EXECUTION COPY

MUTUAL GUARANTY AGREEMENT

MUTUAL GUARANTY AGREEMENT (this "Agreement"), dated as of December 30, 1994, by and between ABEX, INC., a Delaware corporation ("Abex") and COOPER INDUSTRIES, INC. an Ohio corporation ("Cooper") (each of Abex and Cooper, in its capacity as guarantor hereunder, being referred to herein as a "Guarantor") in favor of each other and the other persons referred to below.

WHEREAS, Pneumo Abex Corporation, a Delaware corporation and an indirect wholly owned subsidiary of Abex ("Seller"), and Wagner Electric Corporation, a Delaware corporation and a direct wholly owned subsidiary of Cooper ("Buyer") are entering into an Asset Purchase Agreement, of even date herewith (the "Asset Purchase Agreement");

WHEREAS, Abex and Cooper will each derive substantial direct and indirect benefit from their respective subsidiaries' rights under the Asset Purchase Agreement; and

WHEREAS, one of the conditions to the consummation of the transactions contemplated by the Asset Purchase Agreement is that Abex and Cooper execute and deliver this Agreement;

NOW THEREFORE, for good and valuable consideration including the mutual covenants set forth herein and the benefits to be derived under the Asset Purchase Agreement, the parties hereby agree as follows:

SECTION 1. Guaranteed Obligations. Each Guarantor, as direct obligor and not merely as surety, absolutely and unconditionally guarantees to the other party hereto and to such other party's subsidiary which is party to the Asset Purchase Agreement (each of such persons in such capacity herein collectively referred to as the "Guarantees") the full and prompt payment when and as due of all amounts payable under the Asset Purchase Agreement by such Guarantor's subsidiary which is a party to the Asset Purchase Agreement and the full and prompt performance by such Guarantor's subsidiary which is a party to the Asset Purchase Agreement of all its undertakings and obligations under the Asset Purchase Agreement (collectively, the "Guaranteed Obligations").

SECTION 2. Abex Notice and Letter of Credit Requirements. Abex agrees that, for a period of four years following the Closing Date, it will not engage in any Abex Transaction (as defined below) unless in any such case it shall have given Buyer forty-five (45) days' prior written notice of any such Abex Transaction. In the event that (i) Abex delivers such written notice to Buyer and (ii) Buyer within such 45-day period delivers to Abex a written opinion of an investment banking firm of national standing to the effect that the proposed Abex Transaction would have a material adverse effect on the ability of Abex to meet its obligations under this Agreement, Abex shall not effect the proposed Abex Transaction unless and until (a) Seller or Abex shall have theretofore caused to be duly executed and delivered to Buyer documentation from a Financial Institution in form reasonably satisfactory to Buyer which either increases the aggregate amount available for drawdowns under the Letter of Credit to fifteen million dollars ($15,000,000) or establishes another letter of credit in substantially the same form as the Letter of Credit such that the combined aggregate amount of the two letters of credit is fifteen million dollars ($15,000,000), and (b) in the case of Abex Transactions set forth in categories (iv) or (v) of the definition thereof, the Person who acquires all or substantially all of Abex's assets, or the surviving Person of any merger or consolidation with Abex, shall have assumed all obligations of Abex under this Agreement. During the 45-day period referred to above, Abex shall use its reasonable efforts to provide to the investment banking firm referred to above all financial information reasonably requested by such investment banking firm subject to a customary confidentiality agreement. Notwithstanding anything herein to the contrary, Abex may engage in an Abex Transaction without providing such prior notice or complying with its obligations in the immediately preceding sentence if it has fully performed its obligations set forth in clauses (a) and (b) of this paragraph.

"Abex Transaction" shall mean (i) any liquidation, dissolution or winding up of the affairs of Abex, (ii) any bankruptcy, insolvency, bankruptcy reorganization or similar cases or proceedings with respect to Abex, (iii) any leveraged recapitalization by Abex, (iv) any sale, assignment, lease or other disposition by Abex (whether in one transaction or a series of related transactions) of all or substantially all of the assets of Abex to any Person, and (v) any merger or consolidation with any Person (unless the net worth of the combined entity is equal to or greater than the net worth of Abex immediately prior to such merger or consolidation).

