Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For Quarter Ended June 30, 2007

Commission File Number 000-30789

ENTEGRIS, INC.
(Exact name of registrant as specified in charter)

Delaware	**41-1941551**
(State or other jurisdiction of incorporation)	**(IRS Employer ID No.)**

3500 Lyman Boulevard, Chaska, Minnesota 55318
(Address of Principal Executive Offices)

Registrant's Telephone Number (952) 556-3131

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 ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer , an accelerated filer or a non- accelerated filer. See definition of "accelerated filer and accelerated filer"in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the close of the latest practicable date.

Class	Outstanding at July 31, 2007
Common Stock, $0.01 Par Value	115,796,699

Table of Contents

ENTEGRIS, INC., INC. AND SUBSIDIARIES
FORM 10-Q
TABLE OF CONTENTS
FOR THE QUARTER ENDED JUNE 30, 2007

	Description	Page
PART I		
Item 1.	Unaudited Condensed Consolidated Financial Statements	
	Consolidated Balance Sheets as of June 30, 2007 and December 31, 2006	3
	Consolidated Statements of Operations for the Three Months and Six Months Ended June 30, 2007 and July 1, 2006	4
	Consolidated Statements of Shareholders' Equity and Comprehensive Income for the Six Months Ended June 30, 2007 and July 1, 2006	5
	Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2007 and July 1, 2006	6
	Notes to Condensed Consolidated Financial Statements	7
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	15
Item 3.	Quantitative and Qualitative Disclosures about Market Risk	25
Item 4.	Controls and Procedures	25
PART II	Other Information	
Item 1.	Legal Proceedings	27
Item 2	Purchases of Equity Securities by the Company	28
Item 4	Submission of Matters to a Vote of Security Holders	28
Item 6.	Exhibits	28

Table of Contents

Item 1. Financial Statements

ENTEGRIS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In thousands, except share data)	June 30, 2007	December 31, 2006
ASSETS		
Current assets:		
Cash and cash equivalents	$136,535	$ 154,806
Short-term investments	2,000	120,168
Trade accounts and notes receivable, net of allowance for doubtful accounts of $484 and $822	102,623	127,396
Inventories	80,401	93,426
Deferred tax assets	45,116	45,149
Assets of discontinued operations and assets held for sale	5,268	7,903
Other current assets	6,692	7,473
Total current assets	378,635	556,321
Property, plant and equipment, net of accumulated depreciation of $199,968 and $188,815	123,081	120,987
Other assets:		
Goodwill	393,314	394,531
Other intangible assets, net	59,898	68,877
Deferred tax assets	5,331	5,157
Other	16,808	11,745
Total assets	$977,067	$1,157,618
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings and current maturities of long-term debt	$ 25,399	$ 401
Accounts payable	21,300	24,952
Accrued liabilities	48,929	56,479
Income taxes payable	5,225	10,025
Liabilities of discontinued operations	2,389	842
Total current liabilities	103,242	92,699
Long-term debt, less current maturities	2,809	2,995
Pension benefit obligation and other liabilities	19,810	20,356
Deferred tax liabilities and noncurrent income taxes payable	25,505	25,588
Commitments and contingent liabilities		
Shareholders' equity:		
Common stock, par value $0.01; 400,000,000 shares authorized; issued and outstanding shares: 115,687,482 and 132,770,676	1,157	1,328
Additional paid-in capital	703,443	793,058
Prepaid forward contract for share repurchase	(5,000)	(5,000)
Retained earnings	130,649	228,936
Accumulated other comprehensive loss	(4,548)	(2,342)
Total shareholders' equity	825,701	1,015,980
Total liabilities and shareholders' equity	$977,067	$1,157,618

See the accompanying notes to consolidated financial statements.

ENTEGRIS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(In thousands, except per share data)	Three Months Ended		Six Months Ended	
	June 30, 2007	July 1, 2006	June 30, 2007	July 1, 2006
Net sales	$153,508	$179,296	$313,079	$335,702
Cost of sales	88,014	92,315	179,078	175,893
Gross profit	65,494	86,981	134,001	159,809
Selling, general and administrative expenses	44,317	51,553	90,260	103,250
Engineering, research and development expenses	9,679	9,977	20,213	19,019
Operating income	11,498	25,451	23,528	37,540
Interest income, net	(2,559)	(1,897)	(5,376)	(3,919)
Other income, net	(6,074)	(799)	(6,050)	(1,594)
Income before income taxes and other items below	20,131	28,147	34,954	43,053
Income tax expense	4,461	9,524	8,814	14,460
Equity in net income of affiliates	(80)	(159)	(104)	(195)
Net income from continuing operations	15,750	18,782	26,244	28,788
(Loss) income from discontinued operations, net of taxes	(4)	(589)	(115)	758
Impairment loss on assets of discontinued operations, net of taxes	(969)	—	(969)	—
Total discontinued operations, net of taxes	(973)	(589)	(1,084)	758
Net income	$ 14,777	$ 18,193	$ 25,160	$ 29,546
Basic earnings (loss) per common share:				
Continuing operations	$ 0.12	$ 0.14	$ 0.20	$ 0.21
Discontinued operations	(0.01)	—	(0.01)	0.01
Net income	$ 0.11	$ 0.13	$ 0.19	$ 0.22
Diluted earnings (loss) per common share:				
Continuing operations	$ 0.12	$ 0.13	$ 0.20	$ 0.20
Discontinued operations	(0.01)	—	(0.01)	0.01
Net income	$ 0.11	$ 0.13	$ 0.19	$ 0.21
Weighted shares outstanding:				
Basic	129,225	137,445	130,709	137,167
Diluted	132,293	140,621	133,763	140,512

See the accompanying notes to consolidated financial statements.

[Table of Contents](#)

ENTEGRIS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND COMPREHENSIVE INCOME
(Unaudited)

(In thousands)	Common shares outstanding	Common stock	Additional paid-in capital	Prepaid Forward Contract for Share Repurchase	Retained earnings	Accumulated other comprehensive income (loss)	Total	Comprehensive income
Balance at December 31, 2005	136,044	$ 1,360	$ 809,012	—	$ 206,936	$ (4,489)	$1,012,819	
Shares issued under employee stock plans	3,772	38	8,613	—	—	—	8,651	
Stock-based compensation expense	—	—	8,346	—	—	—	8,346	
Tax benefit associated with stock plans	—	—	409	—	—	—	409	
Net change in unrealized gain on marketable securities, net of tax	—	—	—	—	—	205	205	$ 205
Foreign currency translation adjustments	—	—	—	—	—	4,597	4,597	4,597
Net income	—	—	—	—	29,546	—	29,546	29,546
Total comprehensive income								$ 34,348
Balance at July 1, 2006	139,816	$ 1,398	$ 826,380	—	$ 236,482	$ 313	$1,064,573	
Balance at December 31, 2006	132,771	$ 1,328	$ 793,058	$ (5,000)	$ 228,936	$ (2,342)	$1,015,980	
Adoption of FIN No. 48	—	—	—	—	1,110	—	1,110	
Adjusted beginning balance	132,771	1,328	793,058	(5,000)	230,046	(2,342)	1,017,090	
Shares issued under stock option plans	4,027	40	27,275	—	—	—	27,315	
Stock-based compensation expense	—	—	5,753	—	—	—	5,753	
Repurchase and retirement of common stock	(21,111)	(211)	(126,636)	—	(124,557)	—	(251,404)	
Tax benefit associated with stock plans	—	—	3,993	—	—	—	3,993	
Other, net of tax	—	—	—	—	—	(557)	(557)	$ 36
Foreign currency translation adjustments	—	—	—	—	—	(1,649)	(1,649)	(1,649)
Net income	—	—	—	—	25,160	—	25,160	25,160
Total comprehensive income								$ 23,547
Balance at June 30, 2007	115,687	$ 1,157	$ 703,443	$ (5,000)	$ 130,649	$ (4,548)	$ 825,701	

See the accompanying notes to consolidated financial statements.

[Table of Contents]

ENTEGRIS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(In thousands)	Six months ended	
	June 30, 2007	July 1, 2006
Operating activities:		
Net income	$ 25,160	$ 29,546
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss (income) from discontinued operations	1,084	(758)
Depreciation and amortization	21,527	22,200
Share-based compensation expense	5,753	8,346
Impairment of property and equipment	394	—
Provision for doubtful accounts	(286)	306
Provision for deferred income taxes	1,519	139
Excess tax benefit from employee stock plans	(2,225)	(1,230)
Equity in net earnings of affiliates	(104)	(195)
Gain on sale of property and equipment	29	(536)
Gain on sale of equity investments	(6,068)	—
Changes in operating assets and liabilities, excluding effects of acquisitions:		
Trade accounts receivable	24,102	(21,332)
Inventories	12,947	(29,345)
Accounts payable and accrued liabilities	(11,087)	92
Other current assets	762	3,470
Income taxes payable	957	12,633
Other	(409)	2,711
Net cash provided by operating activities	74,055	26,047
Investing activities:		
Acquisition of property and equipment	(15,182)	(13,367)
Proceeds from sale of property and equipment	1,967	2,957
Proceeds from sale of equity investments	6,568	—
Purchases of equity investments	(5,940)	—
Purchases of short-term investments	(269,822)	(66,511)
Proceeds from sale or maturities of short-term investments	388,915	51,087
Other	(926)	(326)
Net cash provided by (used in) investing activities	105,580	(26,160)
Financing activities:		
Principal payments on short-term borrowings and long-term debt	(188)	(2,800)
Proceeds from short-term borrowings	25,000	—
Repurchase and retirement of common stock	(251,404)	—
Issuance of common stock	27,315	8,651
Excess tax benefit from employee stock plans	2,225	1,230
Net cash (used in) provided by financing activities	(197,052)	7,081
Discontinued operations:		
Net cash (used in) provided by operating activities	(292)	917
Net cash provided by investing activities	—	13,063
Net cash (used in) provided by discontinued operations	(292)	13,980
Effect of exchange rate changes on cash and cash equivalents	(562)	625
(Decrease) increase in cash and cash equivalents	(18,271)	21,573
Cash and cash equivalents at beginning of period	154,806	142,838
Cash and cash equivalents at end of period	$ 136,535	$ 164,411

See the accompanying notes to consolidated financial statements.

ENTEGRIS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Entegris is a worldwide developer, manufacturer and supplier of materials integrity management solutions to the microelectronics industry in general and to the semiconductor and data storage markets in particular. The condensed consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries. Intercompany profits, transactions and balances have been eliminated in consolidation.

In the opinion of the Company, the accompanying unaudited condensed consolidated financial statements contain all adjustments necessary to present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position as of June 30, 2007 and December 31, 2006, the results of operations for the three and six months ended June 30, 2007 and July 1, 2006, and shareholders' equity and comprehensive income, and cash flows for the three and six months ended June 30, 2007 and July 1, 2006.

The preparation of the condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, particularly receivables, inventories, accrued expenses and income taxes, and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Certain amounts reported in previous years have been reclassified to conform to the current year's presentation.

The consolidated financial statements and notes are presented as permitted by Form 10-Q and do not contain certain information included in the Company's annual consolidated financial statements and notes. The information included in this Form 10-Q should be read in conjunction with Management's Discussion and Analysis and consolidated financial statements and notes thereto included in the Company's Form 10-K for the year ended December 31, 2006. The results of operations for the three and six months ended June 30, 2007 are not necessarily indicative of the results to be expected for the full year.

2. DISCONTINUED OPERATIONS

In June 2007, the Company announced its intent to divest its cleaning equipment business. This divestiture is expected to be completed no later than June 2008. The cleaning equipment business sells precision cleaning systems to semiconductor and hard disk drive customers for use in their manufacturing operations. In conjunction with the establishment of management's plan to sell the cleaning equipment business, the fair value of the assets of that business was tested for impairment and, where applicable, adjusted to fair value less costs to sell. The Company determined that long-lived assets of $2.4 million were impaired and accordingly recorded a pretax charge to impairment loss on assets of discontinued businesses. The assets and liabilities of the cleaning equipment business have been classified as assets of discontinued operations and assets held for sale, and liabilities of discontinued operations in the accompanying consolidated balance sheet.

In February 2006, the Company sold the assets of its gas delivery product line for $15 million. The gas delivery products include mass flow controllers, pressure controllers and vacuum gauges that are used by customers in manufacturing operations to measure and control process gas flow rates and to control and monitor pressure and vacuum levels during the manufacturing process. After adjustments for severance, sublease payments and closing costs, the net proceeds of the sale totaled $13.1 million. As part of the purchase accounting allocation of the acquisition of Mykrolis Corporation (Mykrolis), the fair value of the assets of the gas delivery product line were classified as assets held for sale as of the date of the acquisition. Accordingly, the Company adjusted its purchase price allocation related to the assets of the gas delivery product line and did not recognize a gain or loss from the sale.

The consolidated financial statements have been reclassified to segregate as discontinued operations the assets and liabilities, and operating results of, the cleaning equipment and gas delivery product lines for all periods presented. The summary of operating results from discontinued operations is as follows (in thousands):

	Three months ended		Six months ended	
	June 30, 2007	July 1, 2006	June 30, 2007	July 1, 2006
Net sales	$ 2,024	$ 1,406	$ 3,530	$ 6,065
Loss from discontinued operations, before income taxes	$(2,430)	$ (943)	$(2,608)	$(1,354)
Income tax benefit	1,457	354	1,524	2,112
(Loss) income from discontinued operations, net of taxes	$ (973)	$ (589)	$(1,084)	$ 758

Net assets of discontinued operations at June 30, 2007 consisted of the following (in thousands):

	June 30, 2007
Accounts receivable	$1,629
Inventory	3,336
Long-lived assets	303
Total assets	5,268
Current liabilities	2,389
Net assets of discontinued operations	$2,879

The results of discontinued operations for the six months ended June 30, 2007 included a pre-tax impairment charge of $2.4 million recorded in the second quarter associated with write-downs of long-lived assets to fair value less cost to sell and a tax benefit of $0.7 million related to a reduction in the Company’s deferred tax asset valuation allowance resulting from the utilization of a capital loss carryforward to offset a portion of the capital gain on the sale of an equity investment.

The results of discontinued operations for the six months ended July 1, 2006 included a tax benefit of $1.6 million related to the change in the deferred tax asset valuation allowance. The change in the valuation allowance resulted from the settlement of negotiations regarding the terms of sale of a discontinued operation which established the characterization of certain gains and losses.

3. DERIVATIVE FINANCIAL INSTRUMENTS

During the first quarter of 2007, the Company entered into a 10-month Japanese yen-based cross-currency interest rate swap, with aggregate notional principal amounts of 2.4 billion Japanese yen and $20 million that matures on November 30, 2007. This swap effectively hedges a portion of the Company’s net investment in its Japanese subsidiary. During the term of this transaction, the Company will remit to, and receive from, its counterparty interest payments based on rates that are reset quarterly equal to three-month JPY LIBOR and three-month U.S. LIBOR rates, respectively. The Company has designated this hedging instrument as a hedge of a portion of the net investment in its Japanese subsidiary, and will use the spot rate method of accounting to value changes of the hedging instrument attributable to currency rate fluctuations. As such, for the six months ended June 30, 2007, a $0.4 million adjustment in the fair market value of the hedging instrument related to changes in the spot rate was recorded as a charge in other comprehensive income and offset changes in a portion of the yen-denominated net investment in the Company’s Japanese subsidiary. Amounts recorded to foreign currency translation within accumulated other comprehensive loss will remain there until the net investment is disposed. The Company recorded $0.2 million and $0.3 million in interest income during the three-month and six-month periods ended June 30, 2007 in connection with the cross currency interest rate swap.

4. INVENTORIES

Inventories consisted of the following (in thousands):

	June 30, 2007	December 31, 2006
Raw materials	$25,422	$ 30,679
Work-in process	4,513	4,019
Finished goods	49,731	58,032
Supplies	735	696
Total inventories	$80,401	$ 93,426

5. INTANGIBLE ASSETS AND GOODWILL

As of June 30, 2007, goodwill amounted to approximately $393.3 million, a reduction of $1.2 million from December 31, 2006. The decrease reflected changes to goodwill associated with various tax-related purchase price adjustments related to the Mykrolis acquisition completed in August 2005 and the allocation of goodwill to the cleaning equipment business described in Note 2.

The changes to the carrying amount of goodwill for the six months ended June 30, 2007 were as follows:

(In thousands)	Six months ended June 30, 2007
Beginning of period	$ 394,531
Adjustment to Mykrolis purchase price allocation	(839)
Impairment of goodwill associated with assets held for sale	(408)
Foreign currency translation adjustment	30
End of period	$ 393,314

Other intangible assets, net of amortization, of approximately $59.9 million as of June 30, 2007 are being amortized over useful lives ranging from 2 to 10 years and are as follows (in thousands):

	As of June 30, 2007		
	Gross carrying amount	Accumulated amortization	Net carrying value
Patents	$ 17,835	$ 12,270	$ 5,565
Unpatented technology	8,139	4,948	3,191
Developed technology	38,500	16,325	22,175
Trademarks and trade names	9,000	4,362	4,638
Customer relationships	28,000	5,844	22,156
Employment and noncompete agreements	3,968	3,556	412
Other	4,354	2,593	1,761
	$ 109,796	$ 49,898	$ 59,898

	As of December 31, 2006		
	Gross carrying amount	Accumulated amortization	Net carrying value
Patents	$ 17,835	$ 11,228	$ 6,607
Unpatented technology	8,139	4,542	3,597
Developed technology	38,500	12,020	26,480
Trademarks and trade names	9,000	3,212	5,788
Customer relationships	28,000	4,303	23,697
Employment and noncompete agreements	3,968	3,439	529
Other	4,349	2,170	2,179
	$ 109,791	$ 40,914	$ 68,877

Aggregate amortization expense for the three-month and six-month periods ended June 30, 2007 amounted to $4.6 million and $9.3 million, respectively. Estimated amortization expense for calendar years 2007 to 2011 and thereafter is approximately $17.9 million, $15.8 million, $13.5 million, $8.1 million, $4.6 million and $6.8 million, respectively.

6. WARRANTY

The Company accrues for warranty costs based on historical trends and the expected material and labor costs to provide warranty services. The majority of products sold are covered by warranties for periods ranging from 90 days to one year. The following table summarizes the activity related to the product warranty liability during the three-month and six-month periods ended June 30, 2007 and July 1, 2006 (in thousands):

	Three months ended		Six months ended	
	June 30, 2007	July 1, 2006	June 30, 2007	July 1, 2006
Balance at beginning of period	$ 2,392	$ 2,004	$ 1,824	$ 1,840
Accrual for warranties during the period	135	361	938	1,078
Adjustment of unused previously recorded accruals	(159)	(337)	(160)	(409)
Settlements during the period	(160)	(478)	(394)	(959)
Balance at end of period	$ 2,208	$ 1,550	$ 2,208	$ 1,550

7. RESTRUCTURING COSTS

In November 2005, the Company announced that during 2006 it would close its manufacturing plant located in Bad Rappenau, Germany and relocate the production of products made in that facility to other existing manufacturing plants located in the United States and Asia. In addition, the Company moved its Bad Rappenau administrative center to Dresden, Germany. In connection with these actions, the Company incurred charges for employee severance and retention costs (generally over the employees’ required remaining term of service), and asset impairment and accelerated depreciation.

Severance and retention costs, mainly classified as selling, general and administrative expense (income), totaled $(0.1) million and $3.4 million for the six-month periods ended June 30, 2007 and July 1, 2006, respectively. Other costs of $0.4 million and $0.9 million related to fixed asset write-offs and accelerated depreciation, classified in cost of sales, were also recorded for the six-month periods ended June 30, 2007 and July 1, 2006, respectively.

The Company’s facility in Bad Rappenau became available for sale during the third quarter of 2006 and was classified in assets held for sale as of March 31, 2007 and December 31, 2006 at carrying values of $1.8 million and $2.2 million, respectively. During the second quarter of 2007, the Company sold the facility for $1.9 million.

For the three-month and six-month periods ended June 30, 2007 and July 31, 2006, the accrued liabilities, provisions and payments associated with the employee severance and retention costs of the Bad Rappenau restructuring activity were as follows (in thousands):

	Three months ended		Six months ended	
	June 30, 2007	July 1, 2006	June 30, 2007	July 1, 2006
Accrued liabilities at beginning of period	$ 130	$ 633	$ 641	$ 568
Provision (reversal)	(122)	1,645	(145)	3,407
Payments	(8)	(785)	(496)	(2,482)
Accrued liabilities at end of period	$ —	$ 1,493	$ —	$ 1,493

8. INCOME TAXES

In July 2006, the FASB issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109* (FIN No. 48). FIN No. 48 became effective for the Company as of January 1, 2007. FIN No. 48 defines the threshold for recognizing the benefits of tax positions in the financial statements as “more-likely-than-not” to be sustained upon examination. The interpretation also provides guidance on the de-recognition, measurement and classification of income tax uncertainties, along with any related interest and penalties. FIN No. 48 also requires expanded disclosure at the end of each annual reporting period, including a tabular reconciliation of unrecognized tax benefits.

The Company adopted the provisions of FIN No. 48 on January 1, 2007. As a result of the implementation of FIN No. 48, the Company recognized a decrease of $1.1 million in the liability for unrecognized tax benefits, which was accounted for as an increase to the January 1, 2007 balance of retained earnings. After recognizing the decrease in liability noted above, the Company’s unrecognized tax benefits totaled $11.7 million and $11.6 million as of the date of adoption and June 30, 2007 respectively. During the quarter ended June 30, 2007, there was a reduction of $0.1 million in the amount of unrecognized tax benefits as the result of the expiration of a statue of limitations. Included in the balance at January 1, 2007 are $9.3 million of unrecognized tax positions, the recognition of which would not affect the annual effective income tax rate. Of those tax positions, $7.0 million were estimated as part of an acquisition and would result in a decrease to goodwill should they become realizable. There were no material changes to these latter two balances during the quarter ended June 30, 2007.

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction and in various state and foreign jurisdictions. The Company is no longer subject to U.S. federal income tax examinations for years before 2004 and, with few exceptions, is no longer subject to foreign income tax examinations, state and local or non-U.S. income tax examinations by tax authorities for years before 2001.

The German tax authorities are currently examining certain tax returns for the years 2001 through 2005. To date, there are no proposed adjustments that will have a material impact on the Company’s financial position or results of operations. During the quarter ended June 30, 2007, the Korean tax authorities concluded an examination of certain tax returns for the years 2001 through 2005. The examination resulted in an immaterial adjustment of the Company’s tax liability.

Included in the balance of unrecognized tax benefits at January 1, 2007 are $0.8 million of tax positions for which the ultimate deductibility is highly certain, but for which there is uncertainty about the timing of such deductibility. Because of the impact of deferred tax accounting, other than interest and penalties, a change in the timing of deductibility would not affect the annual effective tax rate, but would accelerate the payment of cash to the taxing authorities to an earlier period. There were no material changes to this balance during the quarter ended June 30, 2007.

The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Company had approximately $2.2 million accrued at January 1, 2007 for the payment of interest and penalties. During the three-month and six-month periods ended June 30, 2007, the Company recognized approximately $0.1 million and $0.2 million, respectively, in potential interest associated with uncertain tax positions.

The Company does not anticipate that the total unrecognized tax benefits will significantly change prior to June 30, 2008.

The year-to-date effective tax rate was 25.2% in 2007 compared to 33.6% in 2006 period. In both periods, the Company’s tax rate was lower than statutory rates due to the benefits associated with export activities and tax holidays. The 2007 effective tax rate was also lower due to legislation in Germany that provides the Company a corporate income tax refund of $0.8 million.

The second quarter results of loss from discontinued operations in 2007 included a tax benefit of $0.7 million related to a reduction in the Company's deferred tax asset valuation allowance resulting from the utilization of a capital loss carryforward to offset a portion of the capital gain on the sale of an equity investment. The year-to-date results of income from discontinued operations in 2006 included a tax benefit of $1.6 million recorded in the first quarter related to the change in the Company's deferred tax asset valuation allowance. The change in the valuation allowance resulted from the settlement of negotiations regarding the terms of sale of a discontinued operation which established the characterization of certain gains and losses.

9. REVOLVING CREDIT AGREEEMENT

During the quarter ended June 30, 2007, the Company's executed a new unsecured revolving credit agreement, which expires in June 2010, allows for aggregate borrowings of up to $85 million with interest at LIBOR rates plus an incremental factor ranging from 0.75% to 1.25% based on the current funded debt to EBITDA ratio (as defined therein). Under the unsecured revolving credit agreement, of which $25 million is a one-year term note, the Company is prohibited from paying cash dividends. The Company is also subject to, and is in compliance with, certain financial covenants including a leverage ratio of funded debt to EBITDA (as defined therein) of not more than 3.00 to 1.00. In addition, the Company must maintain consolidated aggregate amounts of cash and cash equivalents (which under the agreement may also include auction rate securities classified as short-term investments) of not less than $50 million. Borrowings outstanding under the revolving credit agreement were $25.0 million at June 30, 2007.

10. SHARE-BASED COMPENSATION EXPENSE

The Company accounts for the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors under Statement of Financial Accounting Standards No. 123 (revised 2004), *Share-Based Payment*, (SFAS 123(R)). Total share-based compensation expense recorded under SFAS 123(R) for the six months ended June 30, 2007 and July 1, 2006 was $5.8 million and $8.3 million, respectively.

Share-based payment awards in the form of restricted stock awards for 0.7 million shares and 1.1 million shares were granted to employees during the six months ended June 30, 2007 and July 31, 2006, respectively. The awards generally vest annually over a four-year period. Compensation expense for these awards is based on the grant date fair value of the Company's common stock and is being recognized using the straight-line single-option method based on the portion of share-based payment awards ultimately expected to vest. The weighted average grant date fair value of these share-based payment awards was $11.39 per share and $10.46 per share in 2007 and 2006, respectively.

During the six months ended June 30, 2007 and July 1, 2006, the Company also made awards of restricted stock to be issued upon the achievement of performance conditions (Performance Shares) under the Company's stock incentive plans for up to 0.9 million shares and 0.9 million shares, respectively.

For Performance Share awards granted in 2006, 25% of the shares are available to be awarded each of the ensuing four years, if and to the extent the financial performance criteria for fiscal years 2006 through 2009 are achieved. The number of performance shares earned in a given year may vary based on the level of achievement of financial performance objectives for that year. If the Company's performance for a year fails to achieve the specified performance threshold, then the performance shares allocated to that year are forfeited. Each annual tranche will have its own service period beginning at the date (the grant date) at which the Board of Directors establishes the annual performance targets for the applicable year, or January 1 of that year, whichever occurs later. Compensation expense to be recorded in connection with the Performance Shares is based on the grant date fair value of the Company's common stock on the date the financial performance criteria are established for each annual tranche. Awards of Performance Shares are expensed over the service period based on an evaluation of the probability of achieving the performance objectives.

For Performance Share awards granted in 2007, 50% of the shares are available to be awarded if and to the extent that financial performance criteria for fiscal year 2007 are achieved, while the remaining 50% of the

shares are available to be awarded if and to the extent that financial performance criteria for the three-year period including fiscal years 2007 through 2009 are achieved. The number of performance shares earned may vary based on the level of achievement of financial performance criteria indicated. If the Company's performance fails to achieve the specified performance threshold, then the performance shares are forfeited. Compensation expense to be recorded in connection with the 2007 Performance Shares is based on the grant date fair value of the Company's common stock on the date the financial performance criteria were established. All shares earned in connection with the 2007 Performance Share awards are also subject to service conditions. Shares available upon attainment of the financial performance criteria for fiscal year 2007 vest annually over a four-year period, while shares available upon attainment of the financial performance criteria for the three-year period from fiscal years 2007 through 2009 will be three-quarters vested at the end of 2009, with the final 25% vesting in 2010.

11. OTHER INCOME

Other income in the three-month and six-month periods ended June 30, 2007 includes a gain of $6.1 million ($3.8 million after taxes) on the sale of the Company's interest in a privately-held equity investment accounted for using the cost method. Proceeds from the sale totaled $6.6 million.

12. EARNINGS PER COMMON SHARE

The following table presents a reconciliation of the denominators used in the computation of basic and diluted earnings per share (in thousands).

	Three months ended		Six months ended	
	June 30, 2007	**July 1, 2006**	**June 30, 2007**	**July 1, 2006**
Basic earnings per share-weighted common shares outstanding	129,225	137,445	130,709	137,167
Weighted common shares assumed upon exercise of stock options and vesting of restricted stock	3,068	3,176	3,054	3,345
Diluted earnings per share-weighted common shares and common shares equivalent outstanding	132,293	140,621	133,763	140,512

13. SHARE REPURCHASE

In May 2007, the Company's Board of Directors authorized a self-tender offer program to acquire up to $250 million of the Company's stock. A modified "Dutch Auction" tender offer began on May 11, 2007, and expired on June 8, 2007, and was subject to the terms and conditions described in the offering materials mailed to the Company's shareholders and filed with the Securities and Exchange Commission. The tender offer was completed on June 14, 2007 with the Company purchasing 21.1 million shares of its common stock at a price of $11.80 per share. The Company incurred $2.3 million in costs associated with the tender offer for a total cost of approximately $251.4 million. Following the completion of this tender offer, the Company had approximately 115.7 million shares of common stock outstanding.

14. RECENT ACCOUNTING PRONOUNCEMENTS

In June 2006, the Financial Accounting Standards Board (FASB) ratified the Emerging Issues Task Force (EITF) consensus on EITF Issue No. 06-3 "*How Taxes Collected From Customers and Remitted to Governmental Authorities Should Be Presented in the Income Statement (That Is, Gross versus Net Presentation)* (EITF No. 06-3). The scope of EITF No. 06-3 includes any tax assessed by a governmental authority that is directly imposed on a revenue-producing transaction between a seller and a customer, and provides that a company may adopt a policy of presenting taxes either gross within revenue or on a net basis.

For any such taxes that are reported on a gross basis, a company should disclose the amounts of those taxes for each period for which an income statement is presented if those amounts are significant. This statement is effective to financial reports for interim and annual reporting periods beginning after December 15, 2006. EITF No. 06-3 became effective for the Company as of January 1, 2007. The Company collects various sales and value-added taxes on certain product and service sales, which are accounted for on a net basis.

