WHEREAS, Worldwide and its Subsidiaries desire to be indemnified by Parent with respect to certain tax liabilities, and Parent is willing to so indemnify Worldwide and each of the Subsidiaries of Worldwide; and

WHEREAS, Parent the Worldwide Group and Pneumo desire to provide for the continuation herein, the parties agree as follows:

1. Definitions.

For purposes of this Agreement, the following terms shall be defined as follows:

(a) "Taxable Period" shall mean any taxable year or portion thereof, beginning on or after the date hereof, with respect to which a consolidated Federal income tax return is properly filed on behalf of the Group or (in the case of any combined state or local return) any such taxable year with respect to which a combined state or local income tax return is filed by Parent or any Subsidiary of Parent (other than Worldwide or any Subsidiary of Worldwide) that includes Worldwide or any Subsidiary of Worldwide.

(b) "Worldwide Group's Federal Taxable Income" for a Taxable Period shall mean the consolidated Federal taxable income (including, for all purposes of this Agreement, alternative minimum taxable income) for such Taxable Period that the Worldwide Group would have reported if it had not been included in the consolidated Federal income tax return filed for the Group with respect to such Taxable Period but instead had filed its own consolidated Federal income tax return for such Taxable Period; provided, however, that in computing such taxable income, the Worldwide Group shall not take into account any amounts paid or payable by Worldwide to Parent under Paragraph 2 or 6 hereof with respect to Federal taxes or by Parent to Worldwide or any Subsidiary of Worldwide under Paragraphs 2, 6 or 8 hereof with respect to Federal taxes. In computing such taxable income, the Worldwide Group shall be entitled to take into account deductions and credits attributable to the carryover or

carryback of any losses or credits of Worldwide or any Subsidiary of Worldwide arising in any taxable year, but only after taking into account any limitations on the use of such losses and credits imposed pursuant to Sections 172, 382, 383, 904 or 1212 of the Code or by Treasury Regulations Sections 1.1502-15, 1.1502-20, 1.1502- 21, 1.1502-22, 1.1502-91 (proposed), 1.1502-92 (proposed), 1.1502-93 (proposed) or 1.1502- 94 (proposed).

(c) "Worldwide Group's Federal Tax" for a Taxable Period shall mean the consolidated Federal income tax liability or, if applicable, the consolidated Federal alternative minimum tax liability for such Taxable Period that the Worldwide Group would have incurred if it had not been included in the consolidated Federal income tax return filed for the Group with respect to such Taxable Period, but had instead filed its own consolidated Federal income tax return for such Taxable Period; provided, that in computing such tax liability for any Taxable Period, the Worldwide Group shall not take into account any amounts paid or payable by Worldwide to Parent or under Paragraphs 2 or 6 hereof with respect to Federal taxes or by Parent to Worldwide or any Subsidiary of Worldwide under Paragraphs 2, 6 or 9 hereof with respect to Federal taxes. In computing such tax liability, the Worldwide Group shall be entitled to take into account deductions and credits attributable to the carryover or carryback of any losses or credits of Worldwide or any Subsidiary of Worldwide arising in any taxable year, but only after taking into account any limitations on the use of such losses and credits imposed pursuant to Sections 172, 382, 383, 384, 904 or 1212 of the