

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2013

OR

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission file number 1-13782

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION

(Exact name of registrant as specified in its charter)

Delaware 25-1615902
(State or other jurisdiction of (IRS Employer
incorporation or organization) Identification No.)

1001 Air Brake Avenue
Wilmerding, Pennsylvania 15148 (412) 825-1000
(Address of principal executive offices, including zip code) (Registrant's telephone number)

Securities registered pursuant to Section 12(b) of the Act:

Title of Class _____ Name of Exchange on which registered _____
Common Stock, par value \$.01 per share **New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No .

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No .

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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files) Yes No .

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act. Yes No .

The registrant estimates that as of June 30, 2013, the aggregate market value of the voting shares held by non-affiliates of the registrant was approximately \$4.9 billion based on the closing price on the New York Stock Exchange for such stock.

As of February 14, 2014, 95,996,930 shares of Common Stock of the registrant were issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the Proxy Statement for the registrant's Annual Meeting of Stockholders to be held on May 14, 2014 are incorporated by reference into Part III of this Form 10-K.

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Item 1. BUSINESS

General

Westinghouse Air Brake Technologies Corporation, doing business as Wabtec Corporation, is a Delaware corporation with headquarters at 1001 Air Brake Avenue in Wilmerding, Pennsylvania. Our telephone number is 412-825-1000, and our website is located at www.wabtec.com. All references to “we”, “our”, “us”, the “Company” and “Wabtec” refer to Westinghouse Air Brake Technologies Corporation and its subsidiaries. Westinghouse Air Brake Company (“WABCO”) was formed in 1990 when it acquired certain assets and operations from American Standard, Inc., now known as Trane (“Trane”). In 1999, WABCO merged with MotivePower Industries, Inc. (“MotivePower”) and adopted the name Wabtec.

Today, Wabtec is one of the world’s largest providers of value-added, technology-based equipment and services for the global rail industry. We believe we hold approximately a 50% market share in North America for our primary braking-related equipment and a leading position in North America for most of our other product lines. Our highly engineered products, which are intended to enhance safety, improve productivity and reduce maintenance costs for customers, can be found on virtually all U.S. locomotives, freight cars, subway cars and buses, and on many of these vehicles around the world. In 2013, the Company had sales of approximately \$2.6 billion and net income of about \$292.2 million. In 2013 sales of aftermarket parts and services represented about 57% of total sales, while sales to customers outside of the U.S. accounted for about 48% of total sales.

Industry Overview

The Company primarily serves the worldwide freight rail and passenger transit industries. As such, our operating results are largely dependent on the level of activity, financial condition and capital spending plans of the global railroad and transit industries. Many factors influence these industries, including general economic conditions; traffic volumes, as measured by freight tonnage and passenger ridership; government spending on public transportation; and investment in new technologies by freight rail and passenger transit systems.

According to a recent study by UNIFE, the Association of the European Rail Industry, the accessible global market for railway products and services is more than \$100 billion, and it is expected to grow at about 2.7% annually through 2017. The three largest markets, which represent about 75% of the total market, are Europe, Asia-Pacific and North America. UNIFE projects the overall market to remain stable through 2020 as emerging markets show above-average growth due to increasing global trade and freight volumes, urbanization and growth in public mass transport systems, and increasing environmental awareness; while developed markets grow at a slower pace.

By using various industry publications and market studies, we estimate that the global installed base of locomotives is about 110,000 units, with about 35% in Asia-Pacific, about 25% in Russia-CIS and about 20% in NAFTA. We estimate the global installed base of freight cars is about 5.2 million units, with about 30% each in Russia-CIS and NAFTA, and about 20% in Asia-Pacific. We estimate the global installed base of transit cars is about 330,000 units, with about 55% in Asia-Pacific, about 20% in Europe and about 10% in Russia.

In North America, railroads carry about 40% of intercity freight, as measured by ton-miles, which is more than any other mode of transportation. They are an integral part of the continent’s economy and transportation system, serving nearly every industrial, wholesale and retail sector. Through direct ownership and operating partnerships, U.S. railroads are part of an integrated network that includes railroads in Canada and Mexico, forming what is regarded as the world’s most-efficient and lowest-cost freight rail service. There are more than 500 railroads operating in North America, with the largest railroads, referred to as “Class I,” accounting for more than 90% of the industry’s revenues. The railroads carry a wide variety of commodities and goods, including coal, metals, minerals, chemicals, grain, and petroleum. These commodities represent about 55% of total rail carloadings, with intermodal carloads accounting for the rest. Intermodal traffic—the movement of trailers or containers by rail in combination with another mode of transportation—has been the railroads’ fastest-growing market segment in the past 10 years. Railroads operate in a competitive environment, especially with the trucking industry, and are always seeking ways to improve safety, cost and reliability. New technologies offered by Wabtec and others in the industry can provide some of these benefits.

Demand for our freight related products and services in North America is driven by a number of factors, including rail traffic, and production of new locomotives and new freight cars. In 2013:

- The Association of American Railroads (“AAR”) reported total carloads increased 2.1% including a 4.4% increase in intermodal traffic, which generally reflected a growing economy. Demand for new locomotives was about 1,300 units in 2013, compared to about the same number in 2012.

- Currently, the active locomotive fleet for Class I railroads in North America is about 24,000, with an average of about 1,000 new units delivered annually over the past 10 years.
- In 2013, the industry delivered about 53,000 new freight cars, compared to about 59,000 in 2012. Currently, the active freight car fleet in North America is approximately 1.5 million, and the average number of new freight cars delivered over the past 10 years is about 50,000 annually.

In the U.S., the passenger transit industry is dependent largely on funding from federal, state and local governments, and from fare box revenues. With about 40% of the nation's passenger transit vehicles, the New York City region is the largest passenger transit market in the U.S., but most major cities also offer either rail or bus transit services.

Demand for North American passenger transit products is driven by a number of factors, including government funding, deliveries of new subway cars and buses, and ridership.

The U.S. federal government provides money to local transit authorities, primarily to fund the purchase of new equipment and infrastructure for their transit systems. In 2012, the U.S. Congress passed a new, two-year funding bill, which maintained spending at the same level, about \$10.7 billion, as in prior years. The number of new transit cars delivered in 2013 was about 1,000, compared to about 600 in 2012. The number of new buses delivered in 2013 was about 4,400 compared to about the same in 2012. In the past 10 years, the average number of new transit cars delivered annually is about 800, and the average number of new buses delivered annually is about 4,700.

Ridership provides fare box revenues to transit authorities, which use these funds, along with state and local money, primarily for equipment and system maintenance. Based on preliminary figures from the American Public Transportation Association, ridership on U.S. transit vehicles increased slightly, about 0.2% in 2013, after a 2.5% increase in 2012.

Outside of North America, many of the rail systems have historically been focused on passenger transit, rather than freight. In recent years, however, railroads in countries such as Australia, Brazil, India and China have been investing capital to expand and improve both their freight and passenger rail systems. Throughout the world, some government-owned railroads are being sold to private owners, who often look to improve the efficiency of the rail system by investing in new equipment and new technologies. According to UNIFE, emerging markets are expected to grow at above-average rates as global trade creates increases in freight volumes and urbanization leads to increased demand for efficient mass-transportation systems. As this growth occurs, Wabtec expects to have additional opportunities to provide products and services in these markets.

In Europe, the majority of the rail system serves the passenger transit market, which is expected to continue growing as high fuel costs and environmental factors encourage investment in public mass transit. France, Germany, the United Kingdom and Italy are the largest transit markets, representing about two-thirds of passenger traffic in the European Union. UNIFE projects the Western European rail market to grow at about 2% in the next few years, with the United Kingdom and France expected to invest in new rolling stock. According to the UK's Office of Rail Regulation, passenger rail usage has steadily increased in the past decade, with the Office reporting a 3.9% increase in second quarter ridership in its most recent quarterly report. For the same time period, the Office also reported an increase of 8.9% in freight volume, driven by a strong increase in coal shipments. Germany has the largest rail network in Europe. In its most recent report, The Federal Statistical Office of Germany reported an increase in passenger traffic of 0.8% in 2013. About 75% of freight traffic in Europe is hauled by truck, while rail accounts for about 20%. The largest freight markets in Europe are Germany, Poland and the United Kingdom. In the first nine months of 2013, The Federal Statistical Office of Germany reported a 1.1% decrease in freight volumes compared to the same period in 2012. For 2013, SNCF (French national railway) reported decreases of about 1.5% in local and regional passenger rail traffic, and about 3.0% in freight-related revenue. We estimate that the European rail market consists of about 11,000 locomotives, about 750,000 freight cars and about 72,000 passenger transit cars.

The Asia/Pacific market is now the second-largest geographic segment, according to UNIFE. This market consists primarily of China, India and Australia. Growth has been driven by the continued urbanization of China and India, and by investment in freight rail infrastructure to serve the mining and natural resources markets in those countries, as well as in Australia. We estimate that this market consists of about 35,000 locomotives and about 1.0 million freight cars. China is expected to increase spending on rail infrastructure and equipment in 2014, as it resumes investment in high-speed rail programs. The Australian Railway Association, in a September 2013 study, reported an increase of freight volume of 8% and an increase of passenger ridership of 2%. In its most recent report, the Indian government reported that in the first nine months of its fiscal 2013 freight rail traffic increased about 5.0% and passenger rail traffic decreased about 0.5%. India is expected to increase spending significantly in 2014 as it seeks to modernize its rail system.

Other key geographic markets include Russia/CIS, South Africa, and Brazil. With about 1.5 million freight cars and about 28,000 locomotives, Russia/CIS is among the largest freight rail markets in the world, and it's expected to invest significantly in new rolling stock and infrastructure. Russian Railways, a state-owned company, provides both freight and passenger transportation. In 2012, the most recent full year of reported data, freight traffic increased 2.9% and passenger traffic increased 3.4%. South Africa, in

2012, announced a major program to invest in its freight rail and passenger transit infrastructure during the next 20 years. As part of this program, PRASA, the Passenger Rail Agency of South Africa, plans to purchase about 3,600 new transit cars and about 1,000 new locomotives. In Brazil, MRS Logistica, one of the country's largest railroads, reported a 5.6% increase in freight carloadings in its most recent quarter. The country has also been investing in its passenger transport systems in advances of hosting the 2014 World Cup and the 2016 Olympics.

Business Segments and Products

We provide our products and services through two principal business segments, the Freight Segment and the Transit Segment, both of which have different market characteristics and business drivers.

The Freight Segment primarily manufactures and services components for new and existing locomotive and freight cars, supplies railway electronics, positive train control equipment, signal design and engineering services, builds switcher locomotives, rebuilds freight locomotives and provides heat exchangers and cooling systems for rail and other industrial markets. Customers include large, publicly traded railroads, leasing companies, manufacturers of original equipment such as locomotives and freight cars, and utilities. As discussed previously, demand in the freight market is primarily driven by rail traffic, and deliveries of new locomotives and freight cars. In 2013, the Freight Segment accounted for 54% of our total sales, with about 55% of its sales in North America and the remainder to international customers. In 2013, slightly more than half of the Freight Segment's sales were in aftermarket.

The Transit Segment primarily manufactures and services components for new and existing passenger transit vehicles, typically subway cars and buses, builds new commuter locomotives and refurbishes subway cars. Customers include public transit authorities and municipalities, leasing companies, and manufacturers of subway cars and buses around the world. As discussed previously, demand in the transit market is primarily driven by government funding at all levels and passenger ridership. In 2013, the Transit Segment accounted for 46% of our total sales, with about 48% of its sales in North America and the remainder to international customers. About two-thirds of the Transit Segment's sales are in the aftermarket with the remainder in the original equipment market.

Following is a summary of our leading product lines in both aftermarket and original equipment across both of our business segments:

Specialty Products & Electronics:

- Positive Train Control equipment and electronically controlled pneumatic braking products
- Railway electronics, including event recorders, monitoring equipment and end of train devices
- Signal design and engineering services
- Freight car truck components
- Draft gears, couplers and slack adjusters
- Air compressors and dryers
- Heat exchangers and cooling products for locomotives and power generation equipment
- Track and switch products

Brake Products:

- Railway braking equipment and related components for Freight and Transit applications
- Friction products, including brake shoes and pads

Remanufacturing, Overhaul and Build:

- New commuter and switcher locomotives
- Transit car and locomotive overhaul and refurbishment

Transit Products:

- Door and window assemblies for buses and subway cars
- Accessibility lifts and ramps for buses and subway cars
- Traction motors

We have become a leader in the rail industry by capitalizing on the strength of our existing products, technological capabilities and new product innovation, and by our ability to harden products to protect them from severe conditions, including extreme temperatures and high-vibration environments. Supported by our technical staff of over 1,100 engineers and specialists, we have extensive experience in a broad range of product lines, which enables us to provide comprehensive, systems-based solutions for our customers.

Over the past several years, we introduced a number of significant new products, including electronic braking equipment and train control equipment that encompasses onboard digital data and global positioning communication protocols. In 2007, for example, the Federal Railroad Administration (FRA) approved the use of our Electronic Train Management System®, which offers safety benefits to the rail industry. In 2008, the U.S. federal government enacted a rail safety bill that mandates the use of Positive Train Control (“PTC”) technology, which includes on-board locomotive computer and related software, on a majority of the locomotives and track in the U.S. With our Electronic Train Management System®, we are the leading supplier of this on-board train control equipment, and we are working with the U.S. Class I railroads, commuter rail authorities and other industry suppliers to implement this technology by the December 31, 2015 deadline set in the rail safety bill. In recent years, the railroads and transit authorities have stated they cannot achieve full implementation of PTC by the deadline, and various bills have been introduced to extend it, but to date there has been no change in the deadline.

In 2013, Wabtec recorded about \$235 million of revenue from implementation of PTC projects both foreign and domestic. These multi-year projects include: A \$165 million contract to design and install a train control system for MRS Logistica, the fourth-largest railroad in Brazil; a \$63 million contract to provide train control equipment and services for Denver Transit Partners for three new commuter rail lines; and a \$27 million contract to provide train control equipment for Metrolink, a commuter rail agency in Los Angeles.

For additional information on our business segments, see Note 19 of “Notes to Consolidated Financial Statements” included in Part IV, Item 15 of this report.

Competitive Strengths

Our key strengths include:

- *Leading market positions in core products.* Dating back to 1869 and George Westinghouse’s invention of the air brake, we are an established leader in the development and manufacture of pneumatic braking equipment for freight and passenger transit vehicles. We have leveraged our leading position by focusing on research and engineering to expand beyond pneumatic braking components to supplying integrated parts and assemblies for the locomotive through the end of the train. We are a recognized leader in the development and production of electronic recording, measuring and communications systems, positive train control equipment, highly engineered compressors and heat exchangers for locomotives, and a leading manufacturer of freight car components, including electronic braking equipment, draft gears, trucks, brake shoes and electronic end-of-train devices. We are also the leading manufacturer of commuter locomotives and a leading provider of braking equipment, door assemblies, lifts and ramps, and couplers for passenger transit vehicles.
- *Breadth of product offering with a stable mix of original equipment market (OEM) and aftermarket business.* Our product portfolio is one of the broadest in the rail industry, as we offer a wide selection of quality parts, components and assemblies across the entire train. We provide our products in both the original equipment market and the aftermarket. Our substantial installed base of products with end-users such as the railroads and the passenger transit authorities is a significant competitive advantage for providing products and services to the aftermarket because these customers often look to purchase safety- and performance-related replacement parts from the original equipment components supplier. In addition, as OEMs and Class I railroad operators attempt to modernize fleets with new products designed to improve and maintain safety and efficiency, these products must be designed to be interoperable with existing equipment. Over the last several years, more than 50% of our total net sales have come from our aftermarket products and services business.
- *Leading design and engineering capabilities.* We believe a hallmark of our relationship with our customers has been our leading design and engineering practice, which has, in our opinion, assisted in the improvement and modernization of global railway equipment. We believe both our customers and the government authorities value our technological capabilities and commitment to innovation, as we seek not only to enhance the efficiency and profitability of our customers, but also to improve the overall safety of the railways through continuous improvement of product performance. The Company has an established record of product improvements and new product development. We have assembled a wide range of patented products, which we believe provides us with a competitive advantage. Wabtec currently owns over 2,150 active patents worldwide and over 625 U.S. patents. During the last three years, we have filed for more than 250 patents worldwide in support of our new and evolving product lines.
- *Experience with industry regulatory requirements.* The U.S. rail industry is governed by the AAR and by the FRA. These groups mandate rigorous manufacturer certification, new product testing and approval processes that we believe are difficult for new entrants to meet cost-effectively and efficiently without the scale and extensive experience we possess.

- *Experienced management team and the Wabtec Performance System.* The Company has implemented numerous initiatives that enable us to manage successfully through cycles in the rail supply market. For example, the Wabtec Performance System (WPS), an ongoing program that focuses on lean manufacturing principles and continuous improvement across all aspects of our business, has been a part of the Company's culture for more than 20 years. As a result, our management team has improved our cost structure, operating leverage and financial flexibility, and placed the Company in an excellent position to benefit from growth opportunities.

Business strategy

Using WPS, we strive to generate sufficient cash to invest in our growth strategies and to build on what we consider to be a leading position as a low-cost producer in the industry while maintaining world-class product quality, technology and customer responsiveness. Through WPS and employee-directed initiatives such as Kaizen, a Japanese-developed team concept, we continuously strive to improve quality, delivery and productivity, and to reduce costs. These efforts enable us to streamline processes, improve product reliability and customer satisfaction, reduce product cycle times and respond more rapidly to market developments. Over time, these lean initiatives have enabled us to increase operating margins, improve cash flow and strengthen our ability to invest in the following growth strategies:

- *Expand globally and into new product markets.* We believe that international markets represent a significant opportunity for future growth. In 2013, sales to non-U.S. customers were \$1.2 billion, including export sales from the Company's U.S. operations of \$542.3million. We intend to increase our existing international sales through strategic acquisitions, direct sales of products through our existing subsidiaries and licensees, and joint ventures with railway suppliers which have a strong presence in their local markets. We are specifically targeting markets that operate significant fleets of U.S.-style locomotives and freight cars, including Australia, Brazil, China, India, Russia, South Africa, and other select areas within Europe and South America. In addition, we have opportunities to sell certain products that we currently manufacture for the rail industry into other industrial markets, such as mining, off-highway and energy. These products include heat exchangers and friction materials.
- *Expand aftermarket sales.* Historically, aftermarket sales are less cyclical than OEM sales because a certain level of aftermarket maintenance and service work must be performed, even during an industry slowdown. In 2013, Wabtec's aftermarket sales and services represented approximately 57% of the Company's total sales across both of our business segments. Wabtec provides aftermarket parts and services for its components, and the Company is seeking to expand this business with new customers such as short-line and regional railroads, or with customers who currently perform the work in-house. In this way, we expect to take advantage of the rail industry trend toward outsourcing, as railroads and transit authorities focus on their core function of transporting goods and people.
- *Accelerate new product development.* We continue to emphasize research and development funding to create new and improved products. We are focusing on technological advances, especially in the areas of electronics, braking products and other on-board equipment, as a means of new product growth. We seek to provide customers with incremental technological advances that offer immediate benefits with cost-effective investments. In 2008, the U.S. federal government enacted a rail safety bill that mandates the use of PTC technology on a majority of the locomotives and track in the U.S. As the leading supplier of on-board train control equipment, Wabtec is working with the U.S. Class I railroads, commuter rail authorities and other industry suppliers to implement this technology.
- *Seek acquisitions, joint ventures and alliances.* We are exploring acquisition, joint venture and alliance opportunities using a disciplined, selective approach and rigorous financial criteria. Such acquisitions will not only be expected to meet these financial criteria but also achieve our growth strategies of global expansion, new products and expanding aftermarket sales. All of these expansion strategies will help Wabtec to grow profitably, expand geographically, and dampen the impact from potential cycles in the North American rail industry.

Recent Acquisitions and Joint Ventures

Wabtec has completed certain significant acquisitions in support of its growth strategies mentioned above:

- On February 12, 2014, the Company signed a definitive agreement to acquire Fandstan Electric Group Ltd. ("Fandstan"), a leading rail and industrial equipment manufacturer for a variety of markets, including rail and tram transportation, industrial and energy, for a purchase price of approximately \$215.0 million. The Company expects the transaction to be completed in the first quarter of 2014, subject to customary closing conditions and competition authority clearance.
- On September 24, 2013, the Company acquired Longwood Industries, Inc ("Longwood"), a manufacturer of specialty rubber products for transportation, oil and gas, and industrial markets, for a net purchase price of approximately \$83.9 million, net of cash.

- On July 30, 2013, the Company acquired Turbonetics Holdings, Inc (“Turbonetics”), a manufacturer of turbochargers and related components for various industrial markets, for a net purchase price of approximately \$23.2 million, net of cash.
- On February 26, 2013, the Company acquired Transdyne (“Transdyne”), a distributor of wear-protection components and other hardware used primarily on railroad freight cars, for a net purchase price of approximately \$2.4 million, net of cash.
- On January 31, 2013, the Company acquired Napier Turbochargers Ltd., a UK-based provider of turbochargers and related parts for the worldwide power generation and marine markets, for a net purchase price of approximately \$112.3 million, net of cash.
- October 2012, the Company acquired LH Group, a UK-based provider of maintenance and overhaul services for the passenger transit market, for a net purchase price of approximately \$48.1 million, net of cash.
- July 2012, the Company acquired Winco Equipamentos Ltda., a Brazil-based marketing and sales company and provider of freight car components with capabilities including value-added engineering and assembly, service, and technical support and logistics, for an initial net purchase price of approximately \$3.7 million, net of cash.
- July 2012, the Company acquired Tec Tran Corp. and its affiliates, the only U.S. owned manufacturer of hydraulic braking systems for transit cars, for a net purchase price of approximately \$8.3 million, net of cash.
- June 2012, the Company acquired Mors Smitt Holding, a leading manufacturer of electronic components for rail and industrial markets with operations in the Netherlands, the United Kingdom, the U.S., France, China, and Hong Kong, for a net purchase price of \$90.0 million, net of cash.

Backlog

The Company’s backlog was about \$1.69 billion at December 31, 2013. For 2013, about 57% of total sales came from aftermarket orders, which typically carry lead times of less than 30 days, and are not recorded in backlog for a significant period of time.

The Company’s contracts are subject to standard industry cancellation provisions, including cancellations on short notice or upon completion of designated stages. Substantial scope-of-work adjustments are common. For these and other reasons, completion of the Company’s backlog may be delayed or cancelled. The railroad industry, in general, has historically been subject to fluctuations due to overall economic conditions and the level of use of alternative modes of transportation.

The backlog of firm customer orders as of December 31, 2013 and December 31, 2012, and the expected year of completion are as follows:

<i>In thousands</i>	Total Backlog 12/31/13	Expected Delivery		Total Backlog 12/31/12	Expected Delivery	
		2014	Other Years		2013	Other Years
Freight Segment	\$ 511,699	\$ 447,429	\$ 64,270	\$ 491,772	\$ 413,839	\$ 77,933
Transit Segment	1,182,206	650,690	531,516	1,167,731	703,039	464,692
Total	\$ 1,693,905	\$ 1,098,119	\$ 595,786	\$ 1,659,503	\$ 1,116,878	\$ 542,625

Engineering and Development

To execute our strategy to develop new products, we invest in a variety of engineering and development activities. For the fiscal years ended December 31, 2013, 2012, and 2011, we invested about \$46.3 million, \$41.3 million and \$37.2 million, respectively, on product development and improvement activities. The engineering resources of the Company are allocated between research and development activities and the execution of original equipment customer contracts.

Our engineering and development program is largely focused upon train control and new braking technologies, with an emphasis on applying electronics to traditional pneumatic equipment. Electronic braking has been used in the transit industry for years, and freight railroads are conducting pilot programs to test its reliability and benefits. Freight railroads have generally been slower to accept the technology due to issues over interoperability, connectivity and durability. We are proceeding with efforts to enhance the major components for existing hard-wired braking equipment and development of new electronic technologies for the freight railroads. Sometimes we conduct specific research projects in conjunction with universities, customers and other railroad product suppliers.

We use our Product Development System (PDS) to develop and monitor new product programs. The system requires the product development team to follow consistent steps throughout the development process, from concept to launch, to ensure the product will meet customer expectations and internal profitability targets.

Intellectual Property

We have more than 2,150 active patents worldwide. We also rely on a combination of trade secrets and other intellectual property laws, nondisclosure agreements and other protective measures to establish and protect our proprietary rights in our intellectual property.

Certain trademarks, among them the name WABCO®, were acquired or licensed from American Standard Inc., now known as Trane, in 1990 at the time of our acquisition of the North American operations of the Railway Products Group of Trane. Other trademarks have been developed through the normal course of business, or acquired as a part of our ongoing merger and acquisition program.

We have entered into a variety of license agreements as licensor and licensee. We do not believe that any single license agreement is of material importance to our business or either of our business segments as a whole.

We have issued licenses to the two sole suppliers of railway air brakes and related products in Japan, Nabtesco and Mitsubishi Electric Company. The licensees pay annual license fees to us and also assist us by acting as liaisons with key Japanese passenger transit vehicle builders for projects in North America. We believe that our relationships with these licensees have been beneficial to our core transit business and customer relationships in North America.

Customers

Our customers include railroads and passenger transit authorities throughout North America, as well as in the United Kingdom, Australia, Europe, Asia, South Africa and South America; manufacturers of transportation equipment, such as locomotives, freight cars, subway vehicles and buses; and lessors of such equipment.

In 2013, about 48% of sales were to customers outside the U.S. and to more than 100 countries throughout the world. About 57% of sales were in the aftermarket, with a majority of our remaining sales to OEMs of locomotives, freight cars, subway vehicles and buses.

Top customers can change from year to year. For the fiscal year ended December 31, 2013, our top five customers accounted for 15% of net sales: The Massachusetts Bay Transportation Authority, General Electric Transportation, CSX Corporation, Trinity Industries, and Union Pacific Corporation. No one customer represents 10% or more of consolidated sales. We believe that we have strong relationships with all of our key customers.

Competition

We believe that we hold approximately a 50% market share in North America for our primary braking-related equipment and a leading market position in North America for most of our other product lines. On a global basis, our market shares are smaller. We operate in a highly competitive marketplace. Price competition is strong because we have a relatively small number of customers and they are very cost-conscious.

In addition to price, competition is based on product performance and technological leadership, quality, reliability of delivery, and customer service and support.

Our principal competitors vary across product lines. Within North America, New York Air Brake Company, a subsidiary of the German air brake producer Knorr-Bremse AG (“Knorr”) and Amsted Rail Company, Inc., a subsidiary of Amsted Industries Corporation, are our principal overall OEM competitors. Our competition for locomotive, freight and passenger transit service and repair is mostly from the railroads’ and passenger transit authorities’ in-house operations, Electro-Motive Diesel, a division of Caterpillar, GE Transportation Systems, and New York Air Brake/Knorr. We believe our key strengths, which include leading market positions in core products, breadth of product offering with a stable mix of OEM and aftermarket business, leading design and engineering capabilities, significant barriers to entry and an experienced management team, enable us to compete effectively in this marketplace. Outside of North America, no individual company is our principal competitor in all of our operating locations. The largest competitors for Brake and Transit products are Faiveley Transport and Knorr.

Employees

At December 31, 2013, we had 10,234 full-time employees, approximately 27% of whom were unionized. A majority of the employees subject to collective bargaining agreements are within North America and these agreements are generally effective from 2014 through 2016. Agreements expiring at various times during 2014 cover approximately 15% of the Company's workforce. We consider our relations with employees and union representatives to be good, but cannot assure that future contract negotiations will be favorable to us.

Regulation

In the course of our operations, we are subject to various regulations of agencies and other entities. In the United States, these include principally the FRA and the AAR. The FRA administers and enforces federal laws and regulations relating to railroad safety. These regulations govern equipment and safety standards for freight cars and other rail equipment used in interstate commerce. The AAR oversees a wide variety of rules and regulations governing safety and design of equipment, relationships among railroads with respect to railcars in interchange and other matters. The AAR also certifies railcar builders and component manufacturers that provide equipment for use on railroads in the United States. New products generally must undergo AAR testing and approval processes. As a result of these regulations and those stipulated in other countries in which we derive our revenues, we must maintain certain certifications as a component manufacturer and for products we sell.

Effects of Seasonality

Our business is not typically seasonal, although the third quarter results may be impacted by vacation and scheduled plant shutdowns at several of our major customers during this period.

Environmental Matters

Information on environmental matters is included in Note 18 of "Notes to Consolidated Financial Statements" included in Part IV, Item 15 of this report.

Available Information

We maintain an Internet site at www.wabtec.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to such reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as well as the annual report to stockholders and other information, are available free of charge on this site. The Internet site and the information contained therein or connected thereto are not incorporated by reference into this Form 10-K. Our Corporate Governance Guidelines, the charters of our Audit, Compensation and Nominating and Corporate Governance Committees, our Code of Conduct, which is applicable to all employees, and our Code of Ethics for Senior Officers, which is applicable to all of our executive officers, are also available free of charge on this site and are available in print to any shareholder who requests them.

Item 1A. RISK FACTORS

Prolonged unfavorable economic and market conditions could adversely affect our business.

Unfavorable general economic and market conditions in the United States and internationally could have a negative impact on our sales and operations. To the extent that these factors result in continued instability of capital markets, shortages of raw materials or component parts, longer sales cycles, deferral or delay of customer orders or an inability to market our products effectively, our business and results of operations could be materially adversely affected.

We are dependent upon key customers.

We rely on several key customers who represent a significant portion of our business. Our top customers can change from year to year. For the fiscal year ended December 31, 2013, our top five customers accounted for 15% of our net sales. While we believe our relationships with our customers are generally good, our top customers could choose to reduce or terminate their relationships with us. In addition, many of our customers place orders for products on an as-needed basis and operate in cyclical industries. As a result, their order levels have varied from period to period in the past and may vary significantly in the future. Such customer orders are dependent upon their markets and customers, and may be subject to delays and cancellations. As a result of our dependence on our key customers, we could experience a material adverse effect on our business, results of operations and financial condition if we lost any one or more of our key customers or if there is a reduction in their demand for our products.

Our business operates in a highly competitive industry.

We operate in a competitive marketplace and face substantial competition from a limited number of established competitors in the United States and abroad, some of which may have greater financial resources than we do. Price competition is strong and, coupled with the existence of a number of cost conscious customers, has historically limited our ability to increase prices. In addition to price, competition is based on product performance and technological leadership, quality, reliability of delivery and customer service and support. There can be no assurance that competition in one or more of our markets will not adversely affect us and our results of operations.

We intend to pursue acquisitions, joint ventures and alliances that involve a number of inherent risks, any of which may cause us not to realize anticipated benefits.

One aspect of our business strategy is to selectively pursue acquisitions, joint ventures and alliances that we believe will improve our market position, and provide opportunities to realize operating synergies. These transactions involve inherent risks and uncertainties, any one of which could have a material adverse effect on our business, results of operations and financial condition including:

- difficulties in achieving identified financial and operating synergies, including the integration of operations, services and products;
- diversion of Management's attention from other business concerns;
- the assumption of unknown liabilities; and
- unanticipated changes in the market conditions, business and economic factors affecting such an acquisition.

We cannot assure that we will be able to consummate any future acquisitions, joint ventures or other business combinations. If we are unable to identify suitable acquisition candidates or to consummate strategic acquisitions, we may be unable to fully implement our business strategy, and our business and results of operations may be adversely affected as a result. In addition, our ability to engage in strategic acquisitions will be dependent on our ability to raise substantial capital, and we may not be able to raise the funds necessary to implement our acquisition strategy on terms satisfactory to us, if at all.

As we introduce new products and services, a failure to predict and react to consumer demand could adversely affect our business.

We have dedicated significant resources to the development, manufacturing and marketing of new products. Decisions to develop and market new transportation products are typically made without firm indications of customer acceptance. Moreover, by their nature, new products may require alteration of existing business methods or threaten to displace existing equipment in which our customers may have a substantial capital investment. There can be no assurance that any new products that we develop will gain widespread acceptance in the marketplace or that such products will be able to compete successfully with other new products or services that may be introduced by competitors. In addition, we may incur additional warranty or other costs as new products are tested and used by customers.

A portion of our sales are related to delivering products and services to help our U.S. railroad and transit customers meet the Positive Train Control (PTC) mandate from the U.S. federal government, which requires the use of on-board locomotive computers and software by December 31, 2015.

For the year ended December 31, 2013, we had sales of about \$235 million related to PTC. In recent years, the railroads and transit authorities have stated they cannot achieve full implementation of PTC by the deadline, and various bills have been introduced to extend it, but to date there has been no change in the deadline. Should the federal government change its mandate by amending the timing, scope or requirements of the safety bill, there could be an adverse impact on our revenues in future periods, and would cause us to reassess the staffing, resources and assets deployed in delivering Positive Train Control services.

Our revenues are subject to cyclical variations in the railway and passenger transit markets and changes in government spending.

The railway industry historically has been subject to significant fluctuations due to overall economic conditions, the use of alternate methods of transportation and the levels of federal, state and local government spending on railroad transit projects. In economic downturns, railroads have deferred, and may defer, certain expenditures in order to conserve cash in the short term. Reductions in freight traffic may reduce demand for our replacement products.

The passenger transit railroad industry is also cyclical. New passenger transit car orders vary from year to year and are influenced greatly by major replacement programs and by the construction or expansion of transit systems by transit authorities. A

substantial portion of our net sales have been, and we expect that a material portion of our future net sales will be, derived from contracts with metropolitan transit and commuter rail authorities and Amtrak. To the extent that future funding for proposed public projects is curtailed or withdrawn altogether as a result of changes in political, economic, fiscal or other conditions beyond our control, such projects may be delayed or cancelled, resulting in a potential loss of business for us, including transit aftermarket and new transit car orders. There can be no assurance that economic conditions will be favorable or that there will not be significant fluctuations adversely affecting the industry as a whole and, as a result, us.

Our backlog is not necessarily indicative of the level of our future revenues.

Our backlog represents future production and estimated potential revenue attributable to firm contracts with, or written orders from, our customers for delivery in various periods. Instability in the global economy, negative conditions in the global credit markets, volatility in the industries that our products serve, changes in legislative policy, adverse changes in the financial condition of our customers, adverse changes in the availability of raw materials and supplies, or un-remedied contract breaches could possibly lead to contract termination or cancellations of orders in our backlog or request for deferred deliveries of our backlog orders, each of which could adversely affect our cash flows and results of operations.

A growing portion of our sales may be derived from our international operations, which exposes us to certain risks inherent in doing business on an international level.

In fiscal year 2013, approximately 48% of our consolidated net sales were to customers outside of the U.S. and we intend to continue to expand our international operations in the future. We currently conduct our international operations through a variety of wholly and majority-owned subsidiaries and joint ventures in Australia, Austria, Brazil, Canada, China, Czech Republic, France, Germany, India, Italy, Macedonia, Mexico, the Netherlands, Poland, Spain, South Africa, Turkey, and the United Kingdom. As a result, we are subject to various risks, any one of which could have a material adverse effect on those operations and on our business as a whole, including:

- lack of complete operating control;
- lack of local business experience;
- currency exchange fluctuations and devaluations;
- foreign trade restrictions and exchange controls;
- difficulty enforcing agreements and intellectual property rights;
- the potential for nationalization of enterprises; and
- economic, political and social instability and possible terrorist attacks against American interests.

In addition, certain jurisdictions have laws that limit the ability of non-U.S. subsidiaries and their affiliates to pay dividends and repatriate cash flows.

We may incur increased costs due to fluctuations in interest rates and foreign currency exchange rates.

In the ordinary course of business, we are exposed to increases in interest rates that may adversely affect funding costs associated with variable-rate debt and changes in foreign currency exchange rates. We may seek to minimize these risks through the use of interest rate swap contracts and currency hedging agreements. There can be no assurance that any of these measures will be effective. Any material changes in interest or exchange rates could result in material losses to us.

We may have liability arising from asbestos litigation.

Claims have been filed against the Company and certain of its affiliates in various jurisdictions across the United States by persons alleging bodily injury as a result of exposure to asbestos-containing products. Most of these claims have been made against our wholly owned subsidiary, Railroad Friction Products Corporation (RFPC), and are based on a product sold by RFPC prior to the time that the Company acquired any interest in RFPC.

Most of these claims, including all of the RFPC claims, are submitted to insurance carriers for defense and indemnity or to non-affiliated companies that retain the liabilities for the asbestos-containing products at issue. We cannot, however, assure that all these claims will be fully covered by insurance or that the indemnitors or insurers will remain financially viable. Our ultimate legal and financial liability with respect to these claims, as is the case with most other pending litigation, cannot be estimated.

We are subject to a variety of environmental laws and regulations.

We are subject to a variety of environmental laws and regulations governing discharges to air and water, the handling, storage and disposal of hazardous or solid waste materials and the remediation of contamination associated with releases of hazardous substances. We believe our operations currently comply in all material respects with all of the various environmental laws and regulations applicable to our business; however, there can be no assurance that environmental requirements will not change in the future or that we will not incur significant costs to comply with such requirements.

Future climate change regulation could result in increased operating costs, affect the demand for our products or affect the ability of our critical suppliers to meet our needs.

The Company has followed the current debate over climate change and the related policy discussion and prospective legislation. The potential challenges for the Company that climate change policy and legislation may pose have been reviewed by the Company. Any such challenges are heavily dependent on the nature and degree of climate change legislation and the extent to which it applies to our industry. At this time, the Company cannot predict the ultimate impact of climate change and climate change legislation on the Company's operations. Further, when or if these impacts may occur cannot be assessed until scientific analysis and legislative policy are more developed and specific legislative proposals begin to take shape. Any laws or regulations that may be adopted to restrict or reduce emissions of greenhouse gas could require us to incur increased operating costs, and could have an adverse effect on demand for our products. In addition, the price and availability of certain of the raw materials that we use could vary in the future as a result of environmental laws and regulations affecting our suppliers. An increase in the price of our raw materials or a decline in their availability could adversely affect our operating margins or result in reduced demand for our products.

Our manufacturer's warranties or product liability may expose us to potentially significant claims.

We warrant the workmanship and materials of many of our products. Accordingly, we are subject to a risk of product liability or warranty claims in the event that the failure of any of our products results in personal injury or death, or does not conform to our customers' specifications. In addition, in recent years, we have introduced a number of new products for which we do not have a history of warranty experience. Although we have not had any material product liability or warranty claims made against us and we currently maintain liability insurance coverage, we cannot assure that product liability claims, if made, would not exceed our insurance coverage limits or that insurance will continue to be available on commercially acceptable terms, if at all. The possibility exists for these types of warranty claims to result in costly product recalls, significant repair costs and damage to our reputation.

Labor disputes may have a material adverse effect on our operations and profitability.

We collectively bargain with labor unions that represent approximately 27% of our employees. Our current collective bargaining agreements are generally effective from 2014 through 2016. Agreements expiring at various times during 2014 cover approximately 15% of the Company's workforce. Failure to reach an agreement could result in strikes or other labor protests which could disrupt our operations. If we were to experience a strike or work stoppage, it would be difficult for us to find a sufficient number of employees with the necessary skills to replace these employees. We cannot assure that we will reach any such agreement or that we will not encounter strikes or other types of conflicts with the labor unions of our personnel. Such labor disputes could have an adverse effect on our business, financial condition or results of operations, could cause us to lose revenues and customers and might have permanent effects on our business.

From time to time we are engaged in contractual disputes with our customers.

From time to time, we are engaged in contractual disputes with our customers regarding routine delivery and performance issues as well as adjustments for design changes and related extra work. These disputes are generally resolved in the ordinary course of business without having a material adverse impact on us.