In September 2006, the FASB issued Statement of Financial Accounting Standard (SFAS) No. 157, *Fair Value Measurements* (SFAS No.157). This statement provides a single definition of fair value, a framework for measuring fair value and expanded disclosures concerning fair value. Previously, different definitions of fair value were contained in various accounting pronouncements, creating inconsistencies in measurement and disclosures. SFAS No. 157 applies under those previously issued pronouncements that prescribe fair value as the relevant measure of value, except SFAS No. 123(R) and related interpretations and pronouncements that require or permit measurement similar to fair value, but are not intended to measure fair value. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The Company has not yet determined the impact on its consolidated financial statements, if any, of adopting the provisions of SFAS No. 157.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities - Including an amendment of FASB Statement No. 115* (SFAS No. 159). SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. SFAS 159 is effective as of the beginning of fiscal years that begin after November 15, 2007. The Company has not yet determined the impact on its consolidated financial statements, if any, of adopting the provisions of SFAS No. 159.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

Entegris, Inc. is a leading provider of materials integrity management products and services that purify, protect and transport the critical materials used in key technology-driven industries. Entegris derives most of its revenue from the sale of products and services to the semiconductor and data storage industries. The Company's customers consist primarily of semiconductor manufacturers, semiconductor equipment and materials suppliers, and hard disk manufacturers which are served through direct sales efforts, as well as sales and distribution relationships, in the United States, Asia, Europe and the Middle East.

The Company offers a diverse product portfolio which includes more than 13,000 standard and customized products that we believe provide the most comprehensive offering of materials integrity management products and services to the microelectronics industry. Certain of these products are unit driven and consumable products that rely on the level of semiconductor manufacturing activity to drive growth, while others rely on expansion of manufacturing capacity to drive growth. The Company's unit driven and consumable product class includes wafer shippers, disk shipping containers and test assembly and packaging products, membrane based liquid filters and housings, metal based gas filters and resin based gas purifiers, as well as PVA roller brushes for use in post CMP cleaning applications. The Company's capital expense driven products include its process carriers that protect the integrity of in-process wafers, components, systems and subsystems that use electro-mechanical, pressure differential and related technologies, to permit semiconductor and other electronics manufacturers to monitor and control the flow and condition of process liquids used in these manufacturing processes.

The Company's fiscal year is the calendar period ending each December 31. The Company's fiscal quarters consist of 13-week periods that end on Saturday. The Company's fiscal quarters in 2007 end on March 31, 2007, June 30, 2007, September 29, 2007 and December 31, 2007. Unaudited information for the three and six months ended June 30, 2007 and the financial position as of June 30, 2007 and December 31, 2006 are included in this Quarterly Report on Form 10-Q.

Forward-Looking Statements

The information in this Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements. These statements are subject to risks and uncertainties. These forward-looking statements could differ materially from actual results. The Company assumes no obligation to publicly release the results of any revision or updates to these forward-looking statements to reflect future events or unanticipated occurrences. This discussion and analysis should be read in conjunction with the Consolidated Financial Statements and the related Notes, which are included elsewhere in this report.

Key operating factors Key factors which management believes have the largest impact on the overall results of operations of Entegris, Inc. include:

- ***The level of sales*** Since a large portion of the Company's product costs (excepting raw materials, purchased components and direct labor) are largely fixed in the short/medium term, an increase or decrease in sales affects gross profits and overall profitability significantly. Also, increases or decreases in sales and operating profitability affect certain costs such as incentive compensation and commissions, which are highly variable in nature. The Company's sales are subject to effects of industry cyclicality, technological change and substantial competition, including pricing pressures.
- ***The variable margin on sales*** The Company's variable margin on sales is determined by selling prices, and the costs of manufacturing and raw materials. This is also affected by a number of factors, which include the Company's sales mix, purchase prices of raw material (especially resin and purchased components), competition, both domestic and international, direct labor costs, and the efficiency of the Company's production operations, among others.

- ***The Company's fixed cost structure*** Increases or decreases in sales have a large impact on profitability. There are a number of large fixed or semi-fixed cost components, which include salaries, indirect labor and benefits, lease expense, and depreciation and amortization. It is not possible to vary these costs easily and in the short term as volumes fluctuate. Thus changes in sales volumes can affect the usage and productivity of these cost components and can have a large effect on the Company's results of operations.

Overall Summary of Financial Results for the Three and Six Months Ended June 30, 2007

For the three months ended June 30, 2007, net sales decreased 14% to $153.5 million from the comparable period last year, due to lower demand for certain of the Company's products, mainly reflecting the demand drivers of the semiconductor industry. The sales comparison is positively affected by approximately $0.7 million due to the year-over-year strengthening of certain international currencies versus the U.S. dollar over the period, most notably the Euro. Sales were down 4% on a sequential basis from the first quarter of calendar 2007. Reflecting the year-over-year sales decrease, the Company reported lower gross profits and a reduced gross margin.

For the six-month period ended June 30, 2007, net sales decreased 7% to $313.1 million from the comparable period last year. The sales comparison is positively affected by approximately $1.4 million due to the year-over-year strengthening of certain international currencies versus the U.S. dollar over the period, most notably the Euro. Reflecting the year-over-year sales decrease, the Company reported lower gross profits and a reduced gross margin.

The Company's selling, general and administrative (SG&A) costs decreased by $7.2 million and $13.0 million for the three-month and six-month periods, respectively. These reductions reflected lower costs incurred by the Company in connection with the integration activities associated with the merger with Mykrolis as well as the benefit of lower salaries and other costs resulting from the realignment of activities after the merger.

The Company reported income from continuing operations of $15.8 million for the three-month period compared to income from continuing operations of $18.8 million in the comparable prior year period, while income from continuing operations of $26.2 million for the six-month period compared to income from continuing operations of $28.8 million in the year ago period.

During the six months ended June 30, 2007, the Company generated cash of $74.1 million from operations as the cash generated by the Company's net earnings, non-cash charges and the net positive impact of changes in operating assets and liabilities, most notably accounts receivable and inventory. Cash, cash equivalents and short-term investments were $138.5 million at June 30, 2007, compared with $275.0 million at December 31, 2006, reflecting the use of $251.4 million used to purchase the Company's common shares in connection with its second quarter "Dutch auction" tender offer.

In June 2007, the Company announced that it will divest its cleaning equipment business. In conjunction with the establishment of management's second quarter plan to sell the cleaning equipment business, the fair value of the assets of that business was tested for impairment and, where applicable, adjusted to fair value less costs to sell. The Company determined that long-lived assets of $2.4 million were impaired and accordingly recorded a pretax charge to impairment loss on assets of discontinued businesses. The assets and liabilities, and operating results, of the business divested have been classified as discontinued operations for all periods presented.

Critical Accounting Policies

Management's discussion and analysis of financial condition and results of operations is based upon the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires the Company to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. At each balance sheet date, management evaluates its estimates, including, but not limited to, those related to accounts receivable, warranty and sales return obligations, inventories, long-lived assets, and income taxes. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable

under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. The critical accounting policies affected most significantly by estimates, assumptions and judgments used in the preparation of the Company's consolidated financial statements are discussed below.

Net Sales The Company's net sales consist of revenue from sales of products net of trade discounts and allowances. The Company recognizes revenue upon shipment, primarily FOB shipping point, when evidence of an arrangement exists, contractual obligations have been satisfied, title and risk of loss have been transferred to the customer and collection of the resulting receivable is probable based upon historical collection results and regular credit evaluations. In most transactions, the Company has no obligations to its customers after the date products are shipped other than pursuant to warranty obligations. In the event that significant post-shipment obligations or uncertainties exist such as customer acceptance, revenue recognition is deferred as appropriate until such obligations are fulfilled or the uncertainties are resolved.

Accounts Receivable-Related Valuation Accounts The Company maintains allowances for doubtful accounts and for sales returns and allowances. Significant management judgments and estimates must be made and used in connection with establishing these valuation accounts. Material differences could result in the amount and timing of the Company's results of operations for any period if we made different judgments or utilized different estimates. In addition, actual results could be different from the Company's current estimates, possibly resulting in increased future charges to earnings.

The Company provides an allowance for doubtful accounts for all individual receivables judged to be unlikely for collection. For all other accounts receivable, the Company records an allowance for doubtful accounts based on a combination of factors. Specifically, management considers the age of receivable balances and historical bad debts write-off experience when determining its allowance for doubtful accounts. The Company's allowance for doubtful accounts was $0.5 million and $0.8 million at June 30, 2007 and December 31, 2006, respectively.

An allowance for sales returns and allowances is established based on historical trends and current trends in product returns. At June 30, 2007 and December 31, 2006, the Company's reserve for sales returns and allowances was $1.9 million and $1.8 million, respectively.

Inventory Valuation The Company uses certain estimates and judgments to properly value inventory. In general, the Company's inventories are recorded at the lower of manufacturing cost or market value. Each quarter, the Company evaluates its ending inventories for obsolescence and excess quantities. This evaluation includes analyses of inventory levels, historical write-off trends, expected product lives, and sales levels by product. Inventories that are considered obsolete are written off or a full valuation allowance is recorded. In addition, valuation allowances are established for inventory quantities in excess of forecasted demand. Inventory valuation allowances were $10.2 million and $10.1 million at June 30, 2007 and December 31, 2006, respectively.

The Company's inventories comprise materials and products subject to technological obsolescence, which are sold in highly competitive industries. If future demand or market conditions are less favorable than current conditions, additional inventory write-downs or valuation allowances may be required and would be reflected in cost of sales in the period the revision is made.

Impairment of Long-Lived Assets The Company routinely considers whether indicators of impairment of its property and equipment assets, particularly its molding equipment, are present. If such indicators are present, it is determined whether the sum of the estimated undiscounted cash flows attributable to the assets in question is less than their carrying value. If less, an impairment loss is recognized based on the excess of the carrying amount of the assets over their respective fair values. Fair value is determined by discounting estimated future cash flows, appraisals or other methods deemed appropriate. If the assets determined to be impaired are to be held and used, the Company recognizes an impairment charge to the extent the present value of anticipated net cash flows attributable to the assets are less than the assets' carrying value. The fair value of the assets then becomes the assets' new carrying value, which is depreciated over the remaining estimated useful life of the assets.

The Company assesses the impairment of goodwill at least annually, or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important which could trigger an impairment review, and potentially an impairment charge, include the following:

- significant underperformance relative to historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the Company's overall business strategy;
- significant negative industry or economic trends; and
- significant decline in the Company's stock price for a sustained period changing the Company's market capitalization relative to its net book value.

Income Taxes In the preparation of the Company's consolidated financial statements, management is required to estimate income taxes in each of the jurisdictions in which the Company operates. This process involves estimating actual current tax exposures together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included in the Company's consolidated balance sheet.

The Company intends to continue to reinvest its undistributed international earnings in its international operations; therefore, no U.S. tax expense has been recorded to cover the repatriation of such undistributed earnings.

The Company has significant amounts of deferred tax assets. Management reviews its deferred tax assets for recoverability on a quarterly basis and assesses the need for valuation allowances. These deferred tax assets are evaluated by considering historical levels of income, estimates of future taxable income streams and the impact of tax planning strategies. A valuation allowance is recorded to reduce deferred tax assets when it is determined that it is more likely than not that the Company would not be able to realize all or part of its deferred tax assets. The Company carried no valuation allowance as of June 30, 2007 compared to a $0.7 million valuation allowance against its deferred tax assets at December 31, 2006 related to a portion of a capital loss carryforward which at that time was deemed more likely than not that it would not to be realized. The elimination of the valuation allowance during the quarter ended June 30, 2007 reflected the utilization of the capital loss carryforward to offset a portion of the capital gain on the sale of an equity investment.

Warranty Claims Accrual The Company records a liability for estimated warranty claims. The amount of the accrual is based on historical claims data by product group and other factors. Estimated claims could be materially different from actual results for a variety of reasons, including a change in product failure rates and service delivery costs incurred in correcting a product failure, manufacturing changes that could impact product quality, or as yet unrecognized defects in products sold. At June 30, 2007 and December 31, 2006, the Company's accrual for estimated future warranty costs was $2.2 million and $1.8 million, respectively.

Business Acquisitions The Company accounts for acquired businesses using the purchase method of accounting which requires that the assets acquired and liabilities assumed be recorded at the date of acquisition at their respective fair values. The judgments made in determining the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset lives, can materially impact net income. Accordingly, for significant items, the Company typically obtains assistance from independent valuation specialists.

There are several methods that can be used to determine the fair value of assets acquired and liabilities assumed. For intangible assets, the Company normally utilizes the "income method." This method starts with a forecast of all of the expected future net cash flows. These cash flows are then adjusted to present value by applying an appropriate discount rate that reflects the risk factors associated with the cash flow streams. Some of the more significant estimates and assumptions inherent in the income method or other methods include the projected future cash flows (including timing) and the discount rate reflecting the risks inherent in the future cash flows.

Determining the useful life of an intangible asset also requires judgment. For example, different types of intangible assets will have different useful lives and certain assets may even be considered to have indefinite useful lives. All of these judgments and estimates can significantly impact net income.

Share-Based Compensation Expense Statement of Financial Accounting Standards No. 123 (revised 2004*), Share-Based Payment*, (SFAS 123(R)) requires the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors including employee stock options and employee stock purchases related to the Employee Stock Purchase Plan (ESPP) based on estimated fair values. Share-based compensation expense recognized under SFAS 123(R) for the three months ended June 30, 2007 and July 1, 2006 was $2.7 and $4.1 million, respectively. Share-based compensation expense recognized under SFAS 123(R) for the six months ended June 30, 2007 and July 1, 2006 was $5.8 million and $8.3 million, respectively.

Under SFAS 123(R), the Company must estimate the value of employee stock options and restricted stock on the date of grant. Prior to the adoption of SFAS 123(R), the value of each employee stock option was estimated on the date of grant using the Black-Scholes model for the purpose of the pro forma financial information in accordance with SFAS 123. The determination of fair value of share-based payment awards on the date of grant using an option-pricing model is affected by the Company's stock price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to the expected stock price volatility over the term of the awards, risk-free interest rate and dividend yield assumptions, and actual and projected employee stock option exercise behaviors and forfeitures. Restricted stock and restricted stock unit awards are valued based on the Company's stock price on the date of grant.

Because share-based compensation expense recognized in the Consolidated Statement of Operations for the three and six months ended June 30, 2007 is based on awards ultimately expected to vest, it has been reduced for estimated forfeitures. SFAS 123(R) requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Forfeitures were estimated based on historical experience. If factors change and the Company employs different assumptions in the application of SFAS 123(R) in future periods, the compensation expense recorded under SFAS 123(R) may differ significantly from what was recorded in the current period.

Three and Six Months Ended June 30, 2007 Compared to Three and Six Months Ended July 1, 2006

The following table compares quarterly results with prior year results, as a percent of sales, for each caption.

	Three months ended		Six months ended	
	June 30, 2007	July 1, 2006	June 30, 2007	July 1, 2006
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	57.3	51.5	57.2	52.4
Gross profit	42.7	48.5	42.8	47.6
Selling, general and administrative expenses	28.9	28.8	28.8	30.8
Engineering, research and development expenses	6.3	5.6	6.5	5.7
Operating income	7.5	14.2	7.5	11.2
Interest income, net	1.7	1.1	1.7	1.2
Other income, net	4.0	0.4	1.9	0.5
Income before income taxes and other items below	13.1	15.7	11.2	12.8
Income tax expense	2.9	5.3	2.8	4.3
Equity in net income of affiliates	(0.1)	(0.1)	—	(0.1)
Income from continuing operations	10.3	10.5	8.4	8.6
Effective tax rate	22.2%	33.8%	25.2%	33.6%

Net sales Net sales were $153.5 million for the three months ended June 30, 2007, down 14% compared to $179.3 million in the three months ended July 1, 2006. Sequentially, sales for the quarter were 4% lower than the first quarter of fiscal 2007. Net sales for the first six months of fiscal 2007 were $313.1 million, down 7% from $335.7 million in the comparable year-ago period.

On a geographic basis, total sales to North America were 25%, Asia Pacific (excluding Japan) 35%, Europe 15% and Japan 25% for the second quarter. Net sales for the three months and six months ended June 30, 2007 included favorable foreign currency effects in the amounts of $0.7 million and $1.4 million, respectively. This reflected the strengthening of certain international currencies versus the U.S. dollar, most notably the Euro, which was partially offset by weakness in the Japanese yen versus the U.S. dollar.

Demand drivers for the Company's business primarily are comprised of semiconductor fab utilization and production (unit-driven) as well as capital spending for new or upgraded semiconductor fabrication facilities (capital-driven). The Company analyzes sales of its products by these two key drivers. Both unit-driven and capital-driven sales in the second quarter decreased as compared with the first quarter of 2007 and the comparable period in 2006. Semiconductor device maker customers increased chip production during the quarter, while slowing their orders for certain capital equipment. For the Company's non-semi-related customers, which accounted for about 20% of second quarter sales, production of data storage components was seasonally slow, and flat panel display was slow to recover from the softness of earlier in the year.

By product type, sales of unit driven products represented 60% of sales and capital-driven products represented 40% of total sales in the quarter ended June 30, 2007. This compared to a 58%/42% unit-driven vs. capital-driven split both for the second quarter of 2006 and the three months ended March 31, 2007, indicating a consistent pattern of demand within the industry over the past twelve months.

Unit-driven products include products which have average lives of less than 18 months or which need to be replaced based on usage levels. These include liquid filters, wafer shippers, and chip trays and disk shippers. However, sales results for the first quarter reflected a clear softening in the industry, as the Company saw some of its original equipment manufacturer (OEM) and integrated device manufacturer (IDM) customers grow increasingly cautious through the quarter. The softening was evident across all product types and geographies.

As noted, unit-driven product sales were 60% of quarter sales and declined modestly from the first quarter of 2007 as anticipated. Among unit-driven products, consumable liquid filter sales reflected increased utilization and production levels at semiconductor customers, which offset softer sales of these products to non-semi customers. Sales of wafer shippers, after strong growth in Q1, saw a modest decline in sales for 200mm wafer shippers. Sales of 300mm FOSB wafer shipper product were modest in the second quarter. Sales of other unit-driven products such as data storage shippers were lower, reflecting the seasonality of this business.

Sales of capital-driven products represented 40% of second quarter sales. Sales of liquid systems products declined in the second quarter due to fewer facility buildout projects and lower track tool shipments. Sales of wafer process carriers and FOUPs grew sequentially in the quarter, but trailed sales from the year-ago period. Sales of other capital-driven products, such as gas microcontamination products, were strong during the period.

Gross profit Gross profit for the three months ended June 30, 2007 decreased by $21.5 million to $65.5 million, a decrease of 25% from the $87.0 million for the three months ended July 1, 2006. The gross margin percentage for the second quarter of 2007 was 42.7% versus 48.5% for the three months ended July 1, 2006.

For the first six months of 2007, gross profit was $134.0 million, down 16% from $159.8 million recorded in the first six months of 2006. As a percentage of net sales, gross margins for the first six months of the year were 42.8% compared to 47.6% in the comparable period a year ago.

The gross profit declines for the three-month and six-month period were primarily due to lower utilization of the Company's production facilities compared to the year-ago periods. Production volumes were considerably lower in 2007 as the Company sold inventory on hand to satisfy customer demand. Prices for raw materials were relatively stable on a sequential quarter basis and year-over-year basis. Gross margin in the second quarter also was affected by approximately $0.4 million in transition costs such as travel, sampling and customer qualification costs related to the transfer of three product lines from U.S. facilities to the Company's facility in Kulim, Malaysia.

Costs of $(0.1) million and $0.3 million, respectively, were associated with the consolidation of manufacturing facilities in the U.S., Germany and Japan and reduced gross profit in the three-month and six-month periods ended June 30, 2007. The comparable cost figures in 2006 for the second quarter and year-to-date were $0.2 million and $2.3 million, respectively. Offsetting these charges to the 2006 gross profit was a gain of $0.7 million on the sale of a facility during the second quarter.

Selling, general and administrative expenses. Selling, general and administrative (SG&A) expenses decreased $7.2 million, or 14%, to $44.3 million in the three months ended June 30, 2007, down from $51.6 million in the comparable three-month period a year earlier. SG&A expenses, as a percent of net sales, rose to 28.9% from 28.8% a year earlier. On a year-to-year basis, SG&A expenses fell by $13.0 million, or 13% to $90.3 million compared to $103.3 million a year earlier. On a year-to-date basis, SG&A costs, as a percent of net sales, fell to 28.8% from 30.8% a year ago.

The decrease in SG&A costs reflects the lower SG&A expenses incurred by the Company in connection with the integration activities associated with the Mykrolis merger and other realignment activities, as well as the benefit of the combination of various sales, marketing and other corporate functions put in place during 2006. Integration costs were $0.8 million and $2.7 million, respectively, in the three months and six months ended June 30, 2007 compared to $2.8 million and $6.4 million, respectively, for the comparable periods ended July 1, 2006. The costs included in this category generally relate to expenses incurred to integrate Mykrolis' operations and systems into the Company's pre-existing operations and systems. These costs include, but are not limited to, the integration of information systems, employee benefits and compensation, accounting/finance, tax, treasury, risk management, compliance, administrative services, sales and marketing and other functions and includes severance and retention costs. The year-over-year decrease in SG&A expenses also includes a decline in incremental share-based compensation expense of $2.2 million.

Engineering, research and development expenses Engineering, research and development (ER&D) expenses fell by $0.3 million, or 3%, to $9.7 million in the second quarter of fiscal 2007 as compared to $10.0 million for the same period in fiscal 2006. ER&D expenses increased $1.2 million, or 6%, to $20.2 million in the first six months of 2007 as compared to $19.0 million in the year-ago six-month period. Year-to-date ER&D expenses, as a percent of net sales, increased to 6.5% from 5.7%. The year-to-date increase reflected higher product sampling costs as the Company continued to focus on the support of current product lines, and the development of new products and manufacturing technologies.

Interest income, net Net interest income was $2.6 million in the three months ended June 30, 2007 compared to $1.9 million in the year-ago period. Net interest income was $5.4 million in the first six months of 2007 compared to $3.9 million in year-ago period. The increases reflect the higher rates of interest available on the Company's investments in short-term debt securities as well as the higher average net invested balance compared to the year-ago period. The Company expects to report lower interest income over the remainder of 2007 as its cash available for investment was significantly reduced by the funding of the Company's repurchase of its common shares during the second quarter.

Other income Other income in the three-month and six-month periods ended June 30, 2007 includes a gain of $6.1 million on the sale of the Company's interest in a privately-held equity investment accounted for using the cost method. Proceeds from the sale totaled $6.6 million.

Income tax expense The Company recorded income tax expense of $4.5 million for the second quarter of 2007 compared to income tax expense of $9.5 million for the second quarter a year earlier. For the first six months of 2007, the Company booked income tax expense of $8.8 million compared to income tax expense of $14.5 million in the comparable period in fiscal 2006.

The year-to-date effective tax rate was 25.2% in 2007 compared to 33.6% in 2006 period. In both periods, the Company's tax rate was lower than statutory rates due to the benefits associated with export activities and tax holidays. The 2007 effective tax rate was also lower due to legislation in Germany that provides the Company a corporate income tax refund of $0.8 million.

Discontinued operations

The Company's businesses classified as discontinued operations recorded a net losses of $1.0 million and $1.1 million, net of taxes, in the three-month and six-month periods ended June 30, 2007. These results included nominal operating loss, a pre-tax impairment charge of $2.4 million recorded in the second quarter associated with write-downs of long-lived assets to fair value less cost to sell and a tax benefit of $0.7 million related to a reduction in the Company's deferred tax asset valuation allowance resulting from the utilization of a capital loss carryforward to offset a portion of the capital gain on the sale of an equity investment.

The year-to-date results of income from discontinued operations in 2006 included a tax benefit of $1.6 million recorded in the first quarter related to the change in the Company's deferred tax asset valuation allowance. The change in the valuation allowance resulted from the settlement of negotiations regarding the terms of sale of a discontinued operation which established the characterization of certain gains and losses.

Net income The Company recorded net income of $14.8 million, or $0.11 per diluted share, in the three-month period ended June 30, 2007 compared to net income of $18.2 million, or $0.13 per diluted share, in the three-month period ended July 1, 2006. The net earnings from continuing operations for the three-month period were $15.8 million, or $0.12 per diluted share, compared to net income of $18.8 million, or $0.13 per diluted share, in the year ago period. Included in net earnings for the current quarter was other income of $6.1 million ($3.8 million after taxes, or $0.03 per diluted share) related to the sale of one of the Company's equity investments.

For the six months ended June 30, 2007, the Company recorded net income of $25.2 million, or $0.19 per diluted share, compared to net income of $29.5 million, or $0.21 per diluted share, in the comparable period a year ago. The net earnings from continuing operations for the six-month period were $26.2 million, or $0.20 per diluted share, compared to net income of $28.8 million, or $0.20 per diluted share, in the year ago period. As noted above, the results in 2007 include an after-tax gain of $3.8 million, or $0.03 per diluted share, related to the sale of one of the Company's equity investments. The after-tax earnings of discontinued operations in the first quarter of 2006 included the tax benefit of $1.6 million associated with a decrease in the company's deferred tax asset valuation allowance described above.

Liquidity and Capital Resources

Operating activities Cash provided by operating activities totaled $74.1 million in the six months ended June 30, 2007. Cash flow from operations was provided by the Company's net earnings of $25.2 million and various non-cash charges, including depreciation and amortization of $21.5 million, and share-based compensation expense of $5.8 million. Also adding to operating cash flow was the net positive impact of changes in operating assets and liabilities, most notably accounts receivable.

Accounts receivable, net of foreign currency translation adjustments, decreased by $24.1 million, reflecting an improvement in the Company's days sales outstanding which stood at 61 days compared to 70 days at the beginning of the period and 66 days at the end of the first quarter. Inventories declined by $12.9 million from December 31, 2006 due to reduced production activity and improved inventory management.

Working capital at June 30, 2007 stood at $275.4 million, down from $463.6 million as of December 31, 2006, and included $138.5 million in cash, cash equivalents and short-term investments.

Accounts payable and accrued expenses were $11.1 million lower than reported at December 31, 2006, mainly reflecting the payment of last year's incentive compensation as well as lower accounts payable associated with reduced production activity.

Investing activities Cash flow provided by investing activities totaled $105.6 million in the six-month period ended June 30, 2007. Acquisition of property and equipment totaled $15.2 million, primarily for additions related to the facility expansion in Malaysia, manufacturing equipment, tooling and information systems. The Company expects total capital expenditures of approximately $30 million for calendar 2007.

The company had maturities from short-term investments, net of proceeds, of $119.1 million during the period. Short-term investments stood at $2.0 million at June 30, 2007.

Financing activities Cash used in financing activities totaled $197.1 million during the six-month period ended June 30, 2007. The Company made payments of $0.2 million on borrowings. Proceeds from short-term borrowings received during the quarter were $25.0 million. The Company received proceeds of $27.3 million in connection with common shares issued under the Company's stock option and stock purchase plans. As described below, Company repurchased and retired $251.4 million of common stock during the quarter.

As of June 30, 2007, the Company's sources of available funds comprised $136.5 million in cash and cash equivalents, $2.0 million in short-term investments, as well as funds available under various credit facilities. Entegris has an unsecured revolving credit agreement with one domestic commercial bank with aggregate borrowing capacity of $85 million, with borrowings outstanding at June 30, 2007 in the amount of $25.0 million. The Company also has a line of credit with one international bank that provides for borrowings of currencies for one of the Company's overseas subsidiaries, equivalent to an aggregate of approximately $2.9 million. There were no borrowings outstanding on this line of credit at June 30, 2007.

In May 2007, the Company's Board of Directors authorized a share repurchase program to acquire up to $250 million of the Company's stock. In a modified "Dutch Auction" tender offer completed in June 2007, the Company purchased 21.1 million shares of its common stock at a price of $11.80 per share, plus costs to acquire the shares, for a total cash outlay of approximately $251.4 million. Following the completion of this tender offer, the Company had approximately 115.7 million shares of common stock outstanding.

During the quarter ended June 30, 2007, the Company's executed a new unsecured revolving credit agreement, which expires in June 2010, allows for aggregate borrowings of up to $85 million with interest at LIBOR rates plus an incremental factor ranging from 0.75% to 1.25% based on the current funded debt to EBITDA ratio (as defined therein). Under the unsecured revolving credit agreement, of which $25 million is a one-year term note, the Company is prohibited from paying cash dividends. The Company is also subject to, and is in compliance with, certain financial covenants including a leverage ratio of funded debt to EBITDA (as defined therein) of not more than 3.00 to 1.00. In addition, the Company must maintain consolidated aggregate amounts of cash and cash equivalents (which under the agreement may also include auction rate securities classified as short-term investments) of not less than $50 million.

At June 30, 2007, the Company's shareholders' equity stood at $825.7 million, down 19% from $1,016.0 million at the beginning of the period. The main decrease is a result of the repurchase and retirement of $251.4 million of the Company's stock during the quarter. This was offset partially by the Company's net earnings of $25.2 million, the proceeds of $27.3 million received in connection with shares issued under the Company's stock option and stock purchase plans, and the increase in additional paid-in capital of $5.8 million associated with the Company's share-based compensation expense recorded during the period.

The Company believes that its cash and cash equivalents, short-term investments, cash flow from operations and available credit facilities will be sufficient to meet its working capital and investment requirements for the next 12 months.

Update on Contractual Obligations: As noted above, the Company adopted FIN 48, *Accounting for Uncertainty in Income Taxes-an Interpretation of FASB Statement No. 109* as of January 1, 2007. At the date of adoption, the Company had approximately $12.5 million of total gross unrecognized tax benefits. The timing of any payments which could result from these unrecognized tax benefits will depend on a number of factors. Accordingly, the Company cannot make reasonably reliable estimates of the amount and period of potential cash settlements, if any, with taxing authorities.

