulations or commercial or banking customs as the Agent may reasonably deem to be applicable, shall be binding upon the Company, shall not place the Agent under any liability to the Company, and shall not affect, impair or prevent the vesting of any of the Agent's rights or powers hereunder or the Company's obligation to make full reimbursement.

Section 2.15.7. Modification, Consent, etc. If the Company, either in writing or orally, requests or consents to any modification or extension of a Letter of Credit or waives failure of any draft, certificate or other documents to comply with the terms of a Letter of Credit, the Agent shall be entitled to rely and shall be deemed to have relied on such request, consent

or waiver with respect to any action taken or omitted by the Agent pursuant to any such request, consent or waiver, and such extension, modification or waiver shall be binding upon the Company.

Section 2.15.8. Liability of the Agent and the Banks. Neither the Banks nor any of their respective officers or directors shall be liable or responsible for: (a) the use which may be made of any Letter of Credit or any acts or omissions of any beneficiary or transferee in connection therewith; (b) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged; (c) payment by the Agent against presentation of documents which do not comply with the terms of a Letter of Credit, including failure of any documents to bear any reference or adequate reference to a Letter of Credit; or (d) any other circumstances whatsoever in making or failure to make payment under a Letter of Credit, except that notwithstanding anything in this Section 2.15 to the contrary, the Company shall have a claim against the Agent, and the Agent shall be liable to the Company, to the extent, but only to the extent, of any direct, as opposed to consequential, damages suffered by the Company which were caused by the Agent's failure to conform to the standards of the Uniform Customs and Practice. In furtherance and not in limitation of the foregoing, the Agent may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

SECTION III CONDITIONS OF REVOLVING LOANS

Section 3.1. Conditions Precedent to Initial Revolving Loan. The obligation of the Banks to make the initial Revolving Loan and the issuance of any Letter of Credit, are subject to the condition precedent that the Banks shall have received, in form and substance satisfactory to the Agent and its counsel, the following:

- (a) this Agreement and the Notes, duly executed by the Company;
- (b) the Amended and Restated Guaranty in the form attached hereto as Exhibit C-1 executed by each Guarantor that previously executed a guaranty in respect of the Old Credit Agreement in favor of FNBB, and a Guaranty in the form attached hereto as Exhibit C-2 executed by each other Guarantor (each such guaranty, a "Guaranty");
- (c) the Amended and Restated Pledge Agreement, executed by the Company in the form attached hereto as Exhibit D (the "Pledge Agreement"), relating to all of the issued and outstanding capital stock of each of the Pledged Subsidiaries, and the original stock certificates relating to such stock together with related instruments of assignment duly executed in blank shall have been delivered to the Agent;
- (d) a certificate of the Secretary or an Assistant Secretary of the Company with respect to resolutions of the Company's Board of Directors

authorizing the execution and delivery of this Agreement, the Notes and the Pledge Agreement and identifying the officer(s) authorized to execute, deliver and take all other actions required under this Agreement, and providing specimen signatures of such officers;

(e) a certificate of the Secretary or Clerk or Assistant Secretary or Assistant Clerk of each of the Guarantors, with respect to resolutions of the Board of Directors of such Guarantor authorizing the execution and delivery of the Guaranty and identifying the officer(s) authorized to execute, deliver and take all other actions required under the Guaranty, and providing specimen signatures of such officers;

(f) the certificate of incorporation or articles of organization, as the case may be, of the Company and each of the Guarantors, and all amendments and supplements thereto, filed in the office of the Secretary of State of the state of their respective organization, (i) in the case of the Company and its direct Subsidiaries which are Major Subsidiaries, certified by said Secretary of State as being a true and correct copy thereof, and (ii) in the case of each other Guarantor, certified by its Secretary or Clerk or Assistant Secretary or Assistant Clerk as being a true and accurate copy thereof.

(g) the Bylaws of the Company and each of the Guarantors, and all amendments and supplements thereto, certified by the Secretary or Clerk or an Assistant Secretary or Assistant Clerk as being a true and correct copy thereof;

(h) a certificate of the Secretary of State of the respective state of organization of each of the Company and the Guarantors as to their respective legal existence and good standing in such state and listing all documents on file in the office of said Secretary of State;

(i) an opinion addressed to the Banks from Mr. Paul J. Halas, General Counsel to the Company and the Guarantors, substantially in the form of Exhibit E hereto;

(j) payment in full, for FNBB's own account, of all interest and commitment fees under the Old Credit Agreement and the promissory note issued thereunder accrued through the date of this Agreement; and

(k) such other documents, and completion of such other matters, as counsel for the Bank may deem necessary or appropriate.

Section 3.2. Conditions Precedent to All Revolving Loans and Letters of Credit. The obligation of each Bank to make each Revolving Loan, including the initial Revolving Loan, or continue or convert Revolving Loans to Revolving Loans of another type, and the obligation of the Agent to issue or extend any Letter of Credit, is further subject to the following conditions:

(a) timely receipt by the Agent of the Notice of Borrowing or Conversion as provided in Section 2.2 or L/C Notice as provided in Section 2.15.2;

(b) (i) the representations and warranties contained in Section IV (other than Section 4.7) shall be true and accurate in all material respects on and as of the date of such Notice of Borrowing or Conversion or L/C Notice and on the effective date of the making, continuation or conversion of each Revolving Loan or issuance or extension of each Letter of Credit as though made at and as of each such date (except to the extent that such representations and warranties expressly relate to an earlier date), and (ii) the sum of (A) the aggregate principal amount of outstanding Revolving Loans, and (B) the aggregate stated amount of outstanding Letters of Credit, after the making, continuation or conversion of such Revolving Loan or issuance or extension of such Letter of Credit will not exceed the Commitment Amount;

(c) in the case of (i) a request for a new Revolving Loan or for the conversion of a Revolving Loan to a Revolving Loan of a type other than a Base Rate Loan, or (ii) a request for the issuance of a Letter of Credit, the representation and warranty contained in Section 4.7 shall be true and accurate in all material respects on and as of the date of the applicable Notice of Borrowing or Conversion or L/C Notice and on the effective date of the making or conversion of such Revolving Loan or issuance of such Letter of Credit, as though made at and as of each such date;

(d) in the case of a request for the issuance or extension of a Letter of Credit (i) the Agent shall at the time of such request be issuing letters of credit for its customers in the ordinary course of its banking business, and (ii) the issuance or extension of such Letter of Credit shall not contravene any provision of any applicable law or regulation;

(e) no Default shall have occurred and be continuing, or would result from such Revolving Loan or Letter of Credit;

(f) the resolutions referred to in Section 3.1(d) and 3.1(e) shall remain in full force and effect; and

(g) no change shall have occurred in any law or regulation or interpretation thereof that, in the opinion of counsel for the Banks, would make it illegal or against the policy of any governmental agency or authority for any Bank to make Revolving Loans or issue Letters of Credit hereunder.

The making of each Revolving Loan and issuance or extension of each Letter of Credit shall be deemed to be a representation and warranty by the Company on the date of the making, continuation or conversion of such Revolving Loan or issuance or extension of such Letter of Credit as to the accuracy of the facts referred to in subsection (b) of this Section 3.2.

SECTION IV REPRESENTATIONS AND WARRANTIES

In order to induce the Agent and Banks to enter into this Agreement and to make Revolving Loans and issue Letters of Credit hereunder, the Company represents and warrants to the Agent and Banks that:

Section 4.1. Organization and Qualification. Each of the Company and its Subsidiaries (a) is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, (b) has all requisite corporate power to own its property and conduct its business as now conducted and as presently contemplated and (c) is duly qualified and in good standing as a foreign corporation and is duly authorized to do business in each jurisdiction where the nature of its properties or business requires such qualification, except where the failure to be so qualified would not have a Material Adverse Effect.

Section 4.2. Corporate Authority. The execution, delivery and performance of this Agreement and the other Bank Agreements and the transactions contemplated hereby and thereby are within the corporate power and authority of the Company and have been authorized by all necessary corporate proceedings, and do not and will not (a) require any consent or approval of the stockholders of the Company or the Guarantors, (b) contravene any provision of the charter documents or by-laws of the Company or any Guarantor or any law, rule or regulation applicable to the Company or any Guarantor, (c) contravene any provision of, or constitute an event of default or event that, but for the requirement that time elapse or notice be given, or both, would constitute an event of default under, any other agreement, instrument, order or undertaking binding on the Company or any Guarantor, or (d) result in or require the imposition of any Encumbrance on any of the properties, assets or rights of the Company or any Guarantor other than pursuant to the Pledge Agreement.