Our indebtedness could adversely affect our financial health.

At December 31, 2013, we had total debt of \$450.7 million. If it becomes necessary to access our available borrowing capacity under the 2013 Refinancing Credit Agreement, the \$200.0 million currently borrowed under this facility and the \$250.0 million 4.375% senior notes, being indebted could have important consequences to us. For example, it could:

- increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes;

- limit our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate;
- place us at a disadvantage compared to competitors that have less debt; and
- limit our ability to borrow additional funds.

The indenture for our \$250 million 4.375% senior notes due in 2023 and our 2013 Refinancing Credit Agreement contain various covenants that limit our Management's discretion in the operation of our businesses.

The indenture governing the notes and our credit agreement contain various covenants that limit our Management's discretion.

The 2013 Refinancing Credit Agreement limits the Company's ability to declare or pay cash dividends and prohibits the Company from declaring or making other distributions, subject to certain exceptions. The 2013 Refinancing Credit Agreement contains various other covenants and restrictions including the following limitations: incurrence of additional indebtedness; mergers, consolidations and sales of assets and acquisitions; additional liens; sale and leasebacks; permissible investments, loans and advances; certain debt payments; capital expenditures; and imposes a minimum interest expense coverage ratio and a maximum debt to cash flow ratio.

The indenture under which the senior notes were issued contains covenants and restrictions which limit among other things, the following: the incurrence of indebtedness, payment of dividends and certain distributions, sale of assets, change in control, mergers and consolidations and the incurrence of liens.

The integration of our recently completed acquisitions may not result in anticipated improvements in market position or the realization of anticipated operating synergies or may take longer to realize than expected.

In 2012 and 2013, we completed multiple acquisitions with a combined investment of \$371.9 million. Although we believe that the acquisitions will improve our market position and realize positive operating results, including operating synergies, operating expense reductions and overhead cost savings, we cannot be assured that these improvements will be obtained or the timing of such improvements. The management and acquisition of businesses involves substantial risks, any of which may result in a material adverse effect on our business and results of operations, including:

- the uncertainty that an acquired business will achieve anticipated operating results;
- significant expenses to integrate;
- diversion of Management's attention;
- departure of key personnel from the acquired business;
- effectively managing entrepreneurial spirit and decision-making;
- integration of different information systems;
- unanticipated costs and exposure to unforeseen liabilities; and
- impairment of assets.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 2. PROPERTIES

Facilities

The following table provides certain summary information about the principal facilities owned or leased by the Company as of December 31, 2013. The Company believes that its facilities and equipment are generally in good condition and that, together with scheduled capital improvements, they are adequate for its present and immediately projected needs. Leases on the facilities are long-term and generally include options to renew. The Company's corporate headquarters are located at the Wilmerding, PA site.

Location	Primary Use	Segment	Own/Lease	Approximate Square Feet
Domestic				
Rothbury, MI	Manufacturing/Warehouse/Office	Freight	Own	500,000
Wilmerding, PA	Manufacturing/Service	Freight	Own	365,000(1)
Lexington, TN	Manufacturing	Freight	Own	170,000
Jackson, TN	Manufacturing	Freight	Own	150,000
Berwick, PA	Manufacturing/Warehouse	Freight	Own	150,000
Chicago, IL	Manufacturing/Service	Freight	Own	123,140
Greensburg, PA	Manufacturing	Freight	Own	113,000
Chillicothe, OH	Manufacturing/Office	Freight	Own	104,000
Warren, OH	Manufacturing	Freight	Own	102,650
Coshocton, OH	Manufacturing/Warehouse/Office	Freight	Own	83,000
Germantown, MD	Manufacturing	Freight	Own	80,000
Kansas City, MO	Service Center	Freight	Lease	95,900
Pittsburgh, PA	Manufacturing/Office	Freight	Lease	90,000
Strongsville, OH	Manufacturing/Warehouse/Office	Freight	Lease	80,000
Columbia, SC	Service Center	Freight	Lease	71,400
Bensenville, IL	Manufacturing/Warehouse/Office	Freight	Lease	58,000
Jacksonville, FL	Office	Freight	Lease	46,351
Cedar Rapids, IA	Office	Freight	Lease	37,000
Jacksonville, FL	Warehouse	Freight	Lease	30,000
Boise, ID	Manufacturing	Freight/Transit	Own	326,000
Maxton, NC	Manufacturing	Freight/Transit	Own	105,000
Willits, CA	Manufacturing	Freight/Transit	Own	70,000
Brenham, TX	Manufacturing/Office	Transit	Own	144,671
Wytheville, VA	Manufacturing/Office	Transit	Own	82,400
Panorama City, CA	Manufacturing	Transit	Lease	200,000
Spartanburg, SC	Manufacturing/Service	Transit	Lease	183,600
Buffalo Grove, IL	Manufacturing	Transit	Lease	115,570
Cleveland, OH	Manufacturing/Warehouse/Office	Transit	Lease	92,609
Plattsburgh, NY	Manufacturing	Transit	Lease	64,000
Moorpark, CA	Office/Warehouse	Transit	Lease	45,916
Cleveland, OH	Manufacturing/Warehouse/Office	Transit	Lease	43,283
Export, PA	Manufacturing	Transit	Lease	34,000
Greer, SC	Warehouse	Transit	Lease	34,000
Elmsford, NY	Service Center	Transit	Lease	28,000
Mountaintop, PA	Vacant Land Available for Sale		Own	N/A
International				
Wallaceburg (Ontario), Canada	Manufacturing	Freight	Own	126,000
San Luis Potosi, Mexico	Manufacturing/Service	Freight	Own	73,100
East Beijing, Hebei Province, China	Manufacturing	Freight	Own	64,702
Daye City, Hubei Province, China	Manufacturing	Freight	Own	59,147
Northampton, UK	Manufacturing	Freight	Lease	300,000
Shenyang City, Liaoning Province, China	Manufacturing	Freight	Lease	290,550
Lincolnshire, UK	Manufacturing/Office	Freight	Lease	149,468
London (Ontario), Canada	Manufacturing	Freight	Lease	103,540
Stoney Creek (Ontario), Canada	Manufacturing/Service	Freight	Lease	47,940

Location	Primary Use	Segment	Own/Lease	Approximate Square Feet
Kolkata, India	Manufacturing	Freight	Lease	36,965
Belo Horizonte, Brazil	Manufacturing/Service	Freight	Lease	33,992
Juiz de Fora, Minas Gerais, Brazil	Manufacturing/Office	Freight	Lease	33,992
Lachine (Quebec), Canada	Service Center	Freight	Lease	25,455
Doncaster, UK	Manufacturing/Service	Freight/Transit	Own	330,000
Kilmarnock, UK	Manufacturing	Freight/Transit	Own	107,975
Loughborough, UK	Manufacturing	Freight/Transit	Lease	225,274
Kempton Park, South Africa	Manufacturing	Freight/Transit	Lease	156,077
Wetherill Park, Australia	Manufacturing	Freight/Transit	Lease	70,600
Avellino, Italy	Manufacturing/Office	Transit	Own	132,495
Recklinghausen, Germany	Manufacturing	Transit	Own	86,390
Sable-sur-Sarthe, France	Manufacturing	Transit	Own	51,667
Utrecht, The Netherlands	Manufacturing	Transit	Own	48,438
Soria, Spain	Manufacturing/Office	Transit	Own	31,000
Burton on Trent, UK	Manufacturing/Office	Transit	Lease	253,453
Camisano, Italy	Manufacturing/Office	Transit	Lease	136,465
San Luis Potosi, Mexico	Manufacturing/Office	Transit	Lease	112,825
St. Laurent (Quebec), Canada	Office	Transit	Lease	38,926
Hangzhou City, Hunan Province, China	Manufacturing	Transit	Lease	31,032
Sassuolo, Italy	Manufacturing	Transit	Lease	30,000

(1) Approximately 250,000 square feet are currently used in connection with the Company's corporate and manufacturing operations. The remainder is leased to third parties.

Item 3. LEGAL PROCEEDINGS

Information with respect to legal proceedings is included in Note 18 of "Notes to Consolidated Financial Statements" included in Part IV, Item 15 of this report.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following table provides information on our executive officers. They are elected periodically by our Board of Directors and serve at its discretion.

Officers	Age	Position
Albert J. Neupaver	63	Chairman and Chief Executive Officer
Raymond T. Betler	58	President and Chief Operating Officer
Patrick D. Dugan	47	Senior Vice President and Chief Financial Officer
Charles F. Kovac	57	Senior Vice President and Group Executive
R. Mark Cox	46	Senior Vice President, Corporate Development
David L. DeNinno	58	Senior Vice President, General Counsel and Secretary
Scott E. Wahlstrom	50	Senior Vice President, Human Resources
Robert Bourg	52	Vice President and Group Executive
Karl-Heinz Colmer	57	Vice President and Group Executive
Michael E. Fetsko	48	Vice President and Group Executive
John A. Mastalerz	47	Vice President and Corporate Controller
David Meyer	43	Vice President and Group Executive
Timothy R. Wesley		Vice President, Investor Relations and Corporate Communications

Albert J. Neupaver was named Chairman and Chief Executive Officer of the Company in May, 2013. Previously, Mr. Neupaver was President and CEO from February 2006 to May 2013. Prior to joining Wabtec, Mr. Neupaver served in various positions at AMETEK, Inc., a leading global manufacturer of electronic instruments and electric motors. Most recently he served as President of its Electromechanical Group for nine years.

Raymond T. Betler was named President and Chief Operating Officer in May 2013. Previously, Mr. Betler was Chief Operating Officer since December 2010 until then and Vice President, Group Executive of the Company since August 2008. Prior to joining Wabtec, Mr. Betler served in various positions of increasing responsibility at Bombardier Transportation since 1979. Most recently, Mr. Betler served as President, Total Transit Systems from 2004 until 2008 and before that as President, London Underground Projects from 2002 to 2004.

Patrick D. Dugan was named Senior Vice President and Chief Financial officer effective January 2014. Previously, Mr. Dugan was Senior Vice President, Finance and Corporate Controller from January 2012 until November 2013. He originally joined Wabtec in 2003 as Vice President, Corporate Controller. Prior to joining Wabtec, Mr. Dugan served as Vice President and Chief Financial Officer of CWI International, Inc. from December 1996 to November 2003. Prior to 1996, Mr. Dugan was a Manager with PricewaterhouseCoopers.

Charles F. Kovac was named Senior Vice President and Group Executive in December 2010. Mr. Kovac was Vice President, Group Executive of the Company from September 2007 until December 2010. Prior to joining Wabtec, Mr. Kovac served as General Manager of the Global Floor Care / Specialty Motors Division of AMETEK, Inc. since 2003. Prior to joining AMETEK, Inc., Mr. Kovac was Chief Operating Officer of The Teleios Group, LLC from 1999 to 2003.

R. Mark Cox was named Senior Vice President, Corporate Development in January 2012, and has been with Wabtec since September 2006 as Vice President, Corporate Development. Prior to joining Wabtec, Mr. Cox served as Director of Business Development for the Electrical Group of Eaton Corporation since 2002. Prior to joining Eaton, Mr. Cox was an investment banker with UBS Warburg, Prudential and Stephens.

David L. DeNinno was named Senior Vice President, General Counsel and Secretary of the Company in February 2012. Previously, Mr. DeNinno served as a partner at K&L Gates LLP since May 2011 and prior to that with Reed Smith LLP.

Scott E. Wahlstrom was named Senior Vice President, Human Resources in January 2012. Mr. Wahlstrom has been Vice President, Human Resources, since November 1999. Previously, Mr. Wahlstrom was Vice President, Human Resources & Administration of MotivePower Industries, Inc. from August 1996 until November 1999.

Robert Bourg was named Vice President and Group Executive in February 2012. Prior to that, he was Vice President Rail Electronics from May 2010. Previously, he was Vice President and General Manager of Wabtec Railway Electronics from May 2006 to May 2010. Prior to that, he held various senior management positions within Wabtec since he was hired in August 1992.

Karl-Heinz Colmer was named Vice President and Group Executive in February 2012. Mr. Colmer served as Managing Director of Friction Products from January 2009 until February 2012. Prior to that position, Mr. Colmer served as Managing Director of Becorit GmbH since 2006 after joining Wabtec. Prior to joining Wabtec Mr. Colmer served in various management roles with BBA PLC.

Michael E. Fetsko was named Vice President and Group Executive in January 2014. Mr Fetsko joined Wabtec in July of 2011 as Vice President, Freight Pneumatics. Prior to joining Wabtec, Mr. Fetsko serviced in various executive management roles with Bombardier Transportation.

John A. Mastalerz was named Vice President and Corporate Controller in January 2014. Prior to joining Wabtec, Mr. Mastalerz served in various executive management roles with the H.J. Heinz Company from January 2001 to December 2013, most recently as the Corporate Controller and Principal Accounting Officer. Prior to 2001, Mr. Mastalerz was a Senior Manager with PricewaterhouseCoopers.

David Meyer was named Vice President and Group Executive in February 2012. Mr. Meyer served as Vice President, Freight Car Products from April 2007 until February 2012. Prior to this position, Mr. Meyer served in several Vice President and General Manager roles within Wabtec since 2003 and joined Wabtec as a Product Line Manager in 1999. Prior to joining Wabtec, Mr. Meyer served in various management roles with Eaton Corporation.

Timothy R. Wesley was named Vice President, Investor Relations and Corporate Communications in November 1999. Previously, Mr. Wesley was Vice President, Investor and Public Relations of MotivePower Industries, Inc. from August 1996 until November 1999.

PART II

Item 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

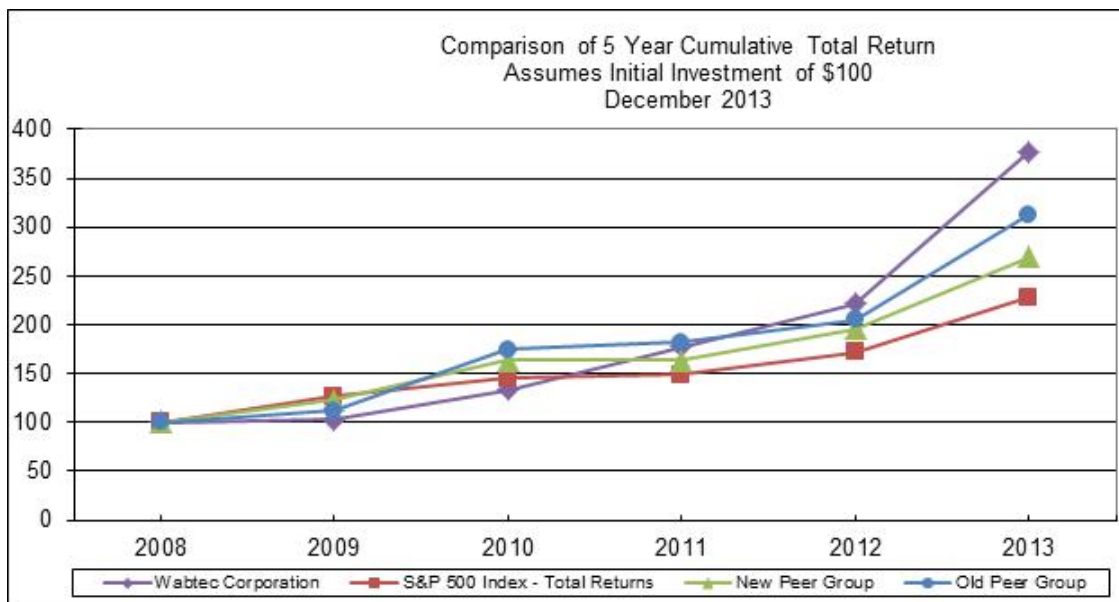
The Common Stock of the Company is listed on the New York Stock Exchange under the symbol “WAB”. As of February 14, 2014, there were 95,996,930 shares of Common Stock outstanding held by 595 holders of record. On May 14, 2013, our stockholders approved an amendment to our Amended and Restated Certificate of Incorporation to increase the number of authorized shares of our common stock to 200.0 million shares. In addition, on May 14, 2013, our Board of Directors approved a two-for-one split of the Company’s issued and outstanding common stock in the form of a 100% stock dividend. The increase in the authorized shares and the stock split became effective on May 14, 2013 and June 11, 2013. The high and low sales price of the shares and dividends declared per share were as follows:

2013	High	Low	Dividends
First Quarter	\$ 51.19	\$ 44.04	\$ 0.025
Second Quarter	\$ 56.50	\$ 48.04	\$ 0.025
Third Quarter	\$ 63.29	\$ 52.63	\$ 0.04
Fourth Quarter	\$ 77.64	\$ 61.63	\$ 0.04
<hr/>			
2012	High	Low	Dividends
First Quarter	\$ 39.54	\$ 33.15	\$ 0.015
Second Quarter	\$ 41.45	\$ 34.14	\$ 0.025
Third Quarter	\$ 41.59	\$ 36.44	\$ 0.025
Fourth Quarter	\$ 44.52	\$ 39.24	\$ 0.025

The Company’s credit agreement restricts the ability to make dividend payments, with certain exceptions. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and see Note 8 of “Notes to Consolidated Financial Statements” included in Part IV, Item 15 of this report.

At the close of business on February 14, 2014, the Company’s Common Stock traded at \$76.45 per share.

The following performance graph and related information shall not be deemed “soliciting material” or to be “filed” with the Securities and Exchange Commission, nor shall such information be incorporated by reference to any future filings under the Securities Act of 1933 and the Securities Exchange Act of 1934, each as amended, except to the extent that Wabtec specifically incorporates it by reference into such filing. The graph below compares the total stockholder return through December 31, 2013, of Wabtec’s common stock to, (i) the S&P 500, (ii) our former peer group of manufacturing companies which consisted of the following publicly traded companies: The Greenbrier Companies, L.B. Foster, Trinity Industries and Freight Car America; and (iii) our new peer group of manufacturing companies which consists of the following publicly traded companies: The Greenbrier Companies, Trinity Industries, AMETEK, Regal Beloit, Harsco, Valmont, Lincoln Electric, Kennametal, Pall, Crane, Donaldson, WABCO, ITT, Briggs & Stratton, IDEX, Woodward, Titan Wheel, Actuant and Koppers. The peer group was revised to better match the operations and products of Wabtec.



On December 11, 2013, the Board of Directors amended its stock repurchase authorization to \$200 million of the Company's outstanding shares. This new stock repurchase authorization supersedes the previous authorization of \$150 million of which \$44.4 million remained. Through December 31, 2013, no shares have been repurchased under the new authorization.

The Company intends to purchase shares on the open market or in negotiated or block trades. No time limit was set for the completion of the programs which conform to the requirements under the 2013 Refinancing Credit Agreement, as well as the Notes currently outstanding.

During the first and second quarters of 2013, no shares were repurchased. During the third quarter of 2013, the Company repurchased 93,205 shares at an average price of \$58.86 per share. During the fourth quarter of 2013, the Company repurchased 413,900 shares at an average price of \$66.47 per share. All purchases were on the open market.

During the first quarter of 2012, no shares were repurchased. During the second quarter of 2012, the Company repurchased 597,600 shares at an average price of \$36.69 per share. During the third quarter of 2012, the Company repurchased 155,000 shares at an average price of \$39.16 per share. During the fourth quarter of 2012, the Company repurchased 462,200 shares at an average price of \$40.15 per share. All purchases were on the open market.

Item 6. SELECTED FINANCIAL DATA

The following table shows selected consolidated financial information of the Company and has been derived from audited financial statements. This financial information should be read in conjunction with, and is qualified by reference to, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the Consolidated Financial Statements of the Company and the Notes thereto included elsewhere in this Form 10-K.

<i>In thousands, except per share amounts</i>	Year Ended December 31,				
	2013	2012	2011	2010	2009
Income Statement Data					
Net sales	\$ 2,566,392	\$ 2,391,122	\$ 1,967,637	\$ 1,507,012	\$ 1,401,616
Gross profit	764,027	694,567	570,424	449,078	393,326
Operating expenses	(326,717)	(302,288)	(299,723)	(246,268)	(213,294)
Income from operations (1)	\$ 437,310	\$ 392,279	\$ 270,701	\$ 202,810	\$ 180,032
Interest expense, net	\$ (15,341)	\$ (14,251)	\$ (15,007)	\$ (15,923)	\$ (16,674)
Other income (expense), net	(882)	(670)	(380)	(60)	1
Net income attributable to Wabtec shareholders (2)	\$ 292,235	\$ 251,732	\$ 170,149	\$ 123,099	\$ 115,055
Diluted Earnings per Common Share					
Net income attributable to Wabtec shareholders (3)	\$ 3.01	\$ 2.60	\$ 1.76	\$ 1.28	\$ 1.19
Cash dividends declared per share (3)	\$ 0.13	\$ 0.08	\$ 0.04	\$ 0.02	\$ 0.02
Fully diluted shares outstanding (3)	96,832	96,742	96,657	96,010	95,954
Balance Sheet Data					
Total assets	\$ 2,821,997	\$ 2,351,542	\$ 2,158,953	\$ 1,803,081	\$ 1,585,835
Cash	285,760	215,766	285,615	236,941	188,659
Total debt	450,709	317,896	395,873	422,075	391,780
Shareholders’ equity	1,587,167	1,282,017	1,047,644	903,387	778,913

- (1) In 2011, includes an \$18.1 million charge for a court ruling. In 2009, includes \$3.9 million royalty charge related to the Final Award in the arbitration proceeding between Faiveley Transport Malmo AB and Wabtec.
- (2) In 2009, a tax benefit of \$9.7 million was recognized primarily related to resolving certain tax issues from prior years that have been closed from further regulatory examination.
- (3) Information above for net income attributable to Wabtec shareholders, cash dividends declared per share and fully diluted shares outstanding for all periods presented reflects the two-for-one split of the Company’s common stock, which occurred on May 14, 2013.

OVERVIEW

Wabtec is one of the world's largest providers of value-added, technology-based products and services for the global rail industry. Our products are found on virtually all U.S. locomotives, freight cars and passenger transit vehicles, as well as in more than 100 countries throughout the world. Our products enhance safety, improve productivity and reduce maintenance costs for customers, and many of our core products and services are essential in the safe and efficient operation of freight rail and passenger transit vehicles. Wabtec is a global company with operations in 19 countries. In 2013, about 48% of the Company's revenues came from customers outside the U.S.

Management Review and Future Outlook

Wabtec's long-term financial goals are to generate cash flow from operations in excess of net income, maintain a strong credit profile while minimizing our overall cost of capital, increase margins through strict attention to cost controls and implementation of the Wabtec Performance System, and increase revenues through a focused growth strategy, including global and market expansion, new products and technologies, aftermarket products and services, and acquisitions. In addition, Management evaluates the Company's current operational performance through measures such as quality and on-time delivery.

The Company monitors a variety of factors and statistics to gauge market activity. The North America freight rail industry is largely driven by general economic conditions, which can cause fluctuations in rail traffic. Based on those fluctuations, railroads can increase or decrease purchases of new locomotives and freight cars. The AAR compiles statistics that gauge the level of activity in the freight rail industry, including revenue ton-miles and carloadings, which are generally referred to as "rail traffic". In 2013, North American carloadings increased 2.1%, including a 4.4% increase in intermodal carloadings. In 2014, we expect demand for new locomotives to be about the same as in 2013, while we expect demand for new freight cars to be slightly higher. Future demand depends largely on the strength in the overall economy and in rail traffic volumes.

In 2008, the U.S. federal government enacted a rail safety bill that mandates the use of PTC technology, which includes on-board locomotive computer and related software, on a majority of the locomotives and track in the U.S. With our Electronic Train Management System[®], we are the leading supplier of this on-board train control equipment, and we are working with the U.S. Class I railroads, commuter rail authorities and other industry suppliers to implement this technology by the December 31, 2015 deadline set in the rail safety bill. In recent years, the railroads and transit authorities have stated they cannot achieve full implementation of PTC by the deadline, and various bills have been introduced to extend it, but to date there has been no change in the deadline. An extension of the deadline could affect the rate of industry spending on this technology. Wabtec's PTC revenue was about \$235 million in 2013.

The North American transit rail industry is driven by government spending and ridership. In 2012, the U.S. Congress passed a new, two-year funding bill, which maintained spending at about the same level, about \$10.7 billion, as in prior years. Ridership provides fare box revenues to transit authorities, which use these funds, along with state and local money, primarily for equipment and system maintenance. Based on preliminary figures from the American Public Transportation Association, ridership on U.S. transit vehicles increased slightly, about 0.2% in 2013, after a 2.5% increase in 2012. Spending in 2014 is expected to remain at about current levels.

Wabtec continues to expand its presence in freight rail and passenger transit markets outside the U.S., particularly in Europe, Asia-Pacific and South America. To gauge activity in these markets, we monitor trends in rail traffic and the spending plans of our customers. In Europe, the majority of the rail system serves the passenger transit market, which is larger than the transit market in the U.S. Our presence in the U.K., Germany and Italy has positioned the Company to take advantage of this market. UNIFE projects the Western European rail market to grow at about 2% in the next few years, with the United Kingdom and France expected to invest in new rolling stock. Asia-Pacific is a growth market and our various joint ventures and direct exports to China have positioned the Company to take advantage of this growth. Growth has been driven by the continued urbanization of countries such as China, and by investment in freight rail infrastructure to serve the mining and natural resources markets in those countries, as well as in Australia. China is expected to increase spending on rail infrastructure and equipment in 2014, as it resumes investment in high-speed rail programs. Economic growth in Australia has been an area of expansion for the Company as commodity suppliers use our products to meet the demands of their regional customers. The Company is delivering on a PTC contract, expanding locations and has completed two acquisitions in Brazil, allowing us to increase our sales in that market.

In 2014 and beyond, general economic and market conditions in the United States and internationally could have an impact on our sales and operations. To the extent that these factors cause instability of capital markets, shortages of raw materials or component parts, longer sales cycles, deferral or delay of customer orders or an inability to market our products effectively, our business and results of operations could be materially adversely affected. In addition, we face risks associated with our four-point growth strategy

including the level of investment that customers are willing to make in new technologies developed by the industry and the Company, and risks inherent in global expansion. When necessary, we will modify our financial and operating strategies to reflect changes in market conditions and risks.

RESULTS OF OPERATIONS

The following table shows our Consolidated Statements of Operations for the years indicated.

<i>In millions</i>	Year Ended December 31,		
	2013	2012	2011
Net sales	\$ 2,566.4	\$ 2,391.1	\$ 1,967.6
Cost of sales	(1,802.4)	(1,696.5)	(1,397.2)
Gross profit	764.0	694.6	570.4
Selling, general and administrative expenses	(262.7)	(245.7)	(247.5)
Engineering expenses	(46.3)	(41.3)	(37.2)
Amortization expense	(17.7)	(15.3)	(15.0)
Total operating expenses	(326.7)	(302.3)	(299.7)
Income from operations	437.3	392.3	270.7
Interest expense, net	(15.3)	(14.3)	(15.0)
Other income (expense), net	(0.9)	(0.7)	(0.4)
Income from operations before income taxes	421.1	377.3	255.3
Income tax expense	(128.9)	(125.6)	(85.2)
Net income attributable to Wabtec shareholders	\$ 292.2	\$ 251.7	\$ 170.1

2013 COMPARED TO 2012

The following table summarizes the results of operations for the period:

<i>In thousands</i>	For the year ended December 31,		
	2013	2012	Percent Change
Freight Segment	\$ 1,398,103	\$ 1,501,911	(6.9)%
Transit Segment	1,168,289	889,211	31.4%
Net sales	2,566,392	2,391,122	7.3%
Income from operations	437,310	392,279	11.5%
Net income attributable to Wabtec shareholders	\$ 292,235	\$ 251,732	16.1%

The following table shows the major components of the change in sales in 2013 from 2012:

<i>In thousands</i>	Freight Segment	Transit Segment	Total
2012 Net Sales	\$ 1,501,911	\$ 889,211	\$ 2,391,122
Acquisitions	72,418	85,463	157,881
<i>Change in Sales by Product Line:</i>			
Brake Products	(16,124)	51,648	35,524
Remanufacturing, Overhaul & Build	(27,684)	102,470	74,786
Other Transit Products	—	5,901	5,901
Specialty Products & Electronics	(111,680)	26,801	(84,879)
Other	(569)	2,195	1,626
Foreign Exchange	(20,169)	4,600	(15,569)
2013 Net Sales	\$ 1,398,103	\$ 1,168,289	\$ 2,566,392

Net sales increased by \$175.3 million to \$2,566.4 million in 2013 from \$2,391.1 million in 2012. The increase is due to sales related to acquisitions of \$157.9 million; higher Brake Products sales of \$35.5 million due to higher demand for transit original equipment brakes; higher Remanufacturing, Overhaul and Build sales of \$74.8 million from increased demand for transit original

equipment locomotives and aftermarket services for locomotives; and an increase in Other Transit Products of \$5.9 million. These increases were partially offset by a \$84.9 million decrease for Specialty Products and Electronics sales from lower demand for freight original equipment rail products, lower demand heat exchange products, partially offset by an increased demand for positive train control products. Company net sales decreased \$15.6 million and income from operations decreased \$0.7 million due to unfavorable effects of foreign exchange. Net income for 2013 was \$292.2 million or \$3.01 per diluted share. Net income increased due to higher sales volume.

Freight Segment sales decreased by \$103.8 million, or 6.9%, due to a decrease of \$27.7 million for freight original equipment locomotives as contract mix shifted to transit locomotives; \$111.7 million decrease for Specialty Products and Electronics sales from lower demand for freight original equipment rail products and heat exchange products; and \$16.1 million from decreased demand for original equipment brake products. These decreases were partially offset by \$72.4 million in sales from acquisitions. For the Freight Segment, net sales decreased by \$20.2 million due to unfavorable effects of foreign exchange.

Transit Segment sales increased by \$279.1 million, or 31.4%, due to higher sales of \$102.5 million for original equipment transit locomotives as contract mix shifted from freight locomotives; \$85.5 million from acquisitions; \$51.6 million from increased demand for original equipment brakes; \$26.8 million primarily from increased demand for positive train control electronics; and an increase of \$5.9 million from certain transit car build contracts. For the Transit Segment, net sales increased by \$4.6 million due to favorable effects of foreign exchange.

Cost of Sales and Gross profit Cost of Sales increased by \$105.9 million to \$1,802.4 million in 2013 from \$1,696.5 million in 2012. Cost of sales, as a percentage of sales was 70.2% in 2013 and 71.0% in 2012.

Raw material costs were approximately 43% as a percentage of sales in 2013 and 2012. Labor costs were approximately 12% as a percentage of sales in 2013 and 2012. Overhead costs as a percentage of sales were approximately 15% in 2013 and 16% in 2012. Freight Segment raw material costs decreased as a percentage of sales to approximately 40% in 2013 from 43% in 2012. Freight Segment labor costs were approximately 11% as a percentage of sales in 2013 and 2012, and overhead costs as a percentage of sales were approximately 15% in 2013 and 2012. Transit Segment raw material costs increased as a percentage of sales to approximately 46% in 2013 from 43% in 2012. Transit Segment labor costs decreased as a percentage of sales to approximately 12% in 2013 from 13% in 2012, and overhead costs as a percentage of sales were 17% in 2013 and 19% in 2012. Freight Segment material costs decreased as a percentage of sales and Transit Segment material costs increased as a percentage of sales due to shift in contract mix for original equipment locomotives from freight to transit. Overhead costs vary as a percentage of sales depending on product mix and changes in sales volume.

Included in cost of sales is warranty expense. The provision for warranty expense is generally established for specific losses, along with historical estimates of customer claims as a percentage of sales, which can cause variability in warranty expense between quarters. Warranty expense was \$0.2 million higher in 2013 compared to 2012 due to increased sales. As a percentage of sales, warranty expense was 0.9% in 2013 and 1.0% in 2012.

Gross profit increased to \$764.0 million in 2013 compared to \$694.6 million in 2012, due to higher sales volume and the reasons discussed above. For 2013 and 2012, gross profit, as a percentage of sales, was 29.8% and 29.0%, respectively.

Operating expenses The following table shows our operating expenses:

<i>In thousands</i>	For the year ended December 31,		
	2013	2012	Percent Change
Selling, general and administrative expenses	\$ 262,718	\$ 245,709	6.9%
Engineering expenses	46,289	41,307	12.1%
Amortization expense	17,710	15,272	16.0%
Total operating expenses	\$ 326,717	\$ 302,288	8.1%

Selling, general, and administrative expenses increased \$17.0 million in 2013 compared to 2012 primarily due to \$17.4 million of expenses from acquisitions, partially offset by a release of \$3.9 million of certain legal reserves for a court ruling. In addition, selling, general and administrative expenses increased to support higher sales volumes. Engineering expense increased by \$5.0 million in 2013 compared 2012 primarily from acquisitions. Costs related to engineering for specific customer contracts are included in cost of sales. Amortization expense increased in 2013 compared to 2012 due to amortization of intangibles in 2013 associated with acquisitions. Total operating expenses were 12.7% and 12.6% of sales for 2013 and 2012, respectively.

The following table shows our segment operating expenses:

<i>In thousands</i>	For the year ended December 31,		
	2013	2012	Percent Change
Freight Segment	\$ 158,128	\$ 157,320	0.5%
Transit Segment	153,132	127,759	19.9%
Corporate	15,457	17,209	(10.2)%
Total operating expenses	\$ 326,717	\$ 302,288	8.1%

Segment operating expenses consist of specific segment costs such as, sales and marketing, information technology, insurance, and audit and tax fees, allocated corporate costs, and other segment specific discrete charges. Corporate costs are allocated to the freight and transit segments based on segment revenues. Certain corporate departmental expenses are not allocated. Allocated operating expenses decreased \$2.1 million in 2013 compared to 2012, mostly due to a decrease in allocated legal expenses.

Freight Segment operating expenses increased \$0.8 million in 2013 compared to 2012 because of \$5.2 million of expenses from acquisitions, partially offset by a decrease of \$4.0 million in expenses allocated to the operating segments. Freight Segment operating expenses were 11.3% and 10.5% of sales for 2013 and 2012, respectively.

Transit Segment operating expenses increased \$25.4 million in 2013 compared to 2012 because of \$12.2 million of expenses from acquisitions, and an increase of \$1.8 million in expense allocated to the operating segments. In addition, Transit Segment selling, general and administrative expenses increased to support higher sales volumes. Transit Segment operating expenses were 13.1% and 14.4% of sales for 2013 and 2012, respectively.

Corporate non-allocated operating expenses decreased \$1.8 million in 2013 compared to 2012 primarily due to a release of \$2.8 million of certain allocated legal reserves for a court ruling, partially offset by an increase in certain non-allocated administrative expenses.

Income from operations Income from operations totaled \$437.3 million or 17.0% of sales in 2013 compared to \$392.3 million or 16.4% of sales in 2012. Income from operations increased due to higher sales volume, partially offset by increased operating expenses discussed above.

Interest expense, net Overall interest expense, net, increased due to higher debt balances.

Other expense, net The Company recorded foreign exchange losses of \$3.5 million and \$0.1 million in 2013 and 2012, respectively, due to the effect of currency exchange rate changes on intercompany transactions that are non U.S. dollar denominated and charged or credited to earnings.

Income taxes The effective income tax rate was 30.6% and 33.3% in 2013 and 2012, respectively. The decrease in the effective rate is primarily due to retroactive extension of the R&D tax credit, an increase in foreign income taxed at lower statutory rates, and a benefit recorded for the enacted reduction of a foreign statutory tax rate.

Net income Net income for 2013 increased \$40.5 million, compared to 2012. The increase in net income is due to higher sales volume and lower effective tax rate, partially offset by higher operating expenses.

2012 COMPARED TO 2011

The following table summarizes the results of operations for the period:

<i>In thousands</i>	For the year ended December 31,		
	2012	2011	Percent Change
Freight Segment	\$ 1,501,911	\$ 1,210,059	24.1%
Transit Segment	889,211	757,578	17.4%
Net sales	2,391,122	1,967,637	21.5%
Income from operations	392,279	270,701	44.9%
Net income attributable to Wabtec shareholders	\$ 251,732	\$ 170,149	47.9%

The following table shows the major components of the change in sales in 2012 from 2011:

<i>In thousands</i>	Freight Segment		Transit Segment		Total
2011 Net Sales	\$	1,210,059	\$	757,578	\$ 1,967,637
Acquisitions		65,731		72,615	138,346
<i>Change in Sales by Product Line:</i>					
Specialty Products & Electronics		132,948		20,908	153,856
Remanufacturing, Overhaul & Build		46,124		51,579	97,703
Brake Products		41,362		(567)	40,795
Other Transit Products		—		4,176	4,176
Other		7,733		808	8,541
Foreign Exchange		(2,046)		(17,886)	(19,932)
2012 Net Sales	\$	1,501,911	\$	889,211	\$ 2,391,122

Net sales increased by \$423.5 million to \$2,391.1 million in 2012 from \$1,967.6 million in 2011. The increase is due to higher sales of \$153.9 million for Specialty Products and Electronics from increased demand for freight original equipment rail products, and positive train control electronics and aftermarket products; \$138.3 million from acquisitions; \$97.7 million for Remanufacturing, Overhaul and Build sales from increased demand for freight original equipment locomotives and aftermarket services for locomotives; \$40.8 million for Brake Products sales due to higher demand for original equipment brakes; and \$8.6 million for other products. Company net sales decreased \$19.9 million and income from operations decreased \$2.4 million due to unfavorable effects of foreign exchange. Net income for 2012 was \$251.7 million or \$2.60 per diluted share. Net income increased due to higher sales volume.

Freight Segment sales increased by \$291.9 million, or 24.1%, due to higher sales of \$132.9 million for Specialty Products and Electronics, primarily resulting from increased demand for original equipment rail products, and positive train control electronics and aftermarket rail products; \$65.7 million from acquisitions; \$46.1 million from increased demand for freight original equipment locomotives and aftermarket services for locomotives; \$41.4 million for Brake Products; and \$7.7 million for other products. For the Freight Segment, net sales decreased by \$2.0 million due to unfavorable effects of foreign exchange.

Transit Segment sales increased by \$131.6 million, or 17.4%, due to \$72.6 million from acquisitions; higher sales of \$51.6 million for Remanufacturing, Overhaul and Build from increased demand for overhaul and aftermarket services; \$20.9 million of higher Specialty Products and Electronics sales from increased demand for transit positive train control electronics; and \$4.2 million for Other Transit Products. For the Transit Segment, net sales decreased by \$17.9 million due to unfavorable effects of foreign exchange.

Cost of Sales and Gross profit Cost of Sales increased by \$299.3 million to \$1,696.5 million in 2012 from \$1,397.2 million in 2011. Cost of sales, as a percentage of sales was 71.0% in 2012 and 2011.

During 2012, raw material costs decreased as a percentage of sales to approximately 43% in 2012 from 44% in 2011. Labor costs increased as a percentage of sales to approximately 12% in 2012 from 11% in 2011. Overhead costs as a percentage of sales were approximately 16% in 2012 and 2011. Freight Segment raw material costs decreased as a percentage of sales to approximately 43% in 2012 from 44% in 2011. Freight Segment labor costs increased as a percentage of sales to approximately 11% in 2012 from 10% in 2011, and overhead costs as a percentage of sales were approximately 15% in 2012 and 2011. Transit Segment raw material costs as a percentage of sales were approximately 43% in 2012 and 2011. Transit Segment labor costs increased as a percentage of sales to approximately 13% in 2012 from 12% in 2011, and overhead costs as a percentage of sales were 19% in 2012 and 2011. In general, raw material costs as a percentage of sales decreased and labor costs as a percentage of sales increased reflecting the higher

mix of revenue generated from positive train control electronics and aftermarket services, which has a lower raw material component and higher labor component as cost of sales.