SECTION 3. Parties in Interest. This Agreement shall inure to the benefit of all Guarantees and their respective successors and assigns.

SECTION 4. Waiver of Equitable Remedies. To the fullest extent permitted by applicable law, each Guarantor waives any legal or equitable defense to the enforceability of its obligations hereunder, and agrees that its obligations shall be absolute and unconditional and shall not be affected or discharged by any circumstance, act or event whatsoever (including without limitation the insolvency, voluntary or involuntary bankruptcy, liquidation, dissolution, winding up, merger, consolidation or reorganization of any of Abex, Cooper, Seller or Buyer), except payment and performance in full, or written waiver, of the Guaranteed Obligations.

SECTION 5. Guaranty of Payment. This is an irrevocable and continuing guaranty of payment and not merely a guaranty of collection and shall remain in full force and effect until the Guaranteed Obligations have been satisfied, paid and performed in full, or waived by all relevant Guarantees in writing. Each Guarantor waives any right to require any of the Guarantees to (and it shall not be necessary for any of the Guarantees, in order to enforce such payment or performance by the relevant Guarantor, to first) proceed against any other Person or asset liable on or securing the Guaranteed Obligations or pursue or exhaust any other remedy whatsoever.

SECTION 6. Dispute Resolution. Any claim or dispute arising in connection with this Agreement shall be resolved in accordance with Section 13.2(b) and (c) of the Asset Purchase Agreement, as if the parties hereto were parties to, and this Agreement were subject to, such provisions.

SECTION 7. Defined Terms. All capitalized terms used without definition in this Agreement shall have the meanings ascribed to them in the Asset Purchase Agreement.

SECTION 8. Governing Laws. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Delaware without reference to the choice of law principles thereof.

SECTION 9. Authority to Execute Agreement. Each of Abex and Cooper represents that: (a) it has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder; (b) the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby and the performance of its obligations hereunder have been duly and validly authorized and approved by all necessary corporate proceedings on its part; and (c) this Agreement has been duly executed and delivered by it and, assuming the due execution and delivery hereof by the other party hereto, this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting the rights and remedies of creditors generally and to general principles of equity (regardless of whether a proceeding is brought in equity or at law).

SECTION 10. Notices. All notices and other communications hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered personally, sent by documented overnight delivery service or, to the extent receipt is confirmed, telecopy, telefax or other electronic transmission service to the appropriate address or number as set forth below. Notice to Abex shall be addressed to:

Abex, Inc.
Liberty Lane
Hampton, NH 03842
Attention: President
Telecopy Number: (603) 929-2248

with a copy to:

Abex, Inc.
Liberty Lane
Hampton, NH 03842
Attention: General Counsel
Telecopy Number: (603) 929-2409

and a copy to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attention: Eric S. Robinson, Esq.
Telecopy Number: (212) 403-2000

or at such other address and to the attention of such other Person as Abex may designate by written notice to Cooper (which is actually received by Cooper). Notices to Cooper shall be addressed to:

Cooper Industries, Inc.
1001 Fannin Street, Suite 3900
Houston, Texas 77002
Attention: General Counsel
Telecopy Number: (713) 739-5882

with a copy to:

Cooper Industries, Inc.
1001 Fannin Street, Suite 3900
Houston, Texas 77002
Attention: Larry W. McCurdy
Executive Vice President, Operations
Telecopy Number: (713) 739-5909

or at such other address and to the attention of such other Person as Cooper may designate by written notice to Abex (which is actually received by Abex).

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date first written above.

COOPER INDUSTRIES, INC.

By L.W. McCurdy

Name: Larry W. McCurdy

Title: Executive Vice President-Operations

ABEX, INC.

By [signature]

Name: Mark A. Underberg

Title: Vice President