Cautionary Statements This report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect the Company's current views with respect to future events and financial performance. The words "believe," "expect," "anticipate," "intends," "estimate," "forecast," "project," "should" and similar expressions are intended to identify these "forward-looking statements." All forecasts and projections in this report are "forward-looking statements," and are based on management's current expectations of the Company's near-term results, based on current

information available pertaining to the Company. The risks which could cause actual results to differ from those contained in such "forward looking statements" include, without limit, (i) inability to meet customer demands associated with semiconductor industry spending; (ii) the transition to new products, the uncertainty of customer acceptance of new product offerings, and rapid technological and market change; (iii) insufficient, excess or obsolete inventory; (iv) competitive factors, including but not limited to pricing pressures; and (v) the risks described in the Company's Annual Report on Form 10-K for the year ended December 31, 2006 under the headings "Risks Relating to our Business and Industry", "Manufacturing Risks", "International Risks", and "Risks Related to the Securities Markets and Ownership of our Securities" as well as in the Company's quarterly reports on Form 10-Q and current reports on Form 8-K as filed with the Securities and Exchange Commission.

Item 3: Quantitative and Qualitative Disclosures About Market Risk

Entegris' principal financial market risks are sensitivities to interest rates and foreign currency exchange rates. The Company's interest-bearing cash equivalents and short-term investments, and long-term debt and short-term borrowings are subject to interest rate fluctuations. Most of its long-term debt at June 30, 2007 carries fixed rates of interest. The Company's cash equivalents and short-term investments are debt instruments with maturities of 24 months or less. A 100 basis point change in interest rates would potentially increase or decrease annual net income by approximately $0.7 million annually.

The cash flows and earnings of the Company's foreign-based operations are subject to fluctuations in foreign exchange rates. The Company occasionally uses derivative financial instruments to manage the foreign currency exchange rate risks associated with its foreign-based operations. At June 30, 2007, the Company was party to forward contracts to deliver Korean won, Chinese yuan, Malaysian ringgits, Japanese yen, Taiwanese dollars, Singapore dollars and Euros with notional values of approximately $1.0 million, $1.2 million, $16.0 million, $12.0 million, $6.0 million, $4.6 million and $1.6 million, respectively.

During the first quarter of 2007, the Company entered into a 10-month Japanese yen-based cross currency interest rate swap, with aggregate notional principal amounts of 2.4 billion Japanese yen and $20 million that matures on November 30, 2007. This swap effectively hedges a portion of the Company's net investment in its Japanese subsidiary. During the term of this transaction, the Company will remit to, and receive from, its counterparty interest payments based on rates that are reset quarterly equal to three-month JPY LIBOR and three-month U.S. LIBOR rates, respectively. The Company has designated this hedging instrument as a hedge of a portion of the net investment in its Japanese subsidiary, and will use the spot rate method of accounting to value changes of the hedging instrument attributable to currency rate fluctuations. As such, during the six months ended June 30, 2007, a $0.4 million adjustment in the fair market value of the hedging instrument related to changes in the spot rate is recorded as a charge in other comprehensive income and offset changes in a portion of the yen-denominated net investment in the Company's Japanese subsidiary. Amounts recorded to foreign currency translation within accumulated other comprehensive loss will remain there until the net investment is disposed. The Company recorded $0.2 million in interest income during the six months ended June 30, 2007 in connection with the cross currency interest rate swap.

Item 4: Controls and Procedures

(a) Evaluation of disclosure controls and procedures. Disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports that are filed or furnished under the Securities Exchange Act of 1934, as amended (Exchange Act) is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the Securities & Exchange Commission (SEC). Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports that are filed under the Exchange Act is accumulated and communicated to management, including the chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure. Under the supervision of and with the participation of management, including the chief executive officer and chief financial officer, the Company has evaluated the effectiveness of the design and operation of its disclosure controls and procedures as of June 30, 2007. Based on its evaluation and with the exception of the material weakness in internal control over financial reporting referenced below, our management, including our chief executive officer and chief financial officer, concluded that our disclosure controls and procedures were effective as of June 30, 2007.

(b) Changes in internal control over financial reporting. As previously reported in the Company's Annual Report on Form 10-K, as filed with the Securities & Exchange Commission on March 16, 2007, in connection with the Company's assessment of the effectiveness of our internal control over financial reporting at the end of our last fiscal year, we identified a material weakness in our internal control over financial reporting as of December 31, 2006 related to income taxes. Our policies and procedures did not provide for effective oversight and review of our accounting for income taxes. Specifically, our policies and procedures did not include

adequate management review of various income tax calculations, reconciliations and related supporting documentation to ensure that our accounting for income taxes, including accounting for income taxes associated with acquisitions made by the Company, was in accordance with generally accepted accounting principles. Because of the material weakness described above, management concluded that (i) the Company did not maintain effective internal control over financial reporting as of December 31, 2006, based on the criteria established in "Internal Control—Integrated Framework" issued by COSO. The Company's registered independent public accounting firm concurred with management's conclusion as to this material weakness as of December 31, 2006.

Management, with oversight from the Company's Audit & Finance Committee, is working to address the material weakness disclosed in its Form 10-K and is committed to remediate the material weaknesses as timely as possible. The Company is in the process of implementing the following remediation steps to address the material weakness in it its internal controls relating to income taxes noted above:

- Hiring additional tax personnel and providing additional training for select tax personnel;
- Redesigning and implementing new review and approval procedures and processes associated with all income tax provision workpapers and the consolidated income tax reconciliation schedules;
- Increasing the oversight by our accounting department of income tax reconciliations.

Management believes these new policies and procedures, when fully implemented, will be effective in remediating this material weakness. However, the Company's material weakness will not be considered remediated until the new internal controls have been operational for a period of time, are tested and management and the Company's registered independent public accounting firm conclude that these controls are operating effectively.

There were no changes in internal controls or in other factors that could significantly affect these controls subsequent to the date of the evaluation described.

PART II

OTHER INFORMATION

Item 1. Legal Proceedings

The following discussion provides information regarding certain litigation to which the Company was a party that were pending as of June 30, 2007.

As previously disclosed, on March 3, 2003 the Company's predecessor, Mykrolis Corporation, filed a lawsuit against Pall Corporation in the United States District Court for the District of Massachusetts alleging infringement of two of the Company's U.S. patents by certain fluid separation systems and related assemblies used in photolithography applications manufactured and sold by the defendant. The Company's lawsuit also sought a preliminary injunction preventing the defendant from the manufacture, use, sale, offer for sale or importation into the U.S. of any infringing product. On April 30, 2004, the Court issued a preliminary injunction against Pall Corporation and ordered Pall to immediately stop making, using, selling, or offering to sell within the U.S., or importing into the U.S., its PhotoKleen EZD-2 Filter Assembly products or "any colorable imitation" of those products. On January 18, 2005, the Court issued an order holding Pall Corporation in contempt of court for the violation of the preliminary injunction and ordering Pall to disgorge all profits earned from the sale of its PhotoKleen EZD-2 Filter Assembly products and colorable imitations thereof from the date the preliminary injunction was issued through January 12, 2005. In addition, Pall was also ordered to reimburse Mykrolis for certain of its attorney's fees associated with the contempt and related proceedings. The Court's order also dissolved the preliminary injunction, effective January 12, 2005, based on certain prior art cited by Pall which it alleged raised questions as to the validity of the patents in suit. On February 17, 2005, the Company filed notice of appeal to the U.S. Circuit Court of Appeals for the Federal Circuit appealing the portion of the Court's order that dissolved the preliminary injunction and Pall filed a notice of appeal to that court with respect to the finding of contempt and the award of attorneys' fees. On June 13, 2007 the Court of Appeals issued an opinion dismissing Pall's appeal for lack of jurisdiction and affirming the District Court's order dissolving the preliminary injunction.

On April 6, 2006 the Company filed a lawsuit against Pall Corporation in the United States District Court for the District of Massachusetts alleging infringement of the Company's newly issued U.S. patent No. 7,021,667 by certain filter assembly products used in photolithography applications that are manufactured and sold by the defendant. The Company's lawsuit also seeks a preliminary injunction preventing the defendant from the manufacture, use, sale, offer for sale or importation into the U.S. of the infringing products. On October 23, 2006 the Company's motion for preliminary injunction was argued before the court; a decision on this motion is pending.

On August 23, 2006 the Company filed a lawsuit against Pall Corporation in the United States District Court for the District of Massachusetts alleging infringement of the Company's newly issued U.S. patent No. 7,037,424 by certain fluid separation modules and related separation apparatus, including the product known as the EZD-3 Filter Assembly, used in photolithography applications that are manufactured and sold by the defendant. It is believed that the EZD-3 Filter Assembly was introduced into the market by the defendant in response to the action brought by the Company in March of 2003 as described above. This case is currently in the preliminary stages.

As previously disclosed, on December 16, 2005 Pall Corporation filed suit against the Company in U.S. District Court for the Eastern District of New York alleging patent infringement. Specifically, the suit alleges infringement of two of plaintiff's patents by one of the Company's gas filtration products and by the packaging for certain of the Company's liquid filtration products. Both products and their predecessor products have been on the market for a number of years. The Company intends to vigorously defend this suit and believes that it will ultimately prevail. This case is currently in the discovery stage.

On May, 4, 2007 Pall Corporation filed a lawsuit against the Company in the U.S. District Court for the Eastern District of New York alleging patent infringement. Specifically, the suit alleges that certain of the Company's point-of-use filtration products infringe a newly issued Pall patent, as well as three older Pall patents. Pall's

action, which relates only to the U.S., asserts that "on information and belief" the Company's Impact 2 and Impact Plus point-of-use photoresist filters infringe a patent issued to Pall on March 27, 2007, as well as three older patents. The Company intends to vigorously defend this suit and believes that it will ultimately prevail. This case is currently in the preliminary stage.

Item 2. Purchases of Equity Securities by the Company

The following table provides information concerning shares of the Company's Common Stock $0.01 par value purchased during the six months ended June 30, 2007.

Period	(a) Total Number of Shares Purchased[1]	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs[3]
June 2007	21,110,598	$ 11.80[2]	21,110,598	$ 0
Total	21,110,598	$ 11.80	21,110,598	$ 0

(1) The Company announced on May 10, 2007 a plan to repurchase up to $250,000,000 of its outstanding common stock over a one-month period beginning May 11, 2007 and expiring on June 8, 2007 by the use of a modified "Dutch Auction" tender offer.

(2) Based on an average purchase price of $11.80 per share for shares received pursuant to the tender offer agreement, calculated as of June 8, 2007.

(3) The plan expired on June 8, 2007 and there are no additional shares that may be purchased under the plan.

Item 4. Submission of Matters to a Vote of Security Holders

The Annual Meeting of the Stockholders of the Company was held on May 9, 2007. The only item submitted to the vote of security holders at that meeting was the election of ten nominees as directors each to serve for a one year term expiring at the 2008 Annual Meeting of Stockholders. As of the record date for this meeting, March 23, 2007, there were 134,456,633 shares of the Company's Common Stock issued and outstanding; proxies representing 128,891,110 shares were received. Set forth below is a tabulation of the votes cast for, against or withheld as well as broker non-votes and/or abstentions with respect to each nominee:

Nominee	For	Withheld	Abstention/Non Votes
Gideon Argov	121,455,699	7,435,411	
Michael A. Bradley	127,144,842	1,746,268	
Michael P.C. Carns	124,042,086	4,849,024	
Daniel W. Christman	127,336,914	1,554,196	
James E. Dauwalter	124,045,097	4,846,013	
Gary F. Klingl	127,322,148	1,568,962	
Roger D. McDaniel	124,022,369	4,868,741	
Paul L.H. Olson	126,223,834	2,667,276	
Thomas O. Pyle	127,326,666	1,564,444	
Brian F. Sullivan	127,405,771	1,487,339	

Item 6. Exhibits

10.1 Credit Agreement dated as of June 8, 2007, by and among Entegris, Inc., Wells Fargo Bank NA as agent, and the other banks party thereto.

10.2	Entegris, Inc. 2007 Deferred Compensation Plan
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

[Table of Contents]

CONFORMED COPY

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ENTEGRIS, INC.

Date: August 3, 2007

/s/ Gregory B. Graves

Gregory B. Graves
Senior Vice President and Chief Financial Officer (on behalf of the registrant and as principal financial officer)

CREDIT AGREEMENT

This Credit Agreement is dated as of June 8, 2007, by and among ENTEGRIS, INC., a Delaware corporation (the "Borrower"), and each of the banks appearing on the signature pages hereof, together with such other banks as may from time to time become a party to this Agreement pursuant to the terms and conditions of Article VIII hereof (herein collectively called the "Banks" and individually each called a "Bank"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, in its separate capacity as administrative agent for itself and all other Banks (in such capacity, the "Agent").

ARTICLE I
DEFINITIONS

Section 1.1. Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in the preamble have the meanings therein assigned to them;

(b) the terms defined in this Article have the meanings assigned to them in this Article, and include the plural as well as the singular;

(c) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP; and

(d) all accounting terms, unless otherwise specified, shall be deemed to refer to Persons and their Subsidiaries on a consolidated basis in accordance with GAAP.

"2007 Tender Offer" means a share repurchase tender offer by the Borrower for $250,000,000 of its common stock, which offer shall provide for purchase of such stock on or after the date hereof.

"Acquisition" means any transaction or series of transactions by which the Borrower acquires, either directly or through a Subsidiary or otherwise, (a) any or all of the stock or other securities of any class of any Person (not including securities held by the Borrower solely in conjunction with the investment of its excess cash under the Approved Investment Policy), or (b) all or substantially all of the assets, or a division or line of business, of any Person.

"Adjustment Date" has the meaning specified in Section 8.12.

"Advance" means the portion of the outstanding Loans bearing interest at an identical rate for an identical Interest Period, provided that all Base Rate Advances shall be deemed a single Advance. An Advance may be a "LIBOR Rate Advance" or "Base Rate Advance" (each, a "type" of Advance).

"Affiliate" means, with respect to any Person, (a) each Person that, directly or indirectly, owns or controls, whether beneficially, or as a trustee, guardian or other fiduciary, (i) ten percent (10%) or more of a Person that is publicly held or (ii) fifty percent (50%) or more of a Person that is privately held, of the stock having ordinary voting power in the election of directors of such Person, (b) each Person that controls, is controlled by or is under common control with such Person or (c) each of such Person's, officers, directors, joint venturers and partners. For purpose of this definition, "control" of a Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of voting securities, by contract or otherwise; provided, however, that the term "Affiliate" shall in no event include the Agent or a Bank.

“Agent’s Fee Letter” shall mean that certain letter agreement, dated as of May 23, 2007, between the Agent and the Borrower regarding fees payable by the Borrower to the Agent.

“Agreement” means this Credit Agreement and all exhibits, amendments and supplements hereto and all restatements thereof.

“Applicable Margin”; “Applicable Commitment Fee Rate” shall mean the percentages set forth below corresponding to the Cash Flow Leverage Ratios shown below for the most recent fiscal quarter end for which financial statements have been delivered:

Cash Flow Leverage Ratio:	Applicable Margin for LIBOR Rate Advances:	Applicable Margin for Base Rate Advances:	Applicable Commitment Fee Rate:
Less than 1.00 to 1.00	0.750%	0.000%	0.150%
Greater than or equal to 1.00 to 1.00 but less than 1.50 to 1.00	0.875%	0.000%	0.175%
Greater than or equal to 1.50 to 1.00 but less than 2.00 to 1.00	1.000%	0.000%	0.200%
Greater than or equal to 2.00 to 1.00 but less than 2.50 to 1.00	1.125%	0.000%	0.225%
Greater than or equal to 2.50 to 1.00	1.250%	0.000%	0.250%

The Applicable Margin shall be applied on a quarterly basis, effective as of the date five (5) days after the due date of the Borrower’s quarterly financial statements as required by Section 5.1(b) based on the Cash Flow Leverage Ratio as demonstrated by the quarterly financial statements of the Borrower delivered for the fiscal quarter most recently ended, and as certified by the Borrower’s financial officer. In the event that such financial statements are not delivered as required by Section 5.1(b), the Applicable Margin shall be the highest percentages set forth above until such time as such financial statements are delivered, after which time the Applicable Margin shall be readjusted to the rate applicable to the Cash Flow Leverage Ratio applicable to such statements.

“Applicant” has the meaning specified in Section 8 12.

“Approved Currency Risk Management Policy” means the Borrower’s policy for currency risk management, as set forth in the document entitled “Currency Risk Management Policy”, approved by the board of directors of the Borrower in December, 2006.

"Approved Investment Policy" means the Borrower's policy for investing funds, as set forth in the document entitled "Investment Policy Statement", approved by the board of directors of the Borrower in December, 2006.

"Assignment Certificate" has the meaning specified in Section 8.12.

"Base Rate" means an annual rate equal to the higher of (i) the Prime Rate or (ii) the Federal Funds Rate plus 0.50%, which Base Rate shall change when and as the Prime Rate or Federal Funds, as applicable, changes.

"Base Rate Advance" means any Advance which bears interest at a rate determined by reference to the Base Rate.

"Business Day" means any day other than a Saturday or Sunday on which national banks are required to be open for business in Minnesota, and, in addition, if such day relates to a LIBOR Rate Advance or fixing of a LIBOR Rate, a day on which dealings in U.S. dollar deposits are carried on in the London interbank eurodollar market.

"Capital Adequacy Rule" has the meaning specified in Section 2.16(b)(ii).

"Capital Adequacy Rule Change" has the meaning specified in Section 2.16(b)(iii).

"Capital Expenditure" means any expenditure of money for the purchase or construction of fixed assets or for the purchase or construction of any other assets, or for improvements or additions thereto, which are capitalized on the Borrower's balance sheet, whether payable currently or in the future, excluding, however, any expenditure of cash in connection with an acquisition of stock or assets of another Person permitted under Section 6.4 of this Agreement or with the proceeds of casualty insurance or from the sale of fixed assets.

"Capitalized Lease Liabilities" of any Person means, with respect to the applicable Covenant Computation Period, all monetary obligations of such Person under any leasing or similar arrangement which, in accordance with GAAP, would be classified as capitalized leases, and, for purposes of this Agreement, the amount of such obligations shall be the capitalized amount thereof, determined in accordance with GAAP.

"Cash and Cash Equivalents" means the amount, net of any right of setoff or reduction by any depositary or financial intermediary holding such assets (other than with respect to the Obligations and customary administrative fees and expenses), in each case not subject to any restriction on transfer to or by the Borrower, of cash and the following:

(a) investments made under the Approved Investment Policy, excluding "Other Investments" as defined therein; and

(b) such other investments as the Borrower shall request and the Banks shall approve in writing, which approval may not be unreasonably withheld.

Deposits maintained by any Foreign Subsidiary may be included as Cash and Cash Equivalents if meeting the foregoing requirements and if not subject to any currency-transfer laws, regulations or restrictions (and shall be converted to U.S. Dollar equivalents at spot rates of exchange then offered by the Agent).

"Cash Flow Leverage Ratio" means the ratio, calculated for each period of four consecutive fiscal quarters of the Borrower, of (a) (i) Total Funded Debt, minus (ii) Cash and Cash Equivalents of the Borrower and its Subsidiaries in excess of $100,000,000, each of the last day of such period; to (b) EBITDA for such period.

"Change of Control" means:

(a), either (i) the acquisition by any "person" or "group".(as those terms are used in Sections 13(d) and 14(d) of the Exchange Act) of beneficial ownership (as defined in Rules 13d-3 and 13d-4 of the Securities and Exchange Commission, except that a Person shall be deemed to have beneficial ownership of all securities that such Person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of 50% or more of the then-outstanding voting capital stock of the Borrower; or (ii) a change in the composition of the board of directors of the Borrower or any corporate parent of such corporation such that continuing directors cease to constitute more than 50% of such board of directors. As used in this definition, "continuing directors" means, as of any date, (i) those members of the board of directors of the Borrower who assumed office prior to such date, and (ii) those members of the board of directors of the Borrower who assumed office after such date and whose appointment or nomination for election by that corporation's shareholders was approved by a vote of at least 50% of the directors of such corporation in office immediately prior to such appointment or nomination; or

(b) a "change of control" or any similar event shall occur under, and is defined in documents pertaining to, the Permitted Foreign Subsidiary Financing Facility or the Permitted Permanent Financing Facility.

"Commitment Fees" has the meaning specified in Section 2.11(b).

"Compliance Certificate" means a certificate in the form of Exhibit D, duly completed and signed by an authorized officer of the Borrower.

"Debt" of any Person means, without duplication:

(a) all obligations of such Person for borrowed money;

(b) all obligations of such Person evidenced by bonds, debentures, notes, reimbursement agreements, recourse agreements or other similar instruments;

(c) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business;

(d) all Capitalized Lease Liabilities of such Person;

(e) all debt of others secured by a lien on any asset of such Person, whether or not such debt is assumed by such Person;

(f) all Debt of others guaranteed by such other Person;

(g) all obligations of such Person to pay a specified purchase price for goods or services, whether or not delivered or accepted (i.e., take-or-pay and similar obligations);

(h) net mark-to-market exposure under Rate Hedging Obligations, FX and Currency Option Obligations and other financial contracts, excluding those entered in compliance with the Approved Currency Risk Management Policy and Permitted Permanent Financing Facility;

(i) all obligations of such Person to advance funds to, or purchase assets, property or services from, any other Person in order to maintain the financial condition of such Person; and

(j) obligations with respect to letters of credit and other documentary credits, whether drawn or undrawn, contingent or otherwise excluding the following letters of credit issued in the ordinary course of business: (i) commercial letters of credit, (ii) letters of credit or bank guaranties issued to back refund obligations of deposits or deferred payment reserves, and (iii) bank guaranties of payment of import duties and consumption taxes.

"Default" means an event that, with giving of notice or passage of time or both, would constitute an Event of Default.

"Default Rate" shall have the meaning specified in Section 2.8(c).

"Domestic Subsidiary" means a Subsidiary organized under the laws of one of the States of the United States, other than Entegris Asia LLC and Entegris Netherlands, Inc.

"EBITDA" means, with reference to any period, the net income (or loss) of the Borrower and its Subsidiaries on a consolidated basis for such period, plus, to the extent deducted from revenues in determining such net income, (i) Interest Expense, (ii) expense for income taxes paid or accrued, (iii) depreciation, (iv) amortization, (v) other non-cash expenses, (vi) non-recurring costs or expense incurred with a permitted merger or acquisition (reasonably acceptable to Agent), and (vii) extraordinary non-cash losses incurred other than in the ordinary course of business, minus, to the extent included in such net income, extraordinary gains realized other than in the ordinary course of business, all calculated for the Borrower and its Subsidiaries on a consolidated basis, in accordance with GAAP. EBITDA shall be adjusted to include historical pro forma EBITDA from future Permitted Acquisitions, including cost-savings calculated with the Agent's reasonable consent.

"Environmental Laws" has the meaning specified in Section 4.12.

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

"Event of Default" has the meaning specified in Section 7.1.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Existing Letters of Credit" means the letters of credit issued by Wells Fargo and identified on Schedule 1.1 hereof.

"Federal Funds Rate" means at any time an interest rate per annum equal to the weighted average of the rates for overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day for such transactions received by the Agent from three federal funds brokers of recognized standing selected by it, it being understood that the Federal Funds Rate for any day which is not a Business Day shall be the Federal Funds Rate for the next preceding Business Day.

“Foreign Subsidiary” means a Subsidiary other than a Domestic Subsidiary.

“FX and Currency Option Obligations” means any and all obligations of the Borrower and its Subsidiaries, whether absolute or contingent and howsoever and whenever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under any and all agreements, devices or arrangements designed to protect the Borrower or any Subsidiary from variations in the comparative value of currencies, including foreign exchange purchase and future purchase transactions, currency options, currency swaps and cross currency rate swaps.

“GAAP” means generally accepted accounting principles as in effect and applied on a basis consistent with the accounting practices applied in the financial statements of the Borrower and its Subsidiaries referred to in Section 4.5. In the event GAAP changes after the date of such financial statements, the parties agree to negotiate revised definitions and covenants to adjust to these changes.

“Guarantors” means each Subsidiary of the Borrower that executes and delivers a Guaranty in favor of the Agent and the Banks either at the time of execution of this Agreement or at any time hereafter pursuant to Section 5.10.

“Guaranty” means a Guaranty of a Guarantor in favor of the Agent and the Banks, in the form of Exhibit E hereto duly completed for each Guarantor, as the same may be amended, supplemented or restated from time to time.

“Hazardous Substance” means any asbestos, urea-formaldehyde, polychlorinated biphenyls, nuclear fuel or material, chemical waste, radioactive material, explosives, known carcinogens, petroleum products and by-products and other dangerous, toxic or hazardous pollutants, contaminants, chemicals, materials or substances listed or identified in, or regulated by, any Environmental Laws.

“Indemnitees” has the meaning specified in Section 9.5.

“Intercompany Loan” means a loan by the Borrower to one or more of its Subsidiaries or a loan by one or more of the Borrower’s Subsidiaries to the Borrower or another Subsidiary.

“Interest Expense” means, for any period of determination, the aggregate consolidated amount, without duplication, of interest paid, accrued or scheduled to be paid in respect of any Debt of the Borrower and its Subsidiaries, including in all cases interest expense determined in accordance with GAAP and (a) the component of payments in respect of conditional sale contracts, Capitalized Leases and other title retention agreements treated under GAAP as interest, (b) commissions, discounts and other fees and charges with respect to letters of credit and bankers’ acceptance financings and (c) net Rate Hedging Obligations, in each case determined in accordance with GAAP.

“Interest Period” means, relative to any LIBOR Rate Advance, the period beginning on (and including) the date on which such LIBOR Rate Advance is made, or continued as, or converted into, a LIBOR Rate Advance pursuant to Sections 2.2, 2.3 or 2.4 and shall end on (but exclude) the day which numerically corresponds to such date one (1), two (2), three (3) or six (6) months thereafter (or, if such month has no numerically corresponding day, on the last Business Day of such month), as the Borrower may select in the relevant notice pursuant to Sections 2.2, 2.3, or 2.4; provided, however, that:

(a) no more than twelve (12) different Interest Periods may be outstanding at any one time;

(b) if an Interest Period would otherwise end on a day which is not a Business Day, such Interest Period shall end on the next following Business Day (unless such next following Business Day is the first Business Day of a month, in which case such Interest Period shall end on the next preceding Business Day); and

(c) no Interest Period may end later than the Revolving Termination Date (for Revolving Loans) or the Term Maturity Date (for Term Loans).

"Letter of Credit" means each Existing Letter of Credit and each letter of credit issued by the Letter of Credit Bank as described in Section 2.7.

"Letter of Credit Agreement" has the meaning specified in Section 2.7(b).

"Letter of Credit Bank" means Wells Fargo, in its separate capacity as issuer of the Letters of credit for the account of the Borrower pursuant to Section 2.7.

"Letter of Credit Fee" has the meaning specified in Section 2.7(c).

"Letter of Credit Fee Margin" means, as of the date of determination, a percentage equal to the then-Applicable Margin for LIBOR Advances in effect on such date of determination.

"Letter of Credit Obligations" means the sum of (a) the aggregate face amount of all issued and outstanding Letters of Credit and (b) amounts drawn under Letters of Credit for which the Letter of Credit Bank has not been reimbursed with proceeds of a Loan or otherwise.

"Letter of Credit Sublimit" means Ten Million Dollars ($10,000,000).

"LIBOR Rate" means the offered rate for deposits in United States Dollars for delivery of such deposits on the first day of an Interest Period of a LIBOR Rate Advance, for the number of days comprised therein, quoted by the Agent from Reuters Screen LIBOR01 Page as of approximately 11:00 a.m., London time, on the day that is two Business Days preceding the first day of the Interest Period of such LIBOR Rate Advance, or the rate for such deposits determined by the Agent at such time based on such other published service of general application as shall be selected by the Agent for such purpose; provided, that if the LIBOR Rate is not determinable in the foregoing manner, the Agent may determine the rate based on rates offered to the Agent for deposits in United States Dollars in the interbank eurodollar market at such time for delivery on the first day of the Interest Period for the number of days comprised therein. If the Board of Governors of the Federal Reserve System (or any successor) prescribes a reserve percentage (the "Reserve Percentage") for "Eurocurrency liabilities" (as defined in Regulation D of the Federal Reserve Board, as amended), then the above definition of LIBOR shall be the "Base LIBOR", and "LIBOR" shall mean: Base LIBOR divided by (100% minus LIBOR Reserve Percentage). Each determination by the Agent of the applicable LIBOR shall be conclusive and binding upon the parties hereto, in the absence of demonstrable error.

"LIBOR Reserve Percentage" means the Reserve Percentage adjusted by the Bank for expected changes in such reserve percentage during the applicable Interest Period.

"LIBOR Rate Advance" means an Advance which bears interest at a rate determined by reference to a LIBOR Rate.

"Lien" means any security interest, mortgage, pledge, lien, hypothecation, judgment lien or similar legal process, charge, encumbrance, title retention agreement or analogous instrument or device (including, without limitation, the interest of the lessors under Capitalized Leases and the interest of a vendor under any conditional sale or other title retention agreement).

“Loan Documents” means this Agreement, the Revolving Notes, the Swing Line Note, the Term Notes, the Guaranties, each Letter of Credit Agreement, each Pledge Agreement, all applications and other agreements relating to the Letters of Credit, and all other loan documents now or hereafter given by the Borrower or the Guarantors to the Agent and the Banks in connection with the Obligations of the Borrower under this Agreement.

“Loans” means the Revolving Loans, the Swing Line Loans and the Term Loans.

“Material Adverse Effect” means, with respect to any event or circumstance, a material adverse effect on:

(a) the business, financial condition or operations of the Borrower and its Subsidiaries taken as a whole on a consolidated basis; or

(b) the validity, enforceability or collectibility of the Loan Documents.

“Notes” means the Revolving Notes, the Swingline Note and the Term Notes.