Included in costs of sales is warranty expense. The provision for warranty expense is generally established for specific losses, along with historical estimates of customer claims as a percentage of sales, which can cause variability in warranty expense between quarters. Warranty expense was \$3.1 million higher in 2012 compared to 2011 due to increased sales and increased provisions for certain transit contracts. As a percentage of sales, warranty expense was 1.0% in 2012 and 2011.

Gross profit increased to \$694.6 million in 2012 compared to \$570.4 million in 2011, due to higher sales volume and the reasons discussed above. For 2012 and 2011, gross profit, as a percentage of sales, was 29.0%.

Operating expenses The following table shows our operating expenses:

<i>In thousands</i>	For the year ended December 31,		
	2012	2011	Percent Change
Selling, general and administrative expenses	\$ 245,709	\$ 247,534	(0.7%)
Engineering expenses	41,307	37,193	11.1%
Amortization expense	15,272	14,996	1.8%
Total operating expenses	\$ 302,288	\$ 299,723	0.9%

Selling, general, and administrative expenses decreased \$1.8 million in 2012 compared to 2011 because the prior year included an \$18.1 million charge for a court ruling which was recorded in the second quarter of 2011 and a decrease of \$3.0 million in other Corporate expenses. This was offset by \$18.0 million of expenses from acquisitions, and \$1.7 million increase in incentive and non-cash compensation. Engineering expense increased by \$4.1 million in 2012 compared to 2011 as the company focused engineering resources on product development. Costs related to engineering for specific customer contracts are included in cost of sales. Amortization expense increased in 2012 compared to 2011 due to amortization of intangibles in 2012 associated with acquisitions. Total operating expenses were 12.6% and 15.2% of sales for 2012 and 2011, respectively.

The following table shows our segment operating expenses:

<i>In thousands</i>	For the year ended December 31,		
	2012	2011	Percent Change
Freight Segment	\$ 157,320	\$ 146,992	7.0%
Transit Segment	127,759	114,390	11.7%
Corporate	17,209	38,341	(55.1)%
Total operating expenses	\$ 302,288	\$ 299,723	0.9%

Segment operating expenses consist of specific segment costs such as, sales and marketing, information technology, insurance, and audit and tax fees, allocated corporate costs, and other segment specific discrete charges. Corporate costs are allocated to the freight and transit segments based on segment revenues. Certain corporate departmental expenses are not allocated.

Freight Segment operating expenses increased \$10.3 million in 2012 compared to 2011 because of \$6.4 million of expenses from acquisitions, an increase of \$0.7 million in expenses allocated to the operating segments and an increase of \$3.2 million in selling, general and administrative expense supporting higher sales volume. Freight Segment operating expenses were 10.5% and 12.1% of sales for 2012 and 2011, respectively.

Transit Segment operating expenses increased \$13.4 million in 2012 compared to 2011 because of \$13.1 million of expenses from acquisitions, a benefit of \$2.4 million for a settlement related to a prior acquisition which was recorded in the second quarter of 2011, and an increase of \$0.6 million in expense allocated to the operating segments, partially offset by a decrease of \$2.7 million in selling, general and administrative expense from cost saving initiatives. Transit Segment operating expenses were 14.4% and 15.1% of sales for 2012 and 2011, respectively.

Corporate non-allocated operating expenses decreased \$21.1 million in 2012 compared to 2011 because of the charge for a court ruling discussed above and decreases in other non-allocated departmental expenses.

Income from operations Income from operations totaled \$392.3 million or 16.4% of sales in 2012 compared to \$270.7 million or 13.8% of sales in 2011. Income from operations increased due to higher sales volume, partially offset by increased operating expenses discussed above.

Interest expense, net Overall interest expense, net, decreased due to lower interest rates and lower debt balances.

Other expense, net The Company recorded foreign exchange gains of \$0.1 million in 2012 and foreign exchange losses of \$2.0 million in 2011 due to the effect of currency exchange rate changes on intercompany transactions that are non U.S. dollar denominated and charged or credited to earnings.

Income taxes The effective income tax rate was 33.3% and 33.4% in 2012 and 2011, respectively.

Net income Net income for 2012 increased \$81.6 million, compared to 2011. The increase in net income is due to higher sales volume, partially offset by increased operating expenses.

Liquidity and Capital Resources

Liquidity is provided by operating cash flow and borrowings under the Company's unsecured credit facility with a consortium of commercial banks. The following is a summary of selected cash flow information and other relevant data:

<i>In thousands</i>	For the year ended December 31,		
	2013	2012	2011
Cash provided by (used for):			
Operating activities	\$ 235,653	\$ 237,438	\$ 248,626
Investing activities	(258,692)	(184,944)	(146,182)
Financing activities:			
Proceeds from debt	959,067	233,400	257,000
Payments of debt	(829,842)	(311,457)	(283,202)
Stock repurchase	(32,998)	(46,556)	(26,022)
Cash dividends	(12,644)	(7,666)	(3,849)
Other	9,431	7,556	9,314

Operating activities. In 2013, 2012 and 2011, cash provided by operations was \$235.7 million, \$237.4 million and \$248.6 million, respectively. In comparison to 2012, cash provided by operations in 2013 resulted from higher operating results offset by higher cash outflows for working capital. The major components of the higher cash outflows were as follows: a negative change in accounts receivable of \$126.7 million as the number of days to collect cash increased slightly and sales increased, a negative change in customer deposits due to the completion of certain large contracts, and a \$15.8 million payment in the prior year for a court ruling. These cash outflows were partially offset by the following cash inflows: a favorable change in accounts payable of \$60.9 million due to payment timing, and a favorable change or decrease of \$58.6 million in inventory as our days' supply in inventory (DSI) decreased to 63 days from 72 days at the end of 2012 due to the completion of certain original equipment contracts.

In comparison to 2011, the decrease in cash provided by operations in 2012 resulted from higher working capital, offset by higher net income and higher non-cash items. In 2012 the following working capital items used cash: accounts receivable increased by \$23.0 million, primarily due to higher sales; inventory increased by \$32.5 million to support the higher sales and due to certain long term contracts; accounts payable and accrued income taxes decreased \$34.6 million due to the timing of payments. All other operating assets and liabilities, net, provided cash of \$13.4 million due to the payment timing of certain accrued liabilities.

Investing activities. In 2013, 2012 and 2011, cash used in investing activities was \$258.7 million, \$184.9 million and \$146.2 million, respectively. The major components of the cash outflow are as follows: planned additions to property, plant, and equipment of \$41.2 million for continued investments in our facilities and manufacturing processes and acquisitions of \$223.5 million. This compares to \$36.0 million in property, plant, and equipment and \$149.9 million in net cash paid for acquisitions in 2012. Refer to Note 3 of the "Notes to Condensed Consolidated Financial Statements" for additional information on acquisitions.

Financing activities. In 2013, cash provided by financing activities was \$93.0 million, which included \$711.6 million in proceeds from the revolving credit facility debt, proceeds of \$247.4 million from the issuance of 4.375% Senior Notes, net of issuance

costs, \$679.6 million of repayments of debt on the revolving credit facility, \$150.0 million payment for the maturity of the 2003 Senior Notes, \$12.6 million of dividend payments and \$33.0 million of Wabtec stock repurchases. In 2012, cash used in financing activities was \$124.7 million, which included \$233.4 million in proceeds from debt and \$311.4 million of repayments of debt on the revolving credit facility, \$7.7 million of dividend payments and \$46.6 million of Wabtec stock repurchases. In 2011, cash used in financing activities was \$46.8 million, which included \$257.0 million in proceeds from debt and \$243.5 million of repayments of debt on the revolving credit facility, \$39.7 million of debt repayments on the term loan and other debt, \$3.8 million of dividend payments and \$26.0 million of Wabtec stock repurchases.

The following table shows outstanding indebtedness at December 31, 2013 and 2012.

<i>In thousands</i>	December 31,	
	2013	2012
4.375% senior notes, due 2023	\$ 250,000	\$ —
6.875% senior notes, due 2013	—	150,000
Revolving Credit Facility	200,000	167,000
Capital Leases	709	896
Total	450,709	317,896
Less—current portion	421	43
Long-term portion	\$ 450,288	\$ 317,853

Cash balances at December 31, 2013 and 2012 were \$285.8 million and \$215.8 million, respectively.

2013 Refinancing Credit Agreement

On December 19, 2013, the Company amended its existing revolving credit facility with a consortium of commercial banks. This “2013 Refinancing Credit Agreement” provides the company with a \$800 million, five-year revolving credit facility. The Company incurred approximately \$1.0 million of deferred financing cost related to the 2013 Refinancing Credit Agreement. The facility expires on December 19, 2018. The 2013 Refinancing Credit Agreement borrowings bear variable interest rates indexed as described below. At December 31, 2013, the Company had available bank borrowing capacity, net of \$59.8 million of letters of credit, of approximately \$540.2 million, subject to certain financial covenant restrictions

Under the 2013 Refinancing Credit Agreement, the Company may elect a Base Rate of interest for U.S. Dollar denominated loans or, for certain currencies, an interest rate based on the London Interbank Offered Rate (“LIBOR”) of interest, or other rates appropriate for such currencies (in any case, “the Alternate Rate”). The Base Rate adjusts on a daily basis and is the greater of the Federal Funds Effective Rate plus 0.5% per annum, the PNC, N.A. prime rate or the Daily LIBOR Rate plus 100 basis points, plus a margin that ranges from 0 to 75 basis points. The Alternate Rate is based on the quoted rates specific to the applicable currency, plus a margin that ranges from 75 to 175 basis points. Both the Base Rate and Alternate Rate margins are dependent on the Company’s consolidated total indebtedness to cash flow ratios. The initial Base Rate margin is 0 basis points and the Alternate Rate margin is 100 basis points.

At December 31, 2013 the weighted average interest rate on the Company’s variable rate debt was 1.17%. On January 12, 2012, the Company entered into a forward starting interest rate swap agreement with a notional value of \$150 million. The effective date of the interest rate swap agreement is July 31, 2013, and the termination date is November 7, 2016. The impact of the interest rate swap agreement converts a portion of the Company’s outstanding debt from a variable rate to a fixed-rate borrowing. During the term of the interest rate swap agreement the interest rate on the notional value will be fixed at 1.415% plus the Alternate Rate margin. The Company is exposed to credit risk in the event of nonperformance by the counterparty. However, since only the cash interest payments are exchanged, exposure is significantly less than the notional amount. The counterparty is a large financial institution with an excellent credit rating and history of performance. The Company currently believes the risk of nonperformance is negligible.

The 2013 Refinancing Credit Agreement limits the Company’s ability to declare or pay cash dividends and prohibits the Company from declaring or making other distributions, subject to certain exceptions. The 2013 Refinancing Credit Agreement contains various other covenants and restrictions including the following limitations: incurrence of additional indebtedness; mergers, consolidations, sales of assets and acquisitions; additional liens; sale and leasebacks; permissible investments, loans and advances; certain debt payments; and imposes a minimum interest expense coverage ratio of 3.0 and a maximum debt to cash flow ratio of 3.25. The Company does not expect that these measurements will limit the Company in executing our operating activities.

2011 Refinancing Credit Agreement

On November 7, 2011, the Company refinanced its existing revolving credit and term loan facility with a consortium of commercial banks. This “2011 Refinancing Credit Agreement” provides the company with a \$600 million, five-year revolving credit facility. The Company incurred approximately \$1.9 million of deferred financing cost related to the 2011 Refinancing Credit Agreement. The facility was set to expire on November 7, 2016.

Under the 2011 Refinancing Credit Agreement, the Company may have elected a Base Rate of interest or an interest rate based on the London Interbank Offered Rate (“LIBOR”) of interest (“the Alternate Rate”). The Base Rate adjusted on a daily basis and was the greater of the Federal Funds Effective Rate plus 0.5% per annum, the PNC, N.A. prime rate or the Daily LIBOR Rate plus 100 basis points plus a margin that ranged from 0 to 75 basis points. The Alternate Rate was based on quoted LIBOR rates plus a margin that ranged from 75 to 175 basis points. Both the Base Rate and Alternate Rate margins were dependent on the Company’s consolidated total indebtedness to cash flow ratios. The current Base Rate margin was 0 basis points and the Alternate Rate margin was 100 basis points.

4.375% Senior Notes Due August 2023

In August 2013, the Company issued \$250.0 million of Senior Notes due in 2023 (“the 2013 Notes”). Interest on the 2013 Notes accrues at a rate of 4.375% per annum and is payable semi-annually on February 15 and August 15 of each year. The proceeds were used to repay debt outstanding under the Company’s existing credit agreement, and for general corporate purposes. The principal balance is due in full at maturity. The Company incurred \$2.6 million of deferred financing costs related to the issuance.

The 2013 Notes are senior unsecured obligations of the Company and rank pari passu with all existing and future senior debt and senior to all existing and future subordinated indebtedness of the Company. The indenture under which the 2013 Notes were issued contains covenants and restrictions which limit among other things, the following: the incurrence of indebtedness, payment of dividends and certain distributions, sale of assets, change in control, mergers and consolidations and the incurrence of liens.

The Company is in compliance with the restrictions and covenants in the indenture under which the 2013 Notes were issued and expects that these restrictions and covenants will not be any type of limiting factor in executing our operating activities.

6.875% Senior Notes Due August 2013

In August 2003, the Company issued \$150.0 million of Senior Notes due in 2013 (“the 2003 Notes”). The 2003 Notes were issued at par. Interest on the 2003 Notes accrued at a rate of 6.875% per annum and was payable semi-annually on January 31 and July 31 of each year. The proceeds were used to repay debt outstanding under the Company’s existing credit agreement and for general corporate purposes. The Company paid off the 2003 Notes, which matured on July 31, 2013 utilizing available capacity under the 2011 Refinancing Credit Agreement.

Contractual Obligations and Off-Balance Sheet Arrangements

The Company is obligated to make future payments under various contracts such as debt agreements, lease agreements and have certain contingent commitments such as debt guarantees. The Company has grouped these contractual obligations and off-balance sheet arrangements into operating activities, financing activities, and investing activities in the same manner as they are classified in the Statement of Consolidated Cash Flows to provide a better understanding of the nature of the obligations and arrangements and to provide a basis for comparison to historical information. The table below provides a summary of contractual obligations and off-balance sheet arrangements as of December 31, 2013:

<i>In thousands</i>	Total	Less than 1 year	1 – 3 years	3 – 5 years	More than 5 years
Operating activities:					
Purchase obligations (1)	\$ 27,232	\$ 20,008	\$ 6,277	\$ 947	\$ —
Operating leases (2)	87,733	16,591	37,437	33,705	—
Pension benefit payments (3)	112,311	10,299	20,632	21,796	59,584
Postretirement benefit payments (4)	18,677	1,574	3,259	3,490	10,354
Financing activities:					
Interest payments (5)	123,274	15,199	29,990	26,556	51,529
Long-term debt (6)	450,709	421	189	200,081	250,018
Dividends to shareholders (7)	15,376	15,376	—	—	—
Investing activities:					
Capital projects (8)	58,341	58,341	—	—	—
Other:					
Standby letters of credit (9)	60,188	55,699	1,576	—	2,913
Total		\$ 193,508	\$ 99,360	\$ 286,575	

- (1) Purchase obligations represent non-cancelable contractual obligations at December 31, 2013. In addition, the Company had \$302.6 million of open purchase orders for which the related goods or services had not been received. Although open purchase orders are considered enforceable and legally binding, their terms generally allow us the option to cancel, reschedule and adjust our requirements based on our business needs prior to the delivery of goods or performance of services.
- (2) Future minimum payments for operating leases are disclosed by year in Note 14 of the “Notes to Consolidated Financial Statements” included in Part IV, Item 15 of this report.
- (3) Annual payments to participants are expected to continue into the foreseeable future at the amounts or ranges noted. Pension benefit payments are based on actuarial estimates using current assumptions for discount rates, expected return on long-term assets and rate of compensation increases. The Company expects to contribute about \$5.2 million to pension plan investments in 2013. See further disclosure in Note 9 of the “Notes to Consolidated Financial Statements” included in Part IV, Item 15 of this report.
- (4) Annual payments to participants are expected to continue into the foreseeable future at the amounts or ranges noted. Postretirement payments are based on actuarial estimates using current assumptions for discount rates and health care costs. See further disclosure in Note 9 of the “Notes to Consolidated Financial Statements” included in Part IV, Item 15 of this report.
- (5) Interest payments are payable February and August of each year at 4.375% of \$250 million Senior Notes due in 2023. Interest payments for the Revolving Credit Facility and Capital Leases are based on contractual terms and the Company’s current interest rates.
- (6) Scheduled principal repayments of outstanding loan balances are disclosed in Note 8 of the “Notes to Consolidated Financial Statements” included in Part IV, Item 15 of this report.
- (7) Shareholder dividends are subject to approval by the Company’s Board of Directors, currently at an annual rate of approximately \$15.4 million.
- (8) The annual capital expenditure budget is subject to approval by the Board of Directors. The 2014 budget amount was approved at the December 2013 Board of Directors meeting.
- (9) The Company has \$59.8 million in outstanding letters of credit for performance and bid bond purposes, which expire in various dates through 2019. Amounts include interest payments based on contractual terms and the Company’s current interest rate.

The above table does not reflect uncertain tax positions of \$10.5 million, the timing of which are uncertain except for \$0.3 million that may become payable during 2014. Refer to Note 10 of the “Notes to Consolidated Financial Statements” for additional information on uncertain tax positions.

Obligations for operating activities. The Company has entered into \$27.2 million of material long-term non-cancelable materials and supply purchase obligations. Operating leases represent multi-year obligations for rental of facilities and equipment. Estimated pension funding and post-retirement benefit payments are based on actuarial estimates using current assumptions for discount rates, expected return on long-term assets, rate of compensation increases and health care cost trend rates. Benefits paid for pension obligations were \$10.1 million and \$12.9 million in 2013 and 2012, respectively. Benefits paid for post-retirement plans were \$2.9 million and \$1.5 million in 2013 and in 2012, respectively.

Obligations for financing activities. Cash requirements for financing activities consist primarily of long-term debt repayments, interest payments and dividend payments to shareholders. The Company has historically paid quarterly dividends to shareholders, subject to quarterly approval by our Board of Directors, currently at a rate of approximately \$15.4 million annually.

The Company arranges for performance bonds to be issued by third party insurance companies to support certain long term customer contracts. At December 31, 2013 initial value of performance bonds issued on the Company's behalf is about \$246.5 million.

Obligations for investing activities. The Company typically spends approximately \$40 million to \$60 million a year for capital expenditures, primarily related to facility expansion efficiency and modernization, health and safety, and environmental control. The Company expects annual capital expenditures in the future will be within this range.

Forward Looking Statements

We believe that all statements other than statements of historical facts included in this report, including certain statements under "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," may constitute forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events. Although we believe that our assumptions made in connection with the forward-looking statements are reasonable, we cannot assure that our assumptions and expectations are correct.

These forward-looking statements are subject to various risks, uncertainties and assumptions about us, including, among other things:

Economic and industry conditions

- prolonged unfavorable economic and industry conditions in the markets served by us, including North America, South America, Europe, Australia, Asia, and South Africa;
- decline in demand for freight cars, locomotives, passenger transit cars, buses and related products and services;
- reliance on major original equipment manufacturer customers;
- original equipment manufacturers' program delays;
- demand for services in the freight and passenger rail industry;
- demand for our products and services;
- orders either being delayed, cancelled, not returning to historical levels, or reduced or any combination of the foregoing;
- consolidations in the rail industry;
- continued outsourcing by our customers; industry demand for faster and more efficient braking equipment;
- fluctuations in interest rates and foreign currency exchange rates; or
- availability of credit;

Operating factors

- supply disruptions;
- technical difficulties;
- changes in operating conditions and costs;
- increases in raw material costs;
- successful introduction of new products;

- performance under material long-term contracts;
- labor relations;
- completion and integration of acquisitions; or
- the development and use of new technology;

Competitive factors

- the actions of competitors;

Political/governmental factors

- political stability in relevant areas of the world;
- future regulation/deregulation of our customers and/or the rail industry;
- levels of governmental funding on transit projects, including for some of our customers;
- political developments and laws and regulations, including those related to Positive Train Control;
- federal and state income tax legislation; or
- the outcome of our existing or any future legal proceedings, including litigation involving our principal customers and any litigation with respect to environmental, asbestos-related matters and pension liabilities; and

Transaction or commercial factors

- the outcome of negotiations with partners, governments, suppliers, customers or others.

Statements in this 10-K apply only as of the date on which such statements are made, and we undertake no obligation to update any statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

Critical Accounting Estimates

The preparation of the financial statements in accordance with generally accepted accounting principles requires Management to make judgments, estimates and assumptions regarding uncertainties that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. Areas of uncertainty that require judgments, estimates and assumptions include the accounting for allowance for doubtful accounts, inventories, the testing of goodwill and other intangibles for impairment, warranty reserves, pensions and other postretirement benefits, stock based compensation and tax matters. Management uses historical experience and all available information to make these judgments and estimates, and actual results will inevitably differ from those estimates and assumptions that are used to prepare the Company's financial statements at any given time. Despite these inherent limitations, Management believes that Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) and the financial statements and related footnotes provide a meaningful and fair perspective of the Company. A discussion of the judgments and uncertainties associated with accounting for derivatives and environmental matters can be found in Notes 2 and 18, respectively, in the "Notes to Consolidated Financial Statements" included in Part IV, Item 15 of this report.

A summary of the Company's significant accounting policies is included in Note 2 in the "Notes to Consolidated Financial Statements" included in Part IV, Item 15 of this report and is incorporated by reference herein. Management believes that the application of these policies on a consistent basis enables the Company to provide the users of the financial statements with useful and reliable information about the Company's operating results and financial condition.

Accounts Receivable and Allowance for Doubtful Accounts:

Description The Company provides an allowance for doubtful accounts to cover anticipated losses on uncollectible accounts receivable.

Judgments and Uncertainties The allowance for doubtful accounts receivable reflects our best estimate of probable losses inherent in our receivable portfolio determined on the basis of historical experience, specific allowances for known troubled accounts and other currently available evidence.

Effect if Actual Results Differ From Assumptions If our estimates regarding the collectability of troubled accounts, and/or our actual losses within our receivable portfolio exceed our historical experience, we may be exposed to the expense of increasing our allowance for doubtful accounts.

Inventories:

Description Inventories are stated at the lower of cost or market and are reviewed to ensure that an adequate provision is recognized for excess, slow moving and obsolete inventories.

Judgments and Uncertainties Cost is determined under the first-in, first-out (FIFO) method. Inventory costs include material, labor and overhead. The Company compares inventory components to prior year sales history and current backlog and anticipated future requirements. To the extent that inventory parts exceed estimated usage and demand, a reserve is recognized to reduce the carrying value of inventory. Also, specific reserves are established for known inventory obsolescence.

Effect if Actual Results Differ From Assumptions If the market value of our products were to decrease due to changing market conditions, the Company could be at risk of incurring the cost of additional reserves to adjust inventory value to a market value lower than stated cost. If our estimates regarding sales and backlog requirements are inaccurate, we may be exposed to the expense of increasing our reserves for slow moving and obsolete inventory.

Goodwill and Indefinite-Lived Intangibles:

Description Goodwill and indefinite-lived intangibles are required to be tested for impairment at least annually. The Company performs its annual impairment test during the fourth quarter and more frequently when indicators of impairment are present. The Company reviews goodwill for impairment at the reporting unit level. The evaluation of impairment involves comparing the current fair value of the business to the recorded value (including goodwill).

Judgments and Uncertainties A number of significant assumptions and estimates are involved in the application of the impairment test, including the identification of macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, Wabtec specific events and share price trends and making the assessment on whether each relevant factor will impact the impairment test positively or negatively and the magnitude of any such amount.

Effect if Actual Results Differ From Assumptions Management considers historical experience and all available information at the time the fair values of its reporting units are estimated. However, actual amounts realized may differ from those used to evaluate the impairment of goodwill. If actual results are not consistent with our assumptions and judgments used in estimating future cash flows and asset fair values, we may be exposed to impairment losses that could be material to our results of operations. For example, based on the last quantitative analysis performed as of October 1, 2013, a decline in the terminal growth rate greater than 50 basis points would decrease fair market value by \$175.2 million, or an increase in the weighted-average cost of capital by 100 basis points would result in a decrease in fair market value by \$482.9 million. Even with such changes the fair value of the reporting units would be greater than their net book values as of the valuation date of October 1, 2013, necessitating no Step 2 calculations. See Note 2 in the "Notes to Consolidated Financial Statements" included in Part IV, Item 15 of this report for additional discussion regarding impairment testing.

Warranty Reserves:

Description The Company provides warranty reserves to cover expected costs from repairing or replacing products with durability, quality or workmanship issues occurring during established warranty periods.

Judgments and Uncertainties In general, reserves are provided for as a percentage of sales, based on historical experience. In addition, specific reserves are established for known warranty issues and their estimable losses.

Effect if Actual Results Differ From Assumptions If actual results are not consistent with the assumptions and judgments used to calculate our warranty liability, the Company may be at risk of realizing material gains or losses.

Accounting for Pensions and Postretirement Benefits:

Description These amounts are determined using actuarial methodologies and incorporate significant assumptions, including the rate used to discount the future estimated liability, the long-term rate of return on plan assets and several assumptions relating to the employee workforce (salary increases, medical costs, retirement age and mortality).

Judgments and Uncertainties Significant judgments and estimates are used in determining the liabilities and expenses for pensions and other postretirement benefits. The rate used to discount future estimated liabilities is determined considering the rates available at year-end on debt instruments that could be used to settle the obligations of the plan. The long-term rate of return is estimated by considering historical returns and expected returns on current and projected asset allocations and is generally applied to a five-year average market value of assets. The differences between actual and expected asset returns are recognized in expense using the normal amortization of gains and losses per ASC 715.

Effect if Actual Results Differ From Assumptions If assumptions used in determining the pension and other postretirement benefits change significantly, these costs can fluctuate materially from period to period. The key assumptions in determining the pension and other postretirement expense and obligation include the discount rate, expected return on assets and health care cost trend rate. For example, a 1% decrease or increase in the discount rate used in determining the pension and postretirement expense would increase expense \$3.7 million or decrease expense \$1.9 million, respectively. A 1% decrease or increase in the discount rate used in determining the pension and postretirement obligation would increase the obligation \$38.0 million or decrease the obligation \$30.0 million, respectively. A 1% decrease or increase in the expected return on assets used in determining the pension expense would increase or decrease expense \$2.0 million, respectively. If the actual asset values at December 31, 2012 had been 1% lower, the amortization of losses in the following year would increase \$0.2 million. A 1% decrease or increase in the health care cost trend rate used in determining the postretirement expense would decrease or increase expense \$0.4 million. A 1% decrease or increase in the health care cost trend rate used in determining the postretirement obligation would decrease the obligation \$3.1 million or increase the obligation \$3.6 million, respectively.

Stock-based Compensation:

Description The Company has issued incentive stock awards to eligible employees that vest upon attainment of certain cumulative three-year performance goals. The program is structured as a rolling three-year plan; each year starts a new three-year performance cycle with the most recently commenced cycle being 2012-2014. No incentive stock awards will vest for performance below the three-year cumulative threshold. The Company utilizes an economic profit measure for this performance goal. Economic profit is a measure of the extent to which the Company produces financial results in excess of its cost of capital. Based on the Company's achievement of the threshold and three-year cumulative performance, the stock awards vested can range from 0% to 200% of the shares granted.

Judgments and Uncertainties Significant judgments and estimates are used in determining the estimated three-year performance, which is then used to estimate the total shares expected to vest over the three year vesting cycle and corresponding expense based on the grant date fair value of the award. When determining the estimated three-year performance, the Company utilizes a combination of historical actual results, budgeted results and forecasts. In the initial grant year of a performance cycle, the Company estimates the three-year performance at 100%. As actual performance results for a cycle begin to accumulate and the Company completes its budgeting and forecasting cycles the performance estimates are updated. These judgments and estimates are reviewed and updated on a quarterly basis.

Effect if Actual Results Differ From Assumptions If assumptions used in determining the estimated three-year performance change significantly, stock-based compensation expense related to the unvested incentive stock awards can fluctuate materially from period to period. For example a 10% decrease or increase in the estimated vesting percentage for incentive stock awards would decrease or increase stock-based compensation expense by approximately \$0.8 million and \$0.8 million, respectively.

Income Taxes:

Description Wabtec records an estimated liability or benefit for income and other taxes based on what it determines will likely be paid in various tax jurisdictions in which it operates in accordance with ASC 740-10 Accounting for Income Taxes and Accounting for Uncertainty in Income Taxes.

Judgments and Uncertainties The estimate of our tax obligations are uncertain because Management must use judgment to estimate the exposures associated with our various filing positions, as well as realization of our deferred tax assets. ASC 740-10 establishes a recognition and measurement threshold to determine the amount of tax benefit that should be recognized related to uncertain tax positions.

Effect if Actual Results Differ From Assumptions Management uses its best judgment in the determination of these amounts. However, the liabilities ultimately realized and paid are dependent on various matters including the resolution of the tax audits in the various affected tax jurisdictions and may differ from the amounts recorded. An adjustment to the estimated liability would be recorded through income in the period in which it becomes probable that the amount of the actual liability differs from the recorded amount. A deferred tax valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Revenue Recognition:

Description Revenue is recognized in accordance with ASC-605 “Revenue Recognition.” The Company recognizes revenues on long-term contracts based on the percentage of completion method of accounting. The units-of-delivery method or other input-based or output-based measures, as appropriate, are used to measure the progress toward completion of individual contracts. Contract revenues and cost estimates are reviewed and revised at a minimum quarterly and adjustments are reflected in the accounting period as such amounts are determined. Certain pre-production costs relating to long term production and supply contracts have been deferred and will be recognized over the life of the contracts.

Judgments and Uncertainties Revenue is recognized when products have been shipped to the respective customers, title has passed and the price for the product has been determined. Contract accounting involves a judgmental process of estimating the total sales and costs for each contract, which results in the development of estimated profit margin percentages. For each contract with revenue recognized using the percentage of completion method, the amount reported as revenues is determined by calculating cost incurred to date as a percentage of the total expected contract costs to determine the percentage of total contract revenue to be recognized in the current period. Due to the size, duration and nature of many of our contracts, the estimation of total sales and costs through completion is complicated and subject to many variables. Total contract sales estimates are based on negotiated contract prices and quantities, modified by our assumptions regarding contract options, change orders, and price adjustment clauses (such as inflation or index-based clauses). Total contract cost estimates are largely based on negotiated or estimated purchase contract terms, historical performance trends, business base and other economic projections. Factors that influence these estimates include inflationary trends, technical and schedule risk, internal and subcontractor performance trends, business volume assumptions, asset utilization, and anticipated labor agreements. For long-term contracts, revenues and cost estimates are reviewed and revised quarterly at a minimum and adjustments are reflected in the accounting period as such amounts are determined. Pre-production costs are recognized over the expected life of the contract usually based on the Company’s progress toward the estimated number of units expected to be delivered under the production or supply contract.

Effect if Actual Results Differ From Assumptions Should market conditions and customer demands dictate changes to our standard shipping terms, the Company may be impacted by longer than typical revenue recognition cycles. The development of expected contract costs and contract profit margin percentages involves procedures and personnel in all areas that provide financial or production information on the status of contracts. Due to the significance of judgment in the estimation process, it is likely that materially different revenue amounts could be recorded if we used different assumptions or if the underlying circumstances were to change. Changes in underlying assumptions/estimates, supplier performance, or circumstances may adversely or positively affect financial performance in future periods. If the combined profit margin for all contracts recognized on the percentage of completion method during 2013 had been estimated to be higher or lower by 1%, it would have increased or decreased revenue and gross profit for the year by approximately \$8.3 million. A few of our contracts are expected to be completed in a loss position. Provisions are made currently for estimated losses on uncompleted contracts. A charge to expense for unrecognized portions of pre-production costs could be realized if the Company’s estimate of the number of units to be delivered changes or the underlying contract is cancelled.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

In the ordinary course of business, Wabtec is exposed to risks that increases in interest rates may adversely affect funding costs associated with its variable-rate debt. The Company’s variable rate debt represents 11% and 53% of total long-term debt at December 31, 2013 and 2012, respectively. On an annual basis a 1% change in the interest rate for variable rate debt at December 31, 2013 would increase or decrease interest expense by about \$0.5 million.

To reduce the impact of interest rate changes on a portion of this variable-rate debt, the Company entered into interest rate swap agreements which effectively converted a portion of the debt from a variable to a fixed-rate borrowing during the term of the swap contracts. Refer to “Financial Derivatives and Hedging Activities” in Note 2 of “Notes to Consolidated Financial Statements” included in Part IV, Item 15 of this report for additional information regarding interest rate risk.

Foreign Currency Exchange Risk

The Company is subject to certain risks associated with changes in foreign currency exchange rates to the extent our operations are conducted in currencies other than the U.S. dollar. For the year ended December 31, 2013, approximately 52% of Wabtec’s net sales were to the United States, 12% to the United Kingdom, 7% to Canada, 5% to Australia, 5% to Mexico, 3% to Brazil, 2% to Germany and 14% in other international locations. (See Note 19 of “Notes to Consolidated Financial Statements” included in Part IV, Item 15 of this report). To reduce the impact of changes in currency exchange rates, the Company has periodically entered into foreign currency forward contracts. Refer to “Financial Derivatives and Hedging Activities” in Note 2 of “Notes to Consolidated Financial Statements” included in Part IV, Item 15 of this report for more information regarding foreign currency exchange risk.

Our market risk exposure is not substantially different from our exposure at December 31, 2012.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Financial statements and supplementary data are set forth in Item 15, of Part IV hereof.

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

There have been no disagreements with our independent public accountants.

Item 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Wabtec's principal executive officer and its principal financial officer have evaluated the effectiveness of Wabtec's "disclosure controls and procedures," (as defined in Exchange Act Rule 13a-15(e)) as of December 31, 2013. Based upon their evaluation, the principal executive officer and principal financial officer concluded that Wabtec's disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed by Wabtec in the reports filed or submitted by it under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and to provide reasonable assurance that information required to be disclosed by Wabtec in such reports is accumulated and communicated to Wabtec's Management, including its principal executive officer and principal finance officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There was no change in Wabtec's "internal control over financial reporting" (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the quarter ended December 31, 2013, that has materially affected, or is reasonably likely to materially affect, Wabtec's internal control over financial reporting. Management's annual report on internal control over financial reporting and the attestation report of the registered public accounting firm are included in Part IV, Item 15 of this report.

Management's Report on Internal Control over Financial Reporting

Management's Report on Internal Control Over Financial Reporting appears on page 41 and is incorporated herein by reference.

Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting

Ernst & Young's attestation report on internal control over financial reporting appears on page 43 and is incorporated herein by reference.

Item 9B. OTHER INFORMATION

None.

PART III

Items 10 through 14.

In accordance with the provisions of General Instruction G(3) to Form 10-K, the information required by Item 10 (Directors, Executive Officers and Corporate Governance), Item 11 (Executive Compensation), Item 12 (Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters), Item 13 (Certain Relationships and Related Transactions, and Director Independence) and Item 14 (Principal Accounting Fees and Services) is incorporated herein by reference from the Company's definitive Proxy Statement for its Annual Meeting of Stockholders to be held on May 14, 2014, except for the Equity Compensation Plan Information required by Item 12, which is set forth in the table below. The definitive Proxy Statement will be filed with the Securities and Exchange Commission not later than 120 days after December 31, 2013. Information relating to the executive officers of the Company is set forth in Part I.

Wabtec has adopted a Code of Ethics for Senior Officers which is applicable to all of our executive officers. As described in Item 1 of this report the Code of Ethics for Senior Officers is posted on our website at www.wabtec.com. In the event that we make any amendments to or waivers from this code, we will disclose the amendment or waiver and the reasons for such on our website.

This table provides aggregate information as of December 31, 2013 concerning equity awards under Wabtec's compensation plans and arrangements.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by shareholders	1,232,862	\$ 24.36	3,733,139
Equity compensation plans not approved by shareholders	—	—	—
Total	1,232,862	\$ 24.36	3,733,139

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The financial statements, financial statement schedules and exhibits listed below are filed as part of this annual report:

(a)		<u>Page</u>
(1)	Financial Statements and Reports on Internal Control	
	Management’s Reports to Westinghouse Air Brake Technologies Corporation Shareholders	42
	Report of Independent Registered Public Accounting Firm	43
	Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting	44
	Consolidated Balance Sheets as of December 31, 2013 and 2012	45
	Consolidated Statements of Operations for the three years ended December 31, 2013, 2012 and 2011	46
	Consolidated Statements of Comprehensive Income for the three years ended December 31, 2013, 2012 and 2011	47
	Consolidated Statements of Cash Flows for the three years ended December 31, 2013, 2012 and 2011	48
	Consolidated Statements of Shareholders’ Equity for the three years ended December 31, 2013, 2012 and 2011	49
	Notes to Consolidated Financial Statements	50
(2)	Financial Statement Schedules	
	Schedule II—Valuation and Qualifying Accounts	80
(b)		<u>Filing Method</u>
	Exhibits	
3.1	Restated Certificate of Incorporation of the Company dated January 30, 1995, as amended December 31, 2003	9
3.2	Certificate of Amendment of Restated Certificate of Incorporation dated May 14, 2013	11
3.3	Amended and Restated By-Laws of the Company, effective February 15, 2011	8
4.1	Indenture, dated August 8, 2013 by and between the Company and Wells Fargo, National Association, as Trustee	12
4.2	First Supplemental Indenture, dated August 8, 2013, by and between the Company and Wells Fargo Bank, National Association, as Trustee	12
4.3	Form of 4.375% Senior Note due 2023 (included in Exhibit 4.2)	3
10.1	Agreement of Sale and Purchase of the North American Operations of the Railway Products Group, an operating division of American Standard Inc. (now known as Trane), dated as of 1990 between Rail Acquisition Corp. and American Standard Inc. (only provisions on indemnification are reproduced)	2
10.2	Letter Agreement (undated) between the Company and American Standard Inc. (now known as Trane) on environmental costs and sharing	2
10.3	Purchase Agreement dated as of June 17, 1992 among the Company, Schuller International, Inc., Manville Corporation and European Overseas Corporation (only provisions on indemnification are reproduced)	2

10.4	Westinghouse Air Brake Company 1995 Non-Employee Directors' Fee and Stock Option Plan, as amended *	4
10.5	Westinghouse Air Brake Technologies Corporation 2000 Stock Incentive Plan, as amended *	4
10.6	Employment Agreement with Albert J. Neupaver, dated February 1, 2006 *	3
10.7	Form of Restricted Stock Agreement *	10
10.8	Westinghouse Air Brake Technologies Corporation 2011 Stock Incentive Plan *	5
10.9	Stock Purchase Agreement, by and among the Company, Standard Car Truck Company and Robclif, Inc., dated September 12, 2008	6
10.10	First Amended and Restated Refinancing Credit Agreement, dated as of December 19, 2013, by and among the Company, Wabtec Cooperatief UA, certain subsidiaries as the guarantors, the lenders party thereto and, PNC Bank, National Association, as Administrative Agent, PNC Capital Markets LLC, J.P. Morgan Securities, Inc., as Joint Lead Arranges and Joint Book Runners, JP Morgan Chase Bank, N.A. as Syndication Agent, Bank of America, N.A., and Citizens Bank of Pennsylvania, Branch Banking and Trust Company and The Bank of Toyko-Mitsubish UFJ, Ltd., as Co-Documentation Agents	1
10.11	Form of Employment Continuation Agreement entered into by the Company with Albert J. Neupaver, Alvaro Garcia-Tunon, Raymond T. Betler, Charles F. Kovac, R. Mark Cox, David L. DeNinno, Patrick D. Dugan, Scott E. Wahlstrom and Timothy R. Wesley*	7
10.12	Wabtec Corporation Deferred Compensation Plan for Executive Officers and Directors as adopted December 10, 2009 *	10
10.13	Form of Agreement for Nonstatutory Stock Option under the 1995 Non-Employee Directors' Fee and Stock Option Plan, as amended *	10
10.14	Form of Agreement for Nonstatutory Stock Options under 2000 Stock Incentive Plan, as amended *	10
10.15	Form of Agreement for Nonstatutory Stock Options under 2011 Stock Incentive Plan as amended *	10
21	List of subsidiaries of the Company	1
23.1	Consent of Ernst & Young LLP	1
31.1	Rule 13a-14(a)/15d-14(a) Certifications	1
31.2	Rule 13a-14(a)/15d-14(a) Certifications	1
32.1	Section 1350 Certifications	1
101.INS	XBRL Instance Document.	1
101.SCH	XBRL Taxonomy Extension Calculation Linkbase Document	1
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	1
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.	1
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	1
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	1

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- 1 Filed herewith.
 - 2 Filed as an exhibit to the Company's Registration Statement on Form S-1 (File No. 33-90866).
 - 3 Filed as an exhibit to the Company's Quarterly Report on Form 10-Q (File No. 033-90866) for the period ended March 31, 2006.
 - 4 Filed as an Annex to the Company's Schedule 14A Proxy Statement (File No. 1-13782) filed on April 13, 2006.
 - 5 Filed as an Annex to the Company's Schedule 14A Proxy Statement (File No. 1-13782) filed on March 31, 2011.
 - 6 Filed as an exhibit to the Company's Quarterly Report on Form 10-Q (File No. 1-13782) for the period ended September 30, 2008.