Section 4.3. Valid Obligations. This Agreement and the other Bank Agreements and all of their respective terms and provisions are the legal, valid and binding obligations of the Company and the Guarantors, as the case may be, enforceable in accordance with their respective terms except as limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors rights generally, and except as the remedy of specific performance or of injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought.

Section 4.4. Consents or Approvals. The execution, delivery and performance of this Agreement and the other Bank Agreements and the transactions contemplated hereby and thereby do not require any approval or consent of, or filing or registration with, any governmental or other agency or authority, or any other party.

Section 4.5. Title to Properties; Absence of Encumbrances. Each of the Company and the Combined Subsidiaries has good and marketable title to all of the properties, assets and rights of every name and nature now purported to be owned by it, including, without limitation, such properties, assets and rights as are reflected in the financial statements referred to in Section 4.6 (except such properties, assets or rights as have been disposed of in the ordinary course of business since the date thereof), free from all Encumbrances except Permitted Encumbrances or those Encumbrances disclosed in Schedule 4.5 attached hereto, and, except as so disclosed, free from all defects of title that might materially adversely affect such properties,

assets or rights, taken as a whole.

Section 4.6. Financial Statements. The Company has furnished the Bank its consolidated balance sheet as of December 31, 1992 and its consolidated statements of operations, changes in stockholders' equity and cash flow for the fiscal year then ended, and related footnotes, audited and certified by Price Waterhouse. The Company has also furnished the Bank its consolidated balance sheet as of June 30, 1993 and its consolidated statements of operations, changes in stockholders' equity and cash flow for the fiscal quarter then ended, certified by the principal financial officer of the Company but subject, however, to normal, recurring year-end adjustments that shall not in the aggregate be material in amount. All such financial statements were prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods specified and present fairly the financial position of the Company and its Subsidiaries as of such dates and the results of the operations of the Company and its Subsidiaries for such periods. There are no liabilities, contingent or otherwise, not disclosed in such financial statements that involve a material amount.

Section 4.7. Changes. Except as set forth on Schedule 4.7 attached hereto, since the date of the most recent financial statements referred to in Section 4.6 there have been no changes in the assets, liabilities, financial condition, business or prospects of the Company and its Subsidiaries taken as a whole, other than changes in the ordinary course of business, the effect of which has not, in the aggregate, been materially adverse.

Section 4.8. Defaults. As of the date of this Agreement, no Default exists.

Section 4.9. Taxes. Except as set forth on Schedule 4.9 attached hereto (as supplemented, from time to time, pursuant to Notices of Borrowing or Conversion, L/C Notices and Compliance Certificates delivered by the Company to the Agent), the Company and each of its Subsidiaries have filed all federal, state and other tax returns required to be filed, and all taxes, assessments and other governmental charges due from the Company and each such Subsidiary have been fully paid. The Company and each of its Subsidiaries have established on their books reserves adequate for the payment of all federal, state and other tax liabilities.

Section 4.10. Litigation. Except as set forth on Schedule 4.10 attached hereto (as supplemented, from time to time, pursuant to Notices of Borrowing or Conversion, L/C Notices and Compliance Certificates delivered by the Company to the Agent), there is no litigation, arbitration, proceeding or investigation pending, or, to the knowledge of the Company's or any of its Subsidiaries' officers, threatened, against the Company or any Subsidiary as to which there is a reasonable likelihood of an adverse determination and which, if adversely determined, is likely to result in a material judgment not fully covered by insurance, is likely to result in a forfeiture of all or any substantial part of the property of the Company, or of the Company and its Subsidiaries taken as a whole, or is likely to otherwise have a Material

Adverse Effect.

Section 4.11. Limitations on Use of Proceeds. No portion of any Revolving Loan is to be used for the "purpose of purchasing or carrying" any "margin stock" as such terms are used in Regulations U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R. 221 and 224, as amended; and following the application of the proceeds of each Revolving Loan, the value of all "margin stock" of the Company will not exceed 25% of the value of the total assets of the Company that are subject to the restrictions set forth in Section 7.6 and 7.7.

Section 4.12. Subsidiaries. All the Subsidiaries of the Company are listed on Schedule 4.12 attached hereto (as supplemented, from time to time, pursuant to Notices of Borrowing or Conversion, L/C Notices and Compliance Certificates delivered by the Company to the Agent). The Company or a Subsidiary of the Company is the owner, free and clear of all liens and Encumbrances (other than the lien created by the Pledge Agreement and the pledges of the stock of Nordco and Connector Holding Company and its Subsidiaries disclosed on Schedule 4.5), of all of the issued and outstanding stock of each Subsidiary existing as of the date of this Agreement (except for the minority interests in Connector Holding Company and its Subsidiaries). All shares of such stock have been validly issued and are fully paid and nonassessable, and no rights to subscribe to any additional shares have been granted, and no options, warrants or similar rights are outstanding.

Section 4.13. Investment Company Act. Neither the Company nor any of its Subsidiaries is subject to regulation under the Investment Company Act of 1940, as amended.

Section 4.14. Compliance with ERISA. The Company and each member of the Controlled Group have fulfilled their obligations under the minimum funding standards of ERISA and the Code with respect to each Plan and are in compliance in all material respects with the applicable provisions of ERISA and the Code, and as of the date of this Agreement have no liability to the PBGC or a Plan under Title IV of ERISA; and no "prohibited transaction" or "reportable event" (as such terms are defined in ERISA) has occurred with respect to any Plan.

Section 4.15. Environmental Matters.

(a) Except as disclosed on Schedule 4.15(a) attached hereto (as supplemented, from time to time, pursuant to Notices of Borrowing or Conversion, L/C Notices and Compliance Certificates delivered by the Company to the Agent), the Company and each of its Subsidiaries has obtained all permits, licenses and other authorizations which are required under all Environmental Laws, except to the extent failure to have any such permit, license or authorization would not have a Material Adverse Effect. Except as disclosed on Schedule 4.15(a) (as supplemented, from time to time, pursuant to Notices of Borrowing or Conversion, L/C Notices and Compliance Certificates delivered by the Company to the Agent), the Company and each of its Subsidiaries is in compliance with the terms and conditions of all such

permits, licenses and authorizations, and is also in compliance with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in any applicable Environmental Law or in any regulation, code, plan, order, decree, judgment, injunction, notice or demand letter issued, entered, promulgated or approved thereunder, except to the extent failure to comply would not have a Material Adverse Effect.

(b) Except as disclosed on Schedule 4.15(b) (as supplemented, from time to time, pursuant to Notices of Borrowing or Conversion, L/C Notices and Compliance Certificates delivered by the Company to the Agent), no notice, notification, demand, request for information, citation, summons or order has been issued, no complaint has been filed, no penalty has been assessed and no investigation or review is pending or threatened by any governmental or other entity with respect to any alleged failure by the Company or any of its Subsidiaries to have any permit, license or authorization required in connection with the conduct of its business or with respect to any Environmental Laws, including, without limitation, Environmental Laws relating to the generation, treatment, storage, recycling, transportation, disposal or release of any Hazardous Materials, except to the extent that such notice, complaint, penalty or investigation did not or could not have a Material Adverse Effect.

(c) Except as disclosed on Schedule 4.15(c) (as supplemented, from time to time, pursuant to Notices of Borrowing or Conversion, L/C Notices and Compliance Certificates delivered by the Company to the Agent), to the best of the Company's knowledge no material oral or written notification of a release of a Hazardous Material has been filed by or on behalf of the Company or any of its Subsidiaries since December 31, 1990, and no property now or previously owned, leased or used by the Company or any of its Subsidiaries is listed or proposed for listing on The National Priorities List under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, or on any similar state list of sites requiring investigation or clean-up.

(d) Except as disclosed on Schedule 4.15(d) (as supplemented, from time to time, pursuant to Notices of Borrowing or Conversion, L/C Notices and Compliance Certificates delivered by the Company to the Agent), to the best of the Company's knowledge, there are no liens or Encumbrances arising under or pursuant to any Environmental Laws on any of the real property or properties owned, leased or used by the Company or any of its Subsidiaries, and, to the best of the Company's knowledge, no governmental actions have been taken or are in process which could subject any of such properties to such liens or Encumbrances or, as a result of which the Company or any of its Subsidiaries would be required to place any notice or restriction relating to the presence of Hazardous Materials at any property owned by it in any deed to such property, except to the extent that such liens or encumbrances, singly or in the aggregate, are not reasonably likely to have a Material Adverse Effect.