“Obligations” means all obligations and liabilities of the Borrower to the Agent and the Banks under this Agreement and all other Loan Documents, including without limitation obligations to pay principal, interest, fees, expenses and other amounts, and all Rate Hedging Obligations of the Borrower to any of the Banks, including without limitation any such obligations that arise after the filing of a petition by or against the Borrower under the Bankruptcy Code, regardless of whether allowed as a claim in the resulting proceeding, even if the obligations do not accrue because of the automatic stay under Bankruptcy Code Section 362 or otherwise.

“Payee” has the meaning specified in Section 2.15.

“Percentage” means, as to any Bank (a) the amount of its Revolving Commitment (whether or not used) plus its Term Loan (or Term Commitment, if not yet funded) divided by the Revolving Commitment Amount plus aggregate amount of the Term Loans outstanding (or Term Commitment Amount, if not yet funded, or (b) if the Revolving Commitments have been terminated, the outstanding amount of such Banks Revolving Loans, Term Loans, participation in Swing Line Loans and Letter of Credit Obligations divided by the total outstanding Revolving Loans, Term Loans, Swing Line Loans and Letter of Credit Obligations of all Banks.

“Permitted Acquisition” means any Acquisition by the Borrower, provided that:

(a) both before and after giving effect to such Acquisition, no Default or Event of Default will have occurred and be continuing;

(b) after giving effect to such Acquisition and any borrowing under this Agreement necessary to fund such Acquisition, there shall be not less than $5,000,000 of available borrowings under the Revolving Commitment;

(c) the Person the assets or stock of which are being acquired is conducting a business or businesses similar to those being conducted by the Borrower;

(d) the total consideration paid by the Borrower in connection with such Acquisitions does not exceed $90,000,000 in the aggregate for all such Acquisitions during any period of twelve consecutive months;

(e) the Acquisition shall have been approved by the board of directors or other governing body of the Person being acquired;

(f) if required by Section 5.10, any acquired Person shall deliver a Guaranty and related documents or, if a Foreign Subsidiary, the owners shall pledge the stock (or other ownership interests) to the extent provided in Section 5.10(b); and

(g) the Borrower shall provide historical financial statements of the Person to be acquired, or the former owner of the assets being acquired, and additional information as requested by the Agent regarding any Acquisition.

For purposes of the foregoing, "total consideration" shall mean, without duplication, cash or other consideration paid, the fair market value of property or stock exchanged (or the face amount, if preferred stock), the total amount of any deferred payments or Debt incurred to the seller, and the total amount of any Debt or other acquisition-related obligations (including, without limitation, obligations pursuant to non-compete or consulting arrangements) assumed or undertaken in such transactions.

"Permitted Additional Debt" means Debt of the Borrower subject to terms and conditions acceptable to the Agent at its reasonable discretion including (a) maturity (generally not earlier than one year after the Revolving Termination Date) and amortization, (b) cross default with this Agreement, (c) negative pledge provisions, and (d) if it is subordinated debt, to a subordination agreement reasonably acceptable to the Agent. Permitted Additional Debt may not be incurred when an Event of Default shall have occurred and be continuing hereunder, and shall not cause a Default or Event of Default to occur hereunder. The Agent may request additional information for purposes of its acceptance of Permitted Additional Debt, including projections that demonstrate that the Borrower shall continue to comply with covenants of this Agreement after incurrence of proposed Permitted Additional Debt.

"Permitted Foreign Subsidiary Financing Facility" means a loan facility under which a Foreign Subsidiary may borrow up to $55,000,000 (or its equivalent in currencies other than U.S. Dollars), subject to terms and conditions acceptable to the Agent at its reasonable discretion.

"Permitted Permanent Financing Facility" means (a) a loan facility under which the Borrower may borrow loans, (b) one or more issuances of debt securities, including convertible debt securities, and (c) hedging arrangements entered into in connection with any such issuance of securities; provided that (1) the aggregate amount of loans so borrowed and the principal amount of securities so issued shall not, taken together, exceed $250,000,000, and (2) the terms and conditions of such loan facility, securities or hedging arrangements are acceptable to the Agent at its reasonable discretion.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Plan" means an employee benefit plan maintained for employees of either of the Borrower or any Subsidiary of the Borrower and covered by Title IV of ERISA.

"Pledge Agreement" means a Pledge Agreement in favor of the Agent and the Banks, in the form of Exhibit F hereto duly completed, as the same may be amended, supplemented or restated from time to time.

"Prime Rate" means the rate of interest publicly announced from time to time by the Agent at its principal office in San Francisco, California as its "prime" or "base" rate or, if the Agent ceases to announce a rate so designated, any similar successor rate designated by the Agent. The Prime Rate is not necessarily the most favored rate of the Agent and the Agent may lend to its customers at rates that are at, above or below the Prime Rate.

"Rate Hedging Obligations" means any and all obligations of the Borrower and its Subsidiaries under (a) any and all agreements, devices or arrangements designed to protect the Borrower or any Subsidiary from the fluctuations of interest rates, including interest rate exchange agreements, interest rate cap or collar protection agreements, and interest rate options, puts and warrants, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any of the foregoing.

"Reportable Event" has the meaning assigned to that term in Title IV of ERISA, but does not include any such event for which advance notification to the Pension Benefit Security Corporation is waived under ERISA or applicable regulations.

"Required Banks" means, at any time, the Banks whose Percentages aggregate at least a majority or more of all Percentages, provided, that at any time there are only two Banks, "Required Banks" shall mean both of such Banks.

"Required Payment" has the meaning specified in Section 2.14(c).

"Restricted Payment" means any amount paid by the Borrower: (a) to purchase or redeem or otherwise acquire for value any shares of the Borrower's stock, (b) to purchase or redeem or otherwise acquire for value any shares of any Subsidiary's stock held by minority owners; (c) as a dividend on such stock (other than stock dividends and dividends payable solely to the Borrower or another Subsidiary); (d) as a distribution on, or payment on account of the purchase, redemption, defeasance or other acquisition or retirement for value of, any shares of the Borrower's or any Subsidiary's stock (other than payment to, or on account of or for the benefit of, the Borrower or another Subsidiary only); or (e) directly or indirectly as a payment on, or redeem, repurchase, defease, or make any sinking fund payment on account of, or any other provision for, or otherwise pay, acquire or retire for value, any Subordinated Debt or other Debt of the Borrower or any Subsidiary that is subordinated in right of payment to the Loans (whether pursuant to its terms or by operation of law).

"Return" has the meaning specified in Section 2.16(b)(i).

"Revolving Commitment" means, with respect to each Bank, the amount of the Revolving Commitment set forth opposite such Bank's name on Schedule 1.2 hereof, or below such Bank's signature on an Assignment Certificate executed by such Bank, unless such amount is reduced pursuant to Section 2.13(a) hereof or increased pursuant to Section 2.13(b) hereof, in which event it means the amount to which said amount is reduced pursuant thereto, or as the context may require, the obligation of such Bank to make Revolving Loans and participate in the Letters of Credit and the Swing Line Loans, as contemplated by this Agreement.

"Revolving Commitment Amount" shall mean the aggregate amount of the Revolving Commitments of all Banks at any time.

"Revolving Loans" means the loans by the Banks to the Borrower under Section 2.1(a).

"Revolving Note" means a promissory note of the Borrower payable to a Bank in the amount of such Bank's Revolving Commitment, in substantially the form of Exhibit A (as such promissory note may be amended, extended or otherwise modified from time to time), evidencing the Revolving Loans, and also means each promissory note accepted by such Bank from time to time in substitution therefor or in renewal thereof.

"Revolving Percentage" means, as to any Bank, the percentage set forth opposite such Bank's signature on Schedule 1.2 hereto, or below such Bank's signature on any Assignment Certificate executed by such Bank, representing the ratio of such Bank's Revolving Commitment to the Revolving Commitment Amount, as such Revolving Percentage may be amended upon increase of the Revolving Commitment Amount under Section 2.13(b) from time to time.

"Revolving Termination Date" means the earlier of (a) the June 30, 2010 or (b) the date on which the Revolving Commitments and Swing Line Commitment are terminated pursuant to Section 7.2 or reduced to zero pursuant to Section 2.13(a).

"Subordinated Debt" means the Debt of the Borrower and its Subsidiaries which is subordinated in right of payment, in writing, on terms reasonably satisfactory to the Required Banks, to all indebtedness of the Borrower and its Subsidiaries to the Banks.

"Subsidiary" of a Person means any corporation, limited liability company, partnership or other entity of which more than fifty percent (50%) of the outstanding equity or membership interests or shares of capital stock having general voting power under ordinary circumstances to elect a majority of the board of directors (or other governing body) of such entity, (irrespective of whether or not at the time stock or membership interests of any other class or classes shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned by such Person, by such Person and one or more Subsidiaries of such Person, or by one or more other Subsidiaries of such Person.

"Swing Line Bank" means Wells Fargo.

"Swing Line Commitment" means the maximum amount of the Swing Line Loans, being initially $10,000,000, which amount shall not, at any time, exceed the Revolving Credit Commitment Amount.

"Swing Line Loans" means the loans by the Swing Line Bank to the Borrower under Section 2.1(b).

"Swing Line Note" means a promissory note of the Borrower payable to the Swing Line Bank in the amount of the Swing Line Commitment, in substantially the form of Exhibit B (as such promissory note may be amended, extended or otherwise modified from time to time), and also means each promissory note accepted by the Swing Line Bank from time to time in substitution therefor or in renewal thereof.

"Swing Line Participation Amount" means the amount defined in Section 2.6.

"Taxes" has the meaning specified in Section 2.15.

"Tax Expense" means, with respect to any Person with respect to the applicable Covenant Computation Period, federal, state, local and foreign income tax expense recognized by such Person with respect to such Covenant Computation Period.

"Term Commitment" means, with respect to each Bank, the amount of the Term Commitment set forth opposite such Bank's name on Schedule 1.2 hereof, or as the context may require, the obligation of such Bank to make its Term Loan as contemplated by this Agreement.

"Term Commitment Amount" shall mean the aggregate amount of the Term Commitments of all Banks at any time.

"Term Loans" means the loans by the Banks to the Borrower under Section 2.1(c).

"Term Maturity Date" means June 30, 2008.

"Term Note" means a promissory note of the Borrower payable to a Bank in the amount of such Bank's Term Commitment, in substantially the form of Exhibit C (as such promissory note may be amended, extended or otherwise modified from time to time), evidencing the Term Loan, and also means each promissory note accepted by such Bank from time to time in substitution therefor or in renewal thereof.

"Term Percentage" means, as to any Bank, the percentage set forth opposite such Bank's signature on Schedule 1.2 hereto, representing the ratio of such Bank's Term Commitment to the Term Commitment Amount.

"Total Funded Debt" means at any time the sum of all of the following for Borrower and its Subsidiaries on a consolidated basis (without duplication):

(a) obligations for borrowed money (including but not limited to the Loans, obligations under the Permitted Permanent Financing Facility, other senior bank debt, senior notes and subordinated notes);

(b) obligations representing the deferred purchase price of property or services (other than accounts payable arising in the ordinary course of business);

(c) obligations, whether or not assumed, secured by Liens or payable out of the proceeds or production from property now or hereafter owned or acquired;

(d) obligations which are evidenced by notes, acceptances, or other instruments;

(e) obligations with respect to letters of credit and other documentary credits, whether drawn or undrawn, contingent or otherwise excluding the following letters of credit issued in the ordinary course of business: (i) commercial letters of credit, (ii) letters of credit or bank guaranties issued to back refund obligations of deposits or deferred payment reserves, and (iii) bank guaranties of payment of import duties and consumption taxes;

(f) net mark-to-market exposure under Rate Hedging Obligations, FX and Currency Option Obligations and other financial contracts, excluding such those entered in compliance with the Approved Currency Risk Management Policy and Permitted Permanent Financing Facility;

(g) Capitalized Lease Liabilities;

(h) indebtedness attributable to permitted securitization transactions;

(i) all guarantees or other contingent obligations with respect to any indebtedness of others of the kind referred to above of Borrower.

"Total Outstanding Revolving Amount" means, as of the date of determination, the sum of (a) the aggregate principal amount of all outstanding Loans, plus (b) the Letter of Credit Obligations.

"Wells Fargo" means Wells Fargo Bank, National Association, a national banking association.

ARTICLE II
CREDIT FACILITIES

Section 2.1. Commitments. Subject to the terms and conditions herein set forth:

(a) Each Bank hereby agrees, to make Revolving Loans to the Borrower during the time from the date of this Agreement through the Revolving Termination Date, in an aggregate amount at any time outstanding not to exceed such Bank's Revolving Percentage of each Revolving Loan from time to time requested by the Borrower; provided, however, that (i) the Total Outstanding Revolving Amount shall at no time exceed the Revolving Commitment Amount and (ii) no Bank's Revolving Percentage of the Total Outstanding Revolving Amount shall at any time exceed such Bank's Revolving Commitment. Within the above limits, the Borrower may obtain Revolving Loans, prepay Revolving Loans in accordance with the terms hereof and reborrow Revolving Loans in accordance with the applicable terms and conditions of this Article II. The Borrower will not request Revolving Loans prior to either its borrowing of the Term Loan or cancellation of the Term Commitments (either by notice by the Borrower to the Agent or expiration of the time during which the Term Loan may be borrowed) without borrowing.

(b) The Swing Line Bank agrees to make the Swing Line Loans to the Borrower from time to time from the date of this Agreement through the Revolving Termination Date, in an aggregate amount at any time outstanding not to exceed the Swing Line Commitment, as requested from time to time by the Borrower. Swing Line Loans shall consist only of Base Rate Advances.

(c) Each Bank hereby agrees, to make a single Term Loan to the Borrower on the date requested by the Borrower but not later than July 31, 2007 on no less than one Business Day's advance notice, in an amount not exceeding such Bank's Term Commitment. The Term Loans shall be made on a ratable basis, in accordance with the respective Term Percentages of the Banks.

Section 2.2. Procedures for Loans. Each Loan shall be funded by the Banks as either Base Rate Advances or LIBOR Rate Advances (provided, however, that the Swing Line Loans shall only be Base Rate Advances), as the Borrower shall specify in the related notice of proposed Loans. Base Rate Advances and LIBOR Rate Advances may be outstanding at the same time. It is understood, however, that (i) in the case of Loans which are to be Base Rate Advances, the principal amount of such Advances shall be in an amount equal to or greater than $500,000 or a higher integral multiple of $100,000 and (ii) in the case of Loans which are to be LIBOR Rate Advances, the principal amount of such Advances shall be in an amount equal to $1,000,000 or a higher integral multiple of $100,000. The Borrower shall give notice to the Agent of each proposed Loan (except Term Loans) not later than 1:00 p.m., Minneapolis, Minnesota time, on a Business Day which:

(a) is the proposed date of such Loan, in the case of a Loan that is a Swing Line Loan or Loans that are to initially be Base Rate Advances; or

(b) is not later than three Business Days prior to such Loans, in the case of Loans that are to initially be LIBOR Rate Advances.

Each such notice shall be effective upon receipt by the Agent, shall be in writing or by telephone, Agent-sponsored secure web portal or telecopy transmission, to be confirmed in writing by the Borrower in the case of telephone requests if so requested by the Agent, and shall specify whether the Loans requested are Swing Line Loans, or Revolving Loans, and if Revolving Loans, whether they are to initially be Base Rate Advances or a LIBOR Rate Advances, and in the case of LIBOR Rate Advances, the initial Interest Period. Promptly upon receipt of such notice (except for the notice of a Swing Line Loan), the Agent shall advise each Bank of the proposed Loans. At or before 2:00 p.m., Minneapolis, Minnesota time, on the date of the requested Loans, each Bank shall provide the Agent at the principal office of the Agent in Minneapolis, Minnesota with immediately available funds covering such Bank's Revolving Percentage of such Loans. Subject to satisfaction of the conditions precedent set forth in Article III with respect to such Loans, the Agent shall pay over such funds to the Borrower prior to the close of business on the date of the requested Loans.

Section 2.3. Converting Base Rate Advances to LIBOR Rate Advances; Procedures. So long as no Default or Event of Default shall exist, the Borrower may convert all or any part of any outstanding Base Rate Advance into a LIBOR Rate Advance by giving notice to the Agent of such conversion not later than 1:00 p.m., Minneapolis, Minnesota time, on a Business Day which is at least three (3) Business Days prior to the date of the requested conversion. Each such notice shall be irrevocable, shall be effective upon receipt by the Agent, shall be in writing or by telephone or telecopy transmission, to be confirmed in writing by the Borrower if so requested by the Agent, shall specify the date and amount of such conversion, the total amount of the Advances to be so converted and the Interest Period therefor. Each conversion of an Advance shall be on a Business Day, and the aggregate amount of each such conversion of a Base Rate Advance to a LIBOR Rate Advance shall be in an amount equal to $1,000,000 or a higher integral multiple of $100,000.

Section 2.4. Procedures at End of an Interest Period. Unless the Borrower requests a new LIBOR Rate Advance in accordance with the procedures set forth below, or prepays the principal of an outstanding LIBOR Rate Advance at the expiration of an Interest Period, each Bank shall automatically and without request of the Borrower convert each LIBOR Rate Advance to a Base Rate Advance on the last day of the relevant Interest Period. So long as no Default or Event of Default shall exist, the Borrower may cause all or any part of any outstanding LIBOR Rate Advance to continue to bear interest at a LIBOR Rate after the end of the then applicable Interest Period by notifying the Agent not later than 1:00 p.m., Minneapolis, Minnesota time, on a Business Day which is at least three (3) Business Days prior to the first day of the new Interest Period. Each such notice shall be in writing or by telephone or telecopy transmission, to be confirmed in writing by the Borrower if so requested by the Agent, shall be irrevocable, effective when received by the Agent, and shall specify the first day of the applicable Interest Period, the amount of the expiring LIBOR Rate Advance to be continued and the Interest Period therefor. Each new Interest Period shall begin on a Business Day and the amount of each LIBOR Rate Advance shall be in an amount equal to $1,000,000 or a higher integral multiple of $100,000. Until Borrower provides written notice to the contrary, and at any time during the continuance of an Event of Default hereunder, the Agent may debit the accounts of the Borrower to pay accrued interest and fees due hereunder.

Section 2.5. Setting and Notice of Rates. The applicable LIBOR Rate for each Interest Period shall be determined by the Agent on the second Business Day prior to the beginning of such Interest Period, whereupon notice thereof (which may be by telephone) shall be given by the Agent to the Borrower and each Bank. Each such determination of the applicable LIBOR Rate shall be conclusive and binding upon the parties hereto, in the absence of demonstrable error. The Agent, upon written request of the Borrower or any Bank, shall deliver to the Borrower or such requesting Bank a statement showing the computations used by the Agent in determining the applicable LIBOR Rate hereunder.

Section 2.6 Refunding of Swing Line Loans.

(a) At any time permitted hereunder, the Borrower may request the Banks to make Revolving Loans which may be applied to repay the Swing Line Loans outstanding. In all cases, all Swing Line Loans that remain outstanding shall be repaid in full on the fifteenth (15th) and last days of each month. Upon occurrence and during continuance of a Default or Event of Default, the Swing Line Bank may, on behalf of the Borrower (which hereby irrevocably directs the Swing Line Bank to act on its behalf), upon notice given by the Swing Line Bank no later than 12:00 noon, Minneapolis time, on the relevant refunding date, request each Bank to make, and each Bank hereby agrees to make, a Revolving Loan (which shall be a Base Rate Advance), in an amount equal to such Bank's Revolving Percentage of the aggregate amount of the Swing Line Loans (the "Refunded Swing Line Loans") outstanding on the date of such notice, to refund such Swing Line Loans. Each Bank shall make the amount of such Revolving Loan available to the Agent in immediately available funds, no later than 1:00 p.m., Minneapolis time, on the date of such notice. The proceeds of such Revolving Loans shall be distributed by the Agent to the Swing Line Bank and immediately applied by the Swing Line Bank to repay the Refunded Swing Line Loans.

(b) If, for any reason, Revolving Loans may not be (as determined by the Agent in its sole discretion), or are not, made pursuant to Section 2.6(a) to repay Swing Line Loans, then, effective on the date such Revolving Loans would otherwise have been made, each Bank severally, unconditionally and irrevocably agrees that it shall purchase a participating interest in such Swing Line Loans ("Unrefunded Swing Line Loans") in an amount equal to the amount of Revolving Loans which would otherwise have been made by such Bank pursuant to Section 2.6(a). Each Bank will immediately transfer to the Agent, in immediately available funds, the amount of its participation (the "Swing Line Participation Amount"), and the proceeds of such participation shall be distributed by the Agent to the Swing Line Bank in such amount as will reduce the amount of the participating interest retained by the Swing Line Bank in its Swing Line Loans.

(c) Whenever, at any time after the Swing Line Bank has received from any Bank such Bank's Swing Line Participation Amount, the Swing Line Bank receives any payment on account of the Swing Line Loans, the Swing Line Bank will distribute to such Bank its Swing Line Participation Amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Bank's participating interest was outstanding and funded and, in the case of principal and interest payments, to reflect such Bank's pro rata portion of such payment if such payment is not sufficient to pay the principal of and interest on all Swing Line Loans then due); provided, however, that in the event that such payment received by the Swing Line Bank is required to be returned, such Bank will return to the Swing Line Bank any portion thereof previously distributed to it by the Swing Line Bank.

(d) Each Bank's obligation to make the Loans referred to in Section 2.6(a) and to purchase participating interests pursuant to Section 2.6(b) shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, (i) any setoff, counterclaim, recoupment, defense or other right which such Bank or the Borrower may have against the Swing Line Bank, the Borrower or any other Person for any reason whatsoever; (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions precedent specified in Article III; (iii) any adverse change in the condition (financial or otherwise) of the Borrower; (iv) any breach of this Agreement or any other Loan Document by the Borrower or any Bank; or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

Section 2.7 Commitment to Issue Letters of Credit. The Letter of Credit Bank agrees, from the date of this Agreement (or prior to the date of this Agreement, in the instance of the Existing Letters of Credit) to the date which is thirty (30) days prior to the Revolving Termination Date, to issue one or more Letters of Credit for the account of the Borrower, and the Banks agree to participate in the risk of such Letters of Credit issued for the account of the Borrower hereunder, on the terms and subject to the conditions set forth below:

(a) The Letter of Credit Bank has issued the Existing Letters of Credit for the for the account of the Borrower. The Existing Letters of Credit will be deemed "Letters of Credit" for all purposes of this Agreement.

(b) No Letter of Credit shall be issued by the Letter of Credit Bank if, after giving effect to the issuance of such Letter of Credit, (i) the Letter of Credit Obligations shall exceed the Letter of Credit Sublimit or (ii) the Total Outstanding Revolving Amount shall exceed the Revolving Commitment Amount. In addition the Letter of Credit Bank shall not be obligated to issue any Letter of Credit unless the Letter of Credit Bank shall be reasonably satisfied with the form, substance and beneficiary of such Letter of Credit, and there shall have been no statutory or regulatory change or directive adversely affecting the issuance by the Letter of Credit Bank of letters of credit. The expiration date of any Letter of Credit shall not be later than (x) one year after the issuance thereof (subject to provisions for annual renewal thereof unless Letter of Credit Bank gives notice of non-renewal), or (y) ten (10) days prior to the Revolving Termination Date. Each Letter of Credit will be issued promptly after application therefor by the Borrower in accordance with the Letter of Credit Bank's standard procedures. The application requesting issuance of a Letter of Credit shall be on the Letter of Credit Bank's standard form or such other form as may be agreed to by the Letter of Credit Bank and the Borrower and the Borrower shall enter into any additional agreement respecting issuance of the Letter of Credit as the Letter of Credit Bank shall request from time to time (each such application and additional agreement is called a "Letter of Credit Agreement"). In the event that any of the terms of such application are inconsistent with the terms and provisions of this Agreement, the terms and provisions of this Agreement shall govern. The Letter of Credit Bank shall not be obligated to issue a Letter of Credit unless on the date of issuance all applicable conditions precedent specified in Article III shall have been satisfied as fully as if the issuance of such Letter of Credit were a Revolving Loan. Promptly after issuance of a Letter of Credit pursuant hereto, the Agent shall so advise each Bank of all relevant information with respect thereto.

(c) The Borrower agrees to pay to the Agent, for the pro rata account of all Banks, a commission with respect to each Letter of Credit (herein the "Letter of Credit Fee") at a rate per annum (computed on the basis of actual number of days elapsed in a year of three hundred sixty (360) days) equal to the then-Applicable Margin for LIBOR Rate Loans applied to the face amount of such Letter of Credit, payable quarterly, in arrears, on the last day of March, June, September and December of each year, and on drawing or expiry of any Letter of Credit; provided, however, that upon written notice by the Agent from and after the occurrence of an Event of Default and continuing thereafter until such Event of Default shall be remedied to the written satisfaction of the Required Banks, the applicable Letter of Credit Fee payable hereunder with respect to each Letter of Credit shall be equal to the sum of (i) the Applicable Margin for LIBOR Rate Loans, plus (ii) two percent (2%). Letter of Credit Fees payable by the Borrower to the Banks in accordance with this subsection (c) shall be shared among the Banks pro rata in accordance with their respective Revolving Percentages.

(d) If there are Banks that are party to this Agreement in addition to Wells Fargo, the Borrower further agrees to pay to the Agent a fronting fee, payable upon issuance of any Letter of Credit at a rate of 0.125% per annum (computed on the basis of actual number of days elapsed in a year of three hundred sixty (360) days), applied to the face amount of such Letter of Credit, payable in full, in advance upon issuance of any Letter of Credit or on extension of the expiry thereof. The fee payable by the Borrower to the Letter of Credit Bank in accordance with this subsection (d) shall be retained by the Letter of Credit Bank for its own account.

(e) Upon issuance of a Letter of Credit hereunder, and without any further notice to any Bank, each Bank shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Letter of Credit Bank an undivided participating interest in the Letter of Credit Bank's risk and obligation under such Letter of Credit and in the obligation of the Letter of Credit Bank to honor drafts thereunder, and in the amount of any drawing thereunder, and in all rights of the Letter of Credit Bank to obtain reimbursement from the Borrower in the amount of such drawing, and all other rights of the Letter of Credit Bank with respect thereto, in an amount equal to the product of (i) the sum of the maximum amount available to be drawn under such Letter of Credit and the amount of any drawing thereunder, and (ii) the Revolving Percentage of such Bank. Whenever a draft submitted under a Letter of Credit is paid by the Letter of Credit Bank, the Letter of Credit Bank shall so notify the Agent, the Agent shall so notify each Bank and shall request immediate reimbursement from the Borrower for the amount of the draft. If sufficient funds are not immediately paid to the Agent by the Borrower, the Borrower shall be deemed to have requested Loans pursuant to Section 2.2 and the Banks shall be notified of such request in accordance with Section 2.2 and shall fund such request for Loans as Base Rate Advances (in accordance with their respective Revolving Percentages) for purposes of reimbursing the Letter of Credit Bank for the amount of such draft so paid by the Letter of Credit Bank (less any amounts realized by the Letter of Credit Bank pursuant to the second sentence of this Section 2.7(e)). If for any reason or under any circumstance (including, without limitation, the occurrence of a Default or Event of Default or the failure to satisfy any of the, conditions set forth in Section 3.2) the Banks do not make such Revolving Loans as contemplated above and the Borrower does not otherwise reimburse the Letter of Credit Bank for the amount of the draft so paid by the Letter of Credit Bank, the Borrower shall nonetheless be obligated to reimburse the amount of the draft to the Letter of Credit Bank, with interest upon such amount at the Default Rate from and after the date such draft is paid by the Letter of Credit Bank until the amount thereof is' repaid to the Letter of Credit Bank in full. If the Letter of Credit Bank shall not have obtained reimbursement for any drawing under a Letter of Credit (whether from the Borrower or as proceeds of Loans), upon demand of the Agent each Bank shall immediately advance the amount of its participation in such drawing to the Letter of Credit Bank and shall be entitled to interest on such participating interest at the Default Rate until reimbursed in full by the Borrower.

(f) Each Bank and the Borrower agree that, in paying any drawing under a Letter of Credit, the Letter of Credit Bank shall not have any responsibility to obtain any document (other than any sight draft and certificates expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. The Letter of Credit Bank shall not be liable to any Bank for: (i) any action taken or omitted in connection herewith at the request or with the approval of the Banks (including the Required Banks, as applicable); (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document executed in connection with a Letter of Credit.

(g) The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided that this assumption is not

intended to, and shall not, preclude the Borrower's pursuing such rights and remedies as the Borrower may have against the beneficiary or transferee at law or under any other agreement. The Letter of Credit Bank shall not be liable or responsible for any of the matters described in clauses (i) through (vii) of subsection (h) below. In furtherance and not in limitation of the foregoing: (i) the Letter of Credit Bank may accept documents that appear on their face to be in order, without responsibility for further investigation; and (ii) the Letter of Credit Bank shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

(h) The obligation of the Borrower under this Agreement to reimburse the Letter of Credit Bank for a drawing under a Letter of Credit shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of this Agreement, the Master Agreement for Standby Letters of Credit or any letter of credit application;

(ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the obligations of the Borrower in respect of any Letter of Credit or any other amendment or waiver of or any consent to departure from the Master Agreement for Standby Letters of Credit or any letter of credit application;

(iii) the existence of any claim, set-off, defense or other right that the Borrower may have at any time against any beneficiary or any transferee of any Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the Letter of Credit Bank or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or any unrelated transaction;

(iv) any draft, demand, certificate or other document presented under any 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; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any Letter of Credit;

(v) any payment by the Letter of Credit Bank under any Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of any Letter of Credit; or any payment made by the Letter of Credit Bank under any Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of any Letter of Credit, including any arising in connection with any insolvency proceeding;

(vi) any exchange, release or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any other guarantee, for all or any of the obligations of the Borrower in respect of any Letter of Credit; or

(vii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower.

(i) Notwithstanding anything in this Section 2.7 to the contrary, including particularly subsections (g) and (h) above, the Borrower may have a claim against the Letter of Credit Bank and the Letter of Credit Bank may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower which the Borrower proves were caused by the Letter of Credit Bank's willful misconduct or gross negligence or the willful failure to pay under any Letter of Credit after the presentation to the Letter of Credit Bank by the beneficiary of a sight draft and certificate strictly complying with the terms and conditions of a Letter of Credit.