- 7 Filed as an exhibit to the Company's Current Report on Form 8-K (File No. 1-13782) dated July 2, 2009.
- 8 Filed as an exhibit to the Company's Current Report on Form 8-K (File No. 1-13782), dated February 22, 2011.
- 9 Filed as an exhibit to the Company's Annual Report on Form 10-K (File No. 1-13782), dated February 25, 2011.
- 10 Filed as an exhibit to the Company's Annual Report on Form 10-K (File No. 1-13782), dated February 22, 2013.
- 11 Filed as an exhibit to the Company's Current Report on Form 8-K (File No. 1-13782), dated May 15, 2013.
- 12 Filed as an exhibit to the Company's Current Report on Form 8-K (File No. 1-13782), dated August 8, 2013.
- * Management contract or compensatory plan.

MANAGEMENT'S REPORTS TO WABTEC SHAREHOLDERS

Management's Report on Financial Statements and Practices

The accompanying consolidated financial statements of Westinghouse Air Brake Technologies Corporation and subsidiaries (the "Company") were prepared by Management, which is responsible for their integrity and objectivity. The statements were prepared in accordance with generally accepted accounting principles and include amounts that are based on Management's best judgments and estimates. The other financial information included in the 10-K is consistent with that in the financial statements.

Management also recognizes its responsibility for conducting the Company's affairs according to the highest standards of personal and corporate conduct. This responsibility is characterized and reflected in key policy statements issued from time to time regarding, among other things, conduct of its business activities within the laws of host countries in which the Company operates and potentially conflicting outside business interests of its employees. The Company maintains a systematic program to assess compliance with these policies.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. In order to evaluate the effectiveness of internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act, Management has conducted an assessment, including testing, using the criteria in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 Framework) (COSO). The Company's system of internal control over financial reporting is designed 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 standards. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has excluded Napier Turbochargers Ltd. ("Napier"), Turbonetics Holdings, Inc. ("Turbonetics"), and Longwood Industries, Inc. ("Longwood") from its assessment of internal controls over financial reporting as of December 31, 2013 because the Company acquired Napier effective February 1, 2013, Turbonetics effective July 30, 2013 and Longwood effective September 24, 2013. Napier, Turbonetics and Longwood are wholly owned subsidiaries whose total assets represents 4.9%, 0.8% and 3.8%, respectively and whose total net assets represents 7.5%, 1.4% and 5.3%, respectively, and net income represents 1.8%, 0.1% and 0.1%, respectively and whose customer revenues represents 1.7%, 0.2% and 0.7%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2013.

Based on its assessment, Management has concluded that the Company maintained effective internal control over financial reporting as of December 31, 2013, based on criteria in Internal Control-Integrated Framework issued by the COSO. The effectiveness of the Company's internal control over financial reporting as of December 31, 2013, has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which is included herein.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of Westinghouse Air Brake Technologies Corporation:

We have audited the accompanying consolidated balance sheets of Westinghouse Air Brake Technologies Corporation as of December 31, 2013 and 2012, and the related consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2013. Our audits also included the financial statement schedule listed in the index at Item 15(a). These financial statements and schedule are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Westinghouse Air Brake Technologies Corporation as of December 31, 2013 and 2012, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2013, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Westinghouse Air Brake Technologies Corporation's internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 Framework) and our report dated February 21, 2014 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Pittsburgh, Pennsylvania

February 21, 2014

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Board of Directors and Shareholders of Westinghouse Air Brake Technologies Corporation:

We have audited Westinghouse Air Brake Technologies Corporation's internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 Framework) (the COSO criteria). Westinghouse Air Brake Technologies Corporation's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As indicated in the accompanying Management's Report on Internal Control over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Napier Turbochargers Ltd. ("Napier"), Turbonetics Holdings, Inc. ("Turbonetics"), and Longwood Industries, Inc. ("Longwood") which are included in the 2013 consolidated financial statements of Westinghouse Air Brake Technologies Corporation and constituted 4.9%, 0.8% and 3.8%, respectively, of total assets and 7.5%, 1.4% and 5.3%, respectively, of total net assets as of December 31, 2013, and 1.8%, 0.1% and 0.1%, respectively, of net income and 1.7%, 0.2% and 0.7%, respectively, of customer revenue for the year then ended. Our audit of internal control over financial reporting of Westinghouse Air Brake Technologies Corporation also did not include an evaluation of the internal control over financial reporting of Napier, Turbonetics, and Longwood.

In our opinion, Westinghouse Air Brake Technologies Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Westinghouse Air Brake Technologies Corporation as of December 31, 2013 and 2012, and the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2013 and our report dated February 21, 2014 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Pittsburgh, Pennsylvania
February 21, 2014

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONSOLIDATED BALANCE SHEETS

<i>In thousands, except shares and par value</i>	December 31,	
Assets	2013	2012
Current Assets		
Cash and cash equivalents	\$ 285,760	\$ 215,766
Accounts receivable	349,458	292,786
Unbilled accounts receivable	205,045	97,129
Inventories	403,229	407,039
Deferred income taxes	50,622	60,894
Other	38,933	19,324
Total current assets	1,333,047	1,092,938
Property, plant and equipment	597,740	555,924
Accumulated depreciation	(321,662)	(311,836)
Property, plant and equipment, net	276,078	244,088
Other Assets		
Goodwill	786,433	666,022
Other intangibles, net	385,679	308,321
Deferred income taxes	987	183
Other noncurrent assets	39,773	39,990
Total other assets	1,212,872	1,014,516
Total Assets	\$ 2,821,997	\$ 2,351,542
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable	\$ 326,666	\$ 248,593
Customer deposits	66,573	82,810
Accrued compensation	57,058	53,222
Accrued warranty	43,197	39,860
Current portion of long-term debt	421	43
Commitments and contingencies	485	435
Other accrued liabilities	85,000	128,096
Total current liabilities	579,400	553,059
Long-term debt	450,288	317,853
Accrued postretirement and pension benefits	50,003	66,388
Deferred income taxes	114,486	91,176
Commitments and contingencies	1,141	1,238
Accrued warranty	17,396	18,352
Other long-term liabilities	22,116	21,459
Total liabilities	1,234,830	1,069,525
Shareholders' Equity		
Preferred stock, 1,000,000 shares authorized, no shares issued	-	-
Common stock, \$.01 par value; 200,000,000 shares authorized: 132,349,534 shares issued and 95,909,948 and 95,407,368 outstanding at December 31, 2013 and December 31, 2012, respectively	1,323	1,323
Additional paid-in capital	415,059	381,348
Treasury stock, at cost, 36,439,586 and 36,518,656 shares, at December 31, 2013 and December 31, 2012, respectively	(372,969)	(349,388)
Retained earnings	1,576,702	1,297,111
Accumulated other comprehensive loss	(34,856)	(53,564)
Total Westinghouse Air Brake Technologies Corporation shareholders' equity	1,585,259	1,276,830
Non-controlling interest (minority interest)	1,908	5,187
Total shareholders' equity	1,587,167	1,282,017
Total Liabilities and Shareholders' Equity	\$ 2,821,997	\$ 2,351,542

The accompanying notes are an integral part of these statements.

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year ended December 31,		
	2013	2012	2011
<i>In thousands, except per share data</i>			
Net sales	\$ 2,566,392	\$ 2,391,122	\$ 1,967,637
Cost of sales	(1,802,365)	(1,696,555)	(1,397,213)
Gross profit	764,027	694,567	570,424
Selling, general and administrative expenses	(262,718)	(245,709)	(247,534)
Engineering expenses	(46,289)	(41,307)	(37,193)
Amortization expense	(17,710)	(15,272)	(14,996)
Total operating expenses	(326,717)	(302,288)	(299,723)
Income from operations	437,310	392,279	270,701
Other income and expenses			
Interest expense, net	(15,341)	(14,251)	(15,007)
Other (expense) income, net	(882)	(670)	(380)
Income from operations before income taxes	421,087	377,358	255,314
Income tax expense	(128,852)	(125,626)	(85,165)
Net income attributable to Wabtec shareholders	\$ 292,235	\$ 251,732	\$ 170,149
Earnings Per Common Share			
Basic			
Net income attributable to Wabtec shareholders	\$ 3.05	\$ 2.62	\$ 1.77
Diluted			
Net income attributable to Wabtec shareholders	\$ 3.01	\$ 2.60	\$ 1.76
Weighted average shares outstanding			
Basic	95,463	95,469	95,639
Diluted	96,832	96,742	96,657

The accompanying notes are an integral part of these statements.

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended December 31,		
	2013	2012	2011
<i>In thousands, except per share data</i>			
Net income attributable to Wabtec shareholders	\$ 292,235	\$ 251,732	\$ 170,149
Foreign currency translation gain (loss)	5,345	14,428	(12,714)
Unrealized gain (loss) on foreign exchange contracts	(256)	-	191
Unrealized gain (loss) on interest rate swap contracts	1,066	(2,628)	1,096
Pension benefit plans and post-retirement benefit plans	21,102	(6,292)	(16,420)
Other comprehensive income (loss) before tax	27,257	5,508	(27,847)
Income tax (expense) benefit related to components of other comprehensive income	(8,549)	1,825	5,027
Other comprehensive income (loss), net of tax	18,708	7,333	(22,820)
Comprehensive income attributable to Wabtec shareholders	<u>\$ 310,943</u>	<u>\$ 259,065</u>	<u>\$ 147,329</u>

The accompanying notes are an integral part of these statements.

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2013	2012	2011
<i>In thousands, except per share data</i>			
Operating Activities			
Net income attributable to Wabtec shareholders	\$ 292,235	\$ 251,732	\$ 170,149
Adjustments to reconcile net income to cash provided by operations:			
Depreciation and amortization	51,193	44,136	44,849
Stock-based compensation expense	24,107	19,848	18,646
Deferred income taxes	15,248	581	(16,595)
(Gain) loss on disposal of property, plant and equipment	(15)	1,112	1,191
Excess income tax benefits from exercise of stock options	(4,266)	(3,125)	(4,415)
Changes in operating assets and liabilities, net of acquisitions			
Accounts receivable and unbilled accounts receivable	(149,699)	(22,976)	(68,697)
Inventories	26,060	(32,491)	(79,537)
Accounts payable	60,976	(12,483)	59,974
Accrued income taxes	(15,033)	(33,202)	31,514
Accrued liabilities and customer deposits	(48,831)	13,323	43,201
Other assets and liabilities	(16,322)	10,983	48,346
Net cash provided by operating activities	<u>235,653</u>	<u>237,438</u>	<u>248,626</u>
Investing Activities			
Purchase of property, plant and equipment	(41,238)	(36,001)	(37,971)
Proceeds from disposal of property, plant and equipment	6,000	971	663
Acquisitions of businesses, net of cash acquired	(223,454)	(149,914)	(108,874)
Net cash used for investing activities	<u>(258,692)</u>	<u>(184,944)</u>	<u>(146,182)</u>
Financing Activities			
Proceeds from debt	959,067	233,400	257,000
Payments of debt	(829,842)	(311,457)	(283,202)
Stock re-purchase	(32,998)	(46,556)	(26,022)
Proceeds from exercise of stock options and other benefit plans	5,165	4,431	4,899
Excess income tax benefits from exercise of stock options	4,266	3,125	4,415
Cash dividends (\$0.13, \$0.08 and \$0.04 per share for years ended December 31, 2013, 2012 and 2011)	(12,644)	(7,666)	(3,849)
Net cash provided by (used for) financing activities	<u>93,014</u>	<u>(124,723)</u>	<u>(46,759)</u>
Effect of changes in currency exchange rates	19	2,380	(7,011)
Increase (decrease) in cash	69,994	(69,849)	48,674
Cash, beginning of year	215,766	285,615	236,941
Cash, end of year	<u>\$ 285,760</u>	<u>\$ 215,766</u>	<u>\$ 285,615</u>

The accompanying notes are an integral part of these statements.

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Common Stock	Common Stock	Additional Paid-in	Treasury Stock	Treasury Stock	Retained	Accumulated Other Comprehensive	
<i><u>In thousands, except share and per share data</u></i>	<u>Shares</u>	<u>Amount</u>	<u>Capital</u>	<u>Shares</u>	<u>Amount</u>	<u>Earnings</u>	<u>Income (Loss)</u>	<u>Total</u>
Balance, December 31, 2010	132,349,534	\$ 1,323	339,861	(36,268,255)	(290,081)	886,745	(38,077)	899,771
Cash dividends (\$0.04 dividend per share)	-	-	-	-	-	(3,849)		(3,849)
Proceeds from treasury stock issued from the exercise of stock options and other benefit plans, net of tax	-	-	2,407	430,875	6,907	-	-	9,314
Stock based compensation	-	-	18,646	-	-	-	-	18,646
Net income	-	-	-	-	-	170,149	-	170,149
Translation adjustment	-	-	-	-	-	-	(12,714)	(12,714)
Unrealized gain on foreign exchange contracts, net of \$70 tax	-	-	-	-	-	-	122	122
Unrealized gain on interest rate swap contracts, net of \$434 tax	-	-	-	-	-	-	662	662
Change in pension and post-retirement benefit plans, net of \$5,530 tax	-	-	-	-	-	-	(10,890)	(10,890)
Stock re-purchase	-	-	-	(438,600)	(26,022)	-	-	(26,022)
Balance, December 31, 2011	132,349,534	\$ 1,323	360,914	(36,275,980)	(309,196)	1,053,045	(60,897)	1,045,189
Cash dividends (\$0.08 dividend per share)	-	-	-	-	-	(7,666)	-	(7,666)
Proceeds from treasury stock issued from the exercise of stock options and other benefit plans, net of tax	-	-	1,192	364,724	6,364	-	-	7,556
Stock based compensation	-	-	19,242	-	-	-	-	19,242
Net income	-	-	-	-	-	251,732	-	251,732
Translation adjustment	-	-	-	-	-	-	14,428	14,428
Unrealized (loss) on interest rate swap contracts, net of \$1,040 tax	-	-	-	-	-	-	(1,588)	(1,588)
Change in pension and post-retirement benefit plans, net of \$785 tax	-	-	-	-	-	-	(5,507)	(5,507)
Stock re-purchase	-	-	-	(607,400)	(46,556)	-	-	(46,556)
Balance, December 31, 2012	132,349,534	\$ 1,323	381,348	(36,518,656)	(349,388)	1,297,111	(53,564)	1,276,830
Cash dividends (\$0.13 dividend per share)	-	-	-	-	-	(12,644)	-	(12,644)
Proceeds from treasury stock issued from the exercise of stock options and other benefit plans, net of tax	-	-	11,815	586,175	9,417	-	-	21,232
Stock based compensation	-	-	21,896	-	-	-	-	21,896
Net income	-	-	-	-	-	292,235	-	292,235
Translation adjustment	-	-	-	-	-	-	5,345	5,345
Unrealized (loss) on foreign exchange contracts, net of \$61 tax	-	-	-	-	-	-	(195)	(195)
Unrealized gain on interest rate swap contracts, net of \$422 tax	-	-	-	-	-	-	644	644
Change in pension and post-retirement benefit plans, net of \$8,188 tax	-	-	-	-	-	-	12,914	12,914
Stock re-purchase	-	-	-	(507,105)	(32,998)	-	-	(32,998)
Balance, December 31, 2013	132,349,534	1,323	415,059	(36,439,586)	(372,969)	1,576,702	(34,856)	1,585,259

The accompanying notes are an integral part of these statements

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BUSINESS

Wabtec is one of the world's largest providers of value-added, technology-based products and services for the global rail industry. Our products are found on virtually all U.S. locomotives, freight cars and passenger transit vehicles, as well as in more than 100 countries throughout the world. Our products enhance safety, improve productivity and reduce maintenance costs for customers, and many of our core products and services are essential in the safe and efficient operation of freight rail and passenger transit vehicles. Wabtec is a global company with operations in 19 countries. In 2013, about 48% of the Company's revenues came from customers outside the U.S.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation The consolidated financial statements include the accounts of the Company and its majority owned subsidiaries. Such statements have been prepared in accordance with generally accepted accounting principles. Sales between subsidiaries are billed at prices consistent with sales to third parties and are eliminated in consolidation.

Capital Structure On May 14, 2013, our stockholders approved an amendment to our Amended and Restated Certificate of Incorporation to increase the number of authorized shares of our common stock to 200.0 million shares. In addition, on May 14, 2013, our Board of Directors approved a two-for-one split of the Company's issued and outstanding common stock in the form of a 100% stock dividend. The increase in the authorized shares and the stock split became effective on May 14, 2013 and June 11, 2013, respectively.

The Company issued approximately 66.2 million shares of its common stock as a result of the two-for-one stock split. The par value of the Company's common stock remained unchanged at \$0.01 per share.

Information regarding shares of common stock (except par value per share), retained earnings, and net income per common share attributable to Wabtec shareholders for all periods presented reflects the two-for-one split of the Company's common stock. The number of shares of the Company's common stock issuable upon exercise of outstanding stock options and vesting of other stock-based awards was proportionally increased, and the exercise price per share thereof was proportionally decreased, in accordance with the terms of the stock incentive plans.

Cash Equivalents Cash equivalents are highly liquid investments purchased with an original maturity of three months or less.

Allowance for Doubtful Accounts The allowance for doubtful accounts receivable reflects our best estimate of probable losses inherent in our receivable portfolio determined on the basis of historical experience, specific allowances for known troubled accounts and other currently available evidence. The allowance for doubtful accounts was \$5.7 million and \$6.7 million as of December 31, 2013 and 2012, respectively.

Inventories Inventories are stated at the lower of cost or market. Cost is determined under the first-in, first-out (FIFO) method. Inventory costs include material, labor and overhead.

Property, Plant and Equipment Property, plant and equipment additions are stated at cost. Expenditures for renewals and improvements are capitalized. Expenditures for ordinary maintenance and repairs are expensed as incurred. The Company provides for book depreciation principally on the straight-line method. Accelerated depreciation methods are utilized for income tax purposes.

Leasing Arrangements The Company conducts a portion of its operations from leased facilities and finances certain equipment purchases through lease agreements. In those cases in which the lease term approximates the useful life of the leased asset or the lease meets certain other prerequisites, the leasing arrangement is classified as a capital lease. The remaining arrangements are treated as operating leases.

Intangible Assets Goodwill and other intangible assets with indefinite lives are not amortized. Other intangibles (with definite lives) are amortized on a straight-line basis over their estimated economic lives. Amortizable intangible assets are reviewed for impairment when indicators of impairment are present. The Company tests goodwill and indefinite-lived intangible assets for impairment at least annually. The Company performs its annual impairment test during the fourth quarter after the annual forecasting process is completed, and also tests for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Periodically, Management of the Company assesses whether or not an indicator of impairment is present that would necessitate an impairment analysis be performed.

In July 2012, the FASB issued ASU No. 2012-02, “Intangibles-Goodwill and Other (Topic) 350) – Testing Indefinite-Lived Intangible Assets for Impairment” (ASU 2012-02). The provisions of ASU 2012-02 provide an entity with the option to assess qualitative factors to determine whether it is more-likely-than-not that the fair value of an indefinite-lived intangible asset is less than its carrying value. If, based on the review of the qualitative factors, an entity determines it is not more-likely-than-not that the fair value of an indefinite-lived intangible asset is less than its carrying value, no further action is required. If an entity determines otherwise, then it is required to determine the fair value of the indefinite-lived intangible asset and perform the quantitative impairment test required by prior accounting guidance. The entity has the option to bypass the qualitative assessment and proceed directly to the fair value calculation and the entity may resume performing the qualitative analysis in any subsequent period. ASU 2012-02 was effective for fiscal years beginning after September 15, 2012, with early adoption permitted if the financial statements for the most recent annual or interim period have not yet been issued. We chose to early adopt these new accounting provisions effective with our intangible impairment review during the fourth quarter of fiscal 2012. We determined, based upon our qualitative assessments, that the fair value calculation was not required for either 2012 and 2013 as there were no indications that the fair value of our indefinite-lived intangible assets was less than their carrying value.

In September 2011, the FASB issued Accounting Standards Updated (“ASU”) 2011-08 which amends the rules for testing goodwill for impairment. Under the new rules, an entity has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, an entity determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step impairment test is unnecessary. We adopted ASU 2011-08 for our 2011 and 2012 annual goodwill impairment test. For 2013, the Company opted to perform a quantitative assessment and determined that step two was not necessary.

In assessing the qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, we assess relevant events and circumstances that may impact the fair value and the carrying amount of the reporting unit. The identification of relevant events and circumstances and how these may impact a reporting unit’s fair value or carrying amount involve significant judgments and assumptions. The judgment and assumptions include the identification of macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, Wabtec specific events and share price trends and making the assessment on whether each relevant factor will impact the impairment test positively or negatively and the magnitude of any such impact.

If our qualitative assessment concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying value, the Company then performs a two-step impairment test. In the first step of the quantitative assessment, our assets and liabilities, including existing goodwill and other intangible assets, are assigned to the identified reporting units to determine the carrying value of the reporting units. The Company reviews goodwill for impairment at the reporting unit level. The Company prepares its goodwill impairment analysis by comparing the estimated fair value of each reporting unit, using an income approach (a discounted cash flow model) as well as a market approach, with its carrying value. The income approach and the market approach are equally weighted in arriving at fair value, which the Company has applied consistently. The discounted cash flow model requires several assumptions including future sales growth, EBIT (earnings before interest and taxes) margins and capital expenditures for the reporting units. The discounted cash flow model also requires the use of a discount rate and a terminal revenue growth rate (the revenue growth rate for the period beyond the three years forecasted by the reporting units), as well as projections of future operating margins. The market approach requires several assumptions including EBITDA (earnings before interest, taxes, depreciation and amortization) multiples for comparable companies that operate in the same markets as the Company’s reporting units.

Warranty Costs Warranty costs are accrued based on Management’s estimates of repair or upgrade costs per unit and historical experience. Warranty expense was \$23.1 million, \$22.9 million and \$19.9 million for 2013, 2012 and 2011, respectively. Accrued warranty was \$60.6 million and \$58.2 million at December 31, 2013 and 2012, respectively.

Income Taxes Income taxes are accounted for under the liability method. Deferred tax assets and liabilities are determined based on differences between financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws. The provision for income taxes includes federal, state and foreign income taxes.

Stock-Based Compensation The Company recognizes compensation expense for stock-based compensation based on the grant date fair value amortized ratably over the requisite service period following the date of grant.

Financial Derivatives and Hedging Activities The Company has entered into foreign currency forward contracts to reduce the impact of changes in currency exchange rates. Forward contracts are agreements with a counterparty to exchange two distinct currencies at a set exchange rate for delivery on a set date at some point in the future. There is no exchange of funds until the delivery date. At the delivery date the Company can either take delivery of the currency or settle on a net basis. At December 31, 2013, the Company had no forward contracts.

To reduce the impact of interest rate changes on a portion of this variable-rate debt, the Company entered into a forward starting interest rate swap agreement with a notional value of \$150.0 million. Effective July 31, 2013, with a termination date of November 7, 2016, this interest rate swap agreement converts a portion of the Company's then outstanding debt from a variable rate to a fixed-rate borrowing. The Company is exposed to credit risk in the event of nonperformance by the counterparty. However, since only the cash interest payments are exchanged, exposure is significantly less than the notional amount. The counterparty is a large financial institution with an excellent credit rating and history of performance. The Company currently believes the risk of nonperformance is negligible. The Company concluded that the interest rate swap agreement qualifies for special cash flow hedge accounting which requires the recording of the fair value of the interest rate swap agreement and permits the corresponding adjustment to other comprehensive income (loss), net of tax, on the balance sheet. During the term of the interest rate swap agreement the interest rate on the notional value will be fixed at 1.415% plus the Alternate Rate margin. As of December 31, 2013, the Company has recorded a current liability of \$3.0 million and a corresponding offset in accumulated other comprehensive loss of \$1.8 million, net of tax, related to this agreement.

Foreign Currency Translation Assets and liabilities of foreign subsidiaries, except for the Company's Mexican operations whose functional currency is the U.S. Dollar, are translated at the rate of exchange in effect on the balance sheet date while income and expenses are translated at the average rates of exchange prevailing during the year. Foreign currency gains and losses resulting from transactions, and the translation of financial statements are recorded in the Company's consolidated financial statements based upon the provisions of Accounting Standards Codification ("ASC") 830, "Foreign Currency Matters." The effects of currency exchange rate changes on intercompany transactions and balances of a long-term investment nature are accumulated and carried as a component of accumulated other comprehensive loss. The effects of currency exchange rate changes on intercompany transactions that are denominated in a currency other than an entity's functional currency are charged or credited to earnings. Foreign exchange transaction losses recognized in other (expense) income, net were \$3.5 million, \$0.1 million and \$2.0 million for 2013, 2012 and 2011, respectively.

Noncontrolling Interests In accordance with ASC 810, the Company has classified noncontrolling interests as equity on our condensed consolidated balance sheets as of December 31, 2013 and 2012. Net income attributable to noncontrolling interests for the years ended December 31, 2013, 2012 and 2011 was not material.

Other Comprehensive Income (Loss) Comprehensive income (loss) is defined as net income and all other non-owner changes in shareholders' equity. The Company's accumulated other comprehensive income consists of foreign currency translation adjustments, foreign currency hedges, foreign exchange contracts, interest rate swaps, and pension and post retirement related adjustments.

Revenue Recognition Revenue is recognized in accordance with ASC 605 "Revenue Recognition." The Company recognized revenue when the following criteria are met: 1) persuasive evidence of an arrangement exists; 2) delivery has occurred; 3) an established sales price has been set with the customer; 4) collection of the sale revenue from the customer is reasonably assured; and 5) no contingencies exist. Delivery is considered to have occurred when the customer assumes the risk and rewards of ownership. The Company estimates and records provisions for quantity rebates and sales returns and allowances as an offset to revenue in the same period the related revenue is recognized, based upon its experience. These items are included as a reduction in deriving net sales.

In general, the Company recognizes revenues on long-term contracts based on the percentage of completion method of accounting. The units-of-delivery method or other input-based or output-based measures, as appropriate, are used to measure the progress toward completion of individual contracts. Contract revenues and cost estimates are reviewed and revised quarterly at a minimum and adjustments are reflected in the accounting period as such amounts are determined. Provisions are made currently for estimated losses on uncompleted contracts. Unbilled accounts receivables were \$205.0 million and \$97.1, customer deposits were \$66.6 million and \$82.8, and provisions for loss contracts were \$14.0 million and \$14.2 million at December 31, 2013 and 2012, respectively.

Certain pre-production costs relating to long-term production and supply contracts have been deferred and will be recognized over the life of the contracts. Deferred pre-production costs were \$19.2 million and \$20.5 million at December 31, 2013 and 2012, respectively.

Significant Customers and Concentrations of Credit Risk The Company's trade receivables are from rail and transit industry original equipment manufacturers, Class I railroads, railroad carriers and commercial companies that utilize rail cars in their operations, such as utility and chemical companies. No one customer accounted for more than 10% of the Company's consolidated net sales in 2013, 2012 and 2011.

Shipping and Handling Fees and Costs All fees billed to the customer for shipping and handling are classified as a component of net revenues. All costs associated with shipping and handling is classified as a component of cost of sales.

Research and Development Research and development costs are charged to expense as incurred. For the years ended December 31, 2013, 2012 and 2011, the Company incurred costs of approximately \$46.3 million, \$41.3 million and \$37.2 million, respectively.

Employees As of December 31, 2013, approximately 27% of the Company's workforce was covered by collective bargaining agreements. These agreements are generally effective from 2014 through 2017. Agreements expiring in 2014 cover approximately 15% of the Company's workforce.

Earnings Per Share Basic and diluted earnings per common share is computed in accordance with ASC 260 "Earnings Per Share." Unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and included in the computation of earnings per share pursuant to the two-class method included in ASC 260-10-55. (See Note 11 "Earnings Per Share" included herein)

Reclassifications Certain prior year amounts have been reclassified, where necessary, to conform to the current year presentation.

Use of Estimates The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from the estimates. On an ongoing basis, Management reviews its estimates based on currently available information. Changes in facts and circumstances may result in revised estimates.

3. ACQUISITIONS

The Company made the following acquisitions operating as a business unit or component of a business unit in the Freight Segment:

- On September 24, 2013, the Company acquired Longwood Industries, Inc ("Longwood"), a manufacturer of specialty rubber products for transportation, oil and gas, and industrial markets, for a net purchase price of approximately \$83.9 million, net of cash, resulting in preliminary goodwill of \$36.0 million, none of which will be deductible for tax purposes.
- On July 30, 2013, the Company acquired Turbonetics Holdings, Inc ("Turbonetics"), a manufacturer of turbochargers and related components for various industrial markets, for a net purchase price of approximately \$23.2 million, net of cash, resulting in preliminary goodwill of \$7.0 million, none of which will be deductible for tax purposes.
- On February 26, 2013, the Company acquired Transdyne ("Transdyne"), a distributor of wear-protection components and other hardware used primarily on railroad freight cars, for a net purchase price of approximately \$2.4 million, net of cash, resulting in preliminary goodwill of \$0.5 million, which will be deductible for tax purposes.
- On January 31, 2013, the Company acquired Napier Turbochargers Ltd. ("Napier"), a UK-based provider of turbochargers and related parts for the worldwide power generation and marine markets, for a net purchase price of approximately \$112.3 million, net of cash, resulting in preliminary goodwill of \$65.4 million, none of which will be deductible for tax purposes.
- On July 31, 2012, the Company acquired Winco Equipamentos Ferroviarios Ltda. ("Winco"), an established marketing and sales company and provider of freight car components with capabilities including value-added engineering and assembly, service, technical support and logistics, based in Brazil, for an initial net payment of approximately \$3.7 million, net of cash, resulting in additional goodwill of \$3.8 million, none of which will be deductible for tax purposes. In addition to the \$3.7 million, the purchase agreement includes contingent consideration to be paid in future periods based on the achievement of certain financial results.

For the Napier, Transdyne, Turbonetics and Longwood acquisition, the following table summarizes the preliminary estimated fair values of the assets acquired and liabilities assumed at the date of the acquisition. For the Winco acquisition, the following table summarizes the final fair values of the assets acquired and liabilities assumed at the date of the acquisition.

<i>In thousands</i>	<u>Longwood</u> September 24, 2013	<u>Turbonetics</u> July 30, 2013	<u>Transdyne</u> February 26, 2013	<u>Napier</u> January 31, 2013	<u>Winco</u> July 31, 2012
Current assets	\$ 18,162	\$ 5,562	\$ 1,062	\$ 15,848	\$ 1,584
Property, plant & equipment	14,838	996	83	8,836	47
Goodwill and other intangible assets	75,411	18,135	1,485	106,030	6,471
Other assets	187	—	—	—	1,825
Total assets acquired	108,598	24,693	2,630	130,714	9,927
Total liabilities assumed	(24,735)	(1,510)	(228)	(18,373)	(6,271)
Net assets acquired	<u>\$ 83,863</u>	<u>\$ 23,183</u>	<u>\$ 2,402</u>	<u>\$ 112,341</u>	<u>\$ 3,656</u>

The Company made the following acquisitions operating as a business unit or component of a business unit in the Transit Segment:

- On February 12, 2014, the Company signed a definitive agreement to acquire Fandstan Electric Group Ltd. (“Fandstan”), a leading rail and industrial equipment manufacturer for a variety of markets, including rail and tram transportation, industrial and energy, for a purchase price of approximately \$215.0 million. The Company expects the transaction to be completed in the first quarter of 2014, subject to customary closing conditions and competition authority clearance.
- On October 1, 2012, the Company acquired LH Group (“LH”), a UK-based provider of maintenance and overhaul services for the passenger transit market, for a net purchase price of approximately \$48.1 million, net of cash, resulting in additional goodwill of \$20.1 million, none of which will be deductible for tax purposes.
- On July 13, 2012, the Company acquired Tec Tran Corp. and its affiliates (“Tec Tran”), the only U.S.-owned manufacturer of hydraulic braking systems for transit cars, based in North Carolina, for a net purchase price of approximately \$8.3 million, net of cash, resulting in additional goodwill of \$1.7 million, which will be deductible for tax purposes.
- On June 14, 2012, the Company acquired Mors Smitt Holding (“Mors Smitt”), a leading manufacturer of electronic components for rail and industrial markets with operations in the Netherlands, the United Kingdom, the U.S., France, China and Hong-Kong, for a net purchase price of approximately \$90.0 million, net of cash, resulting in additional goodwill of \$42.9 million, none of which will be deductible for tax purposes.

For the LH, Tec Tran and Mors Smitt acquisitions, the following table summarizes the final fair values of the assets acquired and liabilities assumed at the date of the acquisition.

<i>In thousands</i>	<u>LH Group</u> October 1, 2012	<u>Tec Tran</u> July 13, 2012	<u>Mors Smitt</u> June 14, 2012
Current assets	\$ 19,126	\$ 1,955	\$ 23,649
Property, plant & equipment	5,874	116	10,389
Goodwill and other intangible assets	38,712	6,717	79,730
Other assets	—	—	944
Total assets acquired	63,712	8,788	114,712
Total liabilities assumed	(15,592)	(470)	(24,724)
Net assets acquired	<u>\$ 48,120</u>	<u>\$ 8,318</u>	<u>\$ 89,988</u>

The 2013 acquisitions listed above include escrow deposits of \$20.8 million, which may be released to the Company for indemnity and other claims in accordance with the purchase and escrow agreements.

The total goodwill and other intangible assets for acquisitions listed in the tables above was \$332.6 million, of which \$177.4 million and \$155.2 million was related to goodwill and other intangible assets, respectively. Of the allocation of \$155.2 million of acquired intangible assets for the companies listed in the above tables, \$105.0 million was assigned to customer relationships, \$39.4 million was assigned to trade names, \$5.2 million was assigned to patents, \$0.8 million was assigned to favorable leasehold interest, \$0.6 million was assigned to non-compete agreements and \$4.2 million was assigned to customer backlog. The trade names are

considered to have an indefinite useful life while the customer relationships' useful life is 20 years, the patents' useful life is 12 years, the favorable leasehold useful life is five years and non-compete agreements useful life is two years.

The following unaudited pro forma financial information presents income statement results as if the acquisition of Winco, Mors Smitt, Tec Tran, LH, Napier, Transdyne, Turbonetics and Longwood had occurred January 1, 2012:

<i>In thousands, except per share</i>	For the year ended December 31,	
	2013	2012
Net sales	\$ 2,629,417	\$ 2,622,843
Gross profit	777,139	759,368
Net income attributable to Wabtec shareholders	297,040	275,403
Diluted earnings per share		
As reported	\$ 3.01	\$ 2.60
Pro forma	\$ 3.07	\$ 2.84

4. SUPPLEMENTAL CASH FLOW DISCLOSURES

<i>In thousands</i>	For the year ended December 31,		
	2013	2012	2011
Interest paid during the year	\$ 15,601	\$ 16,309	\$ 16,505
Income taxes paid during the year, net of amount refunded	137,945	135,691	68,053
Business acquisitions:			
Fair Value of assets acquired	\$ 267,306	\$ 198,066	\$ 160,862
Liabilities assumed	44,846	46,009	47,620
Cash paid	222,460	152,057	113,242
Less cash acquired	671	2,303	4,248
Net cash paid	\$ 221,789	\$ 149,754	\$ 108,994

On December 11, 2013, the Board of Directors amended its stock repurchase authorization to \$200 million of the Company's outstanding shares. This share repurchase authorization supersedes the previous authorization of \$150 million of which \$44.4 million remained. Through December 31, 2013, no shares have been repurchased under the new authorization.

The Company intends to purchase shares on the open market or in negotiated or block trades. No time limit was set for the completion of the programs which conform to the requirements under the 2013 Refinancing Credit Agreement, as well as the Notes currently outstanding.

During the first and second quarters of 2013, no shares were repurchased. During the third quarter of 2013, the Company repurchased 93,205 shares at an average price of \$58.86 per share. During the fourth quarter of 2013, the Company repurchased 413,900 shares at an average price of \$66.47 per share. All purchases were on the open market.

During the first quarter of 2012, no shares were repurchased. During the second quarter of 2012, the Company repurchased 597,600 shares at an average price of \$36.69 per share. During the third quarter of 2012, the Company repurchased 155,000 shares at an average price of \$39.16 per share. During the fourth quarter of 2012, the Company repurchased 462,200 shares at an average price of \$40.15 per share. All purchases were on the open market.

5. INVENTORIES

The components of inventory, net of reserves, were:

<i>In thousands</i>	December 31,	
	2013	2012
Raw materials	\$ 165,906	\$ 186,341
Work-in-progress	137,449	129,605
Finished goods	99,874	91,093
Total inventories	<u>\$ 403,229</u>	<u>\$ 407,039</u>

6. PROPERTY, PLANT & EQUIPMENT

The major classes of depreciable assets are as follows:

<i>In thousands</i>	December 31,	
	2013	2012
Machinery and equipment	\$ 440,297	\$ 406,574
Buildings and improvements	138,469	129,869
Land and improvements	16,271	16,297
Locomotive leased fleet	2,703	3,184
PP&E	597,740	555,924
Less: accumulated depreciation	(321,662)	(311,836)
Total	<u>\$ 276,078</u>	<u>\$ 244,088</u>

The estimated useful lives of property, plant and equipment are as follows:

	<u>Years</u>
Land improvements	10 to 20
Buildings and improvements	20 to 40
Machinery and equipment	3 to 15
Locomotive leased fleet	4 to 15

Depreciation expense was \$33.5 million, \$28.9 million, and \$29.9 million for 2013, 2012 and 2011, respectively.

7. INTANGIBLES

Goodwill and other intangible assets with indefinite lives are not amortized. Other intangibles (with definite lives) are amortized on a straight-line basis over their estimated economic lives. Goodwill and indefinite lived intangible assets are reviewed annually during the fourth quarter for impairment (See Note 2 "Summary of Significant Accounting Policies" included herein). Goodwill and indefinite live intangible assets were not impaired at December 31, 2013 and 2012.