(e) Except as disclosed on Schedule 4.15(e) (as supplemented, from time to time, pursuant to Notices of Borrowing or Conversion, L/C Notices and Compliance Certificates delivered by the Company to the Agent), neither the Company nor any of its Subsidiaries nor, to the best of the Company's

knowledge, any previous owner, tenant, occupant or user of any property owned, leased or used by the Company or any of its Subsidiaries has (i) engaged in or permitted any operations or activities upon or any use or occupancy of such property, or any portion thereof, for the purpose of or in any way involving the handling, manufacture, treatment, storage, use, generation, release, discharge, refining, dumping or disposal (whether legal or illegal, accidental or intentional) of any Hazardous Materials on, under, in or about such property, except to the extent commonly used in day-to-day operations of such property and in such case only in compliance with all Environmental Laws, or (ii) transported any Hazardous Materials to, from or across such property except to the extent commonly used in day-to-day operations of such property and, in such case, in compliance with, all Environmental Laws; nor to the best knowledge of the Company have any Hazardous Materials migrated from other properties upon, about or beneath such property, nor, to the best knowledge of the Company, are any Hazardous Materials presently constructed, deposited, stored or otherwise located on, under, in or about such property except to the extent commonly used in day-to-day operations of such property and, in such case, in compliance with, all Environmental Laws.

SECTION V AFFIRMATIVE COVENANTS

So long as the Banks have any commitment to lend hereunder or any Revolving Loan, Letter of Credit or other Obligation remains outstanding, the Company covenants as follows:

Section 5.1. Financial Statements and other Reporting Requirements. The Company shall furnish to the Banks:

(a) as soon as available to the Company, but in any event within 90 days after the end of each of its fiscal years, a consolidated and consolidating and combined and combining balance sheet as of the end of, and a related consolidated and consolidating and combined and combining statement of income, changes in stockholders' equity and cash flow for, such year, audited and certified by Price Waterhouse (or other independent certified public accountants acceptable to the Required Banks) in the case of such consolidated statements, and certified by the chief financial officer in the case of such consolidating, combined and combining statements; and, concurrently with such financial statements, a written statement by such accountants that, in the making of the audit necessary for their report and opinion upon such financial statements they have obtained no knowledge of any Default or, if in the opinion of such accountants any such Default exists, they shall disclose in such written statement the nature and status thereof;

(b) as soon as available to the Company, but in any event within 45 days after the end of each of its first three fiscal quarters, consolidated and consolidating and combined and combining balance sheets as of the end of, and related consolidated and consolidating and combined and combining statements of income for, the period then ended, certified by the principal financial officer of the Company but subject, however, to normal, recurring year-end adjustments that shall not in the aggregate be material in amount;

(c) concurrently with the delivery of each financial statement pursuant to subsections (a) and (b) of this Section 5.1, a report in substantially the form of Exhibit F attached hereto (a "Compliance Certificate") signed on behalf of the Company by its chief financial officer;

(d) concurrently with the delivery of financial statements pursuant to subsection (a) of this Section 5.1, and for information purposes only, a consolidated and consolidating and combined and combining budget for the Company and its Subsidiaries for the then current fiscal year, prepared on a quarter-by-quarter basis;

(e) promptly after the receipt thereof by the Company, copies of any reports submitted to the Company by independent public accountants in connection with any annual or interim review of the accounts of the Company made by such accountants;

(f) promptly after the same are available, copies of all proxy statements, financial statements and reports as the Company shall send to its stockholders or as the Company may file with the Securities and Exchange Commission or any governmental authority at any time having jurisdiction over the Company or its Subsidiaries;

(g) if and when the Company gives or is required to give notice to the PBGC of any "Reportable Event" (as defined in Section 4043 of ERISA) with respect to any Plan that might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that any member of the Controlled Group or the Plan administrator of any Plan has given or is required to give notice of any such Reportable Event, a copy of the notice of such Reportable Event given or required to be given to the PBGC;

(h) immediately upon becoming aware of the existence of any condition or event that constitutes a Default, written notice thereof specifying the nature and duration thereof and the action being or proposed to be taken with respect thereto;

(i) promptly upon becoming aware of any litigation or of any investigative proceedings by a governmental agency or authority commenced or threatened against the Company or any of its Subsidiaries of which it has notice, the outcome of which has or is reasonably likely to have a Materially Adverse Effect, written notice thereof and the action being or proposed to be taken with respect thereto;

(j) promptly upon becoming aware of any investigative proceedings by a governmental agency or authority commenced or threatened against the Company or any of its Subsidiaries regarding any potential violation of Environmental Laws or any spill, release, discharge or disposal of any Hazardous Material which has or is reasonably likely to have a Material Adverse Effect, written notice thereof and the action being or proposed to be taken with respect thereto; and

(k) from time to time, such other financial data and information about the Company or its Subsidiaries as the Agent or the Banks may reasonably request.

For purposes of this Agreement, information delivered by the Company pursuant to this Section 5.1 other than (i) information delivered pursuant to subsection 5.1(f), (ii) quarterly factsheets and press releases issued by the Company, and (iii) consolidated financial statements delivered pursuant to subsections 5.1(a) and (b), shall be deemed to be "non-public information."

Section 5.2. Conduct of Business.

(a) Each of the Company and the Guarantors shall duly observe and comply in all material respects with all applicable laws and valid requirements of any governmental authorities relative to its corporate existence, rights and franchises, to the conduct of its business and to its property and assets (including without limitation all Environmental Laws and ERISA), and shall maintain and keep in full force and effect all licenses and permits necessary in any material respect to the proper conduct of its business.

(b) Each of the Company and the Major Subsidiaries shall maintain its corporate existence.

Section 5.3. Maintenance of Properties and Insurance. Each of the Company and the Guarantors shall maintain its properties in good repair, working order and condition as required for the normal conduct of its business. Each of the Company and the Guarantors shall at all times maintain liability and casualty insurance with financially sound and reputable insurers in such amounts as the officers of the Company in the exercise of their reasonable judgment deem to be adequate. In the event of failure to provide and maintain insurance as herein provided, the Agent may, at its option, provide such insurance and charge the amount thereof to the account of the Company or any of its Subsidiaries with the Agent. The Company shall furnish to the Agent certificates or other evidence satisfactory to the Agent of compliance with the foregoing insurance provisions.

Section 5.4. Taxes. The Company shall pay or cause to be paid all taxes, assessments or governmental charges on or against it or any of its Subsidiaries or its or their properties on or prior to the time when they become due; provided that this covenant shall not apply to any tax, assessment or charge that is being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been established and are being maintained in accordance with generally accepted accounting principles if no proceedings to foreclose any lien securing such tax, assessment or charge shall have been commenced and remained unstayed for more than 90 days.

Section 5.5. Inspection by the Banks; Confidentiality. The Company shall permit the Banks or their respective designees, at any reasonable time, and upon reasonable notice (or if a Default shall have occurred and is continuing, at any time and without prior notice), to (i) visit and inspect the properties of the Company and the Guarantors, (ii) examine and make copies of and take

abstracts from the books and records of the Company and its Subsidiaries, and (iii) discuss the affairs, finances and accounts of the Company and the Guarantors with their appropriate officers, employees and accountants. In handling such information each Bank shall exercise the same degree of care that it exercises with respect to its own proprietary information of the same types to maintain the confidentiality of any non-public information thereby received or received pursuant to subsections 5.1(a), (b), or (c), except that disclosure of such information may be made (a) to the subsidiaries or affiliates of a Bank in connection with its present or prospective business relations with the Company, (b) to prospective transferees or purchasers of an interest in the Revolving Loans or the Letters of Credit (provided that such prospective transferees or purchasers shall agree to the same confidentiality standards imposed by this Section 5.5, and provided further that non-public information may not be disclosed to any party other than those approved by the Company pursuant to Section 11.7, (c) as required by law, regulation, rule or order, subpoena, judicial order or similar order, and (d) as may be required in connection with the examination, audit or similar investigation of a Bank, provided that in the event of such required disclosure the Bank shall promptly notify the Company and, except to the extent disclosure is required by a judicial, governmental or regulatory entity, the Bank shall, at the sole expense of the Company, assist the Company in its efforts to obtain protection to prevent or limit such disclosure.

Section 5.6. Maintenance of Books and Records. Each of the Company and its Subsidiaries shall keep adequate books and records of account, in which true and complete entries will be made reflecting all of its business and financial transactions, and such entries will be made in accordance with generally accepted accounting principles consistently applied and applicable law.