(j) The Borrower shall indemnify, protect, defend and hold harmless each Indemnitee from and against all losses, liabilities, claims, damages, judgments, costs and expenses, including but not limited to all reasonable attorneys' fees and legal expenses, incurred by the Indemnitees or imposed upon the Indemnitees at any time by, reason of the issuance, demand for honor or honor of any Letter of Credit or the enforcement, protection or collection of the Letter of Credit Bank's claims against the Borrower under this Section 2.7 or by reason of any act or omission of any Indemnitee in connection with any of the foregoing; provided, however, that such indemnification shall not extend to losses, liabilities, claims, damages, judgments, costs and expenses to the extent arising from any act or omission of an Indemnitee which constitutes gross negligence or willful misconduct.

(k) The Borrower hereby agrees to pay to the Letter of Credit Bank, on demand, all administrative fees charged by the Letter of Credit Bank in the ordinary course of business in connection with the issuance of letters of credit, honoring of drafts under letters of credit, amendments thereto, transfers thereof and all other activity with respect to letters of credit, at the then current rates established by the Letter of Credit Bank from time to time for such services rendered on behalf of customers of the Letter of Credit Bank generally.

Section 2.8. Interest. The unpaid principal amount of the Loans shall bear interest at the following rates per annum, payable as follows:

(a) On each LIBOR Rate Advance, at the applicable LIBOR Rate for each Interest Period plus the Applicable Margin for LIBOR Rate Advances per annum adjusting each time the Applicable Margin changes and adjusted for each applicable Interest Period, payable on the last day of each Interest Period;

(b) On each Base Rate Advance except for the Swing Line Loans, at the Base Rate in effect from time to time plus the Applicable Margin for Base Rate Advances per annum adjusting each time the Base Rate or Applicable Margin changes, payable on the last day of March, June, September and December of each year;

(c) On the Swing Line Loans (which shall always be Base Rate Advances), at the Base Rate in effect from time to time plus the Applicable Margin for Base Rate Advances per annum minus the Applicable Commitment Fee Rate per annum, adjusting each time the Base Rate or Applicable Margin or Applicable Commitment Fee Rate changes, payable on payment of the applicable Swing Line Loan (but not less frequently that one time per calendar month); and

(d) Upon written notice from the Agent following the occurrence and during the continuance of an Event of Default hereunder, on any Advance (of any type), at the rate per annum otherwise applicable to such Advance plus 2.00%, payable on demand (the "Default Rate").

Interest on Base Rate Advances shall be computed on the basis of the actual number of days elapsed and a year consisting of 365 or 366 days, as applicable, and interest on all other Advances and Loans shall be computed on the basis of the actual number of days elapsed and a year consisting of 360 days.

Section 2.9. Obligation to Repay Advances; Representations. The Borrower shall be obligated to repay all Loans under this Article II notwithstanding the failure of the Agent to receive any written request therefor or written confirmation thereof and notwithstanding the fact that the person requesting the same was not in fact authorized to do so. Any request for Loans under Section 2.2, whether written, telephonic, telecopy or otherwise, shall be deemed to be a representation by the Borrower that (a) the amount of the requested Loans, when added to the Total Outstanding Revolving Amount, would not exceed the Revolving Commitment Amount and (b) the statements set forth in Section 3.2 are correct as of the time of the request.

Section 2.10. Notes.

(a) All Revolving Loans made by a Bank hereunder shall be evidenced by and repayable in accordance with a Revolving Note issued by the Borrower to such Bank. The unpaid principal amount of each Revolving Note and all unpaid accrued interest thereon shall be payable on the Revolving Termination Date.

(b) All Swing Loan Loans shall be evidenced by and repayable in accordance with a Swing Line Note issued by the Borrower to such Bank. The aggregate unpaid principal amount of each Swing Line Note and all unpaid accrued interest thereon shall be payable as provided in Section 2.6(a), but not later than the Revolving Termination Date.

(c) The Term Loan made by a Bank hereunder shall be evidenced by and repayable in accordance with a Term Note issued by the Borrower to such Bank. The unpaid principal amount of each Revolving Note and all unpaid accrued interest thereon shall be payable on the Term Maturity Date (subject to mandatory prepayment, as provided in Section 2.13(d) hereof.

Section 2.11. Fees. The Borrower hereby agrees to pay fees to the Agent and the Banks, commencing on the date hereof and continuing until all the Loans are paid in full and the Revolving Commitment is terminated, in accordance with the following:

(a) Agent's Administrative Fee. The Borrower agrees to pay to the Agent the fees set forth in the Agent's Fee Letter.

(b) Unused Commitment Fee. The Borrower agrees to pay to the Agent, for the account of the Banks in accordance with their respective Revolving Percentages, an unused commitment fee (the "Commitment Fees") computed at the rate of the then-Applicable Commitment Fee Rate per annum on the daily average amount by which the Revolving Commitment Amount exceeds the sum of the Revolving Loans outstanding and the Letter of Credit Obligations outstanding (with the Swing Line Loans not deemed usage for this purpose), from the date of this Agreement to and including the Revolving Termination Date, payable quarterly in arrears on the last day of each March, June, September and December of each year. Any such Commitment Fees remaining unpaid on the Revolving Termination Date shall be due and payable on such date. Commitment Fees shall be computed on the basis of the actual number of days elapsed and a year consisting of 360 days.

Section 2.12. Use of Proceeds. The Proceeds of all Loans shall be used by the Borrower for its general corporate purposes, including the 2007 Tender Offer, and may from time to time be loaned to its Subsidiaries for their working capital, general corporate purposes and Permitted Acquisitions.

Section 2.13. Reduction or Termination of the Revolving Commitments; Increase of Revolving Commitment; Prepayments; Mandatory Prepayment of Term Loans.

(a) Reduction or Termination of Revolving Commitments. The Borrower, from time to time upon not less than three (3) Business Days' prior written notice to the Agent, may permanently reduce the Revolving Commitment Amount; provided, however, that no such reduction shall reduce the Revolving Commitment Amount to an amount less than the Total Outstanding Revolving Amount. Any such voluntary reduction shall be pro rata as to all Revolving Commitments according to each Bank's Revolving Percentage and shall be in an aggregate amount equal to $5,000,000 or a higher integral multiple of $1,000,000. The Borrower at any time prior to the Revolving Termination Date may terminate the Revolving Commitments by (i) providing to the Agent not less than five (5) Business Days prior written notice of its intention to so terminate the Revolving Commitments and (ii) making payment in full of all principal and interest on the Revolving Notes and terminating, or making a cash deposit with respect to, all outstanding Letters of Credit.

(b) Increase of Revolving Commitments and Revolving Commitment Amount. The Borrower may at any time prior to the Revolving Termination Date, on the terms set forth below, request that the Revolving Commitment Amount be increased to an amount not to exceed the remainder of (i) $100,000,000, minus (ii) the Term Loans outstanding (or if not yet made, the Term Loan Commitments); provided, however, that an increase in the Revolving Commitment Amount hereunder may only be made at a time when no Default or Event of Default shall have occurred and be continuing, and provided, further, that any request for an increase shall be in a minimum amount of $10,000,000 or an integral multiple of $5,000,000 above such amount. In the event of such a requested increase in the Revolving Commitment Amount, any financial institution which the Borrower and the Agent invite to become a Bank or to increase its Revolving Commitment may set the amount of its Revolving Commitment at a level agreed to by the Borrower and the Agent. In the event that the Borrower and one or more of the Banks (or other financial institutions) shall agree upon such an increase in the Revolving Commitment Amount, the Borrower, the Agent and each Bank or other financial institution increasing its Revolving Commitment or extending a new Revolving Commitment shall enter into an amendment to this Agreement setting forth the amounts of the Revolving Commitment of such Bank or other financial institution and the Revolving Commitment Amount, as so increased, setting forth the revised Revolving Percentages of all Banks, and providing that the financial institutions extending new Revolving Commitments shall be Banks for all purposes under this Agreement. No such amendment shall require the approval or consent of any Bank whose Revolving Commitment is not being increased. Upon the execution and delivery of such amendment as provided above, and upon satisfaction of such other conditions as the Agent may reasonably specify upon the request of the financial institutions that are extending new Revolving Commitments, this Agreement shall be deemed to be amended accordingly. Upon amendment and increase as provided in this Section 2.13(b), the Agent and the Banks shall use best efforts to cause the financial institutions that are extending new Revolving Commitments to fund their Revolving Percentage of the outstanding Loans in a manner that would not cause any LIBOR Rate Advance to be required to be prepaid to any Bank prior to the last day of the Interest Period applicable thereto, and in so doing, may delay, for periods reasonably chosen by the Agent, adjustment of respective holdings by the Banks of the Loans to coincide with the last day of applicable Interest Periods. In no instance shall the Borrower request more than two (2) increases under this Section 2.13(b).

(c) Prepayments. The Borrower from time to time may voluntarily prepay the Revolving Notes or Term Notes in whole or in part. In the event of any voluntary prepayment hereunder (i) any prepayment of the Revolving Loans shall be applied against outstanding Revolving Loans of each Bank pro rata according to each Bank's Revolving Percentage and each prepayment of the Term Loans shall be applied against outstanding Revolving Loans of each Bank pro rata according to each Bank's Term Percentage, (ii) each prepayment shall be made to the Agent not later than 12:00 Noon, Minneapolis, Minnesota time, on a Business Day, and funds received after that hour shall be deemed to have been received by the Agent on the next following Business Day, (iii) each partial prepayment of a LIBOR Rate Advance shall be accompanied by accrued interest on such partial prepayment through the date of prepayment and additional compensation calculated in accordance with Section 2.17, (iv) the Borrower shall give prior notice to the Agent of prepayment of any Base Rate Advance no later than 1:00 p.m., Minneapolis, Minnesota, on the date of payment and three (3) Business Days' prior notice to the Agent of prepayment of any LIBOR Rate Advance and each partial prepayment of a LIBOR Rate Advance, shall be in an aggregate amount equal to the applicable minimum funding amounts specified in Section 2.2, and, after application of any such prepayment, shall not result in a LIBOR Rate Advance remaining outstanding in an amount less than such minimum funding amounts, and (v) each partial prepayment of a Base Rate Advance, shall be in an aggregate amount equal to $500,000 or a higher integral multiple of $100,000, unless (in either case) the aggregate outstanding balance of all Revolving Notes being prepaid is less than such minimum funding amount.

(d) Mandatory Prepayment of Term Loans. Upon (a) closing and funding of the Permitted Permanent Financing Facility, or (b) issuance by the Borrower of any additional shares of stock by the Borrower (other than shares issued to employees or to finance a Permitted Acquisition) or the closing and funding of Permitted Additional Debt by the Borrower, the Borrower shall pay the Term Loan in full.

Section 2.14. Payments.

(a) Making of Payments. All payments of principal of and interest due shall be made to the Agent for the account of the Banks pro rata according to their respective Revolving Percentages, except for payment of interest and principal of Swing Line Loans prior to refunding thereof or the funding by the Banks of their participation therein. All payments to the Agent shall be made to the Agent at its office in Minneapolis, Minnesota, not later than 12:00 Noon, Minneapolis, Minnesota time, on the date due, in immediately available funds, and funds received after that hour shall be deemed to have been received by the Agent on the next following Business Day. The Borrower hereby authorizes the Agent to charge the Borrower's demand deposit accounts maintained with the Agent (or with any other Bank) for the amount of any Obligation on its due date, but the Agent's failure to so charge any such account shall in no way affect the obligation of the Borrower to make any such payment. The Agent shall remit to each Bank in immediately available funds on the same Business Day as received by the Agent its share of all such payments received by the Agent for the account of such Bank. If the Agent fails to remit any payment to any Bank when required hereby, the Agent shall pay interest on demand to that Bank for each day during the period commencing on the date such remittance was due until the date such remittance is made at an annual rate equal to the Federal Funds Rate for such day. All payments under Section 2.15, 2.16 or 2.17 shall be made by the Borrower directly to the Bank entitled thereto.

(b) Effect of Payments. Each payment by the Borrower to the Agent for the account of any Bank pursuant to Section 2.14(a) shall be deemed to constitute payment by the Borrower directly to such Bank, provided, however, that in the event any such payment by the Borrower to the Agent is required to be returned to the Borrower for any reason whatsoever, then the Borrower's obligation to such Bank with respect to such payment shall be deemed to be automatically reinstated.

(c) Distributions by Agent. Unless the Agent shall have been notified by a Bank or the Borrower prior to the date on which such Bank or the Borrower are scheduled to make payment to the Agent of (in the case of a Bank) the proceeds of a Loan to be made by it hereunder or (in the case of the Borrower) a payment to the Agent for the account of one or more of the Banks hereunder (such payment by a Bank or the Borrower (as the case may be) being herein called a "Required Payment"), which notice shall be effective upon receipt, that it does not intend to make the Required Payment to the Agent, the Agent may assume that the Required Payment has been made and may, in reliance upon such assumption (but shall not be required to), make the amount thereof available to the intended recipient(s) on such date and, if such Bank or the Borrower (as the case may be) has not in fact made the Required Payment to the Agent, the recipient(s) of such payment shall, on demand, repay to the Agent the amount so made available together with interest thereon for each day during the period commencing on the date such amount was so made available by the Agent until the date the Agent recovers such amount at a rate (i) equal to the Federal Funds Rate for such day, in the case of a Required Payment owing by a Bank, or (ii) equal to the applicable rate of interest as provided in this Agreement, in the case of a Required Payment owing by the Borrower.

(d) Setoff. The Borrower agrees that each Bank, subject to such Bank's sharing obligations set forth in Section 8.6, shall have all rights of setoff and bankers' lien provided by applicable law, and in addition thereto, the Borrower agrees that if at any time any Obligation is due and owing by the Borrower under this Agreement or the other Loan Documents to any Bank at a time when an Event of Default has occurred and is continuing hereunder, any Bank may apply any and all balances, credits, and deposits, accounts or moneys of the Borrower then or thereafter in the possession of such Bank (excluding, however, any trust or escrow accounts held by the Borrower for the benefit of any third party) to the payment thereof.

(e) Due Date Extension. If any payment of principal of or interest on any Loan or any fees payable hereunder falls due on a day which is not a Business Day, then such due date shall be extended to the next following Business Day (subject, in the case of LIBOR Rate Advances, to the definition of "Interest Period"), and (in the case of principal) additional interest shall accrue and be payable for the period of such extension.

(f) Application of Payments. Except as otherwise provided herein, so long as no Default or Event of Default has occurred and is continuing hereunder, each payment received from the Borrower shall be applied to such Obligation as the Borrower shall specify by notice to be received by the Agent on or before the date of such payment, or in the absence of such notice, as the Agent shall determine in its discretion. Concurrently with each remittance to any Bank of its appropriate share of any such payment (based upon such Bank's Revolving Percentage), the Agent shall advise such Bank as to the application of such payment. Except as otherwise provided in Article VIII, after the termination of the Revolving Commitments following the occurrence of a Default or Event of Default, all payments received by the Agent or any Bank from the Borrower shall be shared on the basis of each Bank's Revolving Percentage thereof.

Section 2.15. Taxes. All payments made by the Borrower to the Agent or any Bank (herein any "Payee") under or in connection with this Agreement or the Revolving Notes shall be made without any setoff or other counterclaim, and shall be free and clear of and without deduction or withholding for or on account of any present or future taxes now or hereafter imposed by any governmental or other authority, except to the extent that any such deduction or withholding is compelled by law. As used herein, the term "Taxes" shall include all income, excise and other taxes of whatever nature (other than taxes generally assessed on the overall net income of a Payee by the government or other authority of the country, state or political subdivision in which such Payee is incorporated or in which the office through which such Payee is acting is located) as well as all levies, imposts, duties, charges, or fees of whatever nature. "Taxes" shall not include, however, any foreign withholding taxes or similar deductions imposed solely as a result of a Bank's election to fund an Advance through a foreign office of such Bank or due to the failure of any Bank to file applicable tax withholding or exemption forms. If the Borrower is compelled by law to make any deductions or withholdings on account of any Taxes (including any foreign withholding) the Borrower will:

(a) pay to the relevant authorities the full amount required to be so withheld or deducted;

(b) pay such additional amounts (including, without limitation, any penalties, interest or expenses) as may be necessary in order that the net amount received by the Payee after such deductions or withholdings (including any required deduction or withholding on such additional amounts) shall equal the amount the Payee would have received had no such deductions or withholdings been made; and

(c) promptly forward to the Agent (for delivery to the appropriate Payee) an official receipt or other documentation satisfactory to the Agent evidencing such payment to such authorities.

The amount that the Borrower shall be required to pay to any Payee pursuant to the foregoing clause (b) shall be reduced, to the extent permitted by applicable law, by the amount of any offsetting tax benefit which such Payee receives as the result of the Borrower's payment to the relevant authorities as reasonably determined by such Payee; provided, however, that if such Payee shall subsequently determine that it has lost the benefit of all or a portion of such tax benefit, the Borrower shall promptly remit to such Payee the amount certified by such Payee to be the amount necessary to restore such Payee to the position it would have been in if no payment had been made pursuant to this sentence. If any Taxes otherwise payable by the Borrower pursuant to the foregoing are directly asserted against a Payee, such Payee may pay such taxes and the Borrower promptly shall reimburse such Payee to the full extent otherwise required under this Section 2.15. The obligations of the Borrower under this Section 2.15 shall survive any termination of this Agreement.

If circumstances arise in respect of any Bank which would, or would upon the giving of notice, result in any liability of the Borrower under this Section 2.15 then, without in any way limiting, reducing or otherwise qualifying the Borrower's obligations under this Section 2.15 such Bank shall promptly, upon becoming aware of the same, notify the Agent and the Borrower thereof and shall, in consultation with the Agent and the Borrower and to the extent that it can do so without, in its reasonable judgment, disadvantaging itself, take such reasonable steps as may be available to it to mitigate the effects of such circumstances (including, without limitation, the designation of an alternate office or the transfer of its LIBOR Rate Advances to another office). If and so long as a Bank has been unable to take, or has not taken, steps reasonably acceptable to the Borrower to mitigate the effect of the circumstances in question, such Bank shall be obliged, at the request of the Borrower, to assign all its rights and obligations hereunder to another Person designated by the Borrower with the approval of the Agent (which shall not be unreasonably withheld) which is willing to enter this Agreement in place of such Bank; provided that such Person satisfies all of the requirements of this Agreement, including, but not limited to, providing the forms and documents required by Section 8.14 and any such Person shall cover all costs incurred in connection with effecting such replacement.

Section 2.16. Increased Costs; Capital Adequacy; Funding Exceptions.

(a) Increased Costs on LIBOR Rate Advances. If Regulation D of the Board of Governors of the Federal Reserve System or after the date of this Agreement the adoption of any applicable law, rule or regulation, or any change in any existing law, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by a Bank with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency, shall:

(i) subject a Bank to or cause the withdrawal or termination of any exemption previously granted to a Bank with respect to, any tax, duty or other charge with respect to its LIBOR Rate Advances or its obligation to make LIBOR Rate Advances, or shall change the basis of taxation of payments to a Bank of the principal of or interest under this Agreement in respect of its LIBOR Rate Advances or its obligation to make LIBOR Rate Advances (except for changes in the rate of tax on the overall net income of a Bank imposed by the jurisdictions in which a Bank's principal executive office is located), or

(ii) impose, modify or deem applicable any reserve (including, without limitation, any reserve imposed by the Board of Governors of the Federal Reserve System, but excluding any reserve included in the determination of interest rates pursuant to Section 2.5), special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, a Bank; or

(iii) impose on a Bank any other condition affecting its making, maintaining or funding of its LIBOR Rate Advances or its obligation to make LIBOR Rate Advances;

and the result of any of the foregoing is to increase the cost to an affected Bank of making or maintaining any LIBOR Rate Advance, or to reduce the amount of any sum received or receivable by such Bank under this Agreement or under its Revolving Note with respect to a LIBOR Rate Advance, then the affected Bank will notify the Borrower and the Agent of such increased cost and within fifteen (15) days after demand by such Bank (which demand shall be accompanied by a statement setting forth the basis of such demand) the Borrower shall pay to such Bank such additional amount or amounts as will compensate the Bank for such increased cost or such reduction; provided, however, that no such increased cost or such reduction shall be payable by the Borrower for any period longer than ninety (90) days prior to the date on which notice thereof is delivered to the Borrower. Each Bank will promptly notify the Borrower of any event of which it has knowledge, occurring after the date hereof, which will entitle such Bank to compensation pursuant to this Section 2.15. If the Borrower receives notice from a Bank of any event which will entitle such Bank to compensation pursuant to this Section 2.15 the Borrower may prepay any then outstanding LIBOR Rate Advances or notify the affected Bank that any pending request for a LIBOR Rate Advance shall be deemed to be a request for a Base Rate Advance, in each case subject to the provisions of Section 2.16.

(b) Capital Adequacy. If a Bank determines at any time that such Bank's Return has been reduced as a result of any Capital Adequacy Rule Change, such Bank may require the Borrower to pay to such Bank the amount necessary to restore such Bank's Return to what it would have been had there been no Capital Adequacy Rule Change. For purposes of this Section 2.16(b), the following definitions shall apply:

(i) "Return", for any calendar quarter or shorter period, means the percentage determined by dividing (A) the sum of interest and ongoing fees earned by a Bank under this Agreement during such period by (B) the average capital such Bank is required to maintain during such period as a result of its being a party to this Agreement, as determined by such Bank based upon its total capital requirements and a reasonable attribution formula that takes account of the Capital Adequacy Rules then in effect. Return may be calculated for a Bank for each calendar quarter and for the shorter period between the end of a calendar quarter and the date of termination in whole of this Agreement.

(ii) "Capital Adequacy Rule" means any law, rule, regulation or guideline regarding capital adequacy that applies to a Bank, or the interpretation thereof by any governmental or regulatory authority. Capital Adequacy Rules include rules requiring financial institutions to maintain total capital in amounts based upon percentages of outstanding loans, binding loan commitments and letters of credit.

(iii) "Capital Adequacy Rule Change" means any change in any Capital Adequacy Rule occurring after the date of this Agreement, but does not include any changes in applicable requirements that at the date hereof are scheduled to take place under the existing Capital Adequacy Rules or any increases in the capital that a Bank is required to maintain to the extent that the increases are required due to a regulatory authority's assessment of such Bank's financial condition.

The initial notice sent by a Bank shall be sent as promptly as practicable after such Bank learns that its Return has been reduced, shall include a demand for payment of the amount necessary to restore such Bank's Return for the quarter in which the notice is sent, and shall state in reasonable detail the cause for the reduction in such Bank's Return and such Bank's calculation of the amount of such reduction. Thereafter, a Bank may send a new notice during each calendar quarter setting forth the calculation of the reduced Return for that quarter and including a demand for payment of the amount necessary to restore such Bank's Return for that quarter. A Bank's calculation in any such notice shall be conclusive and binding absent demonstrable error.

(c) Basis for Determining Interest Rate Inadequate or Unfair. If with respect to any Interest Period:

(i) the Agent determines that, or the Required Banks determine and advise the Agent that, deposits in U.S. dollars (in the applicable amounts) are not being offered in the London interbank eurodollar market for such Interest Period; or

(ii) the Agent otherwise determines, or the Required Banks determine and advise the Agent (which determination shall be binding and conclusive on all parties), that by reason of circumstances affecting the London interbank eurodollar market adequate and reasonable means do not exist for ascertaining the applicable LIBOR Rate; or

(iii) the Agent determines, or the Required Banks determine and advise the Agent, that the LIBOR Rate as determined by the Agent will not adequately and fairly reflect the cost to the Banks of maintaining or funding a LIBOR Rate Advance for such Interest Period, or that the making or funding of LIBOR Rate Advances has become impracticable as a result of an event occurring after the date of this Agreement which in the opinion of such Banks materially affects such LIBOR Rate Advances;

then the Agent shall promptly notify the affected parties and (A) in the event of any occurrence described in the foregoing clause (i) the Borrower shall enter into good faith negotiations with each affected Bank in order to determine an alternate method to determine the LIBOR Rate for such Bank, and during the pendency of such negotiations with any Bank, such Bank shall be under no obligation to make any new LIBOR Rate Advances, and (B) in the event of any occurrence described in the foregoing clauses (ii) or (iii), for so long as such circumstances shall continue, no Bank shall be under any obligation to make any new LIBOR Rate Advances.

(d) Illegality. In the event that any change in (including the adoption of any new) applicable laws or regulations, or any change in the interpretation of applicable laws or regulations by any governmental authority, central bank, comparable agency or any other regulatory body charged with the interpretation, implementation or administration thereof, or compliance by a Bank with any request or directive (whether or not having the force of law) of any such authority, central bank, comparable agency or other regulatory body, should make it or, in the good faith judgment of the affected Bank, shall raise a substantial question as to whether it is unlawful for such Bank to make, maintain or fund LIBOR Rate Advances, then (i) the affected Bank shall promptly notify the Borrower and the Agent, (ii) the obligation of the affected Bank to make, maintain or convert into LIBOR Rate Advances shall, upon the effectiveness of such event, be suspended for the duration of such unlawfulness, and (iii) for the duration of such unlawfulness, any notice by the Borrower pursuant to Sections 2.3, 2.4 or 2.5 requesting the affected Bank to make or convert into LIBOR Rate Advances shall be construed as a request to make or to continue making Base Rate Advances.

(e) Procedures to Mitigate. If circumstances arise in respect of any Bank which would or would upon the giving of notice result in any liability of the Borrower under Section 2.15 or this Section 2.16 then, without in any way limiting, reducing or otherwise qualifying the Borrower's obligations under Section 2.15 or this Section 2.16, such Bank shall promptly, upon becoming aware of the same, notify the Agent and the Borrower thereof and shall, in consultation with the Agent and the Borrower and to the extent that it can do so without, in its reasonable judgment, disadvantaging itself, take such reasonable steps as may be available to it to mitigate the effects of such circumstances (including, without limitation, the designation of an alternate office or the transfer of its LIBOR Rate Advances to another office). If and so long as a Bank has been unable to take, or has not taken, steps reasonably acceptable to the Borrower to mitigate the effect of the circumstances in question, such Bank shall be obliged, at the request of the Borrower, to assign all its rights and obligations hereunder to another Person designated by the Borrower with the approval of the Agent (which shall not be unreasonably withheld) and willing to enter this Agreement in place of such Bank; provided that such Person satisfies all of the requirements of this Agreement, including, but not limited to, providing the forms and documents required by Section 8.14 and any such Person shall cover all costs incurred in connection with effecting such replacement.

Section 2.17. Funding Losses. The Borrower hereby agrees that upon demand by any Bank (which demand shall be accompanied by a statement setting forth the basis for the calculations of the amount being claimed) the Borrower will indemnify such Bank against any loss (other than loss of Applicable Margin) or expense which such Bank may have sustained or incurred (including, without limitation, any net loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Bank to fund or maintain LIBOR Rate Advances) or which such Bank may be deemed to have sustained or incurred, as reasonably determined by such Bank, (i) as a consequence of

any failure by the Borrower to make any payment when due of any amount due hereunder in connection with any LIBOR Rate Advances, (ii) due to any failure of the Borrower to borrow or convert any LIBOR Rate Advances on a date specified therefor in a notice thereof or (iii) due to any payment or prepayment of any LIBOR Rate Advance on a date other than the last day of the applicable Interest Period for such LIBOR Rate Advance. For this purpose, all notices under Sections 2.3, 2.4 and 2.5 shall be deemed to be irrevocable.

Section 2.18. Right of Banks to Fund through Other Offices. Each Bank, if it so elects, may fulfill its agreements hereunder with respect to any LIBOR Rate Advance by causing a foreign branch or affiliate of such Bank to make such LIBOR Rate Advance; provided, that in such event the obligation of the Borrower to repay such LIBOR Rate Advance shall nevertheless be to such Bank and such LIBOR Rate Advance shall be deemed held by such Bank for the account of such branch or affiliate.

Section 2.19. Discretion of Banks as to Manner of Funding. Notwithstanding any provision of this Agreement to the contrary, each Bank shall be entitled to fund and maintain all or any part of its LIBOR Rate Advances in any manner it deems fit, it being understood, however, that for the purposes of this Agreement (specifically including, without limitation, Section 2.17 hereof) all determinations hereunder shall be made as if each Bank had actually funded and maintained each LIBOR Rate Advance during each Interest Period for such LIBOR Rate Advance through the purchase of deposits having a maturity corresponding to such Interest Period and bearing an interest rate equal to the appropriate LIBOR Rate for such Interest Period.

Section 2.20. Conclusiveness of Statements; Survival of Provisions. Determinations and statements of a Bank pursuant to Section 2.15, 2.16, or 2.17 shall be conclusive absent demonstrable error. Each Bank may use reasonable averaging and attribution methods in determining compensation pursuant to such Sections 2.15, 2.16 or 2.17 and the provisions of Sections 2.15, 2.16 and 2.17 shall survive termination of this Agreement.

ARTICLE III
CONDITIONS OF LENDING

Section 3.1. Conditions Precedent to the Initial Loans. The obligation of the Banks to fund the initial request for Loans or issue any Letter of Credit is subject to the condition precedent that the Agent shall have received the following, each in form and substance reasonably satisfactory to the Agent:

(a) This Agreement and the Notes.

(b) The Pledge Agreement and lien, tax and judgment searches reasonably satisfactory to the Agent, together with delivery of any certificate evidencing the stock or ownership interest pledged thereby and executed assignments separate from certificate (stock powers) for such certificates (other than certificates for Entegris International Holdings B.V., which will be delivered within 30 days after the initial funding date).

(c) A certificate or certificates of the Secretary or an Assistant Secretary of the Borrower, attesting to and attaching (i) a copy of the corporate resolution of the Borrower authorizing the execution, delivery and performance of the Loan Documents, (ii) an incumbency certificate showing the names and titles, and bearing the signatures of, the officers of the Borrower authorized to execute the Loan Documents, and (iii) a copy of the Articles or Certificate of Incorporation and the By-laws of the Borrower with all amendments thereto.