The change in the carrying amount of goodwill by segment for the year ended December 31, 2013 is as follows:

<i>In thousands</i>	Freight Segment	Transit Segment	Total
Balance at December 31, 2012	\$ 397,184	\$ 268,838	\$ 666,022
Adjustment to preliminary purchase price allocation of acquisitions	(855)	1,303	448
Acquisitions	115,062	--	115,062
Foreign currency impact	(1,727)	6,628	4,901
Balance at December 31, 2013	<u>\$ 509,664</u>	<u>\$ 276,769</u>	<u>\$ 786,433</u>

As of December 31, 2013 and 2012, the Company's trademarks had a net carrying amount of \$156.8 million and \$131.3 million, respectively, and the Company believes these intangibles have an indefinite life. Intangible assets of the Company, other than goodwill and trademarks, consist of the following:

<i>In thousands</i>	December 31,	
	2013	2012
Patents, non-compete, and other intangibles, net of accumulated amortization of \$37,824 and \$35,556	\$ 15,561	\$ 11,835
Customer relationships, net of accumulated amortization of \$44,910 and \$31,572	213,324	165,160
Total	<u>\$ 228,885</u>	<u>\$ 176,995</u>

The remaining weighted average useful lives of patents, customer relationships and intellectual property were ten years, 17 years and 16 years respectively. Amortization expense for intangible assets was \$17.7 million, \$15.3 million, and \$15.0 million for the years ended December 31, 2013, 2012, and 2011, respectively.

Amortization expense for the five succeeding years is as follows (in thousands):

2014	\$	17,574
2015	\$	16,131
2016	\$	15,980
2017	\$	15,084
2018	\$	14,448

8. LONG-TERM DEBT

Long-term debt consisted of the following:

<i>In thousands</i>	December 31,	
	2013	2012
4.375% senior notes, due 2023	\$ 250,000	\$ —
6.875% senior notes, due 2013	—	150,000
Revolving Credit Facility	200,000	167,000
Capital Leases	709	896
Total	<u>450,709</u>	<u>317,896</u>
Less—current portion	421	43
Long-term portion	<u>\$ 450,288</u>	<u>\$ 317,853</u>

2013 Refinancing Credit Agreement

On December 19, 2013, the Company amended its existing revolving credit facility with a consortium of commercial banks. This "2013 Refinancing Credit Agreement" provides the company with a \$800 million, five-year revolving credit facility. The Company incurred approximately \$1.0 million of deferred financing cost related to the 2013 Refinancing Credit Agreement. The facility expires on December 19, 2018. The 2013 Refinancing Credit Agreement borrowings bear variable interest rates indexed as described below. At December 31, 2013, the Company had available bank borrowing capacity, net of \$59.8 million of letters of credit, of approximately \$540.2 million, subject to certain financial covenant restrictions.

Under the 2013 Refinancing Credit Agreement, the Company may elect a Base Rate of interest for U.S. Dollar denominated loans or, for certain currencies, an interest rate based on the London Interbank Offered Rate (“LIBOR”) of interest, or other rates appropriate for such currencies (in any case, “the Alternate Rate”). The Base Rate adjusts on a daily basis and is the greater of the Federal Funds Effective Rate plus 0.5% per annum, the PNC, N.A. prime rate or the Daily LIBOR Rate plus 100 basis points, plus a margin that ranges from 0 to 75 basis points. The Alternate Rate is based on the quoted rates specific to the applicable currency, plus a margin that ranges from 75 to 175 basis points. Both the Base Rate and Alternate Rate margins are dependent on the Company’s consolidated total indebtedness to cash flow ratios. The initial Base Rate margin is 0 basis points and the Alternate Rate margin is 100 basis points.

At December 31, 2013 the weighted average interest rate on the Company’s variable rate debt was 1.17%. On January 12, 2012, the Company entered into a forward starting interest rate swap agreement with a notional value of \$150 million. The effective date of the interest rate swap agreement is July 31, 2013, and the termination date is November 7, 2016. The impact of the interest rate swap agreement converts a portion of the Company’s outstanding debt from a variable rate to a fixed-rate borrowing. During the term of the interest rate swap agreement the interest rate on the notional value will be fixed at 1.415% plus the Alternate Rate margin. The Company is exposed to credit risk in the event of nonperformance by the counterparty. However, since only the cash interest payments are exchanged, exposure is significantly less than the notional amount. The counterparty is a large financial institution with an excellent credit rating and history of performance. The Company currently believes the risk of nonperformance is negligible.

The 2013 Refinancing Credit Agreement limits the Company’s ability to declare or pay cash dividends and prohibits the Company from declaring or making other distributions, subject to certain exceptions. The 2013 Refinancing Credit Agreement contains various other covenants and restrictions including the following limitations: incurrence of additional indebtedness; mergers, consolidations, sales of assets and acquisitions; additional liens; sale and leasebacks; permissible investments, loans and advances; certain debt payments; and imposes a minimum interest expense coverage ratio of 3.0 and a maximum debt to cash flow ratio of 3.25. The Company does not expect that these measurements will limit the Company in executing our operating activities. See Note 8 of “Notes to Consolidated Financial Statements” included in Part IV, Item 15 of this report.

2011 Refinancing Credit Agreement

On November 7, 2011, the Company refinanced its existing revolving credit and term loan facility with a consortium of commercial banks. This “2011 Refinancing Credit Agreement” provided the company with a \$600 million, five-year revolving credit facility. The Company incurred approximately \$1.9 million of deferred financing cost related to the 2011 Refinancing Credit Agreement. The facility was set to expire on November 7, 2016.

Under the 2011 Refinancing Credit Agreement, the Company may have elected a Base Rate of interest or an interest rate based on the London Interbank Offered Rate (“LIBOR”) of interest (“the Alternate Rate”). The Base Rate adjusted on a daily basis and was the greater of the Federal Funds Effective Rate plus 0.5% per annum, the PNC, N.A. prime rate or the Daily LIBOR Rate plus 100 basis points plus a margin that ranged from 0 to 75 basis points. The Alternate Rate was based on quoted LIBOR rates plus a margin that ranged from 75 to 175 basis points. Both the Base Rate and Alternate Rate margins were dependent on the Company’s consolidated total indebtedness to cash flow ratios. The current Base Rate margin was 0 basis points and the Alternate Rate margin was 100 basis points.

4.375% Senior Notes Due August 2023

In August 2013, the Company issued \$250.0 million of Senior Notes due in 2023 (“the 2013 Notes”). Interest on the 2013 Notes accrues at a rate of 4.375% per annum and is payable semi-annually on February 15 and August 15 of each year. The proceeds were used to repay debt outstanding under the Company’s existing credit agreement, and for general corporate purposes. The principal balance is due in full at maturity. The Company incurred \$2.6 million of deferred financing costs related to the issuance.

The 2013 Notes are senior unsecured obligations of the Company and rank pari passu with all existing and future senior debt and senior to all existing and future subordinated indebtedness of the Company. The indenture under which the 2013 Notes were issued contains covenants and restrictions which limit among other things, the following: the incurrence of indebtedness, payment of dividends and certain distributions, sale of assets, change in control, mergers and consolidations and the incurrence of liens.

The Company is in compliance with the restrictions and covenants in the indenture under which the 2013 Notes were issued and expects that these restrictions and covenants will not be any type of limiting factor in executing our operating activities.

6.875% Senior Notes Due August 2013

In August 2003, the Company issued \$150.0 million of Senior Notes due in 2013 (“the 2003 Notes”). The 2003 Notes were issued at par. Interest on the 2003 Notes accrued at a rate of 6.875% per annum and was payable semi-annually on January 31 and July 31 of each year. The proceeds were used to repay debt outstanding under the Company’s existing credit agreement and for general corporate purposes. The Company paid off the 2003 Notes, which matured on July 31, 2013 utilizing available capacity under the 2011 Refinancing Credit Agreement.

Debt and Capital Leases

Scheduled principal repayments of debt and capital lease balances as of December 31, 2013 are as follows:

2014	\$	421
2015		103
2016		86
2017		51
2018		200,030
Future years		250,018
Total	\$	<u>450,709</u>

9.EMPLOYEE BENEFIT PLANS

Defined Benefit Pension Plans

The Company sponsors defined benefit pension plans that cover certain U.S., Canadian, German, and United Kingdom employees and which provide benefits of stated amounts for each year of service of the employee. The Company uses a December 31 measurement date for the plans.

The following tables provide information regarding the Company’s defined benefit pension plans summarized by U.S. and international components.

Obligations and Funded Status

<i>In thousands</i>	U.S.		International	
	2013	2012	2013	2012
Change in projected benefit obligation				
Obligation at beginning of year	\$ (52,226)	\$ (52,351)	\$ (163,507)	\$ (144,641)
Service cost	(432)	(379)	(2,035)	(2,006)
Interest cost	(1,960)	(2,113)	(6,661)	(7,114)
Employee contributions	—	—	(442)	(419)
Plan curtailments and amendments	—	—	34	—
Benefits paid	3,586	3,548	6,554	9,335
Expenses and premiums paid	—	—	360	541
Acquisition	—	—	—	(1,050)
Actuarial gain (loss)	3,942	(931)	(7,860)	(13,360)
Effect of currency rate changes	—	—	2,626	(4,793)
Obligation at end of year	\$ (47,090)	\$ (52,226)	\$ (170,931)	\$ (163,507)
Change in plan assets				
Fair value of plan assets at beginning of year	\$ 42,403	\$ 39,951	\$ 144,089	\$ 131,327
Actual return on plan assets	4,163	4,484	17,273	10,621
Employer contributions	—	1,516	4,810	6,739
Employee contributions	—	—	442	419
Benefits paid	(3,586)	(3,548)	(6,554)	(9,335)
Expenses and premiums paid	—	—	(360)	(541)
Acquisition	—	—	—	667
Effect of currency rate changes	—	—	(2,995)	4,192
Fair value of plan assets at end of year	\$ 42,980	\$ 42,403	\$ 156,705	\$ 144,089
Funded status				
Fair value of plan assets	\$ 42,980	\$ 42,403	\$ 156,705	\$ 144,089
Benefit obligations	(47,090)	(52,226)	(170,931)	(163,507)
Funded Status	\$ (4,110)	\$ (9,823)	\$ (14,226)	\$ (19,418)
Amounts recognized in the statement of financial position consist of:				
Noncurrent assets	\$ —	\$ —	\$ 3,554	\$ 930
Current liabilities	—	—	(44)	(47)
Noncurrent liabilities	(4,110)	(9,823)	(17,736)	(20,301)
Net amount recognized	\$ (4,110)	\$ (9,823)	\$ (14,226)	\$ (19,418)
Amounts recognized in accumulated other comprehensive income (loss) consist of:				
Initial net obligation	\$ —	\$ —	\$ (647)	\$ (801)
Prior service costs	(36)	(98)	(223)	(390)
Net actuarial loss	(22,249)	(30,557)	(40,359)	(45,824)
Net amount recognized	\$ (22,285)	\$ (30,655)	\$ (41,229)	\$ (47,015)

The aggregate accumulated benefit obligation for the U.S. pension plans was \$46.3 million and \$51.4 million as of December 31, 2013 and 2012, respectively. The aggregate accumulated benefit obligation for the international pension plans was \$159.8 million and \$154.2 million as of December 31, 2013 and 2012, respectively.

<i>In thousands</i>	U.S.		International	
	2013	2012	2013	2012
Information for pension plans with accumulated benefit obligations in excess of plan assets:				
Projected benefit obligation	\$ (47,090)	\$ (52,226)	\$ (117,717)	\$ (125,145)
Accumulated benefit obligation	(46,316)	(51,428)	(108,182)	(115,885)
Fair value of plan assets	42,980	42,403	100,798	104,797
Information for pension plans with projected benefit obligations in excess of plan assets:				
Projected benefit obligation	\$ (47,090)	\$ (52,226)	\$ (126,998)	\$ (125,145)
Fair value of plan assets	42,980	42,403	109,219	104,797

Components of Net Periodic Benefit Costs

<i>In thousands</i>	U.S.			International		
	2013	2012	2011	2013	2012	2011
Service cost	\$ 432	\$ 379	\$ 309	\$ 2,035	\$ 2,006	\$ 3,204
Interest cost	1,960	2,113	2,428	6,661	7,114	7,575
Expected return on plan assets	(2,977)	(3,095)	(3,331)	(8,418)	(8,132)	(8,477)
Amortization of initial net obligation and prior service cost	62	62	62	270	322	380
Amortization of net loss	3,180	2,968	2,502	3,107	2,412	1,665
Settlement and Curtailment losses recognized	—	—	—	168	1,149	1,024
Net periodic benefit cost	\$ 2,657	\$ 2,427	\$ 1,970	\$ 3,823	\$ 4,871	\$ 5,371

Other Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income during 2013 are as follows:

<i>In thousands</i>	U.S.		International	
Net gain (loss) arising during the year	\$ 5,128	\$ 996		
Effect of exchange rates	—	1,211		
Amortization, settlement, or curtailment recognition of net transition obligation	—	160		
Amortization or curtailment recognition of prior service cost	62	144		
Amortization or settlement recognition of net loss	3,180	3,275		
Total recognized in other comprehensive income (loss)	\$ 8,370	\$ 5,786		
Total recognized in net periodic benefit cost and other comprehensive income (loss)	\$ 5,713	\$ 1,963		

The weighted average assumptions in the following table represent the rates used to develop the actuarial present value of the projected benefit obligation for the year listed and also the net periodic benefit cost for the following year.

	U.S.			International		
	2013	2012	2011	2013	2012	2011
Discount rate	4.70%	3.90%	4.30%	4.43%	4.30%	4.96%
Expected return on plan assets	6.20%	7.50%	7.50%	6.07%	6.09%	6.12%
Rate of compensation increase	3.00%	3.00%	3.00%	3.59%	3.10%	3.21%

The discount rate is based on settling the pension obligation with high grade, high yield corporate bonds, and the rate of compensation increase is based on actual experience. The expected return on plan assets is based on historical performance as well as expected future rates of return on plan assets considering the current investment portfolio mix and the long-term investment strategy.

As of December 31, 2013 the following table represents the amounts included in other comprehensive loss that are expected to be recognized as components of periodic benefit costs in 2014.

<i>In thousands</i>	U.S.	International
Net transition obligation	\$ —	\$ 169
Prior service cost	23	90
Net actuarial loss	2,599	2,847
	<u>\$ 2,622</u>	<u>\$ 3,106</u>

Pension Plan Assets

The Company has established formal investment policies for the assets associated with our pension plans. Objectives include maximizing long-term return at acceptable risk levels and diversifying among asset classes. Asset allocation targets are based on periodic asset liability study results which help determine the appropriate investment strategies. The investment policies permit variances from the targets within certain parameters. The plan assets consist primarily of equity security funds, debt security funds, and temporary cash and cash equivalent investments. The assets held in these funds are generally passively managed and are valued at the net asset value per share multiplied by the number of shares held as of the measurement date. Generally, all plan assets are considered Level 2 based on the fair value valuation hierarchy (See Note 17 “Fair Value Measurement” included herein). Plan assets by asset category at December 31, 2013 and 2012 are as follows:

<i>In thousands</i>	U.S.		International	
	2013	2012	2013	2012
Pension Plan Assets				
Equity security funds	\$ 21,562	\$ 21,081	\$ 84,699	\$ 77,715
Debt security funds and other	20,749	20,785	66,238	65,674
Cash and cash equivalents	669	537	5,768	700
Fair value of plan assets	<u>\$ 42,980</u>	<u>\$ 42,403</u>	<u>\$ 156,705</u>	<u>\$ 144,089</u>

The U.S. pension plan has a target asset allocation of 50% equity securities and 50% debt securities. The Canadian and German pension plans have target asset allocations of 50% equity securities and 50% debt securities. The United Kingdom plan has a target asset allocation of 62.5% equity securities and 37.5% debt securities. Investment policies are determined by the respective Plan’s Pension Committee and set forth in its Investment Policy. Rebalancing of the asset allocation occurs on a quarterly basis.

Cash Flows

The Company’s funding methods are based on governmental requirements and differ from those methods used to recognize pension expense. The Company expects to contribute \$5.2 million to the international plans and does not expect to make a contribution to the U.S. plans during 2014.

Benefit payments expected to be paid to plan participants are as follows:

<i>In thousands</i>		U.S.	International
Year ended December 31,			
2014	\$	3,562	\$ 6,737
2015		3,610	6,765
2016		3,534	6,723
2017		3,555	7,210
2018		3,511	7,520
2019 through 2023		17,190	42,394

Post Retirement Benefit Plans

In addition to providing pension benefits, the Company has provided certain unfunded postretirement health care and life insurance benefits for a portion of North American employees. The Company is not obligated to pay health care and life insurance benefits to individuals who had retired prior to 1990.

The Company uses a December 31 measurement date for all post retirement plans. The following tables provide information regarding the Company's post retirement benefit plans summarized by U.S. and international components.

Obligations and Funded Status

<i>In thousands</i>	U.S.		International	
	2013	2012	2013	2012
Change in projected benefit obligation				
Obligation at beginning of year	\$ (33,807)	\$ (33,464)	\$ (4,296)	\$ (4,003)
Service cost	(47)	(24)	(48)	(45)
Interest cost	(1,113)	(1,387)	(172)	(201)
Benefits paid	2,641	1,197	220	270
Actuarial (loss) gain	6,466	(129)	153	(228)
Effect of currency rate changes	—	—	272	(89)
Obligation at end of year	\$ (25,860)	\$ (33,807)	\$ (3,871)	\$ (4,296)
Change in plan assets				
Fair value of plan assets at beginning of year	\$ —	\$ —	\$ —	\$ —
Employer contributions	1,158	1,197	220	270
Benefits paid	(1,158)	(1,197)	(220)	(270)
Fair value of plan assets at end of year	\$ —	\$ —	\$ —	\$ —
Funded status				
Fair value of plan assets	\$ —	\$ —	\$ —	\$ —
Benefit obligations	(25,860)	(33,807)	(3,871)	(4,296)
Funded status	\$ (25,860)	\$ (33,807)	\$ (3,871)	\$ (4,296)

<i>In thousands</i>	U.S.		International	
	2013	2012	2013	2012
Amounts recognized in the statement of financial position consist of:				
Current liabilities	\$ (1,357)	\$ (1,509)	\$ (217)	\$ (330)
Noncurrent liabilities	(24,503)	(32,298)	(3,654)	(3,966)
Net amount recognized	\$ (25,860)	\$ (33,807)	\$ (3,871)	\$ (4,296)
Amounts recognized in accumulated other comprehensive income (loss) consist of:				
Initial net obligation	\$ —	\$ —	\$ —	\$ —
Prior service credit	11,722	12,663	44	265
Net actuarial (loss) gain	(21,619)	(29,719)	761	753
Net amount recognized	\$ (9,897)	\$ (17,056)	\$ 805	\$ 1,018

Components of Net Periodic Benefit Cost

<i>In thousands</i>	U.S.			International		
	2013	2012	2011	2013	2012	2011
Service cost	\$ 47	\$ 24	\$ 31	\$ 48	\$ 45	\$ 56
Interest cost	1,113	1,387	1,610	172	201	231
Amortization of initial net obligation and prior service credit	(2,689)	(2,608)	(2,661)	(211)	(240)	(243)
Amortization of net loss (gain)	1,634	1,790	1,761	(93)	(90)	(142)
Net periodic benefit cost (credit)	\$ 105	\$ 593	\$ 741	\$ (84)	\$ (84)	\$ (98)

Other Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income during 2013 are as follows:

<i>In thousands</i>	U.S.	International
Net gain arising during the year	\$ 8,214	\$ 153
Effect of exchange rates	—	(62)
Amortization or curtailment recognition of prior service cost	(2,689)	(211)
Amortization or settlement recognition of net loss (gain)	1,634	(93)
Total recognized in other comprehensive income (loss)	\$ 7,159	\$ (213)
Total recognized in net periodic benefit cost and other comprehensive income (loss)	\$ 7,054	\$ (129)

The weighted average assumptions in the following table represent the rates used to develop the actuarial present value of the projected benefit obligation for the year listed and also the net periodic benefit cost for the following year. The discount rate is based on settling the pension obligation with high grade, high yield corporate bonds.

	U.S.			International		
	2013	2012	2011	2013	2012	2011
Discount rate	4.70%	3.90%	4.30%	4.60%	4.30%	5.15%

As of December 31, 2013 the following table represents the amounts included in other comprehensive loss that are expected to be recognized as components of periodic benefit costs in 2014.

<i>In thousands</i>	U.S.	International
Prior service credit	\$ (2,729)	\$ (9)
Net actuarial loss (gain)	1,423	(55)
	\$ (1,306)	\$ (64)

The assumed health care cost trend rate for the U.S. plans grades from an initial rate of 7.0% to an ultimate rate of 4.5% by 2027 and for international plans from 7.0% to 4.5% by 2027. A 1% increase in the assumed health care cost trend rate will increase the service and interest cost components of the expense recognized for the U.S. and international postretirement plans by approximately \$159,000 and \$17,000, respectively, for 2013, and increase the accumulated postretirement benefit obligation by approximately \$3.3 million and \$237,000, respectively. A 1% decrease in the assumed health care cost trend rate will decrease the service and interest cost components of the expense recognized for the U.S. and international postretirement plans by approximately \$134,000 and \$15,000, respectively, for 2013, and decrease the accumulated postretirement benefit obligation by approximately \$2.8 million and \$219,000, respectively.

Cash Flows

Benefit payments expected to be paid to plan participants are as follows:

<i>In thousands</i>	U.S.	International
Year ended December 31,		
2014	\$ 1,357	\$ 217
2015	1,365	228
2016	1,431	235
2017	1,454	233
2018	1,558	245
2019 through 2023	8,924	1,430

Defined Contribution Plans

The Company also participates in certain defined contribution plans and multiemployer pension plans. Costs recognized under these plans are summarized as follows:

<i>In thousands</i>	For the year ended December 31,		
	2013	2012	2011
Multi-employer pension and health & welfare plans	\$ 2,678	\$ 2,122	\$ 1,574
401(k) savings and other defined contribution plans	17,291	14,394	11,045
Total	\$ 19,969	\$ 16,516	\$ 12,619

The 401(k) savings plan is a participant directed defined contribution plan that holds shares of the Company's stock as one of the investment options. At December 31, 2013 and 2012, the plan held on behalf of its participants about 713,200 shares with a market value of \$53.0 million, and 742,400 shares with a market value of \$32.5 million, respectively.

Additionally, the Company has stock option based benefit and other plans further described in Note 12.

The Company contributes to several multiemployer defined benefit pension plans under collective bargaining agreements that cover certain of its union-represented employees. The risks of participating in such plans are different from the risks of single-employer plans. Assets contributed to a multiemployer plan by one employer may be used to provide benefits to employees of other participating employers. If a participating employer ceases to contribute to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. If the Company ceases to have an obligation to contribute to the multiemployer plan in which it had been a contributing employer, it may be required to pay to the plan an amount based on the underfunded status of the plan and on the history of the Company's participation in the plan prior to the cessation of its obligation to contribute. The amount that an employer that has ceased to have an obligation to contribute to a multiemployer plan is required to pay to the plan is referred to as a withdrawal liability.

The Company's participation in multiemployer plans for the year ended December 31, 2013 is outlined in the table below. For plans that are not individually significant to the Company, the total amount of contributions is presented in the aggregate.

Pension Fund	EIN / PN (a)	Pension Protection Act Zone Status (b)		FIP / RP Status Pending / Implemented (c)	Contributions by the Company			Surcharge Imposed (d)	Expiration Dates of Collective Bargaining Agreements
		2012	2011		2013	2012	2011		
Idaho Operating Engineers–Employers Pension Trust Fund	EIN # 91- 6075538 Plan #001	Green	Green	No	\$2,154(1)	\$1,803(1)	\$1,269(1)	No	6/30/2015
Automobile Mechanics' Local No 701 Union and Industry Pension Plan	EIN #36-6042061 Plan #001	Red	Red	Yes (2)	\$525	\$310	\$298	Yes (3)	12/11/2014
				Other Plans	\$0	\$9	\$7		
				Total Contributions	\$2,678	\$2,122	\$1,574		

(1) The Company's contribution represents more than 5% of the total contributions to the plan.

(2) The Pension Fund's board adopted a Rehabilitation Plan on September 30, 2012, increasing the weekly pension fund contribution rates by \$75 with corresponding decreases to the weekly welfare fund contribution rates.

(3) Critical status triggered a 5% surcharge on employer contributions effective June 2012. Effective January 1, 2013, this surcharge increases to 10% and remains in effect until the Company's union adopts the Rehabilitation Plan.

(a) The "EIN / PN" column provides the Employer Identification Number and the three-digit plan number assigned to a plan by the Internal Revenue Service.

(b) The most recent Pension Protection Act Zone Status available for 2012 and 2011 is for plan years that ended in 2012 and 2011, respectively. The zone status is based on information provided to the Company and other participating employers by each plan and is certified by the plan's actuary. A plan in the "red" zone has been determined to be in "critical status", based on criteria established under the Internal Revenue Code ("Code"), and is generally less than 65% funded. A plan in the "yellow" zone has been determined to be in "endangered status", based on criteria established under the Code, and is generally less than 80% funded. A plan in the "green" zone has been determined to be neither in "critical status" nor in "endangered status", and is generally at least 80% funded.

(c) The "FIP/RP Status Pending/Implemented" column indicates whether a Funding Improvement Plan, as required under the Code to be adopted by plans in the "yellow" zone, or a Rehabilitation Plan, as required under the Code to be adopted by plans in the "red" zone, is pending or has been implemented as of the end of the plan year that ended in 2013.

(d) The "Surcharge Imposed" column indicates whether the Company's contribution rate for 2013 included an amount in addition the contribution rate specified in the applicable collective bargaining agreement, as imposed by a plan in "critical status", in accordance with the requirements of the Code.

10. INCOME TAXES

The Company is responsible for filing consolidated U.S., foreign and combined, unitary or separate state income tax returns. The Company is responsible for paying the taxes relating to such returns, including any subsequent adjustments resulting from the redetermination of such tax liabilities by the applicable taxing authorities.

The components of the income from operations before provision for income taxes for the Company's domestic and foreign operations for the years ended December 31 are provided below:

<i>In thousands</i>	For the year ended December 31,		
	2013	2012	2011
Domestic	\$ 285,395	\$ 273,234	\$ 161,108
Foreign	135,692	104,124	94,206
Income from operations before income taxes	<u>\$ 421,087</u>	<u>\$ 377,358</u>	<u>\$ 255,314</u>

Undistributed earnings of the Company's foreign subsidiaries amounted to approximately \$515.8 million at December 31, 2013. Those earnings are considered to be indefinitely reinvested; accordingly, no provision for U.S. federal and state income taxes has been provided thereon. Upon repatriation of those earnings, in the form of dividends or otherwise, the Company would be subject to both U.S. income taxes (subject to an adjustment for foreign tax credits) and withholding taxes payable to the various foreign countries. Determination of the amount of unrecognized deferred U.S. income tax liability is not practicable due to the complexities associated with its hypothetical calculation. Withholding taxes of approximately \$5.4 million would be payable upon remittance of all previously unremitted earnings at December 31, 2013.

The consolidated provision for income taxes included in the Statement of Income consisted of the following:

<i>In thousands</i>	For the year ended December 31,		
	2013	2012	2011
Current taxes			
Federal	\$ 70,459	\$ 81,630	\$ 57,272
State	13,173	16,415	12,203
Foreign	29,972	27,000	32,285
	<u>\$ 113,604</u>	<u>\$ 125,045</u>	<u>\$ 101,760</u>
Deferred taxes			
Federal	11,146	(2,203)	(10,591)
State	1,375	851	(2,326)
Foreign	2,727	1,933	(3,678)
	<u>15,248</u>	<u>581</u>	<u>(16,595)</u>
Total provision	<u>\$ 128,852</u>	<u>\$ 125,626</u>	<u>\$ 85,165</u>

A reconciliation of the United States federal statutory income tax rate to the effective income tax rate on operations for the years ended December 31 is provided below:

<i>In thousands</i>	For the year ended December 31,		
	2013	2012	2011
U. S. federal statutory rate	35.0%	35.0%	35.0%
State taxes	2.2	2.8	2.3
Tax reserves	0.0	0.3	(0.5)
Foreign	(3.9)	(2.7)	(2.0)
Research and development credit	(0.6)	(0.2)	(0.9)
Manufacturing deduction	(1.7)	(2.1)	(1.6)
Other, net	(0.4)	0.2	1.1
Effective rate	<u>30.6%</u>	<u>33.3%</u>	<u>33.4%</u>

On September 13, 2013, Treasury and the Internal Revenue Service issued final regulations regarding the deduction and capitalization of expenditures related to tangible property. The final regulations under Internal Revenue Code Sections 162, 167 and 263(a) apply to amounts paid to acquire, produce, or improve tangible property as well as dispositions of such property and are generally effective for tax years beginning on or after January 1, 2014. We have evaluated these regulations and determined they will not have a material impact on our consolidated results of operations, cash flows or financial position.

Deferred income taxes result from temporary differences in the recognition of income and expense for financial and income tax reporting purposes. These deferred income taxes will be recognized as future tax benefits or costs when the temporary differences reverse.

Components of deferred tax assets and liabilities were as follows:

<i>In thousands</i>	December 31,	
	2013	2012
Deferred income tax assets:		
Accrued expenses and reserves	\$ 32,243	\$ 38,288
Warranty reserve	16,783	15,496
Deferred compensation/employee benefits	21,326	14,117
Pension and postretirement obligations	17,920	25,685
Inventory	10,089	9,841
Net operating loss carry forwards	5,770	4,744
Tax credit carry forwards	4,126	2,857
Gross deferred income tax assets	<u>108,257</u>	<u>111,028</u>
Valuation allowance	<u>3,332</u>	<u>2,141</u>
Total deferred income tax assets	104,925	108,887
Deferred income tax liabilities:		
Property, plant & equipment	25,440	24,273
Intangibles	140,317	112,431
Other	2,045	2,282
Total deferred income tax liabilities	<u>167,802</u>	<u>138,986</u>
Net deferred income tax liability	<u>\$ (62,877)</u>	<u>\$ (30,099)</u>

A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized. As of December 31, 2013, the valuation allowance for certain foreign carryforwards was \$3.3 million.

State and foreign tax credit carry-forwards of approximately \$4.1 million expire in various periods from December 31, 2015 to December 31, 2030. State net operating loss carry-forwards in the amount of \$69.2 million expire in various periods from December 31, 2015 to December 31, 2034.

As of December 31, 2013, the liability for income taxes associated with uncertain tax positions was \$10.5 million, of which \$4.7 million, if recognized, would favorably affect the Company's effective income tax rate. As of December 31, 2012, the liability for income taxes associated with uncertain tax positions was \$11.3 million, of which \$3.7 million, if recognized, would favorably affect the Company's effective tax rate. A reconciliation of the beginning and ending amount of the liability for income taxes associated with uncertain tax positions follows:

<i>In thousands</i>	2013	2012	2011
Gross liability for uncertain tax positions at beginning of year	\$ 11,267	\$ 8,204	\$ 9,974
Gross increases—uncertain tax positions in prior periods	55	180	859
Gross increases—current period uncertain tax positions	3,279	4,649	375
Gross decreases—audit settlements during year	(2,515)	(648)	(1,889)
Gross decreases—expiration of audit statute of limitations	(1,555)	(1,118)	(1,115)
Gross liability for uncertain tax positions at end of year	<u>\$ 10,531</u>	<u>\$ 11,267</u>	<u>\$ 8,204</u>

The Company includes interest and penalties related to uncertain tax positions in income tax expense. As of December 31, 2013, the total interest and penalties accrued was approximately \$1.5 million and \$0.9 million, respectively. As of December 31, 2012, the total interest and penalties accrued was approximately \$2.5 million and \$1.4 million, respectively.

With limited exception, the Company is no longer subject to examination by various U.S. and foreign taxing authorities for years before 2011. At this time, the Company believes that it is reasonably possible that unrecognized tax benefits of approximately \$0.3 million may change within the next 12 months due to the expiration of statutory review periods and current examinations.

11. EARNINGS PER SHARE

The computation of earnings per share from operations is as follows:

<i>In thousands, except per share</i>	For the Year Ended December 31,		
	2013	2012	2011
Numerator			
Numerator for basic and diluted earnings per common share—net income attributable to Wabtec shareholders	\$ 292,235	\$ 251,732	\$ 170,149
Less: dividends declared—common shares and non-vested restricted stock	(12,644)	(7,666)	(3,849)
Undistributed earnings	279,591	244,066	166,300
Percentage allocated to common shareholders (1)	99.5%	99.5%	99.5%
	278,193	242,846	165,469
Add: dividends declared—common shares	12,583	7,625	3,829
Numerator for basic and diluted earnings per common share	<u>\$ 290,776</u>	<u>\$ 250,471</u>	<u>\$ 169,298</u>
Denominator			
Denominator for basic earnings per common share—weighted-average shares	95,463	95,469	95,639
Effect of dilutive securities:			
Assumed conversion of dilutive stock-based compensation plans	1,369	1,273	1,018
Denominator for diluted earnings per common share—adjusted weighted-average shares and assumed conversion	<u>96,832</u>	<u>96,742</u>	<u>96,657</u>
Net income per common share attributable to Wabtec shareholders			
Basic	\$ 3.05	\$ 2.62	\$ 1.77
Diluted	\$ 3.01	\$ 2.60	\$ 1.76
(1) Basic weighted-average common shares outstanding	95,463	95,469	95,639
Basic weighted-average common shares outstanding and non-vested restricted stock expected to vest	95,932	95,976	96,149
Percentage allocated to common shareholders	99.5%	99.5%	99.5%

Options to purchase approximately 12,000, 38,000, and 50,000 shares of Common Stock were outstanding in 2013, 2012 and 2011, respectively, but were not included in the computation of diluted earnings per share because the options' exercise price exceeded the average market price of the common shares.

12. STOCK-BASED COMPENSATION PLANS

As of December 31, 2013, the Company maintains employee stock-based compensation plans for stock options, restricted stock, and incentive stock awards as governed by the 2011 Stock Incentive Compensation Plan (the "2011 Plan") and the 2000 Stock Incentive Plan, as amended (the "2000 Plan"). The 2011 Plan has a 10 year term through March 27, 2021 and as of December 31, 2013 the number of shares available for future grants under the 2011 Plan was 3,731,087 shares, which includes remaining shares to grant under the 2000 Plan. The 2011 Plan was approved by stockholders of Wabtec on May 11, 2011. The Company also maintains a 1995 Non-Employee Directors' Fee and Stock Option Plan ("the Directors Plan"). The Directors Plan, as amended, authorizes a total of 1,000,000 shares of Common Stock to be issued. Under the Directors Plan options issued become exercisable over a three-year vesting period and expire ten years from the date of grant and restricted stock issued under the plan vests one year from the date of grant. As compensation for directors' fees for the years ended December 31, 2013, 2012 and 2011, the Company issued a total of 17,875, 22,010 and 23,272 shares of restricted stock to non-employee directors. The total number of shares issued under the plan as of December 31, 2013 was 823,760 shares. No awards may be made under the Directors Plan subsequent to October 31, 2016.

Stock-based compensation expense for all of the plans was \$24.1 million, \$19.8 million and \$18.6 million for the years ended December 31, 2013, 2012 and 2011, respectively. The Company recognized associated tax benefits related to the stock-based compensation plans of \$7.9 million, \$5.9 million and \$5.1 million for the respective periods. Included in the stock-based compensation expense for 2013 above is \$2.3 million of expense related to stock options, \$5.6 million related to non-vested restricted stock, \$2.1 million related to restricted stock units, \$13.1 million related to incentive stock awards and \$1.0 million related to awards issued for Directors' fees. At December 31, 2013, unamortized compensation expense related to those stock options, non-vested restricted shares and incentive stock awards expected to vest totaled \$21.0 million and will be recognized over a weighted average period of 1.2 years.

Stock Options Stock options are granted to eligible employees and directors at the fair market value, which is the average of the high and low Wabtec stock price on the date of grant. Under the 2011 Plan and the 2000 Plan, options become exercisable over a four year vesting period and expire 10 years from the date of grant.

The following table summarizes the Company's stock option activity and related information for the 2011 Plan, the 2000 Plan and Directors Plan for the years ended December 31:

	<u>Options</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Contractual Life</u>	<u>Aggregate intrinsic value (in thousands)</u>
Outstanding at December 31, 2010	1,996,778	\$ 13.92	6.2	\$ 25,018
Granted	252,892	29.03		1,505
Exercised	(505,720)	9.69		(12,788)
Canceled	(19,166)	13.96		(403)
Outstanding at December 31, 2011	1,724,784	\$ 17.37	6.5	\$ 30,362
Granted	151,396	35.36		1,274
Exercised	(346,736)	12.78		(10,746)
Canceled	(63,766)	19.11		(1,573)
Outstanding at December 31, 2012	1,465,678	\$ 20.24	6.3	\$ 34,487
Granted	116,392	48.29		3,024
Exercised	(344,806)	14.98		(20,444)
Canceled	(4,402)	26.61		(210)
Outstanding at December 31, 2013	1,232,862	\$ 24.36	6.1	\$ 61,530
Exercisable at December 31, 2013	798,316	\$ 18.76	5.3	\$ 44,317

Options outstanding at December 31, 2013 were as follows:

Range of Exercise Prices	Number of Options Outstanding	Weighted Average Exercise Price of Options Outstanding	Weighted Average Remaining Contractual Life	Number of Options Currently Exercisable	Weighted Average Exercise Price of Options Currently Exercisable
Under \$10.00	1,666	\$ 8.54	1.2	1,666	\$ 8.54
10.00 – 15.00	269,084	14.39	5.0	269,084	14.39
15.00 – 23.00	452,332	18.19	4.9	399,848	18.07
23.00 – 30.00	231,746	28.60	6.8	93,978	28.45
Over 30.00	278,034	40.62	8.5	33,740	35.21
	1,232,862	\$ 24.36		798,316	\$ 18.76

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	For the year ended December 31,		
	2013	2012	2011
Dividend yield	.21%	.23%	.08%
Risk-free interest rate	1.4%	1.4%	3.0%
Stock price volatility	43.8	45.0	45.6
Expected life (years)	5.0	5.0	5.0
Weighted average fair value of options granted during the year	\$ 17.60	\$ 13.21	\$ 11.60

The dividend yield is based on the Company's dividend rate and the current market price of the underlying common stock at the date of grant. Expected life in years is determined from historical stock option exercise data. Expected volatility is based on the historical volatility of the Company's stock. The risk-free interest rate is based on the 7 year U.S. Treasury bond rates for the expected life of the option.

Restricted Stock and Incentive Stock Beginning in 2006 the Company adopted a restricted stock program. As provided for under the 2011 and 2000 Plans, eligible employees are granted restricted stock that generally vests over four years from the date of grant. Under the Directors Plan, restricted stock awards vest one year from the date of grant.

In addition, the Company has issued incentive stock awards to eligible employees that vest upon attainment of certain cumulative three-year performance goals. Based on the Company's performance for each three year period then ended, the incentive stock awards can vest and be awarded ranging from 0% to 200% of the initial incentive stock awards granted. The incentive stock awards included in the table below represent the number of shares that are expected to vest based on the Company's estimate for meeting those established performance targets. As of December 31, 2013, the Company estimates that it will achieve 200%, 164% and 100% for the incentive stock awards expected to vest based on performance for the three year periods ending December 31, 2013, 2014, and 2015, respectively, and has recorded incentive compensation expense accordingly. If our estimate of the number of these stock awards expected to vest changes in a future accounting period, cumulative compensation expense could increase or decrease and will be recognized in the current period for the elapsed portion of the vesting period and would change future expense for the remaining vesting period.