Section 5.7. The Nordco Note. Upon release of the Nordco Note by The Travelers Insurance Company and its affiliates (collectively, "Travelers") from the restrictions established under the agreements between Nordco and Travelers, the Company shall provide evidence to the Banks of the cancellation of the Nordco Note against the intercompany account payable by Nordco to the Company. The Company shall not permit Nordco to pledge, assign, transfer or otherwise dispose of the Nordco Note, in whole or in part, to any party other than Travelers.

SECTION VI FINANCIAL COVENANTS

So long as the Banks have any commitment to lend hereunder or any Revolving Loan, Letter of Credit or other Obligation remains outstanding, the Company covenants as follows:

Section 6.1. Combined Tangible Net Worth. The Company and the Combined Subsidiaries shall at all times maintain Combined Tangible Net Worth of at least (i) \$85,000,000, plus (ii) 75% of cumulative Combined Net Income of the Company and the Combined Subsidiaries for each fiscal quarter ending after December 31, 1992, plus (iii) 100% of the net cash proceeds received by the Company from the sale of its equity securities after December 31, 1992, minus

(iv) up to \$15,000,000 expended by the Company since December 31, 1992 to repurchase capital stock of the Company. Any combined losses shall not reduce the amount of Combined Tangible Net Worth required to be maintained pursuant to this Section 6.2.

Section 6.2. Ratio of Consolidated Total Liabilities to Net Worth. The Company and its Subsidiaries shall at all times maintain a ratio of Consolidated Total Liabilities to Consolidated Net Worth of no more than 2.0 to 1.0.

Section 6.3. Ratio of Combined Total Liabilities to Tangible Net Worth. The Company and the Combined Subsidiaries shall at all times maintain a ratio of Combined Total Liabilities to Combined Tangible Net Worth of no more than .75 to 1.0.

Section 6.4. Cash Flow Coverage Ratios.

(a) The Company and its Subsidiaries shall at all times maintain a Consolidated Cash Flow Coverage Ratio of not less than 1.0 to 1.0 determined as of the end of each fiscal quarter of the Company on the basis of the immediately preceding four (4) fiscal quarters;

(b) The Company and the Combined Subsidiaries shall at all times maintain a Combined Cash Flow Coverage Ratio of not less than 2.0 to 1.0 determined as of the end of each fiscal quarter of the Company on the basis of the immediately preceding four (4) fiscal quarters.

SECTION VII NEGATIVE COVENANTS

So long as the Banks have any commitment to lend hereunder or any Revolving Loan, Letter of Credit or other Obligation remains outstanding, the Company covenants as follows:

Section 7.1. Indebtedness. Neither the Company nor any of the Guarantors shall create, incur, assume, guarantee or be or remain liable with respect to any Indebtedness other than the following:

(a) Indebtedness of the Company or any of the Guarantors to the Banks hereunder;

(b) Indebtedness existing as of the date of this Agreement and disclosed on Schedule 7.1 attached hereto or in the most recent of the financial statements referred to in Section 4.6;

(c) Indebtedness secured by Permitted Encumbrances;

(d) liabilities incurred in the ordinary course of business, other than Indebtedness for money borrowed or Guarantees of Indebtedness of others for money borrowed;

(e) Indebtedness in respect of Capitalized Leases, so long as no Default is created under any other provision hereof;

(f) Guarantees permitted under Section 7.2;

(g) Indebtedness evidenced by promissory notes issued by the Company to holders of the Company's stock in connection with the purchase of such stock by the Company, provided that such Indebtedness is subordinated to the Obligations pursuant to subordination provisions acceptable to the Required Banks; and

(h) Indebtedness in respect of the Existing Letters of Credit and additional letters of credit issued by FNBB for the account of the Company or a Guarantor.

Section 7.2. Contingent Liabilities. Neither the Company nor any of the Guarantors shall create, incur, assume, guarantee or remain liable with respect to any Guarantees other than the following:

(a) Guarantees in favor of the Banks in respect of Indebtedness arising under this Agreement and under the Notes;

(b) Guarantees existing on the date of this Agreement and disclosed on Schedule 7.2 attached hereto or in the most recent of the financial statements referred to in Section 4.6;

(c) Guarantees resulting from the endorsement of negotiable instruments for collection in the ordinary course of business;

(d) Guarantees with respect to surety, appeal performance and return-of-money and other similar obligations incurred in the ordinary course of business (exclusive of obligations for the payment of borrowed money) not exceeding in the aggregate at any time \$1,000,000; and

(e) Guarantees of normal trade debt relating to the acquisition of goods and supplies.

Section 7.3. Sale and Leaseback. Neither the Company nor any of the Guarantors shall enter into any arrangement, directly or indirectly, whereby it shall sell or transfer any property owned by it in order to lease such property or lease other property that the Company or any such Guarantor intends to use for substantially the same purpose as the property being sold or transferred.

Section 7.4. Encumbrances. Neither the Company nor any of the Guarantors shall create, incur, assume or suffer to exist any mortgage, pledge, security interest, lien or other charge or encumbrance, including the lien or retained security title of a conditional vendor upon or with respect to any of its property or assets ("Encumbrances"), or assign or otherwise convey any right to receive income, including the sale or discount of accounts receivable with or without recourse, except the following ("Permitted Encumbrances"):

- (a) Encumbrances in favor of the Agent for the benefit of the Banks;
- (b) Encumbrances existing as of the date of this Agreement and disclosed in Schedule 4.5 attached hereto;
- (c) liens for taxes, fees, assessments and other governmental charges to the extent that payment of the same may be postponed or is not required in accordance with the provisions of Section 5.4;
- (d) landlords' and lessors' liens in respect of rent not in default or liens in respect of pledges or deposits under workmen's compensation, unemployment insurance, social security laws, or similar legislation (other than ERISA) or in connection with appeal and similar bonds incidental to litigation; mechanics', laborers' and materialmen's and similar liens, if the obligations secured by such liens are not then delinquent or are being contested in good faith by appropriate proceedings; liens securing the performance of bids, tenders, contracts (other than for the payment of money); and statutory obligations incidental to the conduct of its business and that do not in the aggregate materially detract from the value of its property or materially impair the use thereof in the operation of its business;
- (e) judgment liens that shall not have been in existence for a period longer than 60 days after the creation thereof or, if a stay of execution shall have been obtained, for a period longer than 30 days after the expiration of such stay;
- (f) rights of lessors under Capitalized Leases;
- (g) Encumbrances in respect of any purchase money obligations for tangible property used in its business that at any time shall not exceed \$100,000, provided that any such Encumbrances shall not extend to property and assets of the Company or any such Guarantor not financed by such a purchase money obligation;
- (h) easements, rights of way, restrictions and other similar charges or Encumbrances relating to real property and not interfering in a material way with the ordinary conduct of its business;
- (i) Encumbrances on its property or assets created in connection with the refinancing of Indebtedness secured by Permitted Encumbrances on such property, provided that the amount of Indebtedness secured by any such Encumbrance shall not be increased as a result of such refinancing and no such Encumbrance shall extend to property and assets of the Company or any such Subsidiary not encumbered prior to any such refinancing;
- (j) Encumbrances on the capital stock of subsidiaries which are not Guarantors; and
- (k) Encumbrances on cash and securities securing Indebtedness incurred pursuant to Section 7.1(h).

Section 7.5. Merger; Consolidation; Sale or Lease of Assets. Neither the Company nor any of the Guarantors shall: (a) sell, lease or otherwise dispose of assets or properties, other than (i) sales of inventory in the ordinary course of business, (ii) sales of worn out or obsolete equipment, (iii) sales of all or any part of the stock or assets of Nordco or any other Subsidiary of the Company which is not a Guarantor, and (iv) additional sales of assets or properties (valued at net book value as shown on the most recent financial statements delivered by the Company pursuant to Section 5.1 hereof) in an amount not to exceed, in the aggregate, \$7,500,000; or (b) liquidate, merge or consolidate into or with any other person or entity, provided that any Guarantor may merge or consolidate into or with (i) the Company if no Default has occurred and is continuing or would result from such merger and if the Company is the surviving Company, or (ii) any other Guarantor, and that any Subsidiary which is not a Major Subsidiary may be liquidated and dissolved.