(d) A current Certificate of Good Standing for the Borrower issued by the appropriate state office.

(e) A legal opinion of counsel to the Borrower and the Guarantors, in the form of Exhibit G.

(f) The Agent's Fee Letter.

(g) Payment of all fees and expenses then due and payable pursuant to Sections 2.11 and 9.4 hereof and pursuant to the Agent's Fee Letter.

(h) Such other items as the Agent or the Required Banks shall reasonably require.

Section 3.2. Conditions Precedent to All Loans. The obligation of the Banks to fund each request for Loans or to issue each Letter of Credit shall be subject to the further conditions precedent that on such date:

(a) the representations and warranties contained in Article IV hereof are correct in all material respects on and as of the date of such Advance as though made on and as of such date; and

(b) no event has occurred and is continuing, or would result from such Advance, which constitutes a Default or an Event of Default.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

To induce the Agent and the Banks to enter into this Agreement, to grant the Commitments and to make Loans and issue Letters of Credit hereunder, the Borrower represents and warrants to the Agent and the Banks that:

Section 4.1. Corporate Existence and Power; Name; Chief Executive Office. The Borrower and each of its Subsidiaries is a corporation duly incorporated, validly existing and in good standing under the laws of its respective state of incorporation, and is duly licensed or qualified to transact business in all jurisdictions where the character of the property owned or leased or the nature of the business transacted by it makes such licensing or qualification necessary. The Borrower and each of its Subsidiaries has all requisite power and authority, corporate or otherwise, to conduct its business, to own its properties and to execute and deliver, and to perform all of its obligations under, the Loan Documents to which it is a party.

Section 4.2. Authorization for Borrowings; No Conflict as to Law or Agreements. The execution, delivery and performance by the Borrower and its Subsidiaries of the Loan Documents to which it is a party, and the Loans made and Letters of Credit issued from time to time hereunder, have been duly authorized by all necessary corporate action and do not and will not (i) require any consent or approval which has not been obtained prior to the date hereof, (ii) require any authorization, consent or approval by, or registration, declaration or filing (other than filing of financing statements as contemplated hereunder) with, or notice to, any governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, or any third party, except such authorization, consent, approval, registration, declaration, filing or notice as has been obtained, accomplished or given prior to the date hereof, (iii) violate any provision of any law, rule or regulation (including, without limitation, Regulation X of the Board of Governors of the Federal Reserve System) or of any order, writ, injunction or decree presently in effect having applicability to the Borrower or any of its Subsidiaries or of the

articles of incorporation, bylaws or other organizational documents of the Borrower or any of its Subsidiaries, (iv) result in a breach of or constitute a default under any indenture or loan or credit agreement or any other material agreement, lease or instrument to which the Borrower or any of its Subsidiaries is a party or by which it or its properties may be bound or affected, or (v) result in, or require, the creation or imposition of any Lien upon or with respect to any of the properties now owned or hereafter acquired by the Borrower or any of its Subsidiaries (other than as required hereunder in favor of the Banks).

Section 4.3. Legal Agreements. Each of the Loan Documents to which the Borrower or any of its Subsidiaries is a party constitutes the legal, valid and binding obligations and agreements of the Borrower or such Subsidiary, as applicable, enforceable against the Borrower or such Subsidiary, as applicable, in accordance with its terms, subject to bankruptcy, insolvency, moratorium and other laws of general application affecting lenders and general principles of equity.

Section 4.4. Subsidiaries. Schedule 4.4 hereto is a complete and correct list of all Subsidiaries and Affiliates of the Borrower and the percentage of the ownership of the Borrower or any Subsidiary in each such Subsidiary or Affiliate as of the date of this Agreement. All shares of each Subsidiary and Affiliate owned by the Borrower or any Subsidiary are validly issued and fully paid and non-assessable.

Section 4.5. Financial Condition; No Adverse Change. The Borrower has furnished to the Agent the audited financial statements for the period ended December 31, 2006, for the Borrower and its Subsidiaries and unaudited, internally-prepared financial statements for the period ended March 31, 2007, for the Borrower and its Subsidiaries. Those financial statements fairly present in all material respects the financial condition of the Borrower and its Subsidiaries on the dates thereof and the results of operations for the periods then ended (subject to year-end audit adjustments) and were prepared in accordance with GAAP. Since December 31, 2006, there has not occurred any event or circumstance that would have a Material Adverse Effect.

Section 4.6. Litigation. There are no actions, suits or proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its Subsidiaries or the properties of the Borrower or any of its Subsidiaries before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which could reasonably be expected to have a Material Adverse Effect, except as set forth and described in Schedule 4.6.

Section 4.7. Regulation U. None of the Borrower or any of its Subsidiaries has engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System), and no part of the proceeds of any Loan will be used to purchase or carry any margin stock, or to extend credit to others for the purpose of purchasing or carrying any margin stock, in a manner that would result in a violation of Regulation U.

Section 4.8. Taxes. The Borrower and each of its Subsidiaries has paid or caused to be paid to the proper authorities all federal, state and local taxes required to be withheld by it. The Borrower and each of its Subsidiaries has filed all federal, state and local tax returns which to the knowledge of the officers of the Borrower or its Subsidiaries, are required to be filed, and the Borrower and each of its Subsidiaries has paid or caused to be paid to the respective taxing authorities all taxes as shown on said returns or on any assessment received by it to the extent such taxes have become due, except for any such tax, assessment, charge or claim whose amount, applicability or validity is being contested by the Borrower or such Subsidiary, as applicable, in good faith and by proper proceedings and for which the Borrower or any such Subsidiary, as applicable, shall have set aside adequate reserves.

Section 4.9. Titles and Liens. The Borrower or its Subsidiaries have good and absolute title to all properties and assets reflected in the latest consolidated balance sheets referred to in Section 4.5, free and clear of all Liens, except for (a) Liens permitted by Section 6.1, and (b) covenants, restrictions, rights, easements and minor irregularities in title which do not (i) materially interfere with the business or operations of the Borrower or its Subsidiaries as presently conducted and (ii) materially impair the value of the property to which they attach. In addition, no financing statement naming any of the Borrower or its Subsidiaries as debtor is on file in any office except to perfect only security interests permitted by Section 6.1 and precautionary filings for leases and consignments.

Section 4.10. Plans. None of the Borrower or any of its Subsidiaries has received any notice, nor has it received any knowledge to the effect, that it is not in compliance in all material respects with any of the requirements of ERISA. No Reportable Event or other fact or circumstance which would reasonably be expected to have an adverse effect on the Plan's tax qualified status exists in connection with any Plan. None of the Borrower or any of its Subsidiaries has:

(a) any accumulated funding deficiency within the meaning of ERISA; or

(b) any liability or know of any fact or circumstances which could result in any liability to the Pension Benefit Guaranty Corporation, the Internal Revenue Service, the Department of Labor or any participant in connection with any Plan (other than accrued benefits which are or which may become payable to participants or beneficiaries of any such Plan).

Section 4.11. Default. The Borrower and each of its Subsidiaries is in compliance with all provisions of all agreements, instruments, decrees and orders to which it is a party or by which it or its property is bound or affected, the breach or default of which could reasonably be expected to have a Material Adverse Effect.

Section 4.12. Environmental Compliance. The Borrower and each of its Subsidiaries have obtained all permits, licenses and other authorizations which are required under federal, state and local laws and regulations relating to emissions, discharges, releases of pollutants, contaminants, hazardous or toxic materials, or wastes into ambient air, surface water, ground water or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants or hazardous or toxic materials or wastes ("Environmental Laws") at the facilities of the Borrower or any of its Subsidiaries or in connection with the operation of such facilities, except where the failure to obtain such items would not have a Material Adverse Effect. Except as disclosed in Schedule 4.12, the Borrower and each of its Subsidiaries and all activities of the Borrower and each of its Subsidiaries at its respective facilities comply with all Environmental Laws and with all terms and conditions of any required permits, licenses and authorizations applicable to the Borrower or any such Subsidiary with respect thereto except where noncompliance would not have a Material Adverse Effect. Except as disclosed in Schedule 4.12, the Borrower and each of its Subsidiaries is in compliance with all limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in Environmental Laws or contained in any plan, order, decree, judgment or notice of which the Borrower or such Subsidiary is aware and with respect to which noncompliance would have a Material Adverse Effect. Except as disclosed in Schedule 4.12, none of the Borrower or any of its Subsidiaries is aware of, nor has the Borrower or any of its Subsidiaries received notice of, any events, conditions, circumstances, activities, practices, incidents, actions or plans which may interfere with or prevent continued compliance with, or which may give rise to any liability under, any Environmental Laws in a manner that would result in a Material Adverse Effect.

Section 4.13. Submissions to Banks. All financial and other information provided to the Agent or any Bank by or on behalf of the Borrower and its Subsidiaries in connection with the request for the

credit facilities contemplated hereby is true and correct in all material respects and, as to projections, valuations or pro forma financial statements, present a good faith opinion as of the date made as to such projections, valuations and pro forma condition and results.

Section 4.14. Financial Solvency. Both before and after giving effect to all of the transactions contemplated in the Loan Documents, the Borrower and each of its Subsidiaries:

(a) was not and will not be insolvent, as that term is used and defined in Section 101(32) of the United States Bankruptcy Code and Section 2 of the Uniform Fraudulent Transfer Act;

(b) does not have unreasonably small capital and is not engaged or about to engage in a business or a transaction for which any remaining assets of the Borrower or such Subsidiary, as applicable, are unreasonably small;

(c) does not, by executing, delivering or performing its obligations under the Loan Documents or by taking any action with respect thereto, intend to, nor believe that it will, incur debts beyond its ability to pay them as they mature;

(d) does not, by executing, delivering or performing its obligations under the Loan Documents or by taking any action with respect thereto, intend to hinder, delay or defraud either its present or future creditors; and

(e) does not contemplate filing a petition in bankruptcy or for an arrangement or reorganization or similar proceeding under any law any jurisdiction or country, and, to the best knowledge of the Borrower and each of its Subsidiaries, is not the subject of any bankruptcy or insolvency proceedings or similar proceedings under any law of any jurisdiction or country threatened or pending against the Borrower or any such Subsidiary.

ARTICLE V
AFFIRMATIVE COVENANTS

From the date of this Agreement and thereafter until the Commitments and Swing Line Commitment are terminated or expire, the Letter of Credit shall expire, and the Loans and all other Obligations have been paid in full, unless the Required Banks shall otherwise expressly consent in writing:

Section 5.1. Reporting Requirements. The Borrower will deliver, or cause to be delivered, to each Bank each of the following, which shall be in form and detail reasonably acceptable to the Required Banks:

(a) as soon as available, and in any event within 95 days after the end of each fiscal year of the Borrower and within 5 days after relevant filing with the Securities and Exchange Commission, the annual audit report of the Borrower and its Subsidiaries with the unqualified opinion of independent certified public accountants selected by the Borrower and reasonably acceptable to the Agent, which annual report shall include the balance sheets of the Borrower and its Subsidiaries as at the end of such fiscal year and the related statements of income, retained earnings and cash flows of the Borrower and its Subsidiaries for the fiscal year then ended, prepared on a consolidated and consolidating basis, all in reasonable detail and prepared in accordance with GAAP, together with a certificate of the chief financial officer of the Borrower stating that such annual audit report has been prepared in accordance with GAAP and whether or not such officer has knowledge of the occurrence of any Default or Event of Default hereunder and, if so, stating in reasonable detail the facts with respect thereto;

(b) as soon as available and in any event within 50 days after the end of each fiscal quarter of the Borrower and within 5 days after relevant filing with the Securities and Exchange Commission, an unaudited balance sheet and statements of income, cash flows and retained earnings of the Borrower and its Subsidiaries as at the end of and for such quarter and for the year-to-date period then ended, prepared on a consolidated and consolidating basis, in reasonable detail and the figures for the corresponding date and periods in the previous year, all prepared in accordance with GAAP hereof, subject to year-end audit adjustments and the addition of footnotes;

(c) together with delivery of the financial statements described in Section 5.1(b), a Compliance Certificate (i) that such financial statements have been prepared in accordance with GAAP, subject to year-end audit adjustments and the addition of footnotes, (ii) whether or not such officer has knowledge of the occurrence of any Default or Event of Default hereunder not theretofore reported and remedied and, if so, stating in reasonable detail the facts with respect thereto, and (iii) all relevant facts in reasonable detail to evidence, and the computations as to (A) the status of the Borrower and its Subsidiaries for purposes of establishing the Applicable Margins and Applicable Commitment Fee Rate, (B) whether or not the Borrower and its Subsidiaries are in compliance with the requirements set forth in the financial covenants of this Agreement, and (C) whether the Borrower and its Subsidiaries are in compliance with the requirements set forth in Section 6.2 and copies of all guaranties issued as permitted by Section 6.3(e) and all amendments or changes to such guaranties, and any changes to the list of Subsidiaries covered by such guaranty or guaranties;

(d) not later than 60 days after the beginning of each fiscal year of the Borrower, the projected balance sheets, income statements, capital expenditures budget, and cash flow statements for the Borrower and its Subsidiaries for such year, each in reasonable detail, representing the good faith projections of the Borrower for such year, and certified by the chief financial officer of the Borrower as being the most accurate projections available and identical to the projections used by the Borrower and its Subsidiaries for internal planning purposes, together with such supporting schedules and information as the Agent from time to time may reasonably request;

(e) immediately after the commencement thereof, notice in writing of all litigation and of all proceedings before any governmental or regulatory agency affecting the Borrower or any of its Subsidiaries of the type described in Section 4.6 or which (i) seek a monetary recovery against, the Borrower or any of its Subsidiaries in excess of $1,000,000; or (ii) could reasonably be expected to have a Material Adverse Effect.

(f) as promptly as practicable (but in any event not later than five (5) Business Days) after an officer of a Borrower obtains knowledge of the occurrence of a Default or Event of Default hereunder, notice of such occurrence, together with a detailed statement by a responsible officer of a Borrower setting forth the steps being taken by the Borrower or any of its Subsidiaries to cure the effect of such Default or Event of Default;

(g) as soon as possible and in any event within 30 days after the Borrower knows or has reason to know that any Reportable Event with respect to any Plan has occurred, the statement of the chief financial officer of the Borrower setting forth details as to such Reportable Event and the action which the Borrower or any of its Subsidiaries proposes to take with respect thereto, together with a copy of the notice of such Reportable Event to the Pension Benefit Guaranty Corporation;

(h) as soon as possible, and in any event within ten (10) days after the Borrower or any of its Subsidiaries fails to make any quarterly contribution required with respect to any Plan under Section 4.12(m) of the Internal Revenue Code of 1986, as amended, the statement of the chief financial officer of the Borrower setting forth details as to such failure and the action which the Borrower or any of its Subsidiaries proposes to take with respect thereto, together with a copy of any notice of such failure required to be provided to the Pension Benefit Guaranty Corporation;

(i) promptly upon obtaining knowledge thereof, notice of the violation by the Borrower or any of its Subsidiaries of any law, rule or regulation, the noncompliance with which could reasonably be expected to have a Material Adverse Effect;

(j) promptly upon their distribution, copies of all financial statements, reports, proxy statements and other communications which the Borrower shall have sent to its stockholders;

(k) promptly after the sending or filing thereof, copies of all regular and periodic financial reports which the Borrower or any of its Subsidiaries shall file with the Securities and Exchange Commission or any national securities exchange; and

(l) such other information respecting the financial conditions and results of operation of the Borrower or any its Subsidiaries, as the Agent or the Required Banks may from time to time reasonably request.

Any of the foregoing financial statements and reports shall be deemed to have been delivered upon the filing of such financial statements and reports by the Borrower through the Security and Exchange Commission’s EDGAR system or publication by the Borrower of such financial statements and reports on its website and the receipt by the Agent of electronic notice from the Borrower with a link to such financial statements and reports.

Section 5.2. Books and Records; Inspection and Examination. The Borrower will, and will cause each of its Subsidiaries to, keep accurate books of record and account for itself pertaining to its business and financial condition and such other matters as the Agent may from time to time request in which true and complete entries will be made in accordance with GAAP consistently applied and, upon request of and reasonable notice by the Agent, will permit any officer, employee, attorney or accountant for any Bank to audit, review, make extracts from or copy any and all of its corporate and financial books and records at all reasonable times during ordinary business hours and to discuss its affairs with any of its directors, officers, employees or agents. The Borrower will, and will cause each of its Subsidiaries to, permit any Bank or its employees, accountants, attorneys or agents, to examine and inspect any of its property at any time during ordinary business hours; provided, that each Bank will use reasonable efforts to conduct (or have conducted) any such examination or inspection so as to minimize disruptions to operations.

Section 5.3. Compliance with Laws. The Borrower will, and will cause each of its Subsidiaries to, (a) comply with the requirements of applicable laws and regulations, the noncompliance with which would have a Material Adverse Effect, (b) use and keep its assets, and will require that others use and keep its assets, only for lawful purposes, without violation of any federal, state or local law, statute or ordinance, the noncompliance with which could reasonably be expected to have a Material Adverse Effect.

Section 5.4. Payment of Taxes and Other Claims. The Borrower will pay or discharge, when due, and will cause each of its Subsidiaries to pay or discharge, when due, (a) all taxes, assessments and governmental charges levied or imposed upon it or upon its income or profits, upon any properties belonging to it prior to the date on which penalties attach thereto, (b) all federal, state and local taxes required to be withheld by it, and (c) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a Lien or charge upon any of its properties; provided, neither the Borrower nor any of its Subsidiaries shall be required to pay any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings and for which the Borrower or such Subsidiary, as applicable, has set aside adequate reserves in accordance with GAAP.

Section 5.5. Maintenance of Properties. The Borrower will, and will cause each of its Subsidiaries to, keep and maintain, all of its properties necessary or useful in its business in good condition, repair and working order (normal wear and tear excepted); provided, however, that nothing in this Section 5.5 shall prevent the Borrower or any of its Subsidiaries from discontinuing the operation and maintenance of any of its properties if such discontinuance is, in the reasonable judgment of the Borrower or such Subsidiary, as applicable, desirable in the conduct of its business and not disadvantageous in any material respect to the Banks.

Section 5.6. Insurance. The Borrower will, and will cause each of its Subsidiaries to, obtain and all times maintain, insurance with insurers believed by it to be responsible and reputable in such amounts and against such risks as is usually carried by companies engaged in similar business and owning similar properties in the same general areas in which it operates.

Section 5.7. Preservation of Corporate Existence. The Borrower will, and will cause each of its Subsidiaries (subject to Section 6.8) to, preserve and maintain its corporate existence and all of its rights, privileges and franchises necessary or desirable in the normal conduct of its business and shall conduct its business in an orderly, efficient and regular manner.

Section 5.8 Cash Flow Leverage Ratio. The Borrower and its Subsidiaries, on a consolidated basis, will maintain a Cash Flow Leverage Ratio, calculated for each period of four consecutive fiscal quarters as provided in the definition thereof, of not greater than 3.00 to 1.00.

Section 5.9 Minimum Cash and Cash Equivalents. The Borrower and its Subsidiaries, on a consolidated basis, will at all times own and maintain Cash and Cash Equivalents in an aggregate amount of not less than $50,000,000.

Section 5.10 Subsidiaries. Upon the formation or acquisition of any Subsidiary:

(a) If it is a Domestic Subsidiary, the Borrower will cause such Subsidiary to become a Guarantor and to, concurrent with such formation or acquisition, execute and deliver a Guaranty to the Agent for the benefit of the Banks, and provide a secretary's certificate and copies of all documents consistent with Section 3.1(c) for such Subsidiary; and

(b) If it is a Foreign Subsidiary, the Borrower or Domestic Subsidiary owning such Foreign Subsidiary will pledge, or will cause any Domestic Subsidiary owning such stock or ownership interests to pledge, 65% of the stock or other ownership interests of such Foreign Subsidiary to the Agent for the benefit of the Banks, pursuant to a Pledge Agreement, provided that (i) the Borrower will not, unless required by clause (ii) hereof, pledge stock of Entegris (Malasia) Sdn. Bhd., Entegris Netherlands, Inc. or Fluoroware Jamaica Limited, and (ii) if at any time the proportion of the Borrower's consolidated net sales (measured after the elimination of inter-company sales, called "Net Sales") that are derived from Foreign Subsidiaries whose stock has

not been pledged exceed 15% of the Borrower's Net Sales, the Borrower or one or more Domestic Subsidiaries shall provide a further pledge of 65% of the stock or other ownership interest of additional Foreign Subsidiaries so that the Net Sales that are derived from Foreign Subsidiaries whose stock has been pledged (or whose direct or indirect corporate parent's stock has been pledged) equal or exceed 85% of the Borrower's Net Sales, and provided, further, that unless otherwise requested by the Agent, the Borrower and its Domestic Subsidiaries shall not be required to pledge stock or ownership interest of Subsidiaries that are not direct Subsidiaries of the Borrower. Borrower shall deliver to the Agent the stock certificates and related transfer powers for Entegris International Holdings B.V. within 30 days after the initial funding under Section 3.1.

Section 5.11 Approved Currency Risk Management Policy and Approved Investment Policy. Comply with the Approved Currency Risk Management Policy and Approved Investment Policy, and not make any material changes to the Approved Currency Risk Management Policy or Approved Investment Policy without prior written approval of the Agent, which approval may not be unreasonably withheld.

ARTICLE VI
NEGATIVE COVENANTS

From the date of this Agreement and thereafter until the Commitments and Swing Line Commitment are terminated or expire, the Letter of Credit shall expire, and the Loans and all other Obligations have been paid in full, unless the Required Banks shall otherwise expressly consent in writing:

Section 6.1. Liens. The Borrower will not, and will not permit any Subsidiary to, create, incur or suffer to exist any Lien upon or of any assets of the Borrower or any such Subsidiary, now owned or hereafter acquired; except for:

(a) Liens in existence on the date of this Agreement and listed in Schedule 6.1 (including any subsequent extension or renewal or replacement of such Liens to the extent (i) the related extension or renewal or replacement of the Debt secured thereby is otherwise permitted under this Agreement, (ii) the principal amount secured thereby is not increased above the amount outstanding immediately prior to such extension or renewal, and (iii) the property subject thereto is not increased);

(b) Liens for taxes or assessments or other governmental charges to the extent not required to be paid by Section 5.4;

(c) materialmen's, merchants', carriers', worker's, repairer's, or other like Liens arising in the ordinary course of business to the extent not required to be paid by Section 5.4;

(d) pledges or deposits to secure obligations under worker's compensation laws, unemployment insurance and social security laws, or to secure the performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases or to secure statutory obligations or surety or appeal bonds, or to secure indemnity, performance or other similar bonds in the ordinary course of business;

(e) zoning restrictions, easements, licenses, restrictions on the use of real property or minor irregularities in title thereto, which do not materially impair the use of such property in the operation of the business of the Borrower or any of its Subsidiaries or the value of such property for the purpose of such business;

(f) Liens on the assets of any Foreign Subsidiary that are required under a Permitted Foreign Subsidiary Financing Facility extended to such Foreign Subsidiary and permitted by the definition thereof in this Agreement, limited, in all instances to the assets of such Foreign Subsidiary; and

(g) purchase money Liens upon or in property of the Borrower or any of its Subsidiaries, or Liens existing in such property at the time of the acquisition thereof; provided that no such Lien extends or shall extend to or cover any property of the Borrower or any of its Subsidiaries other than the property then being acquired and fixed improvements then or thereafter erected thereon.

Section 6.2. Indebtedness. The Borrower will not, and will not permit any Subsidiary to, incur, create, assume, permit or suffer to exist, any Debt (provided, that this Section is not intended to limit trade debt incurred in the ordinary course of business and not evidenced by a note), except:

(a) obligations arising hereunder and indebtedness consisting of obligations arising in connection with performance for the Borrower and its Subsidiaries of banking services (including wire transfer, ACH, disbursement services, and overdraft lines of credit and guidelines) by the Agent;

(b) Capitalized Lease Liabilities and indebtedness of the Borrower or its Subsidiaries secured by security interests permitted by Section 6.1(g) in an aggregate amount not to exceed $10,000,000 at any time;

(c) Debt under any Permitted Foreign Subsidiary Financing Facility and Permitted Permanent Financing Facility in each case permitted by and incurred in accordance with the definition thereof in this Agreement;

(d) Debt in existence on the date of this Agreement and listed in Schedule 6.2 (including any subsequent extension or renewal or replacement of such Debt);

(e) Indebtedness arising from Intercompany Loans; and

(f) Permitted Additional Debt incurred in accordance with the definition thereof in this Agreement.

Section 6.3. Guaranties. The Borrower will not, and will not permit any Subsidiary to, assume, guarantee, endorse or otherwise become directly or contingently liable in connection with any obligations of any other Person, except:

(a) guaranties of the Obligations arising hereunder;

(b) the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business;

(c) guaranties, endorsements and other direct or contingent liabilities in connection with the obligations of other Persons in existence on the date of this Agreement and listed in Schedule 6.3, together with any extension, renewal, or replacement thereof (so long as such indebtedness is not increased above the amount outstanding immediately prior to giving effect to any such extension, renewal or replacement);

(d) guaranties of obligations of the Borrower’s Subsidiaries; and

(e) guaranties of the Permitted Permanent Financing Facility and Permitted Additional Debt.

Section 6.4. Investments. The Borrower will not, and will not permit any Subsidiary to, purchase or hold beneficially any stock or other securities or evidences of indebtedness of, make or permit to exist any loans or advances to, or create or acquire any Subsidiary or make any investment or acquire any interest whatsoever in, any other Person, except:

(a) investments in Cash and Cash Equivalents;

(b) any investment by the Borrower or any of its Subsidiaries in the stock of any Subsidiary or in the stock of any Affiliate set forth on Schedule 4.4;

(c) Intercompany Loans;

(d) loans to officers and employees of the Borrower or any of its Subsidiaries not exceeding at any one time an aggregate of $500,000;

(e) travel advances to officers and employees of the Borrower or any of its Subsidiaries or any other similar advances in the ordinary course of business;

(f) advances in the form of progress payments, prepaid rent or security deposits or any other similar advances in the ordinary course of business;

(g) Permitted Acquisitions;

(h) promissory notes from buyers of dispositions permitted by Section 6.6;

(i) investments in existence on the date of this Agreement and listed on Schedule 6.4;

(j) hedging transactions entered into in connection with the Approved Currency Risk Management Policy or the Permitted Permanent Financing Facility; and

(k) other investments not to exceed $5,000,000 at any one time outstanding.

Section 6.5. Restricted Payments. The Borrower and its Subsidiaries will not make any Restricted Payments, except for:

(a) distributions and dividends by any Subsidiaries to any wholly-owned Subsidiary or to the Borrower;

(b) Restricted Payments or the setting aside of funds for Restricted Payments if (i) no Default or Event of Default exists or will result after the giving effect to any such payment, and (ii) on a pro forma basis, as if the Restricted Payment had been made, or the funds were set aside for such purpose, at the time the most recent Compliance Certificate was delivered to the Agent, the Borrower would have been in compliance with the financial covenants and all other terms and conditions of this Agreement;

(c) Restricted Payments constituting redemption or purchase payments under the 2007 Tender Offer; and

(d) Restricted Payments made under the Permitted Permanent Financing Facility to the extent permitted under terms and conditions approved by the Agent as provided in the definition of Permitted Permanent Financing Facility in this Agreement.

Section 6.6. Sale or Transfer of Assets; Suspension of Business Operations. The Borrower will not, and will not permit any of its Subsidiaries to, sell, lease, assign, transfer or otherwise dispose of all or a substantial part of its assets (whether in one transaction or in a series of transactions) to any other Person; provided, however, that the restrictions contained in this Section 6.6 shall not apply to or prevent:

(a) the conveyance, lease or transfer by a Subsidiary of all or part of its properties to the Borrower or to another wholly-owned Subsidiary of the Borrower;

(b) sales, leases and assignments by the Borrower or any of its Subsidiaries of its properties in the ordinary course of its business;

(c) sales or leases by the Borrower or any of its Subsidiaries of its surplus, obsolete or worn-out properties; or

(d) other dispositions of assets having current net book value not to exceed $25,000,000 in any fiscal year.

Section 6.7 Restrictions on Issuance and Sale of Subsidiary Stock; Agreements binding on Subsidiaries. The Borrower will not:

(a) permit any of its Subsidiaries to issue or sell any shares of stock of any class of any Subsidiary to any Person other than the Borrower or any of its Subsidiaries, except for the purpose of qualifying directors or satisfying preemptive rights or of paying a common stock dividend on, or splitting, common stock of such Subsidiary;

(b) sell, transfer or otherwise dispose of any shares of stock of any class (except to the Borrower or a wholly owned Subsidiary of the Borrower or to qualify directors) of any Subsidiary or permit any Subsidiary to sell, transfer or otherwise dispose of (except to the Borrower or a wholly owned Subsidiary of the Borrower or to qualify directors) any shares of stock of any class of any other Subsidiary; or

(c) enter into, or permit any Subsidiary to enter into, or be otherwise subject to, any instrument, contract or agreement (including its charter documents) which limits the amount of or otherwise imposes restrictions on (a) the payment of dividends and distributions by any Subsidiary to the Borrower or any other Subsidiary, (b) the payment by any Subsidiary of any Debt owed to the Borrower or any other Subsidiary, (c) the making of loans or advances by any Subsidiary to the Borrower or any other Subsidiary, (d) the transfer by any Subsidiary of its property to the Borrower or any other Subsidiary, or (e) the merger or consolidation of any Subsidiary with or into the Borrower or any other Subsidiary; provided that the foregoing shall not prohibit restrictions and conditions imposed by applicable laws which (taken as a whole) could reasonably be expected not to have a Material Adverse Effect, (ii) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is not prohibited hereunder, (iii) customary provisions in leases and other contracts restricting the assignment thereof, and (iv) (A) any contractual obligation in effect on the date hereof or that governs any Debt, capital stock or assets of a Person acquired by a Borrower or any Subsidiary as in effect on the date of such acquisition (except to the extent such contractual obligation was

created or such Debt was incurred in connection with or in contemplation of such acquisition, which limitation or restriction is not applicable to any Person, or the assets of any Person, other than the Person, or the assets of the Person, so acquired, provided, that in the case of Debt, such Debt was permitted by the terms of this Agreement to be incurred), (B) customary provisions in joint venture agreements and other similar instruments relating solely to the securities, assets and revenues of such joint venture, (C) restrictions on deposits or minimum net worth requirements imposed under contracts entered into in the ordinary course of business and (D) restrictions in Foreign Subsidiary debt documents, including Permitted Foreign Subsidiary Financing Facilities.

Section 6.8. Consolidation and Merger; Asset Acquisitions. The Borrower will not, and will not permit any of its Subsidiaries to, consolidate with or merge into any Person, or permit any other Person to merge into it, or acquire (in a transaction analogous in purpose or effect to a consolidation or merger) all or substantially all the assets of any other Person, provided, however, that the restrictions contained in this Section 6.8 shall not apply to or prevent (i) the consolidation or merger of a Subsidiary with, or a conveyance or transfer of its assets to, the Borrower (if the Borrower shall be the continuing or surviving corporation) or another Subsidiary or (ii) the acquisition of assets of other Persons permitted by Section 6.4.

Section 6.9 Sale and Leaseback. Except with respect to property sold and lease backed by the Borrower or any of its Subsidiaries within 90 days of the acquisition of such property by the Borrower or such Subsidiary, the Borrower will not, and will not permit any of its Subsidiaries to, enter into any arrangement, directly or indirectly, with any other Person whereby the Borrower or such Subsidiary shall sell or transfer any real or personal property, whether now owned or hereafter acquired, and then or thereafter rent or lease as lessee such property or any part thereof or any other property which the Borrower or such Subsidiary intends to use for substantially the same purpose or purposes as the property being sold or transferred, if, after giving effect to any such sale and leaseback, the aggregate sales price for all such property sold and leased back by the Borrower and its Subsidiaries from and after the date of this Agreement would exceed $1,000,000 in the aggregate.

Section 6.10 Subordinated Debt. The Borrower will not, and will not permit any of its Subsidiaries to, (i) make any payment of, or acquire, any Subordinated Debt except as expressly permitted by the terms of this Agreement and the subordination provisions applicable to such Subordinated Debt; (iii) amend or cancel the subordination provisions of such Subordinated Debt; (iv) take or omit to take any action whereby the subordination of such Subordinated Debt or any part thereof might be terminated, impaired or adversely affected; or (v) omit to give the Agent prompt written notice of any default under any agreement or instrument relating to such Subordinated Debt by reason whereof such Subordinated Debt might become or be declared to be immediately due and payable.

Section 6.11. Restrictions on Nature of Business. The Borrower will not, and will not permit any of its Subsidiaries to, engage in any line of business materially different from that in which the Borrower and its Subsidiaries are presently engaged and businesses reasonably related or complementary thereto, and will not purchase, lease or otherwise acquire assets not related to such business.

Section 6.12 Prohibition of Entering into Negative Pledge Arrangements. The Borrower will not, and will not permit any of its Subsidiaries to, enter into any agreement, bond, note or other instrument with or for the benefit of any Person other than the Banks which would:

(a) prohibit the Borrower or such Subsidiary from granting, or otherwise limit the ability of the Borrower or such Subsidiary to grant, to the Banks any Lien on any assets or properties of the Borrower or such Subsidiary, except (i) the documents pertaining to any Permitted Foreign Subsidiary Financing Facility may prohibit Liens on the assets of the Foreign Subsidiary entering

into such Permitted Foreign Subsidiary Financing Facility, (ii) the documents pertaining to any Permitted Additional Debt or Permitted Permanent Financing Facility may require customary limits on Liens and (iii) customary lien covenants with respect to other Debt permitted by Section 6.2; or

(b) be violated or breached by the Borrower's performance of its obligations under the Loan Documents.

Section 6.13. Accounting. The Borrower will not, and will not permit any of its Subsidiaries to, adopt any material change in accounting principles, other than as required by GAAP, and will not adopt, permit or consent to any change in its fiscal year, except with the consent of the Agent, which will not be unreasonably withheld.

Section 6.14. Hazardous Substances. The Borrower will not, and will not permit any of its Subsidiaries to, cause or permit any Hazardous Substances to be disposed of in any manner which might result in any material liability to the Borrower or such Subsidiary, on, under or at any real property which is operated by the Borrower or such Subsidiary or in which the Borrower or such Subsidiary has any interest.

Section 6.15 Transactions with Affiliates. The Borrower will not, and will not permit any of its Subsidiaries to, enter into or be a party to any transaction or arrangement, including, without limitation, the purchase, sale lease or exchange of property or the rendering of any service, with any Affiliate, except pursuant to the reasonable requirements of the Borrower's or the applicable Subsidiary's business and upon fair and reasonable terms no less favorable to the Borrower or such Subsidiary than would obtain in a comparable arm's-length transaction with a Person not a Affiliate.

ARTICLE VII
EVENTS OF DEFAULT; RIGHTS AND REMEDIES

Section 7.1. Events of Default. "Event of Default", wherever used herein, means any one of the following events:

(a) default in the payment of any principal of any Note when it becomes due and payable; or

(b) default in the payment of any reimbursement obligation in respect of any Letter of Credit when it becomes due and payable and such default continues for three consecutive Business Days; or

(c) default in the payment of any interest on any Note when it becomes due and payable or any fees, costs or expenses required to be paid by the Borrower or either of the Guarantors under this Agreement or any other Loan Document when the same becomes due and payable and such default continues for three consecutive Business Days; or

(d) default in the performance, or breach, of any covenant or agreement on the part of the Borrower contained in Section 5.7, 5.8, 5.9 or in any Section of Article VI; or

(e) default in the performance, or breach, of any covenant or agreement of the Borrower in this Agreement (other than a covenant or agreement a default in whose performance or whose breach is elsewhere in this Section 7.1 specifically dealt with) and the continuance of such default or breach for a period of thirty (30) calendar days after the Borrower has or should reasonably have had notice thereof; or

(f) default in the performance, or breach, of any covenant or agreement of the Borrower or any Guarantors in any Loan Document other than this Agreement (other than a covenant or agreement a default in whose performance or whose breach is elsewhere in this Section 7.1 specifically dealt with) and the continuance of such default or breach for a period of thirty (30) calendar days after the Borrower has or should reasonably have had notice thereof beyond the applicable period of grace, if any specified in such Loan Document, or disavowal or revocation, or attempted disavowal or revocation, of any Guaranty by any Guarantor, or if any Loan Document shall not be, or shall cease to be, enforceable in accordance with its terms; or

(g) the Borrower or any Subsidiary shall become insolvent or shall generally not pay its debts as they mature or shall apply for, shall consent to, or shall acquiesce in the appointment of a custodian, trustee or receiver of the Borrower or such Subsidiary or for a substantial part of the property thereof or, in the absence of such application, consent or acquiescence, a custodian, trustee or receiver shall be appointed for the Borrower or a Subsidiary or for a substantial part of the property thereof and shall not be discharged within 60 days thereafter; or

(h) any bankruptcy, reorganization, debt arrangement or other proceedings under any bankruptcy or insolvency law shall be instituted by or against the Borrower or a Subsidiary, and, if instituted against the Borrower or a Subsidiary, shall have been consented to or acquiesced in by the Borrower or such Subsidiary, or shall remain undismissed for 60 days thereafter, or an order for relief shall have been entered against the Borrower or such Subsidiary, or the Borrower or any Subsidiary shall take any corporate action to approve institution of, or acquiescence in, such a proceeding; or

(i) any representation or warranty made by the Borrower or any of its Subsidiaries in any Loan Document or by the Borrower or any of its Subsidiaries (or any of the officers of any such entity) in any request for Loans, or in any other certificate, instrument, or statement contemplated by or made or delivered pursuant to or in connection with any Loan Document, shall prove to have been incorrect in any material respect when made; or

(j) the rendering against the Borrower or any of its Subsidiaries of a final judgment, decree or order for the payment of money in excess of $5,000,000 (except to the extent the payment of such judgment is insured) and the continuance of such judgment, decree or order unsatisfied and in effect for any period of thirty (30) consecutive calendar days without a stay of execution; or

(k) any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against a substantial part of the property of the Borrower or any of its Subsidiaries and such judgment, writ, or similar process shall not be released, vacated or fully bonded within thirty (30) calendar days after its issue or levy; or

(l) The maturity of any Debt in a principal amount exceeding $5,000,000 of the Borrower (other than Debt under this Agreement) or a Subsidiary shall be accelerated, or the Borrower or a Subsidiary shall fail to pay any such Debt when due or, in the case of such Debt payable on demand, when demanded, or any event shall occur or condition shall exist and shall continue for more than the period of grace, if any, applicable thereto and shall have the effect of causing, or permitting (any required notice having been given and grace period having expired) the holder of any such Debt or any trustee or other Person acting on behalf of such holder to cause, such Debt to become due prior to its stated maturity or to realize upon any collateral given as security therefor; or

(m) any Reportable Event, which the Agent determines in good faith could reasonably be expected to constitute grounds for the termination of any Plan or for the appointment by the

appropriate United States District Court of a trustee to administer any Plan, shall have occurred and be continuing thirty (30) days after written notice to such effect shall have been given to the Borrower or any of its Subsidiaries by the Agent; or any Plan shall have been terminated (other than a standard termination which is not reasonably expected to have a Material Adverse Effect), or a trustee shall have been appointed by an appropriate United States District Court to administer any Plan, or the Pension Benefit Guaranty Corporation shall have instituted proceedings to terminate any Plan or to appoint a trustee to administer any Plan; or

(n) except to the extent permitted by Section 6.6 or 6.8, the Borrower or any of its Subsidiaries shall liquidate, dissolve, terminate or suspend its business operations or otherwise fail to operate its business in the ordinary course, or shall sell all or substantially all of its assets; or

(o) a Change of Control shall occur with respect to the Borrower.

Section 7.2. Rights and Remedies. Upon the occurrence of an Event of Default until such Event of Default is cured or waived to the written satisfaction of the Required Banks, the Agent may (and, upon written request of the Required Banks the Agent shall) exercise any or all of the following rights and remedies:

(a) by notice to the Borrower, declare the Revolving Commitments to be terminated, whereupon the same shall forthwith terminate;

(b) by notice to the Borrower, declare the entire unpaid principal amount of the Revolving Notes, all interest accrued and unpaid thereon, and all other Obligations to be forthwith due and payable, whereupon the Revolving Notes, all such accrued interest and all such other Obligations shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower;

(c) without notice to the Borrower and without further action, apply any and all monies owing by any Bank to the Borrower or to any of its Subsidiaries to the payment of the Revolving Notes, including interest accrued thereon, and to payment to payment of all other Obligations then owing by the Borrower;

(d) exercise and enforce the rights and remedies available to the Agent, the Banks or to any Bank under any Loan Document; and

(e) exercise any other rights and remedies available to the Agent, the Banks or to any Bank by law or agreement.

Notwithstanding the foregoing, upon the occurrence of an Event of Default described in Section 7.1(g) or (h) hereof, the entire unpaid principal amount of the Loans and Notes, all interest accrued and unpaid thereon, and all other amounts payable under this Agreement shall be immediately due and payable without presentment, demand, protest or notice of any kind.

Section 7.3 Letters of Credit. In addition to the foregoing remedies, if any Event of Default described in Sections 7.1(g) or (h) shall occur, or if any other Event of Default shall have occurred and the Agent shall have declared that the principal balance of the Notes is due and payable, the Borrower shall, upon demand by the Agent, pay to the Agent, as agent and bailee for the Banks, an amount equal to all Letter of Credit Obligations. Such payment shall be in immediately available funds or in similar cash collateral acceptable to the Agent and shall be pledged to the Agent as agent and bailee for the benefit of

the Banks. Such amount shall be held by the Agent in a cash collateral account until the outstanding Letters of Credit are terminated without payment or are paid and Letter of Credit Obligations with respect thereto are payable. In the event the Borrower defaults in the payment of any Letter of Credit Obligations, the proceeds of the cash collateral account shall be applied to the payment thereof. The Borrower acknowledges and agrees that the Agent and the Banks shall have the right to require the Borrower to perform specifically such undertaking whether or not any of the Letter of Credit Obligations are due and payable. Upon the failure of the Borrower to make any payment required under this Section 7.3, the Agent, on behalf of the Banks, may proceed to use all remedies available at law or equity to enforce the obligation of the Borrower to pay or reimburse the Banks, including without limitation any right the Agent or Banks may have to enforce any security interest in any collateral for such obligations. The balance of any payment due under this Section 7.3 shall bear interest payable on demand until paid in full at a per annum rate equal to interest rate then applicable to the Loans.

ARTICLE VIII
AGREEMENT AMONG BANKS AND AGENT

Section 8.1. Authorization; Powers. Each Bank irrevocably appoints and authorizes the Agent to act as administrative agent for and on behalf of such Bank to the extent provided herein, in any Loan Documents (including by way of acting as “Secured Party” under the Pledge Agreements) or in any other document or instrument delivered hereunder or in connection herewith, and to take such other actions as may be reasonably incidental thereto. The Agent agrees to act as administrative agent for each Bank upon the express conditions contained in this Article VIII, but in no event shall the Agent constitute a fiduciary of any Bank, nor shall the Agent have any fiduciary responsibilities in respect of any Bank. In furtherance of the foregoing, and not in limitation thereof, each Bank irrevocably (a) authorizes the Agent to execute and deliver and perform those obligations under each of the Loan Documents to which the Agent is a party as are specifically delegated to the Agent, and to exercise all rights, powers and remedies as may be specifically delegated hereunder or thereunder, together with such additional powers as may be reasonably incidental thereto, (b) appoints the Agent as nominal beneficiary or nominal secured party, as the case may be, under the Loan Documents and all related UCC financing statements (if and to the extent collateral security is granted with respect to the Obligations), and (c) authorizes the Agent to act as agent of and for such Bank for purposes of holding, perfecting and disposing of collateral under the Loan Documents (if and to the extent collateral security is granted with respect to the Obligations). As to any matters not expressly provided for by the Loan Documents, the Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Banks or, if so required pursuant to Section 9.2, upon the instructions of all Banks; provided, however, that except for action expressly required of the Agent hereunder, the Agent shall in all cases be fully justified in failing or refusing to act hereunder unless it shall be indemnified to its satisfaction by the Banks against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action, and the Agent shall not in any event be required to take any action which is contrary to the Loan Documents or applicable law.

Section 8.2. Application of Proceeds. The Agent, after deduction of any costs of collection, as provided in Section 8.5, shall remit to each Bank (to the extent a Bank is to share therein) that Bank’s pro rata share of all payments of principal, interest and fees payable hereunder in accordance with such Bank’s appropriate Percentage. Each Bank’s interest under the Loan Documents shall be payable solely from payments, collections and proceeds actually received by the Agent under the Loan Documents; and the Agent’s only liability to a Bank with respect to any such payments, collections and proceeds shall be to account for such Bank’s Percentage of such payments, collections and proceeds in accordance with this Agreement. If the Agent is required for any reason to refund any such payments, collections or proceeds,

each Bank will refund to the Agent, upon demand, its Percentage of such payments, collections or proceeds, together with its Percentage of interest or penalties, if any, payable by the Agent in connection with such refund. If any Bank has wrongfully refused to fund its Percentage of any Loans, or if the outstanding principal balance of the Loans made by any Bank is for any other reason less than its respective Percentage of the aggregate principal balance of all Loans (except Swing Line Loans), the Agent may remit payments received by it to the other Banks until such payments have reduced the aggregate amounts owed by the Borrower to the extent that the aggregate amount of the Loans owing to such Bank hereunder are equal to its Percentage of the aggregate amounts of the Loans owing to all of the Banks hereunder. The foregoing provision is intended only to set forth certain rules for the application of payments, proceeds and collections in the event that a Bank has breached its obligations hereunder and shall not be deemed to excuse any Bank from such obligations.

Section 8.3. Exculpation. The Agent shall not be liable for any action taken or omitted to be taken by the Agent in connection with the Loan Documents, except for its own gross negligence or willful misconduct. The Agent shall be entitled to rely upon advice of counsel concerning legal matters, the advice of independent public accountants with respect to accounting matters and advice of other experts as to any other matters and upon any Loan Document and any schedule, certificate, statement, report, notice or other writing which it reasonably believes to be genuine or to have been presented by a proper Person. Neither the Agent nor any of its directors, officers, employees or agents shall be responsible or in any way liable for (a) any recitals, representations or warranties contained in, or for the execution, validity, genuineness, effectiveness or enforceability of any Loan Document, or any other instrument or document delivered hereunder or in connection herewith, (b) the validity, genuineness, perfection, effectiveness, enforceability, existence, value of enforcement of any collateral (if and to the extent collateral security is granted with respect to the Obligations) or (c) any action taken or omitted by it. The designation of Wells Fargo as Agent hereunder shall in no way impair or affect any of the rights and powers of, or impose any duties or obligations upon, Wells Fargo in its individual capacity as Bank hereunder.

Section 8.4. Use of the Term “Agent”. The term “Agent” is used herein in reference to the Agent merely as a matter of custom. It is intended to reflect only an administrative relationship between the Agent and the Banks, in each case as independent contracting parties. However, the obligations of the Agent shall be limited to those expressly set forth herein and in no event shall the use of such term create or imply any fiduciary relationship or any other obligation arising under the general law of agency.

Section 8.5. Reimbursement for Costs and Expenses. All payments, collections and proceeds received or effected by the Agent may be applied first to pay or reimburse the Agent for all reasonable costs and expenses at any time incurred by or imposed upon the Agent in connection with this Agreement or any other Loan Document (including but not limited to all reasonable attorney’s fees), foreclosure expenses and advances made to protect the security of any collateral (if and to the extent collateral security is granted with respect to the Obligations), but excluding any costs, expenses, damages or liabilities arising from the gross negligence or willful misconduct of the Agent). If the Agent does not receive payments, collections or proceeds sufficient to cover any such costs and expenses within five (5) days after their incurrence or imposition, each Bank shall, upon demand, remit to the Agent such Bank’s Percentage of the difference between (i) such costs and expenses and (ii) such payments, collections and proceeds, together with interest on such amount for each day following the thirtieth day after demand therefor until so remitted at a rate equal to the Federal Funds Rate for each such day.

Section 8.6. Payments Received Directly by Banks. If any Bank shall obtain any payment or other recovery (whether voluntary, involuntary, by application of offset or otherwise) on account of any Loan or on account of any fees under this Agreement (other than through distributions made in accordance with Section 8.2 hereof) in excess of such Bank’s applicable Percentage with respect to the

Loan, such Bank shall promptly give notice of such fact to the Agent and shall promptly remit to the Agent such amount as shall be necessary to cause the remitting Bank to share such excess payment or other recovery ratably with each of the Banks in accordance with their respective Percentages, together with interest for each day on such amount until so remitted at a rate equal to the Federal Funds Rate for each such day; provided, however, that if all or any portion of the excess payment or other recovery is thereafter recovered from such remitting Bank or holder, the remittance shall be restored to the extent of such recovery.

Section 8.7. Indemnification. Each Bank severally (but not jointly) hereby agrees to indemnify and hold harmless the Agent, as well as the Agent's agents, employees; officers and directors, ratably according to their respective Percentages from and against any and all losses, liabilities (including liabilities for penalties), actions, suits, judgment, demands, damages, costs, disbursements, or expenses (including attorneys' fees and expenses) (including allocated costs of in-house counsel)) of any kind or nature whatsoever, which are imposed on, incurred by, or asserted against the Agent or its agents, employees, officers or directors in any way relating to or arising out of the Loan Documents, or as a result of any action taken or omitted to be taken by the Agent; provided, however, that no Bank shall be liable for any portion of any such losses, liabilities (including liabilities for penalties), actions, suits, judgments, demands, damages, costs disbursements, or expenses resulting from the gross negligence or willful misconduct of the Agent. Notwithstanding any other provision of the Loan Documents, the Agent shall in all cases be fully justified in failing or refusing to act hereunder unless it shall be indemnified to its satisfaction by the Banks against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action.

Section 8.8. Agent and Affiliates. Wells Fargo shall have the same rights and powers in its capacity as a Bank hereunder as any other Bank, and may exercise or refrain from exercising the same as though it were not the Agent, and Wells Fargo and its affiliates may accept deposits from and generally engage in any kind of business with the Borrower and its Subsidiaries or any affiliate of the Borrower and its Subsidiaries as fully as if Wells Fargo were not the Agent hereunder.

Section 8.9. Credit Investigation. Each Bank acknowledges that it has made such inquiries and taken such care on its own behalf as would have been the case had its Revolving Commitment been granted and its Loans made directly by such Bank to the Borrower without the intervention of the Agent or any other Bank. Each Bank agrees and acknowledges that the Agent makes no representations or warranties about the creditworthiness of the Borrower or any other party to this Agreement or with respect to the legality, validity, sufficiency or enforceability of this Agreement, any Loan Document or any other instrument or document delivered hereunder or in connection herewith.

Section 8.10. Defaults. The Agent shall have no duty to inquire into any performance or failure to perform by the Borrower or its Subsidiaries and shall not be deemed to have knowledge of the occurrence of a Default or an Event of Default (other than under Sections 7.1(a), 7.1(b) or 7.1(c)) hereof unless the Agent has received notice from a Bank or the Borrower specifying the occurrence of such Default or Event of Default. In the event that the Agent receives such a notice of the occurrence of a Default or an Event of Default, the Agent shall give prompt notice thereof to the Banks. In the event of any Default, the Agent shall (subject to Section 8.7 hereof) (a) in the case of a Default that constitutes an Event of Default, not take any of the actions referred to in Section 7.2(b) hereof unless so directed by the Required Banks, and (b) in the case of any Default, take such actions with respect to such Default as shall be directed by the Required Banks; provided that, unless and until the Agent shall have received such directions, the Agent may take any action, or refrain from taking any action, with respect to such Default as it shall deem advisable in the best interest of the Banks.

Section 8.11. Obligations Several. The obligations of each Bank hereunder are the several obligations of such Bank, and neither any Bank nor the Agent shall be responsible for the obligations of any other Bank hereunder, nor will the failure by the Agent or any Bank to perform any of its obligations hereunder relieve the Agent or any other Bank from the performance of its respective obligations hereunder. Nothing contained in this Agreement, and no action taken by any Bank or the Agent pursuant hereto or in connection herewith or pursuant to or in connection with the Loan Documents shall be deemed to constitute the Banks, together or with or without the Agent, as a partnership, association, joint venture, or other entity.

Section 8.12. Sale or Assignment; Addition of Banks. Except as permitted under the terms and conditions of this Section 8.12 or, with respect to participations, under Section 8.13, no Bank may sell, assign or transfer its rights or obligations under this Agreement or its interest in any Revolving Note. Any Bank, at any time upon at least five (5) Business Days' prior written notice to the Agent and the Borrower (unless the Agent and the Borrower consent to a shorter period of time), may assign all or a portion (provided such portion is not less than $10,000,000) of such Bank's Revolving Note, Loans and Revolving Commitment to a domestic or foreign bank (having a branch office in the United States), an insurance company or other financial institution (an "Applicant") on any date (the "Adjustment Date") selected by such Bank, but only so long as the Borrower and the Agent shall have provided their prior written approval of such proposed Applicant. Notwithstanding the foregoing, (i) the Borrower and the Agent will not unreasonably withhold its consent to any such assignment, (ii) no such consent of the Borrower, shall be required after the occurrence and during the continuance of an Event of Default, and (iii) no such consent of the Borrower or the Agent shall be required in connection with an assignment to the Federal Reserve Bank for purposes of satisfying a Bank's capital requirements. Upon receipt of such approval and to confirm the status of each additional Bank as a party to this Agreement and to evidence the assignment in accordance herewith:

(a) the Agent, the Borrower (if the Borrower's consent is required), the assigning Bank and such Applicant shall, on or before the Adjustment Date, execute and deliver to the Agent an Assignment Certificate in substantially the form of Exhibit H (an "Assignment Certificate");

(b) if requested by the Agent, the Borrower will execute and deliver to the Agent, for delivery by the Agent in accordance with the terms of the Assignment Certificate, (i) a new Revolving Note payable to the order of the Applicant in the amount corresponding to the applicable Revolving Commitment acquired by such Applicant and (ii) a new Revolving Note payable to the order of the assigning Bank in the amount corresponding to the retained Revolving Commitment. Such new Revolving Notes shall be in an aggregate principal amount equal to the principal amount of the Revolving Notes to be replaced by such new Revolving Notes, shall be dated the effective date of such assignment and shall otherwise be in the form of the Revolving Note to be replaced thereby. Such new Revolving Notes shall be issued in substitution for, but not in satisfaction or payment of, the Revolving Note being replaced thereby and such new Revolving Notes shall be treated as Revolving Notes for purposes of this Agreement; and

(c) the assigning Bank shall pay to the Agent an administrative fee of $3,000.

Upon the execution and delivery of such Assignment Certificate and such new Revolving Notes, and effective as of the effective date thereof (i) this Agreement shall be deemed to be amended to the extent, and only to the extent, necessary to reflect the addition of such additional Bank and the resulting adjustment of the Percentages arising therefrom, (ii) the assigning Bank shall be relieved of all obligations hereunder to the extent of the reduction of the assigning Bank's Percentage, and (iii) the Applicant shall become a party hereto and shall be entitled to all rights, benefits and privileges accorded to a Bank herein and in each other Loan Document or other document or instrument executed pursuant hereto and subject

to all obligations of a Bank hereunder, including, without limitation, the right to approve or disapprove actions which, in accordance with the terms hereof, require the approval of the Required Banks or all Banks. In order to facilitate the addition of additional Banks hereto, the Borrower (subject to their approval rights hereunder, if any) and the Banks shall cooperate fully with the Agent in connection therewith and shall provide all reasonable assistance requested by the Agent relating thereto, including, without limitation, the furnishing of such written materials and financial information regarding the Borrower as the Agent may reasonably request, the execution of such documents as the Agent may reasonably request with respect thereto, and the participation by officers of the Borrower and the Banks at reasonable times and places in a meeting or teleconference call with any Applicant upon the reasonable request of the Agent.

Section 8.13. Participation. In addition to the rights granted in Section 8.12, each Bank may grant participations in all or a portion of its Revolving Note, Loans and Revolving Commitment to any domestic or foreign commercial bank (having a branch office in the United States), insurance company, financial institution or an affiliate of such Bank. No holder of any such participation shall be entitled to require any Bank to take or omit to take any action hereunder, except that a Bank selling a participation may agree with the participant that such Bank will not, without such participant's consent, take any action which would, in the case of any principal, interest, Letter of Credit or fee in which the participant has an ownership or beneficial interest: (a) extend the final maturity of any Loans or extend the Revolving Termination Date, (b) reduce the interest rate on the Loans or the rate of Commitment Fees or Letter of Credit Fees, (c) forgive any principal of, or interest on, the Loans, any reimbursement obligation in respect of any Letter of Credit or any fees, or (d) release all or substantially all of any collateral for the Loans and Letter of Credit Obligations. The Banks shall not, as among the Borrower, the Agent and the Banks, be relieved of any of their respective obligations hereunder as a result of any such granting of a participation. The Borrower hereby acknowledges and agrees that any participation described in this Section 8.13 may rely upon, and possess all rights under, any opinions, certificates, or other instruments or documents delivered under or in connection with any Loan Document. Except as set forth in this Section 8.13, no Bank may grant any participation in its Revolving Note, Loans or Revolving Commitment.

Section 8.14. Withholding Tax Exemption. At least five (5) Business Days prior to the first date on which interest or fees are payable hereunder for the account of any Bank, each Bank that is not incorporated under the laws of the United States of America, or a state thereof, agrees that it will deliver to the Borrower and the Agent two duly completed copies of United States Internal Revenue Service Form W8BEN or W8ECI, certifying in either case that such Bank is entitled to receive payments under this Agreement and the Revolving Notes without deduction or withholding of any United States federal income taxes. Each Bank which so delivers a Form W8BEN or W8ECI further undertakes to deliver to the Borrower and the Agent two additional copies of such form (or a successor form) on or before the date that such form expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent forms so delivered by it, and such amendments thereto or extensions or renewals thereof as may be reasonably requested by the Borrower or the Agent, in each case certifying that such Bank is entitled to receive payments under this Agreement and the Revolving Notes without deduction or withholding of any United States federal income taxes, unless an event (including without limitation any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Bank from duly completing and delivering any such form with respect to it and such Bank advises the Borrower and the Agent that it is not capable of receiving payments without any deduction or withholding of United States federal income tax.

Section 8.15 Agent's Counsel. In connection with the negotiation, drafting and execution of this Agreement and the other Loan Document, perfecting any security interest, completing any filings or

registrations and in connection with future legal representation relating to loan administration, amendments, modifications, waivers, forbearance or enforcement of remedies, Briggs and Morgan, Professional Association or any other law firm engaged by Wells Fargo (the "Wells Firm") has only represented and shall only represent Wells Fargo, in its capacity as Agent and as a Bank. The Borrower and each other Bank hereby acknowledges, and each Assignee and Participant (by accepting an Assignment or a Participation, as provided in Sections 8.12 and 8.13 hereof) shall be deemed to acknowledge, that no Wells Firm represents it in connection with any such matters.

Section 8.16. Borrower not a Beneficiary or Party. Except with respect to the limitation of liability applicable to the Banks under Section 8.11 and the Borrower's right to approve additional Banks in accordance with Section 8.12, the provisions and agreements in this Article VIII are solely among the Banks and the Agent and the Borrower shall not be considered a party thereto or a beneficiary thereof.

ARTICLE IX
MISCELLANEOUS

Section 9.1. No Waiver; Cumulative Remedies. No failure or delay on the part of the Agent or any Bank in exercising any right, power or remedy under the Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy under the Loan Documents. The remedies provided in the Loan Documents are cumulative and not exclusive of any remedies provided by law.