Compensation expense for the non-vested restricted stock and incentive stock awards is based on the closing price of the Company's common stock on the date of grant and recognized over the applicable vesting period.

The following table summarizes the restricted stock activity and related information for the 2011 Plan, the 2000 Plan, and Directors Plan, and incentive stock awards activity and related information for the 2011 Plan and the 2000 Plan with related information for the years ended December 31:

	Non-Vested Restricted Stock	Incentive Stock Awards	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2010	553,254	712,654	\$ 17.95
Granted	227,164	234,300	14.18
Vested	(224,660)	(134,684)	18.24
Adjustment for incentive stock awards expected to vest	—	484,452	23.06
Canceled	(6,540)	(3,998)	17.41
Outstanding at December 31, 2011	549,218	1,292,724	\$ 22.02
Granted	223,960	237,320	35.45
Vested	(197,388)	(244,158)	17.87
Adjustment for incentive stock awards expected to vest	—	69,778	32.77
Canceled	(29,016)	(26,586)	22.52
Outstanding at December 31, 2012	546,774	1,329,078	\$ 26.69
Granted	173,887	200,090	48.62
Vested	(204,494)	(570,918)	20.86
Adjustment for incentive stock awards expected to vest	—	91,694	33.49
Canceled	(6,038)	(6,350)	26.98
Outstanding at December 31, 2013	510,129	1,043,594	\$ 35.27

13. OTHER COMPREHENSIVE LOSS

The components of accumulated other comprehensive loss were:

<i>In thousands</i>	December 31,	
	2013	2012
Foreign currency translation gain	\$ 17,326	\$ 11,981
Unrealized loss on interest rate swap contracts, net of tax of \$1,252 and \$1,612	(2,010)	(2,459)
Pension and post-retirement benefit plans, net of tax of \$(22,434) and \$(30,622)	(50,172)	(63,086)
Total accumulated other comprehensive loss	\$ (34,856)	\$ (53,564)

The changes in accumulated other comprehensive loss by component, net of tax, for the year-ended December 31, 2013 are as follows:

<i>In thousands</i>	Foreign currency translation	Interest rate swap contracts	Pension and post retirement benefit plans	Total
	Balance at December 31, 2012	\$ 11,981	\$ (2,459)	\$ (63,086)
Other comprehensive income before reclassifications	5,345	449	9,264	15,058
Amounts reclassified from accumulated other comprehensive income	-	-	3,650	3,650
Net current period other comprehensive income	5,345	449	12,914	18,708
Balance at December 31, 2013	\$ 17,326	\$ (2,010)	\$ (50,172)	\$ (34,856)

Reclassifications out of accumulated other comprehensive loss for the year-ended December 31, 2013 are as follows:

<i>In thousands</i>	Amount reclassified from accumulated other comprehensive income	Affected line item in the Condensed Consolidated Statements of Operations
Amortization of defined pension and post retirement items		
Amortization of initial net obligation and prior service cost	\$ (2,568)	Cost of sales
Amortization of net loss	7,828	Cost of sales
	5,260	Income from Operations
	(1,610)	Income tax expense
	\$ 3,650	Net income

14. OPERATING LEASES

The Company leases office and manufacturing facilities under operating leases with terms ranging from one to 15 years, excluding renewal options.

Total net rental expense charged to operations in 2013, 2012, and 2011 was \$18.2 million, \$14.7 million and \$13.4 million respectively. The amounts above are shown net of sublease rentals of \$0.3 million, \$0.2 million and \$0.3 million for the years 2013, 2012 and 2011, respectively.

Future minimum rental payments under operating leases with remaining non-cancelable terms in excess of one year are as follows:

<i>In thousands</i>	Real Estate	Equipment	Total
2014	\$ 15,241	\$ 1,350	\$ 16,591
2015	13,461	924	14,385
2016	12,569	538	13,107
2017	9,794	151	9,945
2018	7,832	42	7,874
2019 and after	25,821	10	25,831

15. WARRANTIES

The following table reconciles the changes in the Company's product warranty reserve as follows:

<i>In thousands</i>	For the year ended December 31,	
	2013	2012
Balance at beginning of period	\$ 58,212	50,640
Warranty expense	23,059	22,862
Acquisitions	2,227	1,529
Warranty payments	(20,603)	(16,972)
Foreign currency impact/other	(2,302)	153
Balance at end of period	\$ 60,593	\$ 58,212

16. PREFERRED STOCK

The Company's authorized capital stock includes 1,000,000 shares of preferred stock. The Board of Directors has the authority to issue the preferred stock and to fix the designations, powers, preferences and rights of the shares of each such class or series, including dividend rates, conversion rights, voting rights, terms of redemption and liquidation preferences, without any further vote or action by the Company's shareholders. The rights and preferences of the preferred stock would be superior to those of the common stock. At December 31, 2013 and 2012 there was no preferred stock issued or outstanding.

17. FAIR VALUE MEASUREMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

ASC 820 “Fair Value Measurements and Disclosures” defines fair value, establishes a framework for measuring fair value and explains the related disclosure requirements. ASC 820 indicates, among other things, that a fair value measurement assumes that the transaction to sell an asset or transfer a liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability and defines fair value based upon an exit price model.

Valuation Hierarchy. ASC 820 establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 3 inputs are unobservable inputs based on the Company’s assumptions used to measure assets and liabilities at fair value. A financial asset or liability’s classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The following table provides the liabilities carried at fair value measured on a recurring basis as of December 31, 2013, which are included in other current liabilities on the Consolidated Balance sheet:

<i>In thousands</i>	Fair Value Measurements at December 31, 2013 Using			
	Total Carrying Value at December 31, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest rate swap agreement	3,005	—	3,005	—
Total	\$ 3,005	\$ —	\$ 3,005	\$ —

The following table provides the liabilities carried at fair value measured on a recurring basis as of December 31, 2012, which are included in other current liabilities on the Consolidated Balance sheet:

<i>In thousands</i>	Fair Value Measurements at December 31, 2012 Using			
	Total Carrying Value at December 31, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest rate swap agreements	4,070	—	4,070	—
Total	\$ 4,070	\$ —	\$ 4,070	\$ —

To reduce the impact of interest rate changes on a portion of its variable-rate debt, the Company entered into interest rate swaps which effectively converted a portion of the debt from variable to fixed-rate borrowings during the term of the swap contracts. For certain derivative contracts whose fair values are based upon trades in liquid markets, such as interest rate swaps, valuation model inputs can generally be verified and valuation techniques do not involve significant management judgment. The fair values of such financial instruments are generally classified within Level 2 of the fair value hierarchy.

As a result of our global operating activities the Company is exposed to market risks from changes in foreign currency exchange rates, which may adversely affect our operating results and financial position. When deemed appropriate, the Company minimizes these risks through entering into foreign currency forward contracts. The foreign currency forward contracts are valued using broker quotations, or market transactions in either the listed or over-the-counter markets. As such, these derivative instruments are classified within level 2.

The Company’s cash and cash equivalents are highly liquid investments purchased with an original maturity of three months or less and are considered Level 1 on the fair value valuation hierarchy. The fair value of cash and cash equivalents approximated the carrying value at December 31, 2013 and December 31, 2012. The Company’s defined benefit pension plan assets consist primarily of equity security funds, debt security funds and temporary cash and cash equivalent investments. Generally, all plan assets are considered Level 2 based on the fair value valuation hierarchy. These investments are comprised of a number of investment funds that invest in a diverse portfolio of assets including equity securities, corporate and governmental bonds, and money markets. Trusts are valued at the net asset value (“NAV”) as determined by their custodian. NAV represent the accumulation of the unadjusted quoted close prices on the reporting date for the underlying investments divided by the total shares outstanding at the reporting dates. The 2013 Notes and the 2003 Notes are considered Level 2 based on the fair value valuation hierarchy.

The estimated fair values and related carrying values of the Company's financial instruments are as follows:

<i>In thousands</i>	December 31, 2013		December 31, 2012	
	Carry Value	Fair Value	Carry Value	Fair Value
Interest rate swap agreement	\$ 3,005	\$ 3,005	\$ 4,070	\$ 4,070
4.375% Senior Notes	250,000	253,135	—	—
6.875% Senior Notes	—	—	150,000	154,125

The fair value of the Company's interest rate swap agreement, the 2013 Notes and the 2003 Notes were based on dealer quotes and represent the estimated amount the Company would pay to the counterparty to terminate the agreement.

18. COMMITMENTS AND CONTINGENCIES

The Company is subject to a variety of environmental laws and regulations governing discharges to air and water, the handling, storage and disposal of hazardous or solid waste materials and the remediation of contamination associated with releases of hazardous substances. The Company believes its operations currently comply in all material respects with all of the various environmental laws and regulations applicable to our business; however, there can be no assurance that environmental requirements will not change in the future or that we will not incur significant costs to comply with such requirements.

Under terms of the purchase agreement and related documents for the 1990 Acquisition, American Standard, Inc., now known as Trane ("Trane"), has indemnified the Company for certain items including, among other things, certain environmental claims the Company asserted prior to 2000. If Trane was unable to honor or meet these indemnifications, the Company would be responsible for such items. In the opinion of Management, Trane currently has the ability to meet its indemnification obligations.

Claims have been filed against the Company and certain of its affiliates in various jurisdictions across the United States by persons alleging bodily injury as a result of exposure to asbestos-containing products. Most of these claims have been made against our wholly owned subsidiary, Railroad Friction Products Corporation ("RFPC"), and are based on a product sold by RFPC prior to the time that the Company acquired any interest in RFPC.

Most of these claims, including all of the RFPC claims, are submitted to insurance carriers for defense and indemnity or to non-affiliated companies that retain the liabilities for the asbestos-containing products at issue. We cannot, however, assure that all these claims will be fully covered by insurance or that the indemnitors or insurers will remain financially viable. Our ultimate legal and financial liability with respect to these claims, as is the case with other pending litigation, cannot be estimated.

It is Management's belief that the potential range of loss for asbestos-related bodily injury cases is not reasonably determinable at present due to a variety of factors, including: (1) the asbestos case settlement history of the Company's wholly owned subsidiary, RFPC; (2) the unpredictable nature of personal injury litigation in general; and (3) the uncertainty of asbestos litigation in particular. Despite this uncertainty, and although the results of the Company's operations and cash flows for any given period could be adversely affected by asbestos-related lawsuits, Management believes that the final resolution of the Company's asbestos-related cases will not be material to the Company's overall financial position, results of operations and cash flows. In general, this belief is based upon: (1) Wabtec's and RFPC's history of settlements and dismissals of asbestos-related cases to date; (2) the inability of many plaintiffs to establish any exposure or causal relationship to RFPC's product; and (3) the inability of many plaintiffs to demonstrate any identifiable injury or compensable loss.

More specifically, as to RFPC, Management's belief that any losses due to asbestos-related cases would not be material is also based on the fact that RFPC owns insurance which provides coverage for asbestos-related bodily injury claims. To date, RFPC's insurers have provided RFPC with defense and indemnity in these actions. The overall number of new claims being filed against RFPC has dropped significantly in recent years; however, these new claims, and all previously filed claims, may take a significant period of time to resolve. As to Wabtec and its divisions, Management's belief that asbestos-related cases will not have a material impact is also based on its position that it has no legal liability for asbestos-related bodily injury claims, and that the former owners of Wabtec's assets retained asbestos liabilities for the products at issue. To date, Wabtec has been able to successfully defend itself on this basis, including two arbitration decisions and a judicial opinion, all of which confirmed Wabtec's position that it did not assume any asbestos liabilities from the former owners of certain Wabtec assets. Although Wabtec has incurred defense and administrative costs in connection with asbestos bodily injury actions, these costs have not been material, and the Company has no information that would suggest these costs would become material in the foreseeable future.

From time to time the Company is involved in litigation relating to claims arising out of its operations in the ordinary course of business. As of the date hereof, the Company is involved in no litigation that the Company believes will have a material adverse effect on its financial condition, results of operations or liquidity.

19. SEGMENT INFORMATION

Wabtec has two reportable segments—the Freight Segment and the Transit Segment. The key factors used to identify these reportable segments are the organization and alignment of the Company’s internal operations, the nature of the products and services, and customer type. The business segments are:

Freight Segment primarily manufactures and services components for new and existing freight cars and locomotives, builds new switcher locomotives, rebuilds freight locomotives, supplies railway electronics, positive train control equipment, signal design and engineering services, and provides related heat exchange and cooling systems. Customers include large, publicly traded railroads, leasing companies, manufacturers of original equipment such as locomotives and freight cars, and utilities.

Transit Segment primarily manufactures and services components for new and existing passenger transit vehicles, typically subway cars and buses, builds new commuter locomotives and refurbishes subway cars. Customers include public transit authorities and municipalities, leasing companies, and manufacturers of subway cars and buses around the world.

The Company evaluates its business segments’ operating results based on income from operations. Corporate activities include general corporate expenses, elimination of intersegment transactions, interest income and expense and other unallocated charges. Since certain administrative and other operating expenses and other items have not been allocated to business segments, the results in the following tables are not necessarily a measure computed in accordance with generally accepted accounting principles and may not be comparable to other companies.

Segment financial information for 2013 is as follows:

<i>In thousands</i>	Freight Segment	Transit Segment	Corporate Activities and Elimination	Total
Sales to external customers	\$ 1,398,103	\$ 1,168,289	\$ —	\$ 2,566,392
Intersegment sales/(elimination)	25,463	6,992	(32,455)	—
Total sales	<u>\$ 1,423,566</u>	<u>\$ 1,175,281</u>	<u>\$ (32,455)</u>	<u>\$ 2,566,392</u>
Income (loss) from operations	\$ 309,133	\$ 143,634	\$ (15,457)	\$ 437,310
Interest expense and other	—	—	(16,223)	(16,223)
Income (loss) from operations before income taxes	<u>\$ 309,133</u>	<u>\$ 143,634</u>	<u>\$ (31,680)</u>	<u>\$ 421,087</u>
Depreciation and amortization	30,645	19,103	1,445	51,193
Capital expenditures	22,020	17,119	2,099	41,238
Segment assets	2,258,773	1,706,829	(1,143,605)	2,821,997

Segment financial information for 2012 is as follows:

<i>In thousands</i>	Freight Segment	Transit Segment	Corporate Activities and Elimination	Total
Sales to external customers	\$ 1,501,911	\$ 889,211	\$ —	\$ 2,391,122
Intersegment sales/(elimination)	22,670	7,752	(30,422)	—
Total sales	<u>\$ 1,524,581</u>	<u>\$ 896,963</u>	<u>\$ (30,422)</u>	<u>\$ 2,391,122</u>
Income (loss) from operations	\$ 314,627	\$ 94,861	\$ (17,209)	\$ 392,279
Interest expense and other	—	—	(14,921)	(14,921)
Income (loss) from operations before income taxes	<u>\$ 314,627</u>	<u>\$ 94,861</u>	<u>\$ (32,130)</u>	<u>\$ 377,358</u>
Depreciation and amortization	26,436	16,583	1,117	44,136
Capital expenditures	25,095	8,688	2,218	36,001
Segment assets	1,895,512	1,599,835	(1,143,805)	2,351,542

Segment financial information for 2011 is as follows:

<i>In thousands</i>	Freight Segment	Transit Segment	Corporate Activities and Elimination	Total
Sales to external customers	\$ 1,210,059	\$ 757,578	\$ —	\$ 1,967,637
Intersegment sales/(elimination)	16,703	6,419	(23,122)	—
Total sales	<u>\$ 1,226,762</u>	<u>\$ 763,997</u>	<u>\$ (23,122)</u>	<u>\$ 1,967,637</u>
Income (loss) from operations	\$ 225,282	\$ 83,760	\$ (38,341)	\$ 270,701
Interest expense and other	—	—	(15,387)	(15,387)
Income (loss) from operations before income taxes	<u>\$ 225,282</u>	<u>\$ 83,760</u>	<u>\$ (53,728)</u>	<u>\$ 255,314</u>
Depreciation and amortization	29,216	14,864	769	44,849
Capital expenditures	24,118	11,857	1,996	37,971
Segment assets	1,799,385	1,102,370	(742,802)	2,158,953

The following geographic area data as of and for the years ended December 31, 2013, 2012 and 2011, respectively, includes net sales based on product shipment destination and long-lived assets, which consist of plant, property and equipment, net of depreciation, resident in their respective countries:

<i>In thousands</i>	Net Sales			Long-Lived Assets		
	2013	2012	2011	2013	2012	2011
United States	\$ 1,336,604	\$ 1,199,294	\$ 1,051,372	\$ 150,952	\$ 131,850	\$ 126,837
United Kingdom	297,139	255,326	182,653	43,733	28,905	21,046
Canada	167,417	194,493	157,379	6,442	11,043	12,982
Australia	141,056	191,994	106,254	5,033	5,151	5,075
Mexico	128,184	139,089	104,384	5,862	4,886	5,281
Brazil	78,532	96,620	70,786	1,031	1,082	893
France	37,925	42,310	35,199	3,404	3,564	15
Italy	42,702	39,462	50,412	21,374	20,926	21,937
Germany	54,869	38,574	33,452	13,599	12,914	13,211
China	30,226	28,886	20,641	7,863	7,555	6,248
Other international	251,738	165,074	155,105	16,785	16,212	8,497
Total	<u>\$ 2,566,392</u>	<u>\$ 2,391,122</u>	<u>\$ 1,967,637</u>	<u>\$ 276,078</u>	<u>\$ 244,088</u>	<u>\$ 222,022</u>

Export sales from the Company's United States operations were \$542.3 million, \$579.6 million and \$410.6 million for the years ended December 31, 2013, 2012 and 2011, respectively.

Sales by product are as follows:

<i>In thousands</i>	2013	2012	2011
Specialty Products & Electronics	\$ 1,041,771	\$ 1,094,148	\$ 880,030
Remanufacturing, Overhaul & Build	655,387	496,883	331,787
Brake Products	567,730	527,399	497,968
Other Transit Products	204,115	197,634	195,251
Other	97,389	75,058	62,601
Total Sales	<u>\$ 2,566,392</u>	<u>\$ 2,391,122</u>	<u>\$ 1,967,637</u>

20. OTHER INCOME (EXPENSE)

The components of other expense are as follows:

<i>In thousands</i>	For the year ended December 31,		
	2013	2012	2011
Foreign currency loss	\$ (3,512)	\$ (134)	\$ (2,041)
Other miscellaneous income (expense)	2,630	(536)	1,661
Total other (expense) income	<u>\$ (882)</u>	<u>\$ (670)</u>	<u>\$ (380)</u>

21. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

<i>In thousands, except per share data</i>	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2013				
Net sales	\$ 615,510	\$ 638,002	\$ 631,398	\$ 681,482
Gross profit	182,888	192,881	188,133	200,125
Income from operations	103,667	112,554	109,871	111,218
Net income attributable to Wabtec shareholders	69,613	74,638	73,943	74,041
Basic earnings from operations per common share (1)	\$ 0.73	\$ 0.78	\$ 0.77	\$ 0.77
Diluted earnings from operations per common share (1)	\$ 0.72	\$ 0.77	\$ 0.76	\$ 0.76
2012				
Net sales	\$ 583,309	\$ 609,820	\$ 587,593	\$ 610,400
Gross profit	169,381	173,427	171,279	180,480
Income from operations	94,110	100,865	96,842	100,462
Net income attributable to Wabtec shareholders	59,261	64,712	62,994	64,765
Basic earnings from operations per common share (1)	\$ 0.62	\$ 0.67	\$ 0.66	\$ 0.68
Diluted earnings from operations per common share (1)	\$ 0.61	\$ 0.67	\$ 0.65	\$ 0.67

The Company operates on a four-four-five week accounting quarter, and the quarters end on or about March 31, June 30 and September 30. The fiscal year ends on December 31.

- (1) Information above for basic earnings from operations per common share and diluted earnings from operations per common share for all periods presented reflects the two-for-one split of the Company's common stock, which occurred on May 14, 2013.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WESTINGHOUSE AIR BRAKE
TECHNOLOGIES CORPORATION

Date: February 21, 2014

By: /s/ ALBERT J. NEUPAVER
 Albert J. Neupaver,
 Chief Executive Officer, Chairman of the
 Board and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company and in the capacities and on the dates indicated.

	Signature and Title	Date
By	<u>/s/ ALBERT J. NEUPAVER</u> Albert J. Neupaver, Chief Executive Officer, Chairman of the Board and Director (Principal Executive Officer)	February 21, 2014
By	<u>/s/ PATRICK D. DUGAN</u> Patrick D. Dugan, Senior Vice President Finance and Chief Financial Officer (Principal Financial and Accounting Officer)	February 21, 2014
By	<u>/s/ WILLIAM E. KASSLING</u> William E. Kassling, Director	February 21, 2014
By	<u>/s/ ROBERT J. BROOKS</u> Robert J. Brooks, Director	February 21, 2014
By	<u>/s/ EMILIO A. FERNANDEZ</u> Emilio A. Fernandez, Director	February 21, 2014
By	<u>/s/ LEE B. FOSTER, II</u> Lee B. Foster, II, Director	February 21, 2014
By	<u>/s/ BRIAN P. HEHIR</u> Brian P. Hehir, Director	February 21, 2014
By	<u>/s/ MICHAEL W. D. HOWELL</u> Michael W. D. Howell, Director	February 21, 2014
By	<u>/s/ NICKOLAS W. VANDE STEEG</u> Nickolas W. Vande Steeg, Director	February 21, 2014
By	<u>/s/ GARY C. VALADE</u> Gary C. Valade, Director	February 21, 2014

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION

VALUATION AND QUALIFYING ACCOUNTS

For each of the three years ended December 31

<i>In thousands</i>	Balance at beginning of period	Charged/ (credited) to expense	Charged to other accounts (1)	Deductions from reserves (2)	Balance at end of period
2013					
Warranty and overhaul reserves	\$ 58,212	\$ 23,059	\$ (75)	\$ 20,603	\$ 60,593
Allowance for doubtful accounts	6,656	2,361	—	3,310	5,707
Valuation allowance-taxes	2,141	1,191	—	—	3,332
Merger and restructuring reserve	836	—	—	61	775
2012					
Warranty and overhaul reserves	\$ 50,640	\$ 22,862	\$ 1,682	\$ 16,972	\$ 58,212
Allowance for doubtful accounts	8,406	2,484	72	4,306	6,656
Valuation allowance-taxes	—	2,141	—	—	2,141
Merger and restructuring reserve	960	—	—	124	836
2011					
Warranty and overhaul reserves	\$ 35,513	\$ 19,884	\$ 12,070	\$ 16,827	\$ 50,640
Allowance for doubtful accounts	7,503	5,047	—	4,144	8,406
Valuation allowance-taxes	2,471	(2,471)	—	—	—
Merger and restructuring reserve	1,070	—	12	122	960

(1) Reserves of acquired/(sold) companies; valuation allowances for state and foreign deferred tax assets; impact of fluctuations in foreign currency exchange rates.

(2) Actual disbursements and/or charges.

EXHIBIT INDEX

<u>Exhibits</u>	<u>Filing Method</u>	
3.1	Restated Certificate of Incorporation of the Company dated January 30, 1995, as amended December 31, 2003	9
3.2	Certificate of Amendment of Restated Certificate of Incorporation dated May 14, 2013	11
3.3	Amended and Restated By-Laws of the Company, effective February 15, 2011	8
4.1	Indenture, dated August 8, 2013 by and between the Company and Wells Fargo, National Association, As Trustee	12
4.2	First Supplemental Indenture, dated August 8, 2013 by and between the Company and Wells Fargo Bank, National Association, as Trustee	12
4.3	Form of 4.375% Senior Note due 2023 (included in Exhibit 4.2)	12
10.1	Agreement of Sale and Purchase of the North American Operations of the Railway Products Group, an operating division of American Standard Inc. (now known as Trane), dated as of 1990 between Rail Acquisition Corp. and American Standard Inc. (only provisions on indemnification are reproduced)	2
10.2	Letter Agreement (undated) between the Company and American Standard Inc. (now known as Trane) on environmental costs and sharing	2
10.3	Purchase Agreement dated as of June 17, 1992 among the Company, Schuller International, Inc., Manville Corporation and European Overseas Corporation (only provisions on indemnification are reproduced)	2
10.4	Westinghouse Air Brake Company 1995 Non-Employee Directors' Fee and Stock Option Plan, as amended *	4
10.5	Westinghouse Air Brake Technologies Corporation 2000 Stock Incentive Plan, as amended *	4
10.6	Employment Agreement with Albert J. Neupaver, dated February 1, 2006 *	3
10.7	Form of Restricted Stock Agreement *	10
10.8	Westinghouse Air Brake Technologies Corporation 2011 Stock Incentive Plan *	5
10.9	Stock Purchase Agreement, by and among the Company, Standard Car Truck Company and Robclif, Inc., dated September 12, 2008	6
10.10	First Amended and Restated Refinancing Credit Agreement, dated as of December 19, 2013 by and among the Company, Wabtec Cooperatief UA, certain subsidiaries as the guarantors, the lenders party thereto and, PNC Bank, National Association, as Administrative Agent, PNC Capital Markets LLC and J.P. Morgan Securities, Inc., as Joint Lead Arrangers and Joint Book Runners, JP Morgan Chase Bank, N.A. as Syndication Agent, Bank of America, N.A., and Citizens Bank of Pennsylvania, Branch Banking and Trust Company and The Bank of Toyko-Mitsubish UFJ, Ltd., as Co-Documentation Agents	1
10.11	Form of Employment Continuation Agreement entered into by the Company with Albert J. Neupaver, Alvaro Garcia-Tunon, Raymond T. Betler, Charles F. Kovac, R. Mark Cox, David L. DeNinno, Patrick D. Dugan, Scott E. Wahlstrom and Timothy R. Wesley*	7
10.12	Wabtec Corporation Deferred Compensation Plan for Executive Officers and Directors as adopted December 10, 2009 *	10
10.13	Form of Agreement for Nonstatutory Stock Option under the 1995 Non-Employee Directors' Fee and Stock Option Plan, as amended *	10
10.14	Form of Agreement for Nonstatutory Stock Options under 2000 Stock Incentive Plan, as amended *	10

10.15	Form of Agreement for Nonstatutory Stock Options under 2011 Stock Incentive Plan as amended *	10
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31.1	Rule 13a-14(a)/15d-14(a) Certifications	1
31.2	Rule 13a-14(a)/15d-14(a) Certifications	1
32.1	Section 1350 Certifications	1
101.INS	XBRL Instance Document.	1
101.SCH	XBRL Taxonomy Extension Calculation Linkbase Document	1
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	1
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.	1
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	1
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	1

-
- 1 Filed herewith.
- 2 Filed as an exhibit to the Company's Registration Statement on Form S-1 (File No. 33-90866).
- 3 Filed as an exhibit to the Company's Registration Statement on Form S-4 (File No. 333-110600). 4 Filed as an exhibit to the Company's Quarterly Report on Form 10-Q (File No. 033-90866) for the period ended March 31, 2006.
- 4 Filed as an Annex to the Company's Schedule 14A Proxy Statement (File No. 1-13782) filed on April 13, 2006.
- 5 Filed as an Annex to the Company's Schedule 14A Proxy Statement (File No. 1-13782) filed on March 31, 2011.
- 6 Filed as an exhibit to the Company's Quarterly Report on Form 10-Q (File No. 1-13782) for the period ended September 30, 2008.
- 7 Filed as an exhibit to the Company's Current Report on Form 8-K (File No. 1-13782) dated July 2, 2009.
- 8 Filed as an exhibit to the Company's Current Report on Form 8-K (File No. 1-13782), dated February 22, 2011.
- 9 Filed as an exhibit to the Company's Annual Report on Form 10-K (File No. 1-13782), dated February 25, 2011.
- 10 Filed as an exhibit to the Company's Annual Report on Form 10-K (File No. 1-13782), dated February 22, 2013.
- 11 Filed as an exhibit to the Company's Current Report on Form 8-K (File No. 1-13782), dated May 15, 2013.
- 12 Filed as an exhibit to the Company's Current Report on Form 8-K (File No. 1-13782), dated August 8, 2013.
- * Management contract or compensatory plan.

\$800,000,000 REVOLVING CREDIT FACILITY
FIRST AMENDED AND RESTATED REFINANCING CREDIT AGREEMENT
by and among
WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
and
WABTEC COÖPERATIEF U.A.,
as the Borrowers
and
THE GUARANTORS PARTY HERETO
and
THE LENDERS PARTY HERETO
and
PNC BANK, NATIONAL ASSOCIATION, *as Administrative Agent*
and
PNC CAPITAL MARKETS LLC *and*
J.P. MORGAN SECURITIES, INC.
as Joint Lead Arrangers and Joint Bookrunners
and
JPMORGAN CHASE BANK, N.A., *as Syndication Agent*
and
CITIZENS BANK OF PENNSYLVANIA,
BANK OF AMERICA, N.A.,
BRANCH BANKING AND TRUST COMPANY, *and*
THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.
as Co-Documentation Agents
Dated as of December 19, 2013

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EXHIBIT 2.4.2	-SWING LOAN REQUEST
EXHIBIT 2.9	-LENDER JOINDER
EXHIBIT 5.9.7(A)	-U.S. TAX COMPLIANCE CERTIFICATE (For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)
EXHIBIT 5.9.7(B)	-U.S. TAX COMPLIANCE CERTIFICATE (For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)
EXHIBIT 5.9.7(C)	-U.S. TAX COMPLIANCE CERTIFICATE (For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)
EXHIBIT 5.9.7(D)	-U.S. TAX COMPLIANCE CERTIFICATE (For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)
EXHIBIT 8.2.5	-ACQUISITION COMPLIANCE CERTIFICATE
EXHIBIT 8.3.3	-QUARTERLY COMPLIANCE CERTIFICAT

FIRST AMENDED AND RESTATED REFINANCING CREDIT AGREEMENT

THIS FIRST AMENDED AND RESTATED REFINANCING CREDIT AGREEMENT (as hereafter amended, the "Agreement") is dated as of December 19, 2013 and is made by and among WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION, a Delaware corporation, as a borrower (the "Company"), WABTEC COÖPERATIEF U.A., a *coöperatieve vereniging met uitsluiting van aansprakelijkheid* under the laws of the Netherlands, as a borrower ("WABTEC UA" and together with the Company and each other entity that joins this Agreement as a borrower from time to time, collectively referred to as the "Borrowers" and each a "Borrower"), each of the GUARANTORS (as hereinafter defined), the LENDERS (as hereinafter defined), PNC BANK, NATIONAL ASSOCIATION, in its capacity as administrative agent for the Lenders under this Agreement (hereinafter referred to in such capacity as the "Administrative Agent").

The Company, certain of the other Loan Parties, Administrative Agent, and certain lenders (including some of the Lenders hereunder) are parties to a Refinancing Credit Agreement, dated as of November 7, 2011, (as amended to the date hereof, the "Existing Credit Agreement"), providing for a revolving credit facility; and

The Borrowers have requested that the Lenders refinance the amount outstanding under the Existing Credit Agreement to provide a senior revolving credit facility to the Borrowers in an aggregate principal amount not to exceed \$800,000,000 with an option to increase the facility by an additional \$400,000,000, and that the Existing Credit Agreement be thereupon amended and restated.

The Lenders, as more fully set forth herein, have agreed to provide the requested refinancing, and the Existing Credit Agreement is hereby amended and restated.

In consideration of their mutual covenants and agreements hereinafter set forth and intending to be legally bound hereby, the parties hereto hereby covenant and agree as follows:

1. CERTAIN DEFINITIONS

1.1 Certain Definitions.

In addition to words and terms defined elsewhere in this Agreement, the following words and terms shall have the following meanings, respectively, unless the context hereof clearly requires otherwise:

2013 Note Indenture shall mean the indenture, dated as of August 8, 2013, among the Company and the trustee thereunder, as the same may be amended, restated, or otherwise, together with any and all further amendments, restatements, and modifications thereto.

Acquisition shall mean any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of a Person, or of all or substantially all of any business or division of a Person, (b) the acquisition of in excess of 50% of the Capital Securities of any Person, or otherwise causing any Person to become a Subsidiary, or (c) a merger or consolidation or any other combination with another Person (other than a Person that is already a Subsidiary).

Administrative Agent shall have the meaning specified in the introductory paragraph and shall include its successors and assigns.

Administrative Agent's Fee shall have the meaning specified in Section 10.9 [Administrative Agent's Fee].

Administrative Agent's Letter shall have the meaning specified in Section 10.9 [Administrative Agent's Fee].
Administrative Questionnaire shall mean an Administrative Questionnaire in a form supplied by the Administrative

Agent.

Affiliate of any Person shall mean (a) any other Person which, directly or indirectly, controls or is controlled by or is under common control with such Person, (b) any officer or director of such Person and (c) with respect to any Lender, any entity administered or managed by such Lender or an Affiliate or investment advisor thereof and which is engaged in making, purchasing, holding or otherwise investing in commercial loans. A Person shall be deemed to be "controlled by" any other Person if such Person possesses, directly or indirectly, power to vote 5% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managers or power to direct or cause the direction of the management and policies of such Person whether by contract or otherwise. Unless expressly stated otherwise herein, neither the Administrative Agent nor any Lender shall be deemed an Affiliate of any Loan Party.

Alternate Currency shall mean with respect to any Letter of Credit, any non-Dollar currency satisfactory to the Issuing Lender that shall issue such Letter of Credit. Each Alternate Currency must be the lawful currency of the specified country.

Alternate Source shall have the meaning specified in the definition of Eurocurrency Rate.

Anti-Corruption Laws means all laws, rules, and regulations of any jurisdiction applicable to the Borrowers or their Subsidiaries from time to time concerning or relating to bribery or corruption.

Anti-Corruption Sanctioned Country means, at any time, a country or territory which is the subject or target of any Anti-Corruption Sanctions.

Anti-Corruption Sanctioned Person means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the United Nations Security Council, the European Union or any EU member state, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

Anti-Corruption Sanctions means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union or Her Majesty's Treasury of the United Kingdom.

Anti-Terrorism Laws shall mean any Laws relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering or bribery, and any regulation, order, or directive promulgated, issued or enforced pursuant to such Laws, all as amended, supplemented or replaced from time to time.

Applicable Commitment Fee Rate shall mean the percentage rate per annum based on the Leverage Ratio then in effect according to the pricing grid on Schedule 1.1(A) below the heading "Commitment Fee."

Applicable Letter of Credit Fee Rate shall mean the percentage rate per annum based on the Leverage Ratio then in effect according to the pricing grid on Schedule 1.1(A) below the heading "Letter of Credit Fee."

Applicable Margin shall mean, as applicable:

(A) the percentage spread to be added to the Base Rate applicable to Revolving Credit Loans under the Base Rate Option based on the Leverage Ratio then in effect according to the pricing grid on Schedule 1.1(A) below the heading "Revolving Credit Base Rate Spread", or

(B) the percentage spread to be added to the Eurocurrency Rate applicable to Revolving Credit Loans under the Eurocurrency Rate Option based on the Leverage Ratio then in effect according to the pricing grid on Schedule 1.1(A) below the heading "Revolving Credit Eurocurrency Rate Spread".

Applicable Percentage shall mean with respect to any Lender, the percentage of the total Revolving Credit Commitments represented by such Lender's Revolving Credit Commitment. If the Revolving Credit Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Revolving Credit Commitments most recently in effect, giving effect to any assignments.

Approved Fund shall mean any fund that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

Asset Disposition shall mean any direct or indirect sale, lease, transfer, or other disposition (or series of related sales, leases, transfers or dispositions) by the Borrowers or any other Loan Party, including any disposition by means of a merger, consolidation or similar transaction, of all or substantially all the assets of any division or line of business of the Borrowers or any other Loan Party or any other assets of the Borrowers or any other Loan Party outside of the ordinary course of business of the Borrowers or any other Loan Party.

Assignment and Assumption Agreement shall mean an assignment and assumption agreement entered into by a Lender and an assignee permitted under Section 11.8 [Successors and Assigns], in substantially the form of Exhibit 1.1(A).

Attorney Costs shall mean, with respect to any Person, all reasonable fees and charges of any outside counsel to such Person, all reasonable disbursements of such internal counsel and all court costs and similar legal expenses.

Base Rate shall mean, for any day, a fluctuating per annum rate of interest equal to the highest of (a) the Federal Funds Open Rate, plus 50 basis points (0.5%), (b) the Prime Rate, and (c) the Daily LIBOR Rate, plus 100 basis points (1.0%). Any change in the Base Rate (or any component thereof) shall take effect at the opening of business on the day such change occurs.

Base Rate Option shall mean the option of the Borrowers to have Loans denominated in Dollars bear interest at the rate and under the terms set forth in Section 4.1.1(i) [Revolving Credit Interest Rate Options].

Borrower Agent shall have the meaning specified in Section 11.14 [Borrower Agent].

Borrowers shall have the meaning specified in the introductory paragraph.

Borrowing Date shall mean, with respect to any Loan, the date for the making thereof or the renewal or conversion thereof at or to the same or a different Interest Rate Option, which shall be a Business Day.

Borrowing Tranche shall mean specified portions of Loans outstanding as follows: (i) any Loans denominated in the same currency to which a Eurocurrency Rate Option applies which become subject to the same Interest Rate Option under the same Loan Request by the Borrowers and which have the same Interest Period shall constitute one Borrowing Tranche, and (ii) all Loans to which a Base Rate Option applies shall constitute one Borrowing Tranche.

Business Day shall mean any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required to be closed for business in Pittsburgh, Pennsylvania and if the applicable Business Day relates to any Loan to which the Eurocurrency Rate Option applies, such day must also be a day on which dealings are carried on in the Relevant Interbank Market and if the applicable Business Day relates to any Loan denominated in Euros, such day is not a day on which the payment system utilized by the Administrative Agent for the settlement of payments in Euro is not open for the settlement of payments in Euros.

Capital Expenditures shall mean all expenditures which, in accordance with GAAP, would be required to be capitalized and shown on the consolidated balance sheet of the Company, including expenditures in respect of Capital Leases, but excluding Acquisitions permitted pursuant to Section 8.2.5 [Acquisition, Mergers, Consolidations, Sales] and expenditures made in connection with the replacement, substitution or restoration of assets to the extent financed (a) from insurance proceeds (or other similar recoveries) paid on account of the loss of or damage to the assets being replaced or restored or (b) with awards of compensation arising from the taking by eminent domain or condemnation of the assets being replaced.

Capital Lease shall mean, with respect to any Person, any lease of (or other agreement conveying the right to use) any real or personal property by such Person that, in conformity with GAAP, is accounted for as a capital lease on the balance sheet of such Person.

Capital Securities shall mean, with respect to any Person, all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of such Person's capital, whether now outstanding or issued or acquired after the Closing Date, including common shares, preferred shares, membership interests in a limited liability company, limited or general partnership interests in a partnership or any other equivalent of such ownership interest.

Cash Collateral shall have the meaning specified in the definition of Cash Collateralize.