Section 7.6. Additional Stock Issuance. The Company shall not permit any of the Guarantors to issue any additional shares of its capital stock or other equity securities, any options therefor or any securities convertible thereto other than to the Company or to a Subsidiary which is its parent company as of the date of this Agreement; provided, that all such securities issued by a Pledged Subsidiary shall be subject to the lien of the Agent under the Pledge Agreement. Neither the Company nor any of the Guarantors shall sell, transfer or otherwise dispose of any of the capital stock or other equity securities of a Subsidiary, except (i) to the Company or any of its wholly-owned Subsidiaries, or (ii) in connection with a transaction permitted by Section 7.5.

Section 7.7. Equity Distributions. The Company shall not pay any dividends on any class of its capital stock or make any other distribution or payment on account of or in redemption, retirement or purchase of such capital stock (collectively, "Distributions"); provided, however, that so long as no Default has occurred and continues to exist, or would occur after giving effect to any such proposed Distribution, the Company may make Distributions.

Section 7.8. Investments and Transactions with Affiliates. Neither the Company nor any of the Guarantors shall make or maintain any Investments other than:

(a) Investments existing as of the date of this Agreement (including, without limitation, Investments in Subsidiaries) and described in Schedule 7.8 attached hereto;

(b) Investments in connection with Acquisitions permitted hereunder;

(c) Qualified Investments;

(d) Investments by the Company or a Guarantor in the Company or another Guarantor;

(e) Investments by Subsidiaries of the Company in the Company and in their respective corporate parents;

(f) reduction of the Nordco Payable to not less than \$5,300,000;

(g) Investments by McCoy International Holdings Company in McCoy International, a Delaware general partnership, in an aggregate amount not to exceed \$500,000; and

(h) Investments by the Company or a Subsidiary in connection with the initial capitalization of Subsidiaries formed after the date of this Agreement, provided, however, that in the case of Subsidiaries which are not Guarantors, such Investments may not exceed \$100,000 in any Subsidiary and \$500,000 in the aggregate.

Section 7.9. ERISA. Neither the Company nor any member of the Controlled Group shall permit any Plan maintained by it to (i) engage in any "prohibited transaction" (as defined in Section 4975 of the Code, (ii) incur any "accumulated funding deficiency" (as defined in Section 302 of ERISA) whether or not waived, or (iii) terminate any Plan in a manner that could result in the imposition of a lien or encumbrance on the assets of the Company or any of its Subsidiaries pursuant to Section 4068 of ERISA.

Section 7.10. Acquisitions. Neither the Company nor any of the Guarantors shall make any Acquisitions, provided, that, the Company and the Guarantors may make any Acquisition so long as: (a) no Default has occurred or would, after giving effect to such Acquisition; and (b) the Company delivers to the Agent (i) at least five (5) Business Days prior to such proposed Acquisition (A) a certificate of the president, chief executive officer, chief financial officer or treasurer of the Company, to the effect of the preceding clause (a), and (B) the most recent available drafts of all material documents, instruments and agreements relating to such proposed Acquisition, and (ii) promptly upon their becoming available, copies of all final material documents, instruments and agreements relating to such Acquisition. Promptly upon receipt of any materials pursuant to this Section 7.10, the Agent shall provide copies of the same to each of the Banks.

Section 7.11. Payment Restrictions. The Company shall not, and shall not permit any of the Guarantors to, directly or indirectly create or suffer to exist or allow to become effective any Payment Restriction with respect to any of its Subsidiaries which are Guarantors.

SECTION VIII DEFAULTS

Section 8.1. Events of Default. There shall be an Event of Default hereunder if any of the following events occurs:

(a) the Company shall fail to pay when due or within five (5) days thereafter any amount of principal of any Revolving Loans or any Reimbursement Amount, or any amount of interest thereon or any fees or expenses payable hereunder or under the Note; or

(b) The Company shall fail to perform any term, covenant or agreement contained in Sections 5.1(h), 5.5, 6.1 through 6.4 or 7.1 through 7.10; or

(c) the Company shall fail to perform any covenant contained in Sections 5.1(a), (b) or (c), 5.1(g), 5.1(i) or 5.2, and such failure shall continue for 15 days; or

(d) the Company shall fail to perform any term, covenant or agreement (other than of the types specified in 8.1(a) through (c) hereof) contained in this Agreement and such default shall continue for 30 days after notice thereof has been sent to the Company by the Agent; or

(e) any representation or warranty of the Company made in this Agreement or in any other Bank Agreement or any other documents or agreements executed in connection with the transactions contemplated by this Agreement or in any certificate delivered hereunder shall prove to have been false in any material respect upon the date when made or deemed to have been made; or

(f) the Company or any of the Guarantors (or, with respect to Indebtedness guaranteed by the Company or any Guarantor, Nordco) shall fail to pay at maturity, or within any applicable period of grace, any obligations in excess of \$500,000 in the aggregate for borrowed monies or advances, or Capitalized Leases for the use of real or personal property, or fail to observe or perform any term, covenant or agreement evidencing or securing such obligations for borrowed monies or advances, or relating to such use of real or personal property, the result of which failure is to permit the holder or holders of such Indebtedness to cause such Indebtedness to become due prior to its stated maturity upon delivery of required notice, if any; or

(g) the Company or any of its Subsidiaries shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or similar official of itself or of all or a substantial part of its property, (ii) be generally not paying its debts as such debts become due, (iii) make a general assignment for the benefit of its creditors, (iv) commence a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect), (v) take any action or commence any case or proceeding under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, or any other law providing for the relief of debtors, (vi) fail to contest in a timely or appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case under the Federal Bankruptcy Code or other law, (vii) take any action under the laws of its jurisdiction of incorporation or organization similar to any of the foregoing, or (viii) take any corporate action for the purpose of effecting any of the foregoing; or

(h) a proceeding or case shall be commenced, without the application or consent of the Company or any of its Subsidiaries in any court of competent jurisdiction, seeking (i) the liquidation, reorganization, dissolution, winding up, or composition or readjustment of its debts, (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of it or of all or

any substantial part of its assets, or (iii) similar relief in respect of it, under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts or any other law providing for the relief of debtors, and such proceeding or case shall continue undismissed, or unstayed and in effect, for a period of 90 days; or an order for relief shall be entered in an involuntary case under the Federal Bankruptcy Code, against the Company or such Subsidiary; or action under the laws of the jurisdiction of incorporation or organization of the Company or any of its Subsidiaries similar to any of the foregoing shall be taken with respect to the Company or such Subsidiary and shall continue unstayed and in effect for any period of 90 days; or

(i) a judgment or order for the payment of money shall be entered against the Company or any of the Guarantors by any court, or a warrant of attachment or execution or similar process shall be issued or levied against property of the Company or such Guarantor, that in the aggregate exceeds \$500,000 in value and such judgment, order, warrant or process shall continue undischarged or unstayed for 60 days; or

(j) the Company or any member of the Controlled Group shall fail to pay when due an amount or amounts aggregating in excess of \$100,000 that it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate a Plan or Plans shall be filed under Title IV of ERISA by the Company, any member of the Controlled Group, any Plan administrator or any combination of the foregoing, or the PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any such Plan or Plans or a proceeding shall be instituted by a fiduciary of any such Plan or Plans against the Company and such proceedings shall not have been stayed or dismissed within 90 days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any such Plan or Plans must be terminated; or

(k) the Company shall make any payment on account of the Nordco Note to Nordco or any other holder thereof; or Nordco or any other holder of the Nordco Note shall accelerate, demand payment of, or institute any action or proceeding to enforce payment of, the Nordco Note or any portion thereof; or any pledgee of the Nordco Note or the proceeds thereof, shall take any action to foreclose on the pledge of the Nordco Note.

Section 8.2. Remedies. Upon the occurrence of an Event of Default described in subsections 8.1(g) or (h), immediately and automatically, or upon the occurrence of any other Event of Default, at any time thereafter while such Event of Default is continuing, the Agent may, and upon the request of the Required Banks shall:

(a) declare the Banks' commitment to make any further Revolving Loans or issue any further Letters of Credit hereunder terminated;

(b) declare the unpaid principal amount of the Revolving Loans together with accrued interest and all other Obligations immediately due and payable

without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived;

(c) demand the Company to immediately provide the Agent with cash in an amount equal to 105% of the stated amount of all outstanding Letters of Credit to be held by the Agent as collateral for the Obligations; and

(d) exercise any and all rights of the Agent under this Agreement and the other Bank Agreements, or at law or in equity, and proceed to protect and enforce the rights of the Agent and the Banks by any action at law, in equity or other appropriate proceeding.