Section 9.2. Amendments, Requested Waivers, Etc. No amendment, modification, termination or waiver of any provision of any Loan Document or consent to any departure by the Borrower or any Guarantor therefrom shall be effective unless the same shall be in writing and signed by the Required Banks and, if the rights or duties of the Agent are affected thereby, by the Agent; provided that no amendment, modification, termination, waiver or consent shall do any of the following unless the same shall be in writing and signed by all Banks: (a) increase the Commitments (except as permitted in accordance with Section 2.13(b)), (b) reduce the amount of any principal of or interest due on the Loans or any Letter of Credit Obligation or any fees payable to the Banks hereunder, (c) postpone any date fixed for any payment of principal of or interest on any outstanding Loan, Letter of Credit Obligations or fees payable to the Banks hereunder, (d) change the definition of "Required Banks," (e) amend this Section 9.2 or any other provision of this Agreement requiring the consent or other action of the Required Banks or all Banks, or (f) release any Guaranty. Any waiver or consent given hereunder shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

Section 9.3. Addresses for Notices, Etc. Except as otherwise expressly provided herein, all notices, requests, demands and other communications provided for under the Loan Documents shall be in writing and mailed or delivered to the applicable parties at their respective addresses set forth on Schedule 9.3, or, as to each party, at such other address as shall be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section 9.3. All such notices, requests, demands and other communications, when delivered, shall be effective upon actual delivery and when mailed, shall be effective when sent by nationally recognized overnight mail courier or delivery service, addressed as aforesaid, except that notices or requests to the Agent or any Bank pursuant to any of the provisions of Article II shall not be effective until received by the Agent or such Bank.

Section 9.4. Costs and Expenses. The Borrower will reimburse the Agent for (a) any and all reasonable out-of-pocket costs and expenses, including without limitation reasonable attorneys' fees and

expenses, lien and UCC searches, title and recording expenses and other similar expenses, paid or incurred by the Agent in connection with the preparation, filing or recording of the Loan Documents and any other document or agreement related hereto or thereto, and the transactions contemplated hereby (which amount shall be paid on the date of this Agreement or as soon thereafter as demand is made therefor) and the negotiation of any amendments, modifications or extensions to or of any of the foregoing documents, instruments or agreements and the preparation of any and all documents necessary or desirable to effect such amendments, modifications or extensions, (b) customary transaction fees of the Agent incurred in connection with the loans contemplated hereby, (c) reasonable fees in connection with any audits or inspections by the Agent of any collateral (if and to the extent collateral security is granted with respect to the Obligations) or the operations or business of the Borrower and/or its Subsidiaries, whether conducted at the premises of the Borrower and/or its Subsidiaries or at the Agent's premises, and (d) any and all other reasonable out-of-pocket costs and expenses incurred by the Agent in connection with any of the transactions contemplated hereby. The Borrower will reimburse the Agent and each Bank for any and all reasonable costs and expenses incurred by the Agent and up to one counsel for all Banks other than the Agent in connection with the enforcement of any of the rights or remedies of the Agent or the Banks under any of the Loan Documents or under applicable law, whether or not suit is filed with respect thereto.

Section 9.5. Indemnity. In addition to the payment of expenses pursuant to Section 9.4, the Borrower agrees to indemnify, defend and hold harmless the Agent, each Bank and each of their respective participants, parent corporations, subsidiary corporations, affiliated corporations, successor corporations, and all present and future officers, directors, employees and agents (the "Indemnitees"), from and against (i) any claim, loss or damage to which any Indemnitee may be subjected as a result of any past, present or future existence, use, handling, storage, transportation or disposal of any Hazardous Substance by the Borrower or any of its Subsidiaries or with respect to any property owned, leased or controlled by the Borrower or any of its Subsidiaries, (ii) any and all transfer taxes, documentary taxes, assessments or charges made by any governmental authority (excluding income or gross receipts taxes) by reason of the execution and delivery of this Agreement and the other Loan Documents or the making of any Loans and (iii) any and all liabilities, losses, damages, penalties, judgments, suits, claims, costs and expenses of any kind or nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel) in connection with any investigative, administrative or judicial proceedings, whether or not such Indemnitee shall be designated a party thereto, which may be imposed on, incurred by or asserted against such Indemnitee, in any manner relating to or arising out of or in connection with, the making of any Loans, issuance of any Letter of Credit or entering into this Agreement or any other Loan Documents or the use or intended use of the proceeds of the Loans, excepting, however, from the foregoing any such liabilities, losses, damages, penalties, judgments, suits, claims, costs and expenses resulting solely from the willful misconduct or gross negligence of any Indemnitee or its related parties. If any investigative, judicial or administrative proceeding arising from any of the foregoing is brought against any Indemnitee, upon request of such Indemnitee, the Borrower, or counsel designated by the Borrower and satisfactory to the Indemnitee, will resist and defend such action, suit or proceeding to the extent and in the manner directed by the Indemnitee, at the Borrower's sole cost and expense. Each Indemnitee will use its best efforts to cooperate in the defense of any such action, suit or proceeding. If the foregoing undertaking to indemnify, defend and hold harmless may be held to be unenforceable because it violates any law or public policy, the Borrower shall nevertheless make the maximum contribution to the payment and satisfaction of each of the indemnified liabilities contemplated hereby which is permissible under applicable law. The obligations of the Borrower under this Section 9.5 shall survive termination of this Agreement and the discharge of the Obligations.

Section 9.6. Execution in Counterparts. This Agreement and other Loan Documents may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument.

Section 9.7. Governing Law; Jurisdiction; Waiver of Jury Trial.

(a) Governing Law. The Loan Documents shall be governed by, and construed in accordance with, the laws of the State of Minnesota, except to the extent the law of any other jurisdiction applies as to the perfection or enforcement of the any security interest in any collateral (if and to the extent collateral security is granted with respect to the Obligations) and except to the extent expressly provided to the contrary in any Loan Document.

(b) Jurisdiction. The Borrower, the Agent and the Banks hereby irrevocably submit to the jurisdiction of any state or federal court sitting in the State of Minnesota in any action or proceeding arising out of or relating to this Agreement or any of the other Loan Documents, and the Borrower, the Agent and the Banks hereby irrevocably agree that all claims in respect of such action or proceeding may be heard and determined in such state or federal court. The Borrower, the Agent and the Banks hereby irrevocably waive, to the fullest extent they may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. The Borrower agrees that a final judgment in any such action or proceeding may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section 9.7(b) shall affect the right of the Agent or any Bank to serve legal process in any other manner permitted by law or affect the right of the Agent or any Bank to bring any action or proceeding against the Borrower or any of its Subsidiaries or the property of the Borrower or any of its Subsidiaries in the courts of other jurisdictions.

(c) WAIVER OF JURY TRIAL. THE BORROWER, THE BANKS AND THE AGENT HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENT OR ANY INSTRUMENT OR DOCUMENT DELIVERED THEREUNDER.

Section 9.8. Integration; Inconsistency. This Agreement, together with the Loan Documents, comprise the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to such subject matter, superseding all prior oral or written understandings. If any provision of a Loan Document is inconsistent with or conflicts with a comparable or similar provision appearing in this Agreement, the comparable or similar provision in this Agreement shall govern.

Section 9.9. Agreement Effectiveness. This Agreement shall become effective upon delivery of fully executed counterparts hereof to each of the parties hereto.

Section 9.10. Advice from Independent Counsel. The parties hereto understand that this Agreement is a legally binding agreement that may affect such party's rights. Each party hereto represents to the other that it has received legal advice from counsel of its choice regarding the meaning and legal significance of this Agreement and that it is satisfied with its legal counsel and the advice received from it.

Section 9.11. Binding Effect; No Assignment by Borrower. This Agreement shall be binding upon and inure to the benefit of the Borrower, the Banks, the Agent and their respective successors and assigns; provided, however, the Borrower may assign any or all of its rights or obligations hereunder or any of its interest herein without the prior written consent of all Banks.

Section 9.12. Confidentiality. The Agent and each Bank shall hold all non-public information regarding Borrower and its Subsidiaries and their businesses obtained by such Bank pursuant to the requirements hereof in accordance with such lender's customary procedures for handling confidential information of such nature, it being understood and agreed by Borrower that, in any event, the Agent and each Bank may make (i) on a confidential basis, disclosures of such information to Affiliates of such Bank or Agent and to their respective agents and advisors (and to other Persons authorized by a Bank or Agent to organize, present or disseminate such information in connection with disclosures otherwise made in accordance with this Section 9.12, (ii) disclosures of such information reasonably required by any bona fide or potential assignee, transferee or participant in connection with the contemplated assignment, transfer or participation of any Loans or any participations therein or by any direct or indirect contractual counterparties (or the professional advisors thereto) to any swap or derivative transaction relating to the Borrower and its obligations (provided, such assignees, transferees, participants, counterparties and advisors are advised of and agree to be bound by either the provisions of this Section 9.12 or other provisions at least as restrictive as this Section 9.12), (iii) disclosure to any rating agency when required by it, provided that, prior to any disclosure, such rating agency shall undertake in writing to preserve the confidentiality of any confidential information relating to the Borrower and its Subsidiaries received by it from any of the Agents or any Bank, and (iv) disclosures required or requested by any governmental agency or representative thereof or by the NAIC or pursuant to legal or judicial process; provided, unless specifically prohibited by applicable law or court order, each Bank and the Agent shall make reasonable efforts to notify Borrower of any request by any governmental agency or representative thereof (other than any such request in connection with any examination of the financial condition or other routine examination of such lender by such governmental agency) for disclosure of any such non-public information prior to disclosure of such information. In addition, the Agent and each Bank may disclose the existence of this Agreement and the information about this Agreement to market data collectors, similar service providers to the lending industry, and service providers to the Agent and the Banks in connection with the administration and management of this Agreement and the other Loan Documents.

Section 9.13. Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

Section 9.14. Headings. Article and Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 9.15. Senior Indebtedness. The Obligations are intended to be senior Debt, and not subordinated to, or made *pari passu* with, other Debt that is subordinated to any other Debt of the Borrower. The Obligations are deemed to be expressly designated and named as "Designated Senior Indebtedness," "Senior Indebtedness" or similar terms for purposes of any present or future loan agreement, indenture, note issuance or purchase agreement or other document under which such a designation is applicable or available for senior Debt of the Borrower, including any such items that constitute part of the Permitted Permanent Financing Facility.

(signature pages follow)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

ENTEGRIS, INC.

By: /s/ Gregory Graves
Title: Chief Financial Officer

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Agent and as a Bank

By: /s/ Jerome W. Fons
Title: Vice President

Signature Page to Credit Agreement

ENTEGRIS, INC.
2007 DEFERRED COMPENSATION PLAN

1. IN GENERAL. Entegris, Inc. (the “Company”) has established this Deferred Compensation Plan (the “Plan”) to further its business interests by providing Eligible Persons an opportunity to defer a portion of their compensation on an unfunded, nonqualified basis as hereinafter provided. The Plan shall be effective June 1, 2007.

2. DEFINED TERMS. As used in the Plan, the following terms have the meanings associated with them below:

“Account” means a memorandum account maintained by the Administrator to reflect the Employer’s unfunded deferred compensation obligation to a Participant hereunder, including where the context requires any sub-account. The fact that the Company may cause a portion of its general assets, including assets held in any so-called “rabbi trust” or similar arrangement, to be invested so as to yield results intended to approximate notional returns under the Plan shall not affect the unfunded nature of the Plan nor the rights of Participants hereunder.

“Administrator” means the Management Development & Compensation Committee of the Board; *provided*, that such Committee, in its discretion, may delegate such of its duties and responsibilities under the Plan as it determines to such employees of the Company or other persons as it determines, in which case the term “Administrator” shall include the person or persons to whom such duties and responsibilities were delegated, to the extent of such delegation.

“Board” means the Board of Directors of the Company.

“Code” means the federal Internal Revenue Code of 1986, as amended.

“Earliest Post-Termination Effective Date” means whichever of the following is relevant in the circumstances: **(i)** in the case of a Participant who is *not* a Specified Employee at the date he or she separates from the service of the Employer, the date of such separation from service, and **(ii)** in the case of a Participant who *is* a Specified Employee at the date he or she separates from the service of the Employer, the date that is six (6) months following the date of such separation.

“Earnings Measure” means an interest rate, stock index, bond index, mutual fund or other objective external measure of investment performance specified by the Administrator for purposes of measuring and crediting notional earnings under Section 4.2 below. Except as the Administrator affirmatively determines otherwise in its discretion, the Administrator shall be deemed to have specified as the Earnings Measures available under the Plan the investment alternatives available at the relevant time under the Company’s 401(k) plan.

“Eligible Person” means **(i) a**n individual employed by an Employer who is **[A]** determined by the Administrator to qualify as a “highly compensated or management” employee for purposes of Sections 201(2), 301(a)(3) and 401(a)(1) OF ERISA, and **[B]** designated by the Administrator as eligible to participate in the Plan, provided that such designation has not been revoked by the Administrator; and **(ii)** any member of the Board.

“Eligible Pay” means, except as otherwise determined by the Administrator, (i) in the case of Eligible Persons who are common law employees (including officers) of an Employer, any or all of base salary, incentive bonuses and Stock Compensation, and (ii) in the case of Eligible Persons who are members of the Board, any or all of directors’ fees and Stock Compensation. The Administrator in its discretion may include other remuneration in, or exclude categories of remuneration from, the definition of “Eligible Pay,” either in general or in particular cases.

“Employer” means the Company and its Subsidiaries, or any of them.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Participant” means an Eligible Person who participates in the Plan.

“Stock Compensation” means the amount deliverable under a stock unit (including a restricted stock unit, performance share unit and a performance share restricted stock unit) that is awarded under an equity incentive and compensation plan maintained by the Company.

“Section 409A” means Section 409A of the Code.

“Specified Employee” means a Participant if **(i)** at the date of such Participant’s separation from service, the Company (or any other corporation forming part of the Employer) is a corporation any stock of which is publicly traded on an established securities market or otherwise, and **(ii)** the Participant is or was a “key employee” (determined under Section 416(i)(1)(A)(i), (ii) or (iii) of the Code, applied in accordance with the regulations thereunder and disregarding Section 416(i)(5) of the Code) at any time during (A) if the date of separation from service is April 1 through December 31, the preceding calendar year, or (B) if the date of separation from service is January 1 through March 31, the second calendar year preceding the calendar year in which the separation from service occurs (*e.g.*, 2007 for a separation from service occurring January 1 through March 31 of 2009).

“Subsidiary” means any corporation or other trade or business that together with the Company would be treated as a single “employer” for purposes of Treas. Regs. §1.409A-1(h)(3).

3. DEFERRAL ELECTION.

3.1. __In General__. Each Eligible Person may elect to defer hereunder a specified portion or percentage of his or her base salary and other Eligible Pay, if any, for any calendar year. Each such deferral shall be made by the Participant's delivery to the Administrator of a deferral election on or before the date specified by the Administrator, which date shall in all events (except as provided in Section 4.2 below) be, or fall prior to:

(i) in the case of any bonus that qualifies as "performance-based compensation" within the meaning of Treas. Regs. §1.409A-1(e), the date that is six (6) months before the end of the performance period, but only if the Eligible Person has been in continuous employment with the Employer since the later of the beginning of the performance period or the date the performance criteria are established and only if, on the date of the deferral election, the compensation has not become readily ascertainable (as determined in accordance with Treas. Regs. §1.409A-2(a)(8)).

(ii) in every other case, the last day of the calendar year preceding the calendar year in which are to be performed the services to which the deferred compensation relates.

Each election made under this Section 3.1 shall become irrevocable in accordance with such rules as the Administrator may establish but not later than the election deadline specified in clauses (i) or (ii) above, as applicable.

3.2. __First Year Of Participation__. Notwithstanding Section 3.1 above, an individual who first becomes eligible to participate in the Plan during the course of a calendar year (including any individual who becomes eligible to participate upon initial establishment of the Plan) may elect to defer a specified portion or percentage of his or her Eligible Pay in respect of services to be performed for the remainder of the year or portion thereof by delivering to the Administrator an irrevocable deferral election within thirty (30) days of first becoming eligible. An individual who already participates or is eligible to participate in (including an individual who has any entitlement, vested or unvested, to payments under) any other nonqualified deferred compensation plan that would be required to be aggregated with the Plan for purposes of Treas. Regs. §1.409A-1(c)(2) shall not be treated as eligible for the mid-year election rules of this Section 3.2 with respect to the Plan, even if he or she had never previously been eligible to participate in the Plan itself.

3.3. __Limits__. Except as otherwise determined by the Administrator, an Eligible Person may elect to defer hereunder **(i)** up to 85% or less of his or her base salary for any calendar year, plus **(ii)** up to 85% of any cash bonuses for the calendar year, plus **(iii)** that portion, if any, of Stock Compensation, if any, as the Administrator may from time to time specify. In the case of any Eligible Person eligible to participate for less than a full calendar year, the Administrator shall apply the limitations set forth above in such reasonable manner as it determines in its discretion (including any complete or partial waiver of such limitation effectuated prior to the effective date of the Participant's deferral election), with a view toward

maximizing opportunities for deferral without reducing a Participant's compensation eligible to be taken into account under the Entegris, Inc. 401(k) Savings and Profit Sharing Plan (2005 Restatement), as amended. The Administrator may impose a minimum deferral amount for anyone electing to participate in the Plan.

3.4. Form of Election. Each deferral election shall be made in writing on a form prescribed by the Administrator. To the extent consistent with Section 409A, the Administrator may condition the effectiveness of any election upon the delivery by the Participant of such other form or forms as the Administrator may prescribe.

4. ACCOUNTS; CREDITS. For each Participant, the Administrator shall maintain an Account reflecting deferrals and notional earnings as hereinafter provided.

4.1. Deferral Credits. Each amount deferred by a Participant under Section 3 above shall be credited to the Participant's Account as of the date it would have been paid absent the deferral.

4.2. Notional Earnings. Not less frequently than annually, the Administrator shall adjust (up or down) each Participant's Account to reflect notional earnings. Notional earnings shall be based on such Earnings Measure or Measures as the Administrator shall specify. The Administrator may, but need not, permit Participants to **(i)** select the Earnings Measures that will apply to their Accounts from among those specified by the Administrator, and **(ii)** change such Measures prospectively at any time. The Administrator shall have the absolute discretion at any time to alter or amend the Earnings Measures used in valuing and adjusting Accounts; *provided*, that the Administrator may not, without the written consent of the affected Participant, alter any Earnings Measure retroactively to the extent that the effect of such alteration would be to reduce the balance of the Participant's Account below what it was immediately prior to such alteration. Nothing herein shall be construed as obligating the Administrator or any Employer to set aside assets or establish a trust or other fund for purposes of the Plan.

4.3. FICA/Medicare Taxes, Etc. To the extent any amount deferred or credited hereunder to the Account of a Participant is treated as "wages" for FICA/Medicare tax purposes on a current basis rather than when distributed, all as determined by the Administrator, then the Administrator shall require that the Participant either **(i)** timely pay such taxes in cash by separate check to the Employer, or **(ii)** make other arrangements satisfactory to the Employer (e.g., additional withholding from other wage payments) for the payment of such taxes. To the extent a Participant fails to pay or provide for such taxes as required, the Administrator may suspend the Participant's participation in the Plan or reduce amounts credited or to be credited hereunder, but only to the extent consistent with the requirements of Section 409A.

5. PAYMENT OF DEFERRED AMOUNTS. The Participant's Employer shall make distributions of Account balances as provided in this Section. Except for distributions of Stock Compensation, all distributions shall be in cash. Unless otherwise determined by the Administrator, distributions with respect to Stock Compensation shall be in the form of shares.

5.1. **Time of Distribution**. At the time of a Participant's deferral election under Section 3 above, the Participant may elect to receive all or any portion of the amount then being deferred, adjusted for notional earnings as described at Section 4.2 above, in a single lump sum or in installments at or within thirty (30) days following, or commencing at or within thirty (30) days following, a fixed date specified in such election (a "fixed-term deferral"); *provided*, that if the Participant separates from service prior to the date so specified, any amounts subject to the "fixed-term deferral" then remaining to the Participant's Account shall be distributed in a single lump sum on the Earliest Post-Termination Payment Date; *and further provided*, that if the Participant makes no fixed-term designation at the time of his or her deferral election under Section 3 above, the amount so deferred, adjusted for notional earnings as described at Section 4.2 above, shall be paid in a single lump sum on the Earliest Post-Termination Payment Date following the Participant's separation from service. The Administrator may impose additional limitations (consistent with Section 409A) on fixed-terms deferrals and shall establish such sub-Accounts as are necessary to administer the provisions of this Section. In the event of the occurrence of a change of control event, distributions shall be accelerated in accordance with Section 5.7 below.

5.2. **Subsequent Deferrals**. At any time prior to the date which precedes by one year the date on which a distribution would otherwise commence under Section 5.1 above, the Participant who has elected a fixed-term deferral may irrevocably elect to postpone by a period of not fewer than five years the fixed date on which payment is to be made or to commence; *provided*, for the avoidance of doubt, that no such additional deferral shall postpone the payment of amounts remaining unpaid upon a separation from service. No such additional deferral election shall take effect until one year has elapsed.

5.3. **Deferrals To Ensure The Absence Of A Deduction Limitation Under Section 162(m) Of The Code**. Notwithstanding Sections 5.1 and 5.2 above, the Administrator may defer payment (or, in the case of installments, the commencement of payment) of a fixed-term deferral beyond the scheduled payment date if the Administrator reasonably anticipates that such deferral is necessary to avoid disallowance of a deduction under Section 162(m) of the Code. Amounts, if any, deferred pursuant to the preceding sentence shall be paid or commence to be paid, as the Administrator determines, either **(i)** during the first year in which the Administrator reasonably anticipates (or should reasonably anticipate) that Section 162(m) would no longer bar a deduction for such payment, or **(ii)** during the period beginning with the Participant's separation from service (or beginning with the date that is six months after such separation from service, in the case of a Participant who

at separation from service is a Specified Employee) and ending on the later of the last day of the calendar year in which the Participant separates from service or the 15th day of the 3rd month following the Participant's separation from service; *provided*, that in the case of a Participant who at separation from service is a Specified Employee, the periods described in clause (ii) above shall be determined by substituting the date six months after the Participant's separation from service for the date of the Participant's separation from service.

5.4. Installments. All installment payments shall be paid in annual installments over a period of from 1 to 4 years, as irrevocably elected (subject to Section 5.2 above) by the Participant at the time of his or her deferral election. The amount of each installment shall be determined by dividing the Account (or the portion of the Account to which the installment election relates) by the number of installments remaining to be paid. For purposes of Treas. Regs. §1.409A-2(b)(2), a Participant's entitlement to a series of installments shall be treated as an entitlement to a single payment.

5.5. Designation of Beneficiary(ies). Each Participant shall designate in writing, on such form and subject to such conditions as the Administrator shall prescribe (including, in the Administrator's discretion, spousal consent in the case of married Participants), a beneficiary or beneficiaries to receive any amounts remaining to be paid hereunder at the Participant's death; but if no such beneficiary designation is in effect at the time of the Participant's death, or if the Participant's beneficiary(ies) do(es) not survive the Participant, the Administrator shall cause any such remaining benefits to be paid to the executor or administrator of the Participant's estate.

5.6. Unforeseeable Emergency. If a Participant suffers an unforeseeable emergency (as defined in Treas. Regs. §1.409A-3(f)(3)) prior to the payment in full of his or her Account, the Participant may apply in writing for an extraordinary distribution under this Section 5.6. If the Administrator in its discretion determines that an unforeseeable emergency has occurred, the Participant's Employer will pay the Participant an amount equal to the least of the following amounts: **(i)** the then balance of the Participant's Account; **(ii)** the amount determined by the Administrator to be necessary to meet the emergency (including applicable taxes); and **(iii)** the maximum amount which, in the Administrator's determination, may be distributed without causing any remuneration payable to the Participant to fail to be deductible by reason of Section 162(m) of the Code.

5.7. Change of Control. In the event of a Change of Control as defined in Annex 1 attached to this Plan: **(i)** any Stock Compensation credited to a Participant's Account shall be distributed to the Participant upon or immediately prior to the Change of Control; and **(ii)** the full amount of cash credited to a Participant's Account shall be distributed to the Participant upon or immediately prior to the occurrence of the Change of Control.

5.8. <u>Taxes</u>. All distributions under the Plan shall be subject to reduction for applicable tax withholding.

6. ASSIGNMENT. Each Employer's obligations under the Plan shall be binding upon its successors and assigns. The rights of Participants and beneficiaries under the Plan are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of such Participants and beneficiaries. Any attempt by any person other than Participants or their beneficiaries to bring a claim under the Plan shall be null and void.

7. PLAN TO BE UNFUNDED, ETC. The Plan is intended to be a "pension plan" (within the meaning of Section 3(2) of ERISA) that is unfunded for ERISA and tax purposes and that qualifies for the exemptions described in ERISA Sections 201(2), 301(a)(3) and 401(a)(1). The Administrator shall be the "plan administrator" of the Plan and shall have discretion to construe its terms and determine each Eligible Person's or Participant's eligibility for deferrals or distributions hereunder. The Administrator shall establish, and may from time to time modify, procedures under Section 503 of ERISA for the administration of claims and appeals from any denial of a claim under the Plan.

Nothing in this Section or in Section 4.2 shall be construed as prohibiting the Employer from establishing and maintaining a "rabbi trust" or similar trust or account in connection with the Plan, so long as the maintenance and funding of such a trust or account does not jeopardize the unfunded status of the Plan under ERISA or effective tax deferral under the Code.

8. NO CONTRACT OF EMPLOYMENT. By participating in the Plan, each Participant expressly acknowledges and agrees that **(i)** nothing in the Plan or in its operation, including deferrals hereunder, limits the right of the Company or any other Employer to terminate the employment of the Participant at any time, with or without cause, and that **(ii)** neither he or she, nor his or her beneficiaries, will claim lost compensation or tax benefits associated with discontinuance of participation in the Plan as damages or as a measure of damages in connection with any termination of employment.

9. AMENDMENT AND TERMINATION. The Administrator may terminate the Plan at any time and may amend the Plan at any time and from time to time, with or without retroactive effect, including without limitation amendments that change the form or timing of distributions; *provided*, that no such action shall, without the consent of the affected Participant, reduce the balance of any Participant's Account below what it was immediately prior to the taking of such action. If it determines such action to be necessary to preserve or reinstate the Plan's status as a "top hat" plan under Sections 201(2), 301(a)(3) or 401(a)(1) of ERISA, or to ensure effective tax deferral under the Plan, the Administrator may at any time exclude any individual from Participation in the Plan or may make such other changes in the deferral or distribution rules hereunder as are reasonably determined by the Administrator to be necessary to accomplish such result or results. Upon termination of the Plan in general or as to any Participant or group of Participants (including exclusion of any Participant as described in the preceding sentence), payments hereunder shall be accelerated only to the extent permitted by Section 409A.

10. ADMINISTRATION OF THE PLAN. The Administrator shall have full power to interpret and administer the Plan and determine the eligibility of any person for benefits hereunder and the amount of any such benefit, in its discretion. Without limiting the foregoing, the Administrator shall have full discretionary power and authority, not inconsistent with the express provisions of the Plan, to select those individuals who may participate in the Plan; to determine their remuneration eligible for deferral under the Plan; to determine their eligibility to commence receipt of benefits (including, without limitation, any determination as to the proper treatment of leaves of absence and other periods when an individual is not actively rendering service to the Employer); to adopt, alter, and repeal such rules, guidelines and procedures for administration of the Plan and for its own acts and proceedings as it shall deem advisable; to prescribe the form of any election under the Plan; and otherwise to supervise the administration of the Plan. Any discretionary action by the Administrator under the Plan that affects the rights or benefits under the Plan of an individual who is a member of the Administrator (other than an action of general applicability to all Participants) must be approved by the Board.

ENTEGRIS, INC.

By: ______________________________
Title: ______________________________

<u>ANNEX 1</u>

"A Change of Control" shall be deemed to include any of the following events:

(a) Any Person (defined for the purposes hereof as any individual, entity or other person, including a group within the meaning of Section 13(d) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "1934 Act")), acquires beneficial ownership (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of 30% or more of either **(A)** the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or **(B)** the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); <u>*provided*</u> <u>*that*</u> for purposes of this clause any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or its direct or indirect subsidiaries shall not Constitute a Change of Control; or

(b) Individuals who constitute the Board on the Effective Date (the "Incumbent Directors") cease for any reason to constitute at least a majority of the Board; *provided*, that any individual who becomes a member of the Board and whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors shall be treated as an Incumbent Director unless he or she assumed office as a result of an actual or threatened election contest with respect to the election or removal of directors; or

(c) There is consummated a reorganization, merger or consolidation involving the Company, or a sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), in each case unless, following such Business Combination, **(A)** the Persons who were the beneficial owners, respectively, of the Outstanding Company Common Stock and of the combined voting power of the Outstanding Company Voting Securities immediately prior to the Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and of the combined voting power of the Outstanding Company Voting Securities, as the case may be, **(B)** no Person (excluding any entity resulting from such Business Combination or any employee benefit plan (or related trust) of the Employer or of such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 30% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors, except to the extent that such ownership existed prior to the Business Combination and **(C)** at least a majority of the members of the Board resulting from such Business Combination were Incumbent Directors at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) The stockholders of the Company approve a complete liquidation or dissolution of the Company.

EXHIBIT 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Gideon Argov, certify that:

1. I have reviewed this Report on Form 10-Q of Entegris, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2007

/s/ Gideon Argov

Gideon Argov
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Greg Graves certify that:

1. I have reviewed this Report on Form 10-Q of Entegris, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2007

/s/ Gregory B. Graves

Gregory B. Graves
Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Report on Form 10-Q (the "Report") of Entegris, Inc, a Minnesota corporation (the "Company"), for the period ended June 30, 2007 as filed with the Securities and Exchange Commission on the date hereof, I, Gideon Argov, President and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 3, 2007

/s/ Gideon Argov

Gideon Argov
Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Report on Form 10-Q (the "Report") of Entegris, Inc, a Minnesota corporation (the "Company"), for the period ended June 30, 2007 as filed with the Securities and Exchange Commission on the date hereof, I, Greg Graves, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 3, 2007

/s/ Gregory B. Graves

Gregory B. Graves
Chief Financial Officer