Cash Collateralize shall mean, to pledge and deposit with or deliver to the Administrative Agent, for the benefit of one or more of the Issuing Lender or Lenders, as applicable, as collateral for (i) the Letter of Credit Obligations, (ii) the obligations of Lenders to fund participations in respect of Letter of Credit Obligations, or (iii) any other Obligation, as applicable, cash or deposit account balances or, if the Administrative Agent and each applicable Issuing Lender shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to the Administrative Agent and each applicable Issuing Lender or Lender, as the case may be. *Cash Collateral* shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

Cash Equivalent Investment shall mean, at any time, (a) any evidence of Indebtedness, maturing not more than one year after such time, issued or guaranteed by the United States Government or any agency thereof, (b) commercial paper, maturing not more than one year from the date of issue, or corporate demand notes, in each case (unless issued by a Lender or its holding company) rated at least A-1 by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. or P-1 by Moody's Investors Service, Inc., (c) any certificate of deposit, time deposit or banker's acceptance, maturing not more than one year after such time, or any overnight Federal Funds transaction that is issued or sold by any Lender or its holding company (or by a commercial banking institution that is a member of the Federal Reserve System and has a combined capital and surplus and undivided profits of not less than \$500,000,000), (d) any repurchase agreement entered into with any Lender (or commercial banking institution of the nature referred to in clause (c)) which (i) is secured by a fully perfected security interest in any obligation of the type described in any of clauses (a) through (c) above and (ii) has a market value at the time such repurchase agreement is entered into of not less than 100% of the repurchase obligation of such Lender (or other commercial banking institution) thereunder, (e) money market accounts or mutual funds which invest exclusively in assets satisfying the foregoing requirements, (f) securities, maturing not more than eighteen months from the date of purchase, rated at least AA by Standard & Poor's or Aa by Moody's, and (g) other short term liquid investments approved in writing by the Administrative Agent.

Cash Management Agreements shall have the meaning specified in Section 2.5.6 [Swing Loans Under Cash Management Agreements].

Casualty Disposition shall have the meaning specified in the definition of Significant Disposition.

CFTC shall mean the Commodity Futures Trading Commission.

Change in Law " shall mean the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Law; (b) any change in any Law or in the administration, interpretation, implementation or application thereof by any Official Body; or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of Law) by any Official Body; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines, interpretations or directives thereunder or issued in connection therewith (whether or not having the force of Law) and (y) all requests, rules, regulations, guidelines, interpretations or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities (whether or not having the force of Law), in each case pursuant to Basel III, shall in each case be deemed to be a Change in Law regardless of the date enacted, adopted, issued, promulgated or implemented.

Change of Control shall mean (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), shall become, or obtain rights (whether by means or warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act), directly or indirectly, of 50% or more of the voting capital stock of the Company; or (ii) within a period of twelve (12) consecutive calendar months, individuals who were directors of the Company on the first day of such period shall cease to constitute a majority of the board of directors of the Company and shall not have been replaced by individuals approved or nominated by the board as substantially constituted at the beginning of such period.

CIP Regulations shall have the meaning specified in Section 10.12 [No Reliance on Administrative Agent's Customer Identification Program].

Closing Date shall mean the Business Day on which the first Loan shall be made, which shall be December 19, 2013.

Co-Documentation Agents shall collectively mean Citizens Bank of Pennsylvania, Bank of America, N.A., Branch Banking and Trust Company and The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Code shall mean the Internal Revenue Code of 1986, as the same may be amended or supplemented from time to time, and any successor statute of similar import, and the rules and regulations thereunder, as from time to time in effect.

Commitment shall mean as to any Lender the aggregate of its Revolving Credit Commitment and, in the case of PNC, its Swing Loan Commitment, and *Commitments* shall mean the aggregate of the Revolving Credit Commitments and Swing Loan Commitment of all of the Lenders.

Commitment Fee shall have the meaning specified in Section 2.3 [Commitment Fees].

Commodity Exchange Act shall mean the Commodity Exchange Act (7 U.S.C. § 1 et. seq.), as amended from time to time, and any successor statute.

Commodity Hedge shall mean a price protection agreement related to commodity products and entered into by the Loan Parties or their Subsidiaries for hedging purposes (and not for speculation).

Commodity Hedge Agreement means (i) any and all commodity swaps, commodity options, forward commodity contracts, cap transactions, floor transactions, collar transactions, spot contracts, commodity derivative transaction or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing) related to any commodity of any kind or nature, whether or not any such transaction is governed by or subject to any master agreement, and (ii) any and all transactions of any kind related to a commodity of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., or any other master agreement, all as amended, restated, supplemented or otherwise modified from time to time.

Commodity Hedge Liabilities shall have the meaning assigned in the definition of Lender Provided Commodity Hedge.

Company shall mean Westinghouse Air Brake Technologies Corporation, a corporation organized and existing under the laws of the State of Delaware.

Compliance Certificate shall have the meaning specified in Section 8.3.3 [Certificate of the Company].

Computation Date shall have the meaning specified in Section 2.11.1 [Periodic Computations of Dollar Equivalent amounts of Revolving Credit Loans and Letters of Credit Outstanding, Etc.].

Computation Period shall mean each period of four consecutive Fiscal Quarters ending on the last day of a Fiscal Quarter.

Connection Income Taxes shall mean Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

Consolidated Net Income shall mean, with respect to the Company and its Subsidiaries for any period, the net income (or loss) of the Company and its Subsidiaries for such period.

Consolidated Net Tangible Assets shall mean, on the date of any determination, all assets minus (a) all applicable depreciation, amortization and other valuation reserves, (b) all current liabilities, and (c) all goodwill, trade names, trademarks, patents, unamortized debt discount and expenses and other like intangibles, in each case as set forth on the most recently available consolidated balance sheet of the Company prepared in accordance with GAAP.

Contingent Liability shall mean, without duplication, with respect to any Person, each obligation and liability of such Person and all such obligations and liabilities of such Person incurred pursuant to any agreement, undertaking or arrangement by which such Person: (a) guarantees, endorses or otherwise becomes or is contingently liable upon (by direct or indirect agreement, contingent or otherwise, to provide funds for payment, to supply funds to, or otherwise to invest in, a debtor, or otherwise to assure a creditor against loss) the indebtedness, dividend, obligation or other liability of any other Person in any manner (other than by endorsement of instruments in the course of collection), including any indebtedness, dividend or other obligation which may be issued or incurred at some future time; (b) guarantees the payment of dividends or other distributions upon the Capital Securities of any other Person; (c) undertakes or agrees (whether contingently or otherwise): (i) to purchase, repurchase, or otherwise acquire any indebtedness, obligation or liability of any other Person or any property or assets constituting security therefor, (ii) to advance or provide funds for the payment or discharge of any indebtedness, obligation or liability of any other Person (whether in the form of loans, advances, stock purchases, capital contributions or otherwise), or to maintain solvency, assets, level of income, working capital or other financial condition of any other Person, or (iii) to make payment to any other Person other than for value received; (d) agrees to lease property or to purchase securities, property or services from such other Person with the purpose or intent of assuring the owner of such indebtedness or obligation of the ability of such other Person to make payment of the indebtedness or obligation; (e) to induce the issuance of, or in connection with the issuance of, any letter of credit for the benefit of such other Person; or (f) undertakes or agrees otherwise to assure a creditor against loss. The amount of any Contingent Liability shall (subject to any limitation set forth herein) be deemed to be the outstanding principal amount (or maximum permitted principal amount, if larger) of the indebtedness, obligation or other liability guaranteed or supported thereby.

Covered Entity shall mean (a) each Borrower, each Subsidiary of such Borrower and all Guarantors, and (b) each Person that, directly or indirectly, is in control of a Person described in clause (a) above. For purposes of this definition, control of a Person shall mean the direct or indirect (x) ownership of, or power to vote, 25% or more of the issued and outstanding equity interests having ordinary voting power for the election of directors of such Person or other Persons performing similar functions for such Person, or (y) power to direct or cause the direction of the management and policies of such Person whether by ownership of equity interests, contract or otherwise.

Daily LIBOR Rate shall mean, for any day, the rate per annum determined by the Administrative Agent by dividing (x) the Published Rate by (y) a number equal to 1.00 *minus* the Reserve Percentage on such day.

Defaulting Lender shall mean any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or Swing Loans or (iii) pay over to the Administrative Agent, the

Issuing Lender, the Swing Loan Lender or any Lender any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrowers or the Administrative Agent in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within two Business Days after request by the Administrative Agent or the Borrowers, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans and participations in then outstanding Letters of Credit and Swing Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon the Administrative Agent's or the Borrowers' receipt of such certification in form and substance satisfactory to the Administrative Agent or the Borrowers, as the case may be, (d) has become the subject of a Bankruptcy Event or (e) has failed at any time to comply with the provisions of Section 5.3 [Sharing of Payments by Lenders] with respect to purchasing participations from the other Lenders, whereby such Lender's share of any payment received, whether by setoff or otherwise, is in excess of its Ratable Share of such payments due and payable to all of the Lenders.

As used in this definition and in Section 5.13 [Defaulting Lenders], the term "Bankruptcy Event" means, with respect to any Person, such Person or such Person's direct or indirect parent company becoming the subject of a bankruptcy or insolvency proceeding, or having had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person or such Person's direct or indirect parent company by an Official Body or instrumentality thereof if, and only if, such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Official Body or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person

Dollar, Dollars, U.S. Dollars and the symbol \$ shall mean lawful money of the United States of America.

Dollar Equivalent shall mean, with respect to any amount of any currency, on or as of any the most recent Computation

Date, the Equivalent Amount of such currency expressed in Dollars.

Drawing Date shall have the meaning specified in Section 2.8.3 [Disbursements, Reimbursement].

EBITDA shall mean, for any period, Consolidated Net Income for such period plus, to the extent deducted in determining such Consolidated Net Income, Interest Expense, income tax expense, depreciation, amortization, losses from Asset Dispositions, extraordinary losses, noncash losses from discontinued operations and other noncash charges to net income for such period, minus, to the extent added in determining such Consolidated Net Income, noncash credits to net income, gains from Asset Dispositions, noncash gains from discontinued operations, and other extraordinary income for such period; provided, however, that in the event of an acquisition or disposition of a Subsidiary or material

line of business or a material division during the period of determination and solely for the purposes of Section 8.2.13.2 [Leverage Ratio], such calculation shall (a) in the case of such a disposition, exclude for the period of determination EBITDA attributable to the disposed of Subsidiary, line of business, or division as if such disposition had occurred at the beginning of such period of determination and (b) in the case of such an acquisition, include for the period of determination the EBITDA attributable to the acquired Subsidiary, line of business, or division as if such acquisition had occurred at the beginning of such period of determination.

Effective Date means the date indicated in a document or agreement to be the date on which such document or agreement becomes effective, or, if there is no such indication, the date on which such document or agreement is executed.

Eligible Assignee shall mean any Person that meets the requirements to be an assignee under Section 11.8 [Successors and Assigns] (subject to such consents, if any, as may be required under clause (iii) of Section 11.8.2 [Assignments by Lenders]).

Eligible Contract Participant shall mean an "eligible contract participant" as defined in the Commodity Exchange Act and regulations thereunder.

Eligibility Date shall mean, with respect to each Loan Party and each Swap, the date on which this Agreement or any other Loan Document becomes effective with respect to such Swap (for the avoidance of doubt, the Eligibility Date shall be the Effective Date of such Swap if this Agreement or any other Loan Document is then in effect with respect to such Loan Party, and otherwise it shall be the Effective Date of this Agreement and/or such other Loan Document(s) to which such Loan Party is a party).

Environmental Claims shall mean all claims, however asserted, by any governmental, regulatory or judicial authority or other Person alleging potential liability or responsibility for violation of any Environmental Law, or for injury to or release or threatened release of any Hazardous Substance to the environment.

Environmental Laws shall mean all applicable federal, state, provincial, local, tribal, territorial and foreign Laws (including common law), constitutions, statutes, treaties, regulations, rules, ordinances and codes and any consent decrees, settlement agreements, judgments, orders, directives, policies or programs issued by or entered into with an Official Body pertaining or relating to: (i) pollution or pollution control; (ii) protection of human health from exposure to regulated substances; (iii) protection of the environment and/or natural resources; (iv) employee safety in the workplace; (v) the presence, use, management, generation, manufacture, processing, extraction, treatment, recycling, refining, reclamation, labeling, packaging, sale, transport, storage, collection, distribution, disposal or release or threat of release of regulated substances; (vi) the presence of contamination; (vii) the protection of endangered or threatened species; and (viii) the protection of environmentally sensitive areas.

Equivalent Amount shall mean, at any time, as determined by the Administrative Agent (which determination shall be conclusive absent manifest error), with respect to an amount of any currency (the "*Reference Currency*") which is to be computed as an equivalent amount of another currency (the "*Equivalent Currency*"), the amount of such Equivalent Currency converted from such Reference Currency at Administrative Agent's rate (based on the prevailing spot rate for the sale of the Reference Currency for the Equivalent Currency, determined at approximately 11:00 a.m. New York time) for such Equivalent Currency for such Reference Currency at a time determined by the Administrative Agent on the second Business Day immediately preceding the event for which such calculation is made.

Equivalent Currency shall have the meaning specified in the definition of "Equivalent Amount".

ERISA shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended or supplemented from time to time, and any successor statute of similar import, and the rules and regulations thereunder, as from time to time in effect.

ERISA Event shall mean (a) with respect to a Pension Plan, a reportable event under Section 4043 of ERISA as to which event (after taking into account notice waivers provided for in the regulations) there is a duty to give notice to the PBGC; (b) a withdrawal by a Borrower or any member of the ERISA Group from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by a Borrower or any member of the ERISA Group from a Multiemployer Plan, notification that a Multiemployer Plan is in reorganization, or occurrence of an event described in Section 4041A(a) of ERISA that results in the termination of a Multiemployer Plan; (d) the filing of a notice of intent to terminate a Pension Plan, the treatment of a Pension Plan amendment as a termination under Section 4041(e) of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan; (e) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; or (f) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon such Borrower or any member of the ERISA Group.

ERISA Group shall mean, at any time, the Borrowers and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control and all other entities which, together with the Borrowers, are treated as a single employer under Section 414 of the Code or Section 4001(b)(1) of ERISA.

Euro shall refer to the lawful currency of the Participating Member States.

Eurocurrency Rate shall mean, the interest rate per annum equal to the following:

(i) with respect to the Loans denominated in Dollars comprising any Borrowing Tranche to which the Eurocurrency Rate Option applies for any Interest Period, the interest rate per annum determined by the Administrative Agent by dividing (the resulting quotient rounded upwards, if necessary, to the nearest 1/100th of 1% per annum) (i) the rate which appears on the Bloomberg Page BBAM1 (or on such other substitute Bloomberg page that displays rates at which US dollar deposits are offered by leading banks in the London interbank deposit market), or the rate which is quoted by another source selected by the Administrative Agent as an authorized information vendor for the purpose of displaying rates at which US dollar deposits are offered by leading banks in the London interbank deposit market (for purposes of this definition, an "Alternate Source"), at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period as the Relevant Interbank Market offered rate for U.S. Dollars for an amount comparable to such Borrowing Tranche and having a borrowing date and a maturity comparable to such Interest Period (or if there shall at any time, for any reason, no longer exist a Bloomberg Page BBAM1 (or any substitute page) or any Alternate Source, a comparable replacement rate determined by the Administrative Agent at such time (which determination shall be conclusive absent manifest error)), by (ii) a number equal to 1.00 minus the Reserve Percentage. The Eurocurrency Rate may also be expressed by the following formula:

$$\text{Eurocurrency Rate} = \frac{\text{London interbank offered rates quoted by Bloomberg or appropriate successor as shown on Bloomberg Page BBAM1}}{1.00 - \text{Reserve Percentage}}$$

(ii) With respect to Optional Currency Loans in a currency comprising any Borrowing Tranche to which the Eurocurrency Rate Option applies for any Interest Period, the interest rate per annum determined by the Administrative Agent by dividing (the resulting quotient rounded upwards, if necessary, to the nearest 1/100th of 1% per annum) (i) the rate which appears on the Bloomberg Page BBAM1 (or on such other substitute Bloomberg page that displays rates at which deposits in the relevant Optional Currency are offered by leading banks in the Relevant Interbank Market), which with respect to (a) Canadian Dollars, shall be CDOR, (b) Australian Dollars shall be BBSY, (c) Sterling shall be GBP Libor and (d) Euros shall be Euro Libor, or the rate which is quoted by an Alternate Source, at approximately 11:00 a.m. (based upon the time in the Relevant Interbank Market), two (2) Business Days prior to the commencement of such Interest Period (or on any other date as is customary for such rate) as the Relevant Interbank Market offered rate for deposits in the relevant Optional Currency for an amount comparable to the principal amount of such Borrowing Tranche and having a borrowing date and a maturity comparable to such Interest Period (or if there shall at any time, for any reason, no longer exist a Bloomberg Page BBAM1 (or any substitute page) or any Alternate Source, a comparable replacement rate determined by the Administrative Agent at such time (which determination shall be conclusive absent manifest error)), by (ii) a number equal to 1.00 minus the Reserve Percentage. Such Eurocurrency Rate may also be expressed by the following formula:

$$\text{Eurocurrency Rate} = \frac{\text{Relevant Interbank Market offered rates quoted by Bloomberg or appropriate successor as shown on Bloomberg Page BBAM1}}{1.00 - \text{Reserve Percentage}}$$

The Eurocurrency Rate shall be adjusted with respect to any Loan to which the Eurocurrency Rate Option applies that is outstanding on the effective date of any change in the Reserve Percentage as of such effective date. The Administrative Agent shall give prompt notice to the Borrowers of the Eurocurrency Rate as determined or adjusted in accordance herewith, which determination shall be conclusive absent manifest error. The Eurocurrency Rate for Loans shall be based upon the Eurocurrency Rate for the currency in which such Loans are requested.

Eurocurrency Rate Option shall mean the option of the Borrowers to have Loans bear interest at the rate and under the terms set forth in Section 4.1.1(ii) [Revolving Credit Eurocurrency Rate Option].

European Interbank Market shall mean the European interbank market for Euro operating in Participating Member States.

Event of Default shall mean any of the events described in Section 9.1 [Events of Default] and referred to therein as an "Event of Default".

Exchange Act shall have the meaning specified in the definition of Change of Control.

Excluded Hedge Liability or *Liabilities* shall mean, with respect to each Loan Party, each of its Swap Obligations if, and only to the extent that, all or any portion of this Agreement or any other Loan Document that relates to such Swap Obligation is or becomes illegal under the Commodity Exchange Act, or any rule, regulation or order of the CFTC, solely by virtue of such Loan Party's failure

to qualify as an Eligible Contract Participant on the Eligibility Date for such Swap. Notwithstanding anything to the contrary contained in the foregoing or in any other provision of this Agreement or any other Loan Document, the foregoing is subject to the following provisos: (a) if a Swap Obligation arises under a master agreement governing more than one Swap, this definition shall apply only to the portion of such Swap Obligation that is attributable to Swaps for which such guaranty or security interest is or becomes illegal under the Commodity Exchange Act, or any rule, regulations or order of the CFTC, solely as a result of the failure by such Loan Party for any reason to qualify as an Eligible Contract Participant on the Eligibility Date for such Swap, (b) if a guarantee of a Swap Obligation would cause such obligation to be an Excluded Hedge Liability but the grant of a security interest would not cause such obligation to be an Excluded Hedge Liability, such Swap Obligation shall constitute an Excluded Hedge Liability for purposes of the guaranty but not for purposes of the grant of the security interest, and (c) if there is more than one Loan Party executing this Agreement or the other Loan Documents and a Swap Obligation would be an Excluded Hedge Liability with respect to one or more of such Persons, but not all of them, the definition of Excluded Hedge Liability or Liabilities with respect to each such Person shall only be deemed applicable to (i) the particular Swap Obligations that constitute Excluded Hedge Liabilities with respect to such Person, and (ii) the particular Person with respect to which such Swap Obligations constitute Excluded Hedge Liabilities.

Excluded Subsidiaries shall mean the entities named on Schedule 1.1(E).

Excluded Taxes shall mean any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a Law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrowers under Section 5.12.2 [Replacement of a Lender]) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 5.9.7 [Status of Lenders], amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 5.9.7 [Status of Lenders] and (d) any U.S. federal withholding Taxes imposed under FATCA (except to the extent imposed due to the failure of the Borrowers to provide documentation or information to the IRS).

Executive Order No. 13224 shall mean the Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

Existing Credit Agreement shall have the meaning specified in the Recitals of this Agreement.

Expiration Date shall mean December 19, 2018.

FATCA shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

Federal Funds Effective Rate for any day shall mean the rate per annum (based on a year of 360 days and actual days elapsed and rounded upward to the nearest 1/100 of 1%) announced by the Federal Reserve Bank of New York (or any successor) on such day as being the weighted average of the rates on overnight federal funds transactions arranged by federal funds brokers on the previous trading day, as computed and announced by such Federal Reserve Bank (or any successor) in substantially the same manner as such Federal Reserve Bank computes and announces the weighted average it refers to as the "Federal Funds Effective Rate" as of the date of this Agreement; provided, if such Federal Reserve Bank (or its successor) does not announce such rate on any day, the "Federal Funds Effective Rate" for such day shall be the Federal Funds Effective Rate for the last day on which such rate was announced.

Federal Funds Open Rate for any day shall mean the rate per annum (based on a year of 360 days and actual days elapsed) which is the daily federal funds open rate as quoted by ICAP North America, Inc. (or any successor) as set forth on the Bloomberg Screen BTMM for that day opposite the caption "OPEN" (or on such other substitute Bloomberg Screen that displays such rate), or as set forth on such other recognized electronic source used for the purpose of displaying such rate as selected by the Administrative Agent (for purposes of this definition, an "Alternate Source") (or if such rate for such day does not appear on the Bloomberg Screen BTMM (or any substitute screen) or on any Alternate Source, or if there shall at any time, for any reason, no longer exist a Bloomberg Screen BTMM (or any substitute screen) or any Alternate Source, a comparable replacement rate determined by the Administrative Agent at such time (which determination shall be conclusive absent manifest error); provided however, that if such day is not a Business Day, the Federal Funds Open Rate for such day shall be the "open" rate on the immediately preceding Business Day. If and when the Federal Funds Open Rate changes, the rate of interest with respect to any advance to which the Federal Funds Open Rate applies will change automatically without notice to the Borrowers, effective on the date of any such change.

Fiscal Quarter shall mean a fiscal quarter of a Fiscal Year.

Fiscal Year shall mean the fiscal year of the Company and its Subsidiaries, which period shall be the 12-month period ending on December 31 of each year. References to a Fiscal Year with a number corresponding to any calendar year (e.g., "Fiscal Year 2013") refer to the Fiscal Year ending on December 31 of such calendar year.

Foreign Borrower shall mean WABTEC UA.

Foreign Currency Hedge shall mean any foreign exchange transaction, including spot and forward foreign currency purchases and sales, listed or over-the-counter options on foreign currencies, non-deliverable forwards and options, foreign currency swap agreements, currency exchange rate price hedging arrangements, and any other similar transaction providing for the purchase of one currency in exchange for the sale of another currency.

Foreign Currency Hedge Liabilities shall have the meaning assigned in the definition of Lender Provided Foreign Currency Hedge.

Foreign Lender shall mean (a) if a Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if a Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which such Borrower is resident for tax purposes.

Fronting Exposure shall mean, at any time there is a Defaulting Lender, (a) with respect to any Issuing Lender, such Defaulting Lender's Applicable Percentage of the outstanding Letter of Credit Obligations with respect to Letters of Credit issued by such Issuing Lender other than Letter of Credit Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other

Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to any Swing Loan Lender, such Defaulting Lender's Applicable Percentage of outstanding Swing Loans made by such Swing Loan Lender other than Swing Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders.

GAAP shall mean generally accepted accounting principles as are in effect from time to time, subject to the provisions of Section 1.3 [Accounting Principles; Changes in GAAP], and applied on a consistent basis both as to classification of items and amounts.

Guarantor shall mean each of the parties to this Agreement which is designated as a "Guarantor" on the signature page hereof and each other Person which joins this Agreement as a Guarantor after the date hereof.

Guaranty Agreement shall mean the Continuing Agreement of Guaranty and Suretyship in substantially the form of Exhibit 1.1(G) executed and delivered by each of the Guarantors to the Administrative Agent for the benefit of the Lenders.

Hazardous Substances shall mean (a) any petroleum or petroleum products, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, dielectric fluid containing levels of polychlorinated biphenyls, radon gas and mold; (b) any chemicals, materials, pollutant or substances defined as or included in the definition of "hazardous substances", "hazardous waste", "hazardous materials", "extremely hazardous substances", "restricted hazardous waste", "toxic substances", "toxic pollutants", "contaminants", "pollutants" or words of similar import, under any applicable Environmental Law; and (c) any other chemical, material or substance, the exposure to or release of which is prohibited, limited or regulated by any governmental authority or for which any duty or standard of care is imposed pursuant to any Environmental Law.

Hedge Liabilities shall mean collectively, the Commodity Hedge Liabilities, the Foreign Currency Hedge Liabilities and the Interest Rate Hedge Liabilities. The amount of any Person's obligation in respect of any Hedging Liability shall be deemed to be the incremental obligation that would be reflected in the financial statements of such Person in accordance with GAAP measured at the end of each Fiscal Quarter during this Agreement.

ICC shall have the meaning specified in Section 11.11.1 [Governing Law].

Increasing Lender shall have the meaning specified in Section 2.9.1 [Increasing Lenders and New Lenders].

Indebtedness of any Person shall mean, without duplication, (a) all indebtedness of such Person, (b) all borrowed money of such Person, whether or not evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person as lessee under Capital Leases which have been or should be recorded as liabilities on a balance sheet of such Person in accordance with GAAP, (d) all obligations of such Person to pay the deferred purchase price of property or services (excluding trade accounts payable in the ordinary course of business), (e) all indebtedness secured by a Lien on the property of such Person, whether or not such indebtedness shall have been assumed by such Person; provided that if such Person has not assumed or otherwise become liable for such indebtedness, such indebtedness shall be measured at the fair market value of such property securing such indebtedness at the time of determination, (f) all obligations, contingent or otherwise, with respect to the face amount of all letters of credit (whether or not drawn), bankers' acceptances and similar obligations issued for the account of such Person (including the Letters of Credit), (g) obligations under any price protection agreement related to commodity products, currency swap agreement, interest rate swap, cap, collar or

floor agreement or other interest rate management device, (h) all Contingent Liabilities of such Person and (i) all Indebtedness of any partnership of which such Person is a general partner.

Indemnified Taxes shall mean (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in the preceding clause (a), Other Taxes.

Indemnitee shall have the meaning specified in Section 11.3.2 [Indemnification by the Borrowers].

Information shall mean all information received from the Loan Parties or any of their Subsidiaries relating to the Loan Parties or any of such Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or any Issuing Lender on a non-confidential basis prior to disclosure by the Loan Parties or any of their Subsidiaries, provided that, in the case of information received from the Loan Parties or any of their Subsidiaries after the date of this Agreement, such information is clearly identified at the time of delivery as confidential.

Insolvency Proceeding shall mean, with respect to any Person, (a) a case, action or proceeding with respect to such Person (i) before any court or any other Official Body under any bankruptcy, insolvency, reorganization or other similar Law now or hereafter in effect, or (ii) for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator, conservator (or similar official) of any Loan Party or otherwise relating to the liquidation, dissolution, winding-up or relief of such Person, or (b) any general assignment for the benefit of creditors, composition, marshaling of assets for creditors, or other, similar arrangement in respect of such Person's creditors generally or any substantial portion of its creditors; undertaken under any Law.

Intercompany Subordination Agreement shall mean a Subordination Agreement among the Loan Parties in the form attached hereto as Exhibit 1.1(I).

Interest Coverage Ratio shall mean, for any Computation Period, the ratio of (a) EBITDA for such Computation Period to (b) Interest Expense for such Computation Period.

Interest Expense shall mean for any period the consolidated interest expense of the Company and its Subsidiaries for such period (including all imputed interest on Capital Leases).

Interest Period shall mean the period of time selected by the Borrower Agent in connection with (and to apply to) any election permitted hereunder by the Borrowers to have Revolving Credit Loans bear interest under the Eurocurrency Rate Option. Subject to the last sentence of this definition, such period shall be, (a) with respect to Optional Currency Loans, one Month, and (b) with respect to Loans denominated in Dollars, one, two, three or six Months, or nine or twelve Months, as such periods may be available in the determination of the Administrative Agent. Such Interest Period shall commence on the effective date of such Interest Rate Option, which shall be (i) the Borrowing Date if the Borrowers are requesting new Loans, or (ii) the date of renewal of or conversion to the Eurocurrency Rate Option if the Borrowers are renewing or converting to the Eurocurrency Rate Option (as permitted herein). Notwithstanding the second sentence hereof: (A) any Interest Period which would otherwise end on a date which is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, and (B) the Borrowers shall not select, convert to or renew an Interest Period for any portion of the Loans that would end after the Expiration Date.

Interest Rate Hedge shall mean an interest rate exchange, collar, cap, swap, floor, adjustable strike cap, adjustable strike corridor, cross-currency swap or similar agreements entered into by the Loan Parties or their Subsidiaries in order to provide protection to, or minimize the impact upon, the Borrowers, the Guarantors and/or their Subsidiaries of increasing floating rates of interest applicable to Indebtedness.

Interest Rate Hedge Liabilities shall have the meaning specified in the definition of Lender Provided Interest Rate Hedge.

Interest Rate Option shall mean any Eurocurrency Rate Option or Base Rate Option which are applicable to Revolving Credit Loans denominated in Dollars.

Investment shall mean, with respect to any Person, any investment in another Person, whether by acquisition of any debt or Capital Security, by making any loan or advance, by becoming obligated with respect to a Contingent Liability in respect of obligations of such other Person (other than travel and similar advances to employees in the ordinary course of business) or by making an Acquisition.

IRS shall mean the United States Internal Revenue Service.

ISP98 shall have the meaning specified in Section 11.11.1 [Governing Law].

Issuing Lender shall mean each of PNC, JPMorgan Chase Bank, N.A., and The Bank of Nova Scotia each in their individual capacity as issuer of Letters of Credit hereunder, and any other Lender or Affiliate of a Lender that the Borrowers, the Administrative Agent and such other Lender or Affiliate may agree may from time to time issue Letters of Credit hereunder.

Law shall mean any law(s) (including common law), constitution, statute, treaty, regulation, rule, ordinance, opinion, issued guidance, release, ruling, order, executive order, injunction, writ, decree, bond, judgment, authorization or approval, lien or award of or any settlement arrangement, by agreement, consent or otherwise, with any Official Body, foreign or domestic.

Lead Arrangers shall collectively mean PNC Capital Markets LLC and J.P. Morgan Securities, Inc.

Lender Parties shall have the meaning specified in Section 11.13 [No Fiduciary Duty].

Lender Provided Commodity Hedge shall mean a Commodity Hedge which is provided by any Lender or its Affiliate and for which such Lender confirms to the Administrative Agent in writing within thirty (30) days of the execution thereof that it: (i) is documented in a standard International Swap Dealer Association Agreement with applicable schedules and (ii) is entered into for hedging (rather than speculative) purposes. The liabilities owing to the provider of any Lender Provided Commodity Hedge (the "*Commodity Hedge Liabilities*") by any Loan Party that is party to such Lender Provided Commodity Hedge shall, for purposes of this Agreement and all other Loan Documents be "Obligations" of such Person and of each other Loan Party, be guaranteed obligations under the Guaranty Agreement and secured obligations under any other Loan Document, as applicable, and otherwise treated as Obligations for purposes of the other Loan Documents, except to the extent constituting Excluded Hedge Liabilities of such Person.

Lender Provided Foreign Currency Hedge shall mean a Foreign Currency Hedge which is provided by any Lender or its Affiliate and for which such Lender confirms to the Administrative Agent in writing within thirty (30) days of the execution thereof that it: (a) is documented in a standard

International Swaps and Derivatives Association Master Agreement or another reasonable and customary manner, (b) provides for the method of calculating the reimbursable amount of the provider's credit exposure in a reasonable and customary manner, and (c) is entered into for hedging (rather than speculative) purposes. The liabilities owing to the provider of any Lender Provided Foreign Currency Hedge (the "*Foreign Currency Hedge Liabilities*") by any Loan Party that is party to such Lender Provided Foreign Currency Hedge shall, for purposes of this Agreement and all other Loan Documents be "Obligations" of such Person and of each other Loan Party, be guaranteed obligations under the Guaranty Agreement and secured obligations under any other Loan Document, as applicable, and otherwise treated as Obligations for purposes of the other Loan Documents, except to the extent constituting Excluded Hedge Liabilities of such Person.

Lender Provided Interest Rate Hedge shall mean an Interest Rate Hedge which is provided by any Lender or its Affiliate and with respect to which such Lender confirms to the Administrative Agent in writing within thirty (30) days of the execution thereof that it: (a) is documented in a standard International Swaps and Derivatives Association Master Agreement, or another reasonable and customary manner, (b) provides for the method of calculating the reimbursable amount of the provider's credit exposure in a reasonable and customary manner, and (c) is entered into for hedging (rather than speculative) purposes. The liabilities owing to the provider of any Lender Provided Interest Rate Hedge (the "*Interest Rate Hedge Liabilities*") by any Loan Party that is party to such Lender Provided Interest Rate Hedge shall, for purposes of this Agreement and all other Loan Documents be "Obligations" of such Person and of each other Loan Party, be guaranteed obligations under any Guaranty Agreement and secured obligations under any other Loan Document, as applicable, and otherwise treated as Obligations for purposes of the other Loan Documents, except to the extent constituting Excluded Hedge Liabilities of such Person.

Lenders shall mean the financial institutions named on Schedule 1.1(B) (including any Swing Loan Lender) and their respective successors and assigns as permitted hereunder, each of which is referred to herein as a Lender or Swing Loan Lender, as the case may be. For the purpose of any Loan Document which provides for the granting of a security interest or other Lien to the Lenders or to the Administrative Agent for the benefit of the Lenders as security for the Obligations, "Lenders" shall include any Affiliate of a Lender to which such Obligation is owed.

Letter of Credit shall have the meaning specified in Section 2.8.1 [Issuance of Letters of Credit].

Letter of Credit Borrowing shall have the meaning specified in Section 2.8.3 [Disbursements, Reimbursement].

Letter of Credit Fee shall have the meaning specified in Section 2.8.2 [Letter of Credit Fees].

Letter of Credit Obligation shall mean, as of any date of determination, the aggregate Dollar Equivalent amount available to be drawn under all outstanding Letters of Credit on such date (if any Letter of Credit shall increase in amount automatically in the future, such aggregate Dollar Equivalent amount available to be drawn shall currently give effect to any such future increase) plus the aggregate Dollar Equivalent amount of Reimbursement Obligations and Letter of Credit Borrowings on such date.

Letter of Credit Sublimit shall have the meaning specified in Section 2.8.1 [Issuance of Letters of Credit].

Leverage Ratio shall mean, as of the end of any date of determination, the ratio of (a) Total Debt to (b) EBITDA.

Lien shall mean any mortgage, deed of trust, pledge, lien, security interest, charge or other encumbrance or security arrangement of any nature whatsoever, whether voluntarily or involuntarily given, including any conditional sale or title retention arrangement, and any assignment, deposit arrangement or lease intended as, or having the effect of, security and any filed financing statement or other notice of any of the foregoing (whether or not a lien or other encumbrance is created or exists at the time of the filing).

Loan Documents shall mean this Agreement, the Administrative Agent's Letter, the Guaranty Agreement, the Intercompany Subordination Agreement, the Notes and any other instruments, certificates or documents delivered in connection herewith or therewith.

Loan Party Joinder shall mean a joinder by a Person as a Borrower or a Guarantor under the Loan Documents in the form of Exhibit 1.1(L).

Loan Parties shall mean the Borrowers and the Guarantors and *Loan Party* shall mean each Borrower and each Guarantor.

Loan Request shall have the meaning specified in Section 2.4 [Revolving Credit Loan Requests; Swing Loan Requests].

Loans shall mean collectively and *Loan* shall mean separately all Revolving Credit Loans and Swing Loans or any Revolving Credit Loan or Swing Loan.

Margin Stock shall mean any "margin stock" as defined in Regulation U, T or X as promulgated by the Board of Governors of the Federal Reserve System.

Material Adverse Effect shall mean (a) a material adverse change in, or a material adverse effect upon, the financial condition, operations, assets, business, or properties of the Loan Parties taken as a whole, (b) a material impairment of the ability of the Loan Parties taken as a whole to perform any of the payment Obligations under any Loan Document or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document.

Minimum Collateral Amount shall mean, at any time, (i) with respect to Cash Collateral consisting of cash or deposit account balances, an amount equal to 105% of the Fronting Exposure of all Issuing Lenders with respect to Letters of Credit issued and outstanding at such time and (ii) otherwise, an amount determined by the Administrative Agent and the Issuing Lenders in their reasonable discretion.

Month, with respect to an Interest Period, shall mean the interval between the days in consecutive calendar months numerically corresponding to the first day of such Interest Period. If any Interest Period begins on a day of a calendar month for which there is no numerically corresponding day in the month in which such Interest Period is to end, the final month of such Interest Period shall be deemed to end on the last Business Day of such final month.

Moody's shall mean Moody's Investors Service, Inc.

Multiemployer Plan shall mean any employee pension benefit plan which is a "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA and to which the Borrowers or

any member of the ERISA Group are then making or accruing an obligation to make contributions or, within the preceding five plan years, has made or had an obligation to make such contributions.

New Lender shall have the meaning specified in Section 2.9.1 [Increasing Lenders and New Lenders].

New Note Indenture shall mean any indenture or similar agreement entered into by the Company after the Closing Date to the extent permitted by Section 8.2.15 [Limitations on Indentures] under which Indebtedness shall be issued for any purpose set forth in such indenture or agreement, together with any refinancings, refundings, amendment, modifications, replacements and restatements, or the like thereof from time to time to the extent permitted by Section 8.2.15 [Limitations on Indentures].

Non-Consenting Lender shall have the meaning specified in Section 11.1 [Modifications, Amendments or Waivers].

Non-Qualifying Party shall mean any Loan Party that fails for any reason to qualify as an Eligible Contract Participant on the Effective Date of the applicable Swap.

Notes shall mean, collectively, and *Note* shall mean separately, the promissory notes in the form of Exhibit 1.1(N)(1) evidencing the Revolving Credit Loans, and in the form of Exhibit 1.1(N)(2) evidencing the Swing Loan.

Obligation shall mean any obligation or liability of any of the Loan Parties, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due, under or in connection with (i) this Agreement, the Notes, the Letters of Credit, the Administrative Agent's Letter or any other Loan Document whether to the Administrative Agent, any of the Lenders or their Affiliates or other persons provided for under such Loan Documents, including Attorney Costs, (ii) any Lender Provided Commodity Hedge, (iii) any Lender Provided Interest Rate Hedge, (iv) any Lender Provided Foreign Currency Hedge, and (v) any Other Lender Provided Financial Service Product. Notwithstanding anything to the contrary contained in the foregoing, the Obligations shall not include any Excluded Hedge Liabilities.

Official Body shall mean the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank) and any group or body charged with setting financial accounting or regulatory capital rules or standards (including, without limitation, the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervision or any successor or similar authority to any of the foregoing).

Operating Lease shall mean any lease of (or other agreement conveying the right to use) any real or personal property by any Loan Party, as lessee, other than any Capital Lease.

Optional Currency shall mean the following lawful currencies: Euros, Canadian Dollars, Sterling and Australian Dollars and any other currency approved by the Administrative Agent and all of the Lenders pursuant to Section 2.11.2(iii) [European Monetary Union; Requests for Additional Optional Currencies]. Subject to Section 2.11.2, each Optional Currency must be the lawful currency of the specified country.

Loans].

Currency Loans].

Order shall have the meaning specified in Section 2.8.9 [Liability for Acts and Omissions].

Original Currency shall have the meaning specified in Section 5.15 [Currency Conversion Procedures for Judgments].