8.3. Distribution of Proceeds. Notwithstanding anything to the contrary contained herein, in the event that following the occurrence or during the continuance of any Event of Default, the Agent or any Bank receives any monies on account of the Obligations from the Company, any Guarantor or otherwise, such monies shall be distributed for application as follows:

(a) First, to the payment of or the reimbursement of, the Agent for or in respect of all costs, expenses, disbursements and losses which shall have been incurred or sustained by the Agent in connection with the collection of such monies by the Agent, or in connection with the exercise, protection or enforcement by the Agent of all or any of the rights, remedies, powers and privileges of the Agent and/or the Banks under this Agreement or any other Bank Agreements;

(b) Second, to the payment of all interest, including interest on overdue amounts, and late charges, then due and payable with respect to the Revolving Loans and Reimbursement Amounts, allocated among the Banks in proportion to their respective Commitments;

(c) Third, to the payment of the outstanding aggregate principal balance of the Revolving Loans and Reimbursement Amounts, allocated among the Banks in proportion to their respective Commitments;

(d) Fourth, to any other outstanding Obligations, allocated among the Banks in proportion to their respective interests in such Obligations; and

(e) Fifth, the excess, if any, shall be returned to the Company or to such other Persons as are entitled thereto.

SECTION IX CONSENTS; AMENDMENTS; WAIVERS; REMEDIES

9.1. Consents; Amendments; Waivers; Remedies. Except as otherwise expressly set forth in any particular provision of this Agreement, any consent or approval required or permitted by this Agreement to be given by the Banks may be given, and any term of this Agreement or of any other instrument related hereto or mentioned herein may be amended, and the performance or observance by the Company or any other person of any term of this Agreement or any other Bank Agreement may be waived (either generally or in a particular

instance and either retroactively or prospectively) with, but only with, the written consent of the Company and the Required Banks; provided, however, that without the written consent of such Banks as hold 100% of the aggregate principal amount of the Revolving Loans hereunder (or, if no Revolving Loans have been made, such Banks having 100% of the Commitments hereunder):

(a) no reduction in the principal of, or the interest rates on, or any fees relating to, the Revolving Loans or the Letters of Credit shall be made;

(b) no extension or postponement of the stated time of payment of the principal amount of, interest on, or fees relating to the Revolving Loans or Reimbursement Amounts shall be made;

(c) no increase in the amount of the Maximum Revolving Credit, or extension of the Maturity Date beyond that provided for hereunder shall be made;

(d) no change in the definition of the term "Required Banks" shall be made;

(e) no change in the language of this Section IX shall be made; and

(f) no release of all or substantially all of the collateral for the Obligations shall be made.

No delay or omission on the Agent's or any Bank's part in exercising its rights and remedies against the Company or any other interested party shall constitute a waiver. The waiver of the Company's breach in one or more instances shall not constitute or otherwise be an implicit waiver of subsequent breaches. To the extent permitted by applicable law, the Company hereby agrees to waive, and does hereby absolutely and irrevocably waive (i) all presentments, demands for performance, notices of nonperformance, protests, notices of protest and notices of dishonor in connection with any of the Indebtedness evidenced by the Notes, (ii) any requirement of diligence or promptness on the Agent's or any Bank's part in the enforcement of its rights under the provisions of this Agreement or any Bank Agreement, and (iii) except for such notices as are specifically required under this Agreement, any and all notices of every kind and description which may be required to be given by any statute or rule of law with respect to its liability (A) under this Agreement or in respect of the Indebtedness evidenced by the Notes or any other Bank Obligation, or (B) under any other Bank Agreement. No course of dealing between the Company and the Agent or any Bank shall operate as a waiver of any of the Agent's or any Bank's rights under this Agreement or any Bank Agreement or with respect to any of the Obligations. The Agent's and the Banks' rights and remedies under this Agreement and under all subsequent agreements between the Agent, the Banks, the Company or any other interested party shall be cumulative and any rights and remedies expressly set forth herein shall be in addition to, and not in limitation of, any other rights and remedies which may be available to the Agent and the Banks in law or at equity.

Section 9.2. Additional Guarantors. The Company may from time to time cause a Subsidiary which is not a Guarantor under this Agreement to become a "Guarantor," effective as of the date on which each of the following conditions shall have been satisfied:

(a) The Agent shall have received a Guaranty substantially in the form of Exhibit C hereto, duly executed by such Subsidiary;

(b) The Agent shall have received a Certificate of the Secretary or Clerk of such Subsidiary with respect to (i) resolutions of its Board of Directors authorizing the execution and delivery of the Guaranty and identifying the officer(s) authorized to execute, deliver and take all other actions required under the Guaranty and providing specimen signatures of such officers; (ii) the Charter of such Subsidiary, certified by the Secretary of State of the state of its incorporation; and (iii) the By-laws of such Subsidiary; and

(c) The Agent shall have received a certificate from the Company, dated as of the date of the Guaranty, certifying that prior to and after giving effect to the addition of such Subsidiary as a Guarantor hereunder, the representations and warranties set forth in this Agreement are true and correct as they pertain to such Subsidiary, and that no Default exists hereunder.

Upon satisfaction of the conditions set forth in this Section 9.2 such Subsidiary shall become a "Guarantor" under this Agreement, and shall be bound by all of the terms hereof.

SECTION X THE AGENT

10.1. Appointment of Agent. Each Bank by becoming a party to this Agreement does hereby appoint, and consent to the appointment of, the Agent as agent for the ratable benefit of the Banks hereunder. The Agent is authorized to take such action on behalf of each of the Banks and to exercise all such powers as are hereunder and in related documents delegated to the Agent, together with such powers as are reasonably incidental thereto.

10.2. Exercise of Powers. The Agent may exercise its powers and execute its duties by or through employees or agents and shall be entitled to take, and to rely on, advice of counsel concerning all matters pertaining to its rights and duties under this Agreement. The Agent may utilize the services of such persons as the Agent in its sole discretion may reasonably determine and, following the occurrence and during the continuation of an Event of Default, all reasonable fees and expenses of any such persons shall be paid by the Company.

10.3. No Liability. Neither the Agent nor any of its shareholders, directors, officers or employees nor any other Person assisting them in their duties nor any agent or employee of any such person, shall be liable for any waiver, consent or approval given or any action taken, or omitted to be taken, in good faith by it or them hereunder, or in connection herewith or therewith,

or be responsible for the consequences of any oversight or error of judgment whatsoever, except that the Agent or such other Person, as the case may be, may be liable for losses due to its willful misconduct or gross negligence.

10.4. Responsibilities. The Agent shall not be responsible for the execution or validity or enforceability of this Agreement, or any instrument at any time constituting, or intended to constitute, collateral security for the Obligations, or for the value of any such collateral security or for the validity, enforceability or collectibility of any such amounts owing with respect to the Obligations, or for any recitals or statements, warranties or representations herein or made in any certificate or instrument hereafter furnished to it by or on behalf of the Company or any other obligor in respect of the Obligations, or be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or in any instrument at any time constituting, or intended to constitute, collateral security for the Obligations. The Agent shall not be bound to ascertain whether any notice, consent, waiver or request delivered to it by the Company or any holder of any of the Obligations shall have been duly authorized or is true, accurate and complete. The Agent has not made nor does it now make any representations or warranties, express or implied, nor does it assume any liability to the Banks with respect to the creditworthiness or financial condition of the Company, the Guarantors or any of their Subsidiaries and each Bank represents and warrants to the Agent that it has made its own independent evaluation of the creditworthiness of the Company, the Guarantor and their Subsidiaries and has not relied upon the Agent or any material or information furnished by the Agent in making such evaluation.

10.5. Direction by Court. If, in the opinion of the Agent, the distribution of any amount received by it in such capacity hereunder might involve it in liability, it may refrain from making distribution until its right to make distribution shall have been adjudicated by a court of competent jurisdiction. If a court of competent jurisdiction shall adjudge that any amount received and distributed by the Agent is to be repaid, each person to whom any such distribution shall have been made shall either repay to the Agent its proportionate share of the amount so adjudged to be repaid or shall pay over the same in such manner and to such Persons as shall be determined by such court. With respect to obligations of the Company hereunder, a payment to the Agent shall be deemed to be payment to the Banks.

10.6. Treatment of Payees. The Agent may deem and treat the payee of any Note as the absolute owner thereof for all purposes hereof until it shall have been furnished in writing with a different name by such payee or by a subsequent holder.

10.7. Agent as Bank. In its individual capacity, The First National Bank of Boston shall have the same obligations and the same rights, powers and privileges in respect to its Commitment and the Revolving Loans made by it hereunder, as it would have were it not also the Agent.

10.8. Sharing of Costs and Expenses. To the extent not paid by the Company, each Bank agrees to pay its proportionate share of all costs and

expenses incurred by the Agent in its capacity as Agent hereunder, in accordance with the respective Commitments of the Banks hereunder. The costs and expenses to be shared by the Banks pursuant to this Section 10.8 shall not include any costs or expenses incurred by the Agent as an individual Bank in connection with the Loans made by it.

SECTION XI
MISCELLANEOUS

Section 11.1. Notices. Unless otherwise specified herein, all notices hereunder to any party hereto shall be in writing and shall be deemed to have been given when delivered by hand, when properly deposited in the mails postage prepaid, when sent by telex, answerback received, or electronic facsimile transmission, or when delivered to the telegraph company or overnight courier, addressed to such party at its address indicated below:

If to the Company, at:

Oak Industries Inc.
Bay Colony Corporate Center
1000 Winter Street
Waltham, Massachusetts 02154
Attention: Michael F. Goss, Vice President
Telefax: (617) 890-8585

If to the Agent, at:

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110
Attention: Thomas F. Farley, Jr., Vice President
Telefax: (617) 434-0637

or at any other address specified by such party in writing.

Section 11.2. Expenses. The Company will pay on demand all out of pocket expenses of the Agent in connection with the preparation, waiver or amendment of this Agreement, the Notes or the other Bank Agreements, or the collection of the Revolving Loans or other Obligations, or the Agent's and the Banks' exercise or enforcement of any of their rights, remedies or options thereunder, including, without limitation, reasonable fees of outside legal counsel and, following the occurrence and during the continuation of an Event of Default, accounting, consulting, brokerage or other similar professional fees or expenses and any fees or expenses associated with any travel or other costs relating to any appraisals or examinations conducted in connection with the Obligations or any collateral therefore, and the amount of all such expenses shall, until paid, bear interest at the rate applicable to principal hereunder (including any default rate).

Section 11.3. Set-Off. Regardless of the adequacy of any collateral or other means of obtaining repayment of the Obligations, any deposits, balances

or other sums credited by or due from the head office of any Bank or any of its branch offices to the Company may, at any time and from time to time after the occurrence and during the continuation of an Event of Default hereunder, without notice to the Company or compliance with any other condition precedent now or hereafter imposed by statute, rule of law, or otherwise (all of which are hereby expressly waived) be set off, appropriated, and applied by such Bank against any and all obligations of the Company to such Bank or any of its affiliates in the manner provided in this Agreement, and the Company hereby grants to each Bank a continuing security interest in such deposits, balances or other sums for the payment and performance of all such obligations.

Section 11.4. Term of Agreement. This Agreement shall continue in force and effect so long as the Banks have any commitment to make Revolving Loans or issue Letters of Credit hereunder or any Revolving Loan or other Obligation shall be outstanding.

Section 11.5. Governing Law. This Agreement and the Note shall be deemed to be contracts made under seal and shall be construed in accordance with and governed by the laws of the Commonwealth of Massachusetts (without giving effect to any conflicts of laws provisions contained therein).

Section 11.6. Binding Effect of Agreement. This Agreement shall be binding upon and inure to the benefit of the Company, the Agent and the Banks and their respective successors and assigns, provided that the Company may not assign or transfer its rights or obligations hereunder.

Section 11.7. Sales of Interests.

(a) Subject to the provisions of this Section 11.7, each Bank shall have the right at any time to sell undivided participating interests in all or any part of its Commitment or the Obligations owed to it to one or more affiliates of such Bank or to one or more other Persons; provided, however, that (i) such sale or transfer shall not relieve such Bank of any obligation or liability hereunder, (ii) such Bank shall make and receive all payments for account of its participant(s) and shall retain exclusively, and shall continue to exercise exclusively, all rights of approval and administration available hereunder with respect to such Bank's Commitment and the Obligations owed to it, and such Bank shall make such arrangements with its participant(s) as may be necessary to accomplish the foregoing, provided that any such participant may be given the right to vote its interest with respect to the matters described in clauses (a), (b), (c) and (f) of Section 9.1, and (iii) no such participant may receive any non-public information without the prior consent of the Company, which consent will not be unreasonably withheld or delayed. No such participant shall be a Bank for any purpose under this Agreement, and all amounts payable hereunder shall be determined as if such Bank had not sold such participation, except that the participant shall be entitled to the benefits of Sections 2.8, 2.9, 2.13, 11.2 and 11.8 of this Agreement to the extent that such Bank would be entitled to such benefits if the participation had not been entered into or sold. Subject to the foregoing and to the provisions of Section 5.5, it is expressly agreed that, in connection with the sale and transfer of any participation or offers therefor pursuant to this

Section 11.7(a), each Bank may provide to any participant or prospective participant such information pertaining to the Company or any Subsidiary as such Bank may deem appropriate.

(b) Any Bank may, upon written notice to the Agent and the Company, assign to any other Bank, commercial bank or other financial institution, with the consent of the Company (which consent will not be unreasonably withheld or delayed), all or a portion of its Commitment and its interest in the Obligations hereunder; provided that any such assignment of less than all of the assigning Bank's Commitment shall be in a minimum amount of \$10,000,000. If any Bank so sells or assigns all or a part of its rights and obligations hereunder or under its Notes to another Bank, any reference in this Agreement or such Note to such assigning Bank and its Commitment Percentage shall thereafter refer to such assigning Bank and to the respective assignee to the extent of their respective interests, and such assignee shall have, to the extent of such assignment (unless otherwise provided therein), the same rights, benefits and obligations as it would if it were the assigning Bank. In the event of any such sale and assignment to a commercial bank or other financial institution not previously a Bank hereunder, the assignee financial institution shall become party to this Agreement as a Bank by execution of a counterpart of this Agreement, and at the time of any assignment pursuant to this Section 11.7(b) the Company will issue a new Note to the respective assignee and to the assigning Bank in conformity with the requirements of Section 2.5. Each Bank and the Company agree to execute new signature pages to this Agreement reflecting the Commitment Percentage of any Bank after giving effect to an assignment pursuant to this Section 11.7(b) and such other documents (including without limitation amendments to this Agreement and the other Bank Agreements) as shall be necessary to effect the foregoing. In connection with any assignment pursuant to this Section 11.7(b) the assigning Bank shall pay to the Agent an administration fee of \$2,500.

Section 11.8. Indemnification. The Company hereby indemnifies the Agent and the Banks and their respective directors, officers, employees, affiliates and agents (collectively, "Indemnified Persons") against, and agrees to hold each such Indemnified Person harmless from, any and all losses, claims, damages and liabilities, and related expenses, including reasonable counsel fees and expenses, incurred by such Indemnified Person arising out of any claim, litigation, investigation or proceeding (whether or not such Indemnified Person is a party thereto) relating to any transactions, services or matters that are the subject of this Agreement or any other Bank Agreement; provided, however, that such indemnity shall not apply to any such losses, claims, damages, or liabilities or related expenses determined by a court of competent jurisdiction to have arisen from the bad faith, gross negligence or willful misconduct of such Indemnified Person.

Section 11.9. Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures hereto and thereto were upon the same instrument.

Section 11.10. Partial Invalidity. The invalidity or unenforceability of any one or more phrases, clauses or sections of this Agreement shall not

affect the validity or enforceability of the remaining portions of it.

Section 11.11. Captions. The captions and headings of the various sections and subsections of this Agreement are provided for convenience only and shall not be construed to modify the meaning of such sections or subsections.

Section 11.12. WAIVER OF JURY TRIAL. THE AGENT, THE BANKS AND THE COMPANY AGREE THAT NONE OF THEM NOR ANY ASSIGNEE OR SUCCESSOR SHALL (A) SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM OR ANY OTHER ACTION BASED UPON, OR ARISING OUT OF, THIS AGREEMENT, ANY BANK AGREEMENT, ANY RELATED INSTRUMENTS, ANY COLLATERAL OR THE DEALINGS OR THE RELATIONSHIP BETWEEN OR AMONG ANY OF THEM, OR (B) SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY DISCUSSED BY THE BANKS AND THE COMPANY, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS. NEITHER THE BANKS NOR THE COMPANY HAS AGREED WITH OR REPRESENTED TO THE OTHER THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

Section 11.13. Entire Agreement. This Agreement, the Notes, the other Bank Agreements and the documents and agreements executed in connection herewith constitute the final agreement of the parties hereto and supersede any prior agreement or understanding, written or oral, with respect to the matters contained herein and therein.

[END OF TEXT]

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

OAK INDUSTRIES INC.

By /S/ MICHAEL F. GOSS
Title: Vice President and Treasurer

THE FIRST NATIONAL BANK
OF BOSTON, as Agent

By:
Title:

[Signatures continued on the following pages]

AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT

BANK SIGNATURE PAGE

THE FIRST NATIONAL BANK OF
BOSTON, as a Bank

By: /S/ THOMAS F. FARLEY, JR.

Thomas F. Farley, Jr.

Title: Vice President

Address: 100 Federal Street
Boston, Massachusetts 02110
Attn: Thomas F. Farley, Jr.
Vice President
Telefax: (617) 434-0637

Commitment

Percentage: 100%

OAK INDUSTRIES INC.

EXHIBIT 10(h)

FIRST AMENDMENT
TO
AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT

This FIRST AMENDMENT TO AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT is entered into as of November 1, 1993, by and among OAK INDUSTRIES INC., a Delaware corporation (the "Company"), THE FIRST NATIONAL BANK OF BOSTON, in its capacity as the Bank under the Credit Agreement referred to below (the "Bank"), and THE FIRST NATIONAL BANK OF BOSTON, as Agent for the Banks under the Credit Agreement (the "Agent"). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement referred to below.

WHEREAS, the Company, the Bank and the Agent entered into that certain Amended and Restated Revolving Credit Agreement dated as of September 1, 1993 (as amended from time to time, the "Credit Agreement"); and

WHEREAS, the Company, the Bank and the Agent desire to amend certain provisions of the Credit Agreement.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Section 2.2(b) of the Credit Agreement is hereby amended, as of the date of this Amendment, by deleting the phrase "12:00 noon" appearing therein and substituting therefor the phrase "3:00 p.m."

2. Section 2.3(a) of the Credit Agreement is hereby amended, as of the date of this Amendment, by deleting the date "September 30, 1992" appearing therein and substituting therefor the date "September 30, 1993."

3. Section 2.15.1 of the Credit Agreement is hereby amended, as of the date of this Amendment, by deleting clause (c) thereof in its entirety and substituting therefor the following:

"(c) each Letter of Credit shall expire on or before the earlier of (i) the date one year after issuance thereof, or (ii) the Revolving Credit Termination Date."

4. Section 2.15.3 of the Credit Agreement is hereby amended, as of the date of this Amendment, by adding thereto, following the period at the end of such Section, the following:

"To the extent that any Bank shall make payment to the Agent pursuant to the preceding sentence and the Agent shall receive payment by the Company of the Reimbursement Amount relating to such Letter of Credit pursuant to Section 2.15.4(a), the Agent shall reimburse such Bank its Commitment Percentage of such Reimbursement Amount."

5. Section 9.1(c) of the Credit Agreement is hereby amended, as of the date of this Amendment, by deleting the phrase "Maturity Date" appearing therein and substituting therefor the phrase "Revolving Credit Termination Date."

6. Except as expressly amended by this Amendment the Credit Agreement is in all respects ratified and confirmed and remains in full force and effect as of the date of this Amendment.

IN WITNESS WHEREOF, parties have caused this Amendment to be executed by their duly authorized officers as of the date and year first above written.

OAK INDUSTRIES INC.

By: /S/ MICHAEL F. GOSS
Name: Michael F. Goss
Title: Vice President and Treasurer

THE FIRST NATIONAL BANK
OF BOSTON

By: /S/ ROBERT E. GALLERY
Name: Robert E. Gallery
Title: Division Executive

THE FIRST NATIONAL BANK
OF BOSTON, as Agent

By: /S/ ROBERT E. GALLERY
Name: Robert E. Gallery
Title: Division Executive

OAK INDUSTRIES INC.

EXHIBIT 11 - COMPUTATION OF NET INCOME PER SHARE
(Dollars in thousands, except per share data)

	1993	1992	1991
	-----	-----	-----
<S>	<C>	<C>	<C>
EARNINGS:			
Income from continuing operations.....	\$ 26,660	\$ 10,388	\$ 5,265
Income from discontinued operations.....	--	550	305
Cumulative effect of change in accounting principle.....	--	3,500	--
	-----	-----	-----
Net income.....	\$ 26,660	\$ 14,438	\$ 5,570
	=====	=====	=====
PRIMARY EARNINGS PER SHARE			
SHARES:			
Weighted average number of common shares outstanding....	16,605,160	16,510,159	16,505,446
Additional dilutive effect of outstanding options (as determined by the application of the treasury stock method).....	994,516	563,616	--
Additional dilutive effect of outstanding warrants (as determined by the application of the treasury stock method).....	500,428	235,714	--
	-----	-----	-----
Weighted average number of common shares outstanding as adjusted.....	18,100,104	17,309,489	16,505,446
	=====	=====	=====
PRIMARY EARNINGS PER COMMON SHARE:			
Income from continuing operations.....	\$ 1.47	\$.60	\$.32
Income from discontinued operations.....	--	.03	.02
Cumulative effect of change in accounting principle.....	--	.20	--
	-----	-----	-----
Net income.....	\$ 1.47	\$.83	\$.34
	=====	=====	=====
FULLY DILUTED EARNINGS PER SHARE			
SHARES:			
Weighted average number of common shares outstanding....	16,605,160	16,510,159	16,505,446
Additional dilutive effect of outstanding options (as determined by the application of the treasury stock method).....	994,516	785,533	--
Additional dilutive effect of outstanding warrants (as determined by the application of the treasury stock method).....	500,428	371,053	--
	-----	-----	-----
Weighted average number of common shares outstanding as adjusted.....	18,100,104	17,666,745	16,505,446
	=====	=====	=====
FULLY DILUTED EARNINGS PER COMMON SHARE:			
Income from continuing operations.....	\$ 1.47	\$.59	\$.32
Income from discontinued operations.....	--	.03	.02
Cumulative effect of change in accounting principle.....	--	.20	--
	-----	-----	-----
Net income.....	\$ 1.47	\$.82	\$.34
	=====	=====	=====

</TABLE>

OAK INDUSTRIES INC.
EXHIBIT 21
SUBSIDIARIES

<TABLE>
<CAPTION>

	Jurisdiction in which Incorporated -----	Percent of Voting Securities Owned -----
<S>	<C>	<C>
Oak Communications Inc.....	Delaware	100
Oak Systems Inc.....	Delaware	100 (1)
National Subscription Television of Chicago Inc.....	Illinois	100 (2)
Harper-Wyman Company.....	Delaware	100
OakGrigsby Inc.....	Delaware	100
Oak Crystal Inc.....	Delaware	100 (5)
Oak Investment Corporation.....	Delaware	100
Oak Overseas Manufacturing Corporation Electronic Technologies Inc.....	Delaware	100
Croven Crystals Ltd.....	Ontario, Canada	100 (3) (6)
Nordco Inc.....	Delaware	100
SGI de Mexico, S.A. de C.V.....	Mexico	100 (4)
Connector Holding Company.....	Delaware	80
Gilbert Engineering Co., Inc.....	Delaware	85 (7)
H.E.S. International, Inc.....	Kansas	100 (10)
Harper-Wyman International Inc.....	Delaware	100 (8)
Harper-Mex, S.A. de C.V.....	Mexico	100 (9)
Oak Enclosures Inc.....	Delaware	100
Gilbert Engineering Europe, B.V.....	Netherlands	100 (11)
Gilbert Engineering (Guam).....	Guam	100 (11)
Gilbert Engineering France, S.A.....	France	100 (11)
Societe d'Appareillages Electroniques, S.A.....	France	100 (12)
McCoy International Holding Company...	Delaware	100 (13)

<FN>

-
- (1) Owned by Oak Investment Corporation.
 - (2) Owned by Oak Systems Inc.
 - (3) Owned by Electronic Technologies Inc.
 - (4) Owned by OakGrigsby Inc.
 - (5) Doing business as Oak Frequency Control Group, McCoy/Ovenaire/Spectrum, and Carpenter Emergency Lighting.
 - (6) Doing business as Oak Frequency Control Group.
 - (7) Owned by Connector Holding Company
 - (8) Owned by Harper-Wyman Company
 - (9) Owned by Harper-Wyman International Inc.
 - (10) Owned by Oak Enclosures Inc.
 - (11) Owned by Gilbert Engineering Co., Inc.

(12) Owned by Gilbert Engineering, France, S.A.

(13) 50% owned by Electronic Technologies Inc. and 50% owned
by Oak Crystal Inc.

</TABLE>