Other Connection Taxes shall mean, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient (or an agent or affiliate thereof) and the jurisdiction imposing such Tax (other than connections arising solely from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

Other Currency shall have the meaning specified in Section 5.15 [Currency Conversion Procedures for Judgments].

Other Lender Provided Financial Service Product shall mean agreements or other arrangements under which any Lender or Affiliate of a Lender provides any of the following products or services to any of the Loan Parties: (a) credit cards, (b) credit card processing services, (c) debit cards, (d) purchase cards, (e) ACH transactions, or (f) cash management, including controlled disbursement, accounts or services.

Other Taxes shall mean all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 5.12.2 [Replacement of a Lender]).

Overnight Rate shall mean for any day with respect to any Loans in an Optional Currency, the rate of interest per annum as determined by the Administrative Agent at which overnight deposits in such currency, in an amount approximately equal to the amount with respect to which such rate is being determined, would be offered for such day in the Relevant Interbank Market.

Participant has the meaning specified in Section 11.8.4 [Participations].

Participant Register shall have the meaning specified in Section 11.8.4 [Participations].

Participating Member State shall mean any member State of the European Communities that adopts or has adopted the Euro as its lawful currency in accordance with legislation of the European Community relating to Economic and Monetary Union.

Participation Advance shall have the meaning specified in Section 2.8.3 [Disbursements, Reimbursement].

Payment Date shall mean initially, April 1, 2014 and thereafter, the first day of each calendar quarter after April 1, 2014 and on the Expiration Date or upon acceleration of the Notes.

Payment In Full or Paid In Full shall mean the indefeasible payment in full in cash of the Loans and other Obligations hereunder, termination of the Commitments and expiration or termination of all Letters of Credit.

PBGC shall mean the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA or any successor.

Pension Plan shall mean at any time an "employee pension benefit plan" (as such term is defined in Section 3(2) of ERISA) (including a "multiple employer plan" as described in Sections 4063 and 4064 of ERISA, but not a Multiemployer Plan) which is covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 or Section 430 of the Code and either (i) is sponsored, maintained or contributed to by any member of the ERISA Group for employees of any member of the ERISA Group or (ii) has at any time within the preceding five years been sponsored, maintained or contributed to by any entity which was at such time a member of the ERISA Group for employees of any entity which was at such time a member of the ERISA Group, or in the case of a "multiple employer" or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the immediately preceding five plan years.

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

PNC shall mean PNC Bank, National Association, its successors and assigns.

Potential Default shall mean any event or condition which with notice or passage of time, or both, would constitute an Event of Default.

Prime Rate shall mean the interest rate per annum announced from time to time by the Administrative Agent at its Principal Office as its then prime rate, which rate may not be the lowest or most favorable rate then being charged commercial borrowers or others by the Administrative Agent. Any change in the Prime Rate shall take effect at the opening of business on the day such change is announced.

Principal Office shall mean the main banking office of the Administrative Agent in Pittsburgh, Pennsylvania.

Professional Market Party shall mean a "professional market party" (professionele marktpartij) within the meaning of the Dutch Act on Financial Supervision (Wet op het financieel toezicht) and any regulations promulgated thereunder as amended or replaced from time to time.

Published Rate shall mean the rate of interest published each Business Day in *The Wall Street Journal* "Money Rates" listing under the caption "London Interbank Offered Rates" for a one month period (or, if no such rate is published therein for any reason, then the Published Rate shall be the rate at which U.S. dollar deposits are offered by leading banks in the London interbank deposit market for a one month period as published in another publication selected by the Administrative Agent).

Qualified ECP Loan Party shall mean each Loan Party that on the Eligibility Date is (a) a corporation, partnership, proprietorship, organization, trust or other entity other than a "commodity pool"

as defined in Section 1a(1) of the Commodity Exchange Act and CFTC regulations thereunder that has total assets exceeding \$10,000,000, or (b) an Eligible Contract Participant that can cause another person to qualify as an Eligible Contract Participant on the Eligibility Date under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act by entering into or otherwise providing a "letter of credit or keepwell, support, or other agreement" for purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

Ratable Share shall mean:

(a) with respect to a Lender's obligation to make Revolving Credit Loans, participate in Letters of Credit and other Letter of Credit Obligations, and receive payments, interest, and fees related thereto, the proportion that such Lender's Revolving Credit Commitment bears to the Revolving Credit Commitments of all of the Lenders, provided however that if the Revolving Credit Commitments have terminated or expired, the Ratable Shares for purposes of this clause shall be determined based upon the Revolving Credit Commitments most recently in effect, giving effect to any assignments.

(b) with respect to all other matters as to a particular Lender, the percentage obtained by dividing (i) such Lender's Revolving Credit Commitment, by (ii) the sum of the aggregate amount of the Revolving Credit Commitments of all Lenders; provided however that if the Revolving Credit Commitments have terminated or expired, the computation in this clause shall be determined based upon the Revolving Credit Commitments most recently in effect, giving effect to any assignments, and not on the current amount of the Revolving Credit Commitments and provided further in the case of Section 5.13 [Defaulting Lenders] when a Defaulting Lender shall exist, "Ratable Share" shall mean the percentage of the aggregate Commitments (disregarding any Defaulting Lender's Commitment) represented by such Lender's Commitment.

Recipient shall mean (a) the Administrative Agent, (b) any Lender and (c) any Issuing Lender, as applicable.

Reference Currency shall have the meaning specified in the definition of Equivalent Amount.

Register shall have the meaning specified in Section 11.8.3 [Register].

Reimbursement Obligation shall have the meaning specified in Section 2.8.3 [Disbursements, Reimbursement].

Related Parties shall mean, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, managers, advisors and representatives of such Person and of such Person's Affiliates.

Relevant Interbank Market shall mean in relation to Euro, the European Interbank Market, and, in relation to any other currency, the London interbank market or other applicable offshore interbank market.

Relief Proceeding shall mean any proceeding seeking a decree or order for relief in respect of any Loan Party or Subsidiary of a Loan Party in a voluntary or involuntary case under any applicable bankruptcy, insolvency, reorganization or other similar law now or hereafter in effect, or for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator, conservator (or similar official) of any Loan Party or Subsidiary of a Loan Party for any substantial part of its property, or for the winding-up or liquidation of its affairs, or an assignment for the benefit of its creditors.

Reportable Compliance Event shall mean that any Covered Entity becomes a Sanctioned Person, or is charged by indictment, criminal complaint or similar charging instrument, arraigned, or custodially detained in connection with any Anti-Terrorism Law or any predicate crime to any Anti-Terrorism Law, or has knowledge of facts or circumstances to the effect that it is reasonably likely that any aspect of its operations is in actual or probable violation of any Anti-Terrorism Law.

Required Lenders shall mean: (A) If there exists fewer than three (3) Lenders, all Lenders (other than any Defaulting Lender); (B) If there exists three (3) or more Lenders, Lenders (other than any Defaulting Lender) having more than 50% of the sum of the aggregate amount of the Revolving Credit Commitments of the Lenders (excluding any Defaulting Lender) or, after the termination of the Revolving Credit Commitments, the outstanding Revolving Credit Loans and Ratable Share of Letter of Credit Obligations of the Lenders (excluding any Defaulting Lender).

Required Share shall have the meaning specified in Section 5.11 [Settlement Date Procedures].

Reserve Percentage shall mean as of any day the maximum percentage in effect on such day to be maintained by a Lender as required for reserve liquidity, special deposit, or similar purpose by any governmental or monetary authority of any country or political subdivision thereof (including any central bank), against (i) any category of liabilities that includes deposits by reference to which a Eurocurrency Rate is to be determined, or (ii) any category of extension of credit or other assets that includes Loans or Borrowing Tranches to which a Eurocurrency Rate applies.

Restricted Payments shall have the meaning specified in Section 8.2.4 [Restricted Payments].

Revolving Credit Commitment shall mean, as to any Lender at any time, the amount initially set forth opposite its name on Schedule 1.1(B) in the column labeled "Amount of Commitment for Revolving Credit Loans," as such Commitment is thereafter assigned or modified (including any increases pursuant to Section 2.9) and *Revolving Credit Commitments* shall mean the aggregate Revolving Credit Commitments of all of the Lenders.

Revolving Credit Loans shall mean collectively and *Revolving Credit Loan* shall mean separately all Revolving Credit Loans or any Revolving Credit Loan made by the Lenders or one of the Lenders to the Borrowers pursuant to Section 2.1 [Revolving Credit Commitments] or 2.8.3 [Disbursements, Reimbursement].

Revolving Facility Usage shall mean at any time the Dollar Equivalent amount of the sum of the outstanding Revolving Credit Loans, the outstanding Swing Loans, and the Letter of Credit Obligations.

Sanctioned Country shall mean a country subject to a sanctions program maintained under any Anti-Terrorism Law.

Sanctioned Person shall mean any individual person, group, regime, entity or thing listed or otherwise recognized as a specially-designated, prohibited, sanctioned or debarred person, group, regime, entity or thing, or subject to any limitations or prohibitions (including, but not limited to, the blocking of property or rejection of transactions), under any Anti-Terrorism Law.

SEC shall mean the Securities and Exchange Commission or any other governmental authority succeeding to any of the principal functions thereof.

Securitization shall mean any sale, transfer or other disposition of assets relating to any one or more securitization, factoring or similar dispositions of assets.

Senior Officer shall mean, with respect to any Loan Party, any of the Chief Executive Officer; President; Chief Financial Officer; Chief Operating Officer; Director of Finance, Treasury; Treasurer; or Controller of such Loan Party or such other individuals, designated by written notice to the Administrative Agent from the Company, authorized to execute notices, reports and other documents on behalf of the Loan Parties required hereunder. The Company may amend such list of individuals from time to time by giving written notice of such amendment to the Administrative Agent.

Settlement Date shall mean the Business Day on which the Administrative Agent elects to effect settlement pursuant Section 5.11 [Settlement Date Procedures].

Standard & Poor's shall mean Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

Stated Amount shall mean, with respect to any Letter of Credit at any date of determination, (a) the maximum aggregate Dollar Equivalent (with respect to letters of Credit not yet honored shall be calculated by the Administrative Agent on the basis of reasonable assumptions) amount available for drawing thereunder under any and all circumstances plus (b) the aggregate Dollar Equivalent amount of all unreimbursed payments and disbursements under such Letter of Credit.

Subsidiary of any Person at any time shall mean a corporation, partnership, limited liability company or other entity of which such Person owns, directly or indirectly, such number of outstanding Capital Securities as have more than 50% of the ordinary voting power for the election of directors or other managers of such corporation, partnership, limited liability company or other entity. Unless the context otherwise requires, each reference to Subsidiaries herein shall be a reference to Subsidiaries of the Company.

Swap shall mean any "swap" as defined in Section 1a(47) of the Commodity Exchange Act and regulations thereunder, other than (a) a swap entered into, or subject to the rules of, a board of trade designated as a contract market under Section 5 of the Commodity Exchange Act, or (b) a commodity option entered into pursuant to CFTC Regulation 32.3(a).

Swap Obligation shall mean any obligation to pay or perform under any agreement, contract or transaction that constitutes a Swap which is also a Lender Provided Commodity Hedge, Lender Provided Interest Rate Hedge, or a Lender Provided Foreign Currency Hedge.

Swing Loan Commitment shall have the meaning specified in Section 2.1.2 [Swing Loan Commitment] hereof.

Swing Loan Lender shall mean PNC, in its capacity as a Lender of Swing Loans hereunder.

Swing Loan Note shall mean the Swing Loan Note of the Borrowers in the form of Exhibit 1.1(N)(2) evidencing the Swing Loans, together with all amendments, extensions, renewals, replacements, refinancings or refundings thereof in whole or in part.

Swing Loan Request shall mean a request for Swing Loans made in accordance with Section 2.4.2 [Swing Loan Requests] hereof.

Swing Loans shall mean collectively and *Swing Loan* shall mean separately all Swing Loans or any Swing Loan made by the Swing Loan Lender to the Borrowers pursuant to Section 2.1.2 [Swing Loan Commitment] hereof.

Syndication Agent shall mean JPMorgan Chase Bank, N.A.

Taxes shall mean all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Official Body, including any interest, additions to tax or penalties applicable thereto.

Total Debt shall mean all Indebtedness of the Company and its Subsidiaries, determined on a consolidated basis (excluding (a) obligations in respect of Contingent Liabilities (except to the extent constituting Contingent Liabilities in respect of letters of credit or bank guarantees (including Letters of Credit) or Indebtedness of a Person other than any Loan Party) and (b) Hedging Liabilities), minus (i) the domestic unencumbered cash and Cash Equivalent Investments of the Company and its Subsidiaries held in the United States at the time of determination and (ii) 87.5% of the unencumbered cash and Cash Equivalent Investments of the Company and its Subsidiaries held in Australia, Brazil, Europe, and each of the NAFTA countries. For the avoidance of doubt, Total Debt shall not include obligations of a Loan Party arising from surety bonds, performance bonds, bid bonds, or similar obligations.

UCP shall have the meaning specified in Section 11.11.1 [Governing Law].

U.S. PATRIOT Act shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

U.S. Person shall mean any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

U.S. Tax Compliance Certificate has the meaning specified in Section 5.9.7 [Status of Lenders].

Venture shall mean at any time any domestic or non-domestic Person, venture or enterprise which is not a Subsidiary of a Borrower, but as to which (A) a Borrower or any one or more Subsidiaries of such Borrower directly or indirectly owns or controls an ownership, voting or other interest in excess of five percent of any such outstanding interests and (B) the Borrower materially participates in the management or operations thereof.

WABTEC UA shall have the meaning specified in the introductory paragraph of this Agreement.

Wholly-Owned Subsidiary shall mean, as to any Person, a Subsidiary all of the Capital Securities of which (except directors' qualifying Capital Securities) are at the time directly or indirectly owned by such Person and/or another Wholly-Owned Subsidiary of such Person.

Withholding Agent shall mean any Loan Party and the Administrative Agent.

1.2Construction.

Unless the context of this Agreement otherwise clearly requires, the following rules of construction shall apply to this Agreement and each of the other Loan Documents: (i) references to the plural include the singular, the plural, the part and the whole and the words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation"; (ii) the

words "hereof," "herein," "hereunder," "hereto" and similar terms in this Agreement or any other Loan Document refer to this Agreement or such other Loan Document as a whole; (iii) article, section, subsection, clause, schedule and exhibit references are to this Agreement or other Loan Document, as the case may be, unless otherwise specified; (iv) reference to any Person includes such Person's successors and assigns; (v) reference to any agreement, including this Agreement and any other Loan Document together with the schedules and exhibits hereto or thereto, document or instrument means such agreement, document or instrument as amended, modified, replaced, substituted for, superseded or restated; (vi) relative to the determination of any period of time, "from" means "from and including," "to" means "to but excluding," and "through" means "through and including"; (vii) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights, (viii) section headings herein and in each other Loan Document are included for convenience and shall not affect the interpretation of this Agreement or such Loan Document, and (ix) unless otherwise specified, all references herein to times of day shall be references to Eastern Time.

1.3 Accounting Principles; Changes in GAAP.

Except as otherwise provided in this Agreement, all computations and determinations as to accounting or financial matters and all financial statements to be delivered pursuant to this Agreement shall be made and prepared in accordance with GAAP (including principles of consolidation where appropriate), and all accounting or financial terms shall have the meanings ascribed to such terms by GAAP; provided, however, that all accounting terms used in Section 8.2 [Negative Covenants] (and all defined terms used in the definition of any accounting term used in Section 8.2 [Negative Covenants]) shall have the meaning given to such terms (and defined terms) under GAAP as in effect on the date hereof applied on a basis consistent with those used in preparing the consolidated financial statements referred to in Section 6.1.4 [Financial Condition]. Notwithstanding the foregoing, if the Company notifies the Administrative Agent in writing that the Company wishes to amend any financial covenant in Section 8.2 [Negative Covenants] of this Agreement, any related definition and/or the definition of the term Leverage Ratio for purposes of interest, Letter of Credit Fee and Commitment Fee determinations to eliminate the effect of any change in GAAP occurring after the Closing Date on the operation of such financial covenants and/or interest, Letter of Credit Fee or Commitment Fee determinations (or if the Administrative Agent notifies the Company in writing that the Required Lenders wish to amend any financial covenant in Section 8.2 [Negative Covenants], any related definition and/or the definition of the term Leverage Ratio for purposes of interest, Letter of Credit Fee and Commitment Fee determinations to eliminate the effect of any such change in GAAP), then the Administrative Agent, the Lenders and the Company shall negotiate in good faith to amend such ratios or requirements to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, the Loan Parties' compliance with such covenants and/or the definition of the term Leverage Ratio for purposes of interest, Letter of Credit Fee and Commitment Fee determinations shall be determined on the basis of GAAP in effect immediately before the relevant change in GAAP became effective, until either such notice is withdrawn or such covenants or definitions are amended in a manner satisfactory to the Company and the Required Lenders, and the Loan Parties shall provide to the Administrative Agent, when they deliver their financial statements pursuant to Section 8.3.1 [Quarterly Financial Statements] and 8.3.2 [Annual Reports] of this Agreement, such reconciliation statements as shall be reasonably requested by the Administrative Agent.

1.4 Currency Calculations.

All financial statements and Compliance Certificates shall be set forth in Dollars. For purposes of preparing the financial statements, calculating financial covenants and determining compliance with covenants expressed in Dollars, Optional Currencies shall be converted to Dollars in accordance with GAAP at the Equivalent Amount thereof.

1.5Dutch Terms.

In this Agreement, where it relates to a Dutch entity, a reference to:

- (i) "*the Netherlands*" refers to the part of the Kingdom of the Netherlands located in Europe (and all derivative terms, including "*Dutch*" shall be construed accordingly);
- (ii) a "*director*" means a managing director (*bestuurder*) and "*board of directors*" means its managing board (*bestuur*);
- (iii) a "*necessary action to authorise*" or "*duly authorized*", where applicable, includes without limitation any action required to comply with the Dutch Works Council Act (*Wet op de ondernemingsraden*);
- (iv) "*Insolvency Proceeding*", "*insolvency*", "*winding-up*", "*administration*" or "*dissolution*" includes a Dutch entity being:
 - (a) declared bankrupt (*failliet verklaard*);
 - (b) dissolved (*ontbonden*);
- (v) "*Relief Proceeding*" includes an application for moratorium (*surseance van betaling*) and the appointment of a receiver, liquidator, custodian, trustee includes the appointment of an administrator and that a moratorium has been granted (*surseance verleend*);
- (vi) "*Capital Securities*" includes, in relation to a Dutch entity which is a cooperative (*cooperatie*), membership interests in such entity and the capital accounts (*kapitaalrekening*) of any member in such entity;
- (vii) a trustee in bankruptcy or liquidator includes a *curator*;
- (viii) an administrator includes a *bewindvoerder*;
- (ix) an attachment includes a *beslag*;
- (x) gross negligence means *grove schuld*;
- (xi) indemnify means *vrijwaren*;
- (xii) negligence means *schuld*; and
- (xiii) willful misconduct means *opzet*.

2.REVOLVING CREDIT AND SWING LOAN FACILITIES

2.1Revolving Credit Commitments

2.1.1Revolving Credit Loans; Optional Currency Loans.

Subject to the terms and conditions hereof and relying upon the representations and warranties herein set forth, each Lender severally agrees to make Revolving Credit Loans in either Dollars or one or more Optional Currencies to the Borrowers at any time or from time to time on or after the date hereof to the Expiration Date; provided that after giving effect to each such Loan (i) the aggregate Dollar Equivalent amount of Revolving Credit Loans from such Lender shall not exceed such Lender's Revolving Credit Commitment minus such Lender's Ratable Share of the outstanding Swing Loans and Letter of Credit Obligations, (ii) the

Revolving Facility Usage shall not exceed the Revolving Credit Commitments, (iii) no Revolving Credit Loan to which the Base Rate Option applies shall be made in an Optional Currency, and (iv) the aggregate Dollar Equivalent principal amount of Revolving Credit Loans made in an Optional Currency (each an "Optional Currency Loan") shall not exceed \$200,000,000 (the "Optional Currency Sublimit"). Within such limits of time and amount and subject to the other provisions of this Agreement, the Borrowers may borrow, repay and reborrow pursuant to this Section 2.1.

2.1.2 Swing Loan Commitment.

Subject to the terms and conditions hereof and relying upon the representations and warranties herein set forth, and in order to facilitate loans and repayments between Settlement Dates, the Swing Loan Lender may, at its option, cancelable at any time for any reason whatsoever, make swing loans in Dollars (the "Swing Loans") to the Borrowers at any time or from time to time after the date hereof to, but not including, the Expiration Date, in an aggregate principal amount up to but not in excess of \$30,000,000 (the "Swing Loan Commitment"), provided that after giving effect to such Loan, the Revolving Facility Usage shall not exceed the aggregate Revolving Credit Commitments of the Lenders. Within such limits of time and amount and subject to the other provisions of this Agreement, the Borrowers may borrow, repay and reborrow pursuant to this Section 2.1.2.

2.2 Nature of Lenders' Obligations with Respect to Revolving Credit Loans.

Each Lender shall be obligated to participate in each request for Revolving Credit Loans pursuant to Section 2.4 [Revolving Credit Loan Requests; Swing Loan Requests] in accordance with its Ratable Share. The aggregate Dollar Equivalent of each Lender's Revolving Credit Loans outstanding hereunder to the Borrowers at any time shall never exceed its Revolving Credit Commitment minus its Ratable Share of the outstanding Swing Loans and Letter of Credit Obligations. The obligations of each Lender hereunder are several. The failure of any Lender to perform its obligations hereunder shall not affect the Obligations of the Borrowers to any other party nor shall any other party be liable for the failure of such Lender to perform its obligations hereunder. The Lenders shall have no obligation to make Revolving Credit Loans hereunder on or after the Expiration Date.

2.3 Commitment Fees.

Accruing from the date hereof until the Expiration Date, the Borrowers agree to pay to the Administrative Agent for the account of each Lender according to its Ratable Share, a nonrefundable commitment fee (the "Commitment Fee") equal to the Applicable Commitment Fee Rate (computed on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed) multiplied by the average daily difference between the amount of (i) the Revolving Credit Commitments and (ii) the Revolving Facility Usage (provided however, that solely in connection with determining the share of each Lender in the Commitment Fee, the Revolving Facility Usage with respect to the portion of the Commitment Fee allocated to PNC shall include the full amount of the outstanding Swing Loans and, with respect to the portion of the Commitment Fee allocated by the Administrative Agent to all of the Lenders other than PNC, such portion of the Commitment Fee shall be calculated (according to each such Lender's Ratable Share) as if the Revolving Facility Usage excludes the outstanding Swing Loans); provided, further, that any Commitment Fee accrued with respect to the Revolving Credit Commitment of a Defaulting Lender during the period prior to the time such Lender became a Defaulting Lender and unpaid at such time shall not be payable by the Borrowers so long as such Lender shall be a Defaulting Lender except to the extent that such Commitment Fee shall otherwise have been due and payable by the Borrowers prior to such time; and provided further that no Commitment Fee shall accrue with respect to the Revolving Credit Commitment of a Defaulting Lender so long as such Lender shall be a Defaulting Lender. Subject to the proviso in the directly preceding sentence, all Commitment Fees shall be payable in arrears on each Payment Date and in U.S. Dollars.

2.4Revolving Credit Loan Requests; Swing Loan Requests

2.4.1Revolving Credit Loan Requests.

Except as otherwise provided herein, the Borrower Agent, on behalf of itself and the other Borrowers, may from time to time prior to the Expiration Date, request the Lenders to make Revolving Credit Loans, or renew or convert the Interest Rate Option applicable to existing Revolving Credit Loans pursuant to Article 4 [Interest Rates], by delivering to the Administrative Agent, not later than 11:00 a.m., (i) three (3) Business Days prior to the proposed Borrowing Date with respect to the making of Revolving Credit Loans denominated in Dollars to which the Eurocurrency Rate Option applies or the conversion to or the renewal of the Eurocurrency Rate Option for any Revolving Credit Loans denominated in Dollars; (ii) four (4) Business Days prior to the proposed Borrowing Date with respect to the making of Optional Currency Loans, or the date of the renewal of the Interest Rate Option applicable to any Optional Currency Loan, and (iii) on the same Business Day of the proposed Borrowing Date with respect to the making of a Revolving Credit Loan to which the Base Rate Option applies or the last day of the preceding Interest Period with respect to the conversion to the Base Rate Option for any Loan, of a duly completed request therefor substantially in the form of Exhibit 2.4.1 or a request by telephone immediately confirmed in writing by letter, facsimile or telex in such form (each, a "*Loan Request*"), it being understood that the Administrative Agent may rely on the authority of any individual making such a telephonic request without the necessity of receipt of such written confirmation. Each Loan Request shall be irrevocable and shall specify (a) the aggregate amount of the proposed Loans comprising each Borrowing Tranche, and, if applicable, the Interest Period, which amounts shall be in (x) integral multiples of \$1,000,000 (or the Dollar Equivalent thereof) and not less than \$2,500,000 (or the Dollar Equivalent thereof) for each Borrowing Tranche under the Eurocurrency Rate Option, and (y) integral multiples of \$500,000 and not less than \$1,000,000 for each Borrowing Tranche under the Base Rate Option; (b) the currency in which such Revolving Credit Loans shall be funded if the Borrowers elect an Optional Currency, and (c) the applicable Interest Rate Option.

2.4.2Swing Loan Requests.

Except as otherwise provided herein, the Borrower Agent, on behalf of itself and the other Borrowers, may from time to time prior to the Expiration Date request the Swing Loan Lender to make Swing Loans by delivery to the Swing Loan Lender not later than 1:00 p.m. on the proposed Borrowing Date of a duly completed request therefor substantially in the form of Exhibit 2.4.2 hereto or a request by telephone immediately confirmed in writing by letter, facsimile or telex (each, a "*Swing Loan Request*"), it being understood that the Administrative Agent may rely on the authority of any individual making such a telephonic request without the necessity of receipt of such written confirmation. Each Swing Loan Request shall be irrevocable and shall specify the proposed Borrowing Date and the principal amount of such Swing Loan, which shall be not less than \$100,000.

2.5Making Revolving Credit Loans and Swing Loans; Presumptions by the Administrative Agent; Repayment of Revolving Credit Loans; Borrowings to Repay Swing Loans.

2.5.1Making Revolving Credit Loans.

The Administrative Agent shall, promptly after receipt by it of a Loan Request pursuant to Section 2.4 [Revolving Credit Loan Requests; Swing Loan Requests], notify the Lenders of its receipt of such Loan Request specifying the information provided by the Borrowers, including the currency in which the Revolving Credit Loan is required to be funded, and the apportionment among the Lenders of the requested Revolving Credit Loans as determined by the Administrative Agent in accordance with Section 2.2 [Nature of Lenders' Obligations with Respect to Revolving Credit Loans]. Each Lender shall remit the principal amount of each Revolving Credit Loan in the requested currency (in the case of Optional Currency Loans, in Dollars if so requested by the Administrative Agent) to the Administrative Agent such that the Administrative Agent is able to, and the Administrative Agent shall, to the extent the Lenders have made funds available to it for such purpose and subject to Section 7.2 [Each Loan or Letter of Credit], fund such Revolving Credit Loans to the applicable Borrower in U.S. Dollars or the requested Optional Currency (as applicable) and immediately available

funds at the Principal Office prior to 1:00 p.m., on the applicable Borrowing Date; provided that if any Lender fails to remit such funds to the Administrative Agent in a timely manner, the Administrative Agent may elect in its sole discretion to fund with its own funds, including funds in the requested Optional Currency, the Revolving Credit Loans of such Lender on such Borrowing Date, and such Lender shall be subject to the repayment obligation in Section 2.5.2 [Presumptions by the Administrative Agent].

2.5.2 Presumptions by the Administrative Agent.

Unless the Administrative Agent shall have received notice from a Lender prior to the proposed time of any Base Rate Loan, or, for Loans other than Base Rate Loans, prior to the close of business the day before the Borrowing Date, that such Lender will not make available to the Administrative Agent such Lender's share of such Loan, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.5.1 [Making Revolving Credit Loans] and may, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Loan available to the Administrative Agent, then the applicable Lender and the Borrowers severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in the appropriate currency with interest thereon, for each day from and including the date such amount is made available to the Borrowers to but excluding the date of payment to the Administrative Agent, at (i) in the case of a payment to be made by such Lender, the greater of the Federal Funds Effective Rate (or, for payments in an Optional Currency, the Overnight Rate) and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (ii) in the case of a payment to be made by the Borrowers, the interest rate applicable to Loans under the Base Rate Option. If such Lender pays its share of the applicable Loan to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan. Any payment by the Borrowers shall be without prejudice to any claim the Borrowers may have against a Lender that shall have failed to make such payment to the Administrative Agent.

2.5.3 Making Swing Loans.

So long as the Swing Loan Lender elects to make Swing Loans, the Swing Loan Lender shall, after receipt by it of a Swing Loan Request pursuant to Section 2.4.2 [Swing Loan Requests] fund such Swing Loan to the Borrowers in U.S. Dollars only and in immediately available funds at the Principal Office prior to 4:00 p.m. on the Borrowing Date.

2.5.4 Repayment of Revolving Credit Loans.

The Borrowers shall repay the Revolving Credit Loans together with all outstanding interest thereon on the Expiration Date.

2.5.5 Borrowings to Repay Swing Loans.

The Swing Loan Lender may, at its option, exercisable at any time for any reason whatsoever, demand repayment of the Swing Loans, and each Lender shall make a Revolving Credit Loan in an amount equal to such Lender's Ratable Share of the aggregate principal amount of the outstanding Swing Loans, plus, if the Swing Loan Lender so requests, accrued interest thereon, provided that no Lender shall be obligated in any event to make Revolving Credit Loans in excess of its Revolving Credit Commitment minus its Ratable Share of Letter of Credit Obligations. Revolving Credit Loans made pursuant to the preceding sentence shall bear interest at the Base Rate Option and shall be deemed to have been properly requested in accordance with Section 2.4.1 [Revolving Credit Loan Requests] without regard to any of the requirements of that provision. The Swing Loan Lender shall provide notice to the Lenders (which may be telephonic or written notice by letter, facsimile or telex) that such Revolving Credit Loans are to be made under this Section 2.5.5 and of the apportionment among the Lenders, and the Lenders shall be unconditionally obligated to fund such Revolving Credit Loans (whether or not the conditions specified in Section 2.4.1 [Revolving Credit Loan Requests] are then satisfied) by the time the Swing Loan Lender so requests, which shall not be earlier than 3:00 p.m. on the Business Day next after the date the Lenders receive such notice from the Swing Loan Lender.

2.5.6 Swing Loans Under Cash Management Agreements.

In addition to making Swing Loans pursuant to the foregoing provisions of Section 2.5.3 [Making Swing Loans], without the requirement for a specific request from the Borrowers pursuant to Section 2.4.2 [Swing Loan Requests], the Swing Loan Lender may make Swing Loans to the Borrowers in accordance with the provisions of the agreements among the Borrowers and such Swing Loan Lender relating to the Borrowers' deposit, sweep and other accounts at such Swing Loan Lender and related arrangements and agreements regarding the management and investment of the Borrowers' cash assets as in effect from time to time (the "*Cash Management Agreements*") to the extent of the daily aggregate net negative balance in the Borrowers' accounts which are subject to the provisions of the Cash Management Agreements. Swing Loans made pursuant to this Section 2.5.6 in accordance with the provisions of the Cash Management Agreements shall (i) be subject to the limitations as to aggregate amount set forth in Section 2.1.2 [Swing Loan Commitment], (ii) not be subject to the limitations as to individual amount set forth in Section 2.4.2 [Swing Loan Requests], (iii) be payable by the Borrowers, both as to principal and interest, at the rates and times set forth in the Cash Management Agreements (but in no event later than the Expiration Date), (iv) not be made at any time after such Swing Loan Lender has received written notice of the occurrence of an Event of Default and so long as such shall continue to exist, or, unless consented to by the Required Lenders, a Potential Default and so long as such shall continue to exist, (v) if not repaid by the Borrowers in accordance with the provisions of the Cash Management Agreements, be subject to each Lender's obligation pursuant to Section 2.5.5 [Borrowings to Repay Swing Loans], and (vi) except as provided in the foregoing subsections (i) through (v), be subject to all of the terms and conditions of this Section 2.

2.6 Notes.

The Obligation of the Borrowers to repay the aggregate unpaid principal amount of the Revolving Credit Loans and Swing Loans made to them by each Lender, together with interest thereon, shall be evidenced by a revolving credit Note and a swing Note (each as amended and restated as appropriate), dated the Closing Date payable to the order of such Lender in a face amount equal to the Revolving Credit Commitment or Swing Loan Commitment, as applicable, of such Lender.

2.7 Use of Proceeds.

The proceeds of the Loans shall be used to refinance the indebtedness outstanding under the Existing Credit Agreement, for working capital purposes, including Acquisitions and stock purchases permitted hereunder, for Capital Expenditures and for other general business purposes, for dividends permitted hereunder, and for the repayment of indebtedness under the 2013 Note Indenture and any New Note Indenture permitted hereunder; and shall not be used for any purpose which directly or indirectly contravenes any applicable Law.

2.8 Letter of Credit Subfacility

2.8.1 Issuance of Letters of Credit.

The Borrowers may at any time prior to the Expiration Date request the issuance of a standby or trade letter of credit or a bank guarantee (each a "*Letter of Credit*") which may be denominated in Dollars or an Alternate Currency, on behalf of itself or another Loan Party or any Subsidiary, or the amendment or extension of an existing Letter of Credit, by delivering or having such other Loan Party deliver to an Issuing Lender (with a copy to the Administrative Agent) a completed application and agreement for letters of credit, or request for such amendment or extension, as applicable, in such form as the Issuing Lender may specify from time to time by no later than 10:00 a.m. at least three (3) Business Days (or five (5) Business Days in the case of a Letter of Credit to be denominated in an Alternate Currency), or such shorter period as may be agreed to by the Issuing Lender, in advance of the proposed date of issuance. Promptly after receipt of any letter of credit application, the Issuing Lender shall confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit application and if not, such Issuing Lender will provide Administrative Agent with a copy thereof. Unless an Issuing Lender has received notice from any Lender, Administrative Agent or any Loan Party, at least one day prior to the requested date of issuance, amendment or extension of the applicable Letter of Credit, that one or

more applicable conditions in Section 7 [Conditions of Lending and Issuance of Letters of Credit] is not satisfied, then, subject to the terms and conditions hereof and in reliance on the agreements of the other Lenders set forth in this Section 2.8, such Issuing Lender or any of such Issuing Lender's Affiliates will issue a Letter of Credit or agree to such amendment or extension, provided that (a) each Letter of Credit shall in no event expire later than twenty (20) Business Days prior to the Expiration Date subject to the next sentence, and (b) subject to the restriction in clause (a), above, any Letter of Credit (other than a Letter of Credit which expires later than twenty (20) Business Days prior to the Expiration Date) may provide for the automatic renewal thereof for an additional one-year period (subject, however, to the following sentence in the event any such renewal would result in a Letter of Credit which expires later than twenty (20) Business Days prior to the Expiration Date); and provided further that in no event shall: (i) the Letter of Credit Obligations exceed, at any one time, \$125,000,000 (the "*Letter of Credit Sublimit*") or (ii) the Revolving Facility Usage exceed, at any one time, the Revolving Credit Commitments. Subject to the agreement of the Issuing Bank, a Letter of Credit issued by it may expire later than twenty (20) Business Days prior to the Expiration Date; provided, however, that each such Letter of Credit shall be Cash Collateralized pursuant to Section 2.8.11 no later than that date which is twenty (20) Business Days prior to the Expiration Date. Each request by the Borrowers for the issuance, amendment or extension of a Letter of Credit shall be deemed to be a representation by the Borrowers that it shall be in compliance with the preceding sentence and with Section 7 [Conditions of Lending and Issuance of Letters of Credit] after giving effect to the requested issuance, amendment or extension of such Letter of Credit. Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to the beneficiary thereof, the applicable Issuing Lender will also deliver to the Borrowers and the Administrative Agent a true and complete copy of such Letter of Credit or amendment. All letters of credit which are identified on Schedule 2.8.1 hereto, which shall consist of all letters of credit outstanding on the Closing Date, shall be deemed to have been issued under this Agreement.

2.8.2Letter of Credit Fees.

The Borrowers shall pay in Dollars or at the Administrative Agent's option, the Alternate Currency in which each Letter of Credit is issued (i) to the Administrative Agent for the ratable account of the Lenders a fee (the "*Letter of Credit Fee*") equal to the Applicable Letter of Credit Fee Rate on the daily amount available to be drawn under each Letter of Credit, and (ii) to each Issuing Lender for its own account (with respect to Letters of Credit issued by such Issuing Lender or any of its Affiliates) a fronting fee equal to 0.125% per annum (in each case computed on the basis of a year of 360 days and actual days elapsed) and shall be payable quarterly in arrears on each Payment Date following issuance of each Letter of Credit. The Borrowers shall also pay (in Dollars) to each Issuing Lender for the Issuing Lender's sole account such Issuing Lender's then in effect customary fees and administrative expenses payable with respect to the Letters of Credit as such Issuing Lender may generally charge or incur from time to time in connection with the issuance, maintenance, amendment (if any), assignment or transfer (if any), negotiation, and administration of Letters of Credit.

2.8.3Disbursements, Reimbursement.

Immediately upon the issuance of each Letter of Credit, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from each Issuing Lender a participation in such Letter of Credit and each drawing thereunder in a Dollar Equivalent amount equal to such Lender's Ratable Share of the maximum amount available to be drawn under such Letter of Credit and the amount of such drawing, respectively.

2.8.3.1 In the event of any request for a drawing under a Letter of Credit by the beneficiary or transferee thereof, the Issuing Lender of such Letter of Credit will promptly notify the Borrowers and the Administrative Agent thereof. Provided that they shall have received such notice, the Borrowers shall reimburse (each such obligation to reimburse each Issuing Lender shall sometimes be referred to as a "*Reimbursement Obligation*") such Issuing Lender prior to 11:00 a.m. on each date that an amount is paid by such Issuing Lender under any Letter of Credit (each such date, a "*Drawing Date*") by

paying to the Administrative Agent for the account of such Issuing Lender an amount equal to the amount so paid by such Issuing Lender in the same currency as paid, unless otherwise required by the Administrative Agent and such Issuing Lender. In the event a Borrower fails to reimburse such Issuing Lender (through the Administrative Agent) for the full amount of any drawing under any Letter of Credit issued by it by 11:00 a.m. on the Drawing Date, the Administrative Agent will promptly notify each Lender thereof, and such Borrower shall be deemed to have requested that Revolving Credit Loans be made in the Dollar Equivalent amount of such Reimbursement Obligations by the Lenders under the Base Rate Option to be disbursed on the Drawing Date under such Letter of Credit, subject to the amount of the unutilized portion of the Revolving Credit Commitment and subject to the conditions set forth in Section 7.2 [Each Loan or Letter of Credit] other than any notice requirements. Any notice given by the Administrative Agent or any Issuing Lender pursuant to this Section 2.8.3.1 may be oral if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

2.8.3.2 Each Lender shall upon any notice pursuant to Section 2.8.3.1 make available to the Administrative Agent for the account of such Issuing Lender an amount in Dollars in immediately available funds equal to its Ratable Share of the Dollar Equivalent amount of the drawing, whereupon the participating Lenders shall (subject to Section 2.8.3 [Disbursement; Reimbursement]) each be deemed to have made a Revolving Credit Loan under the Base Rate Option to the Borrowers in that amount. If any Lender so notified fails to make available to the Administrative Agent for the account of such Issuing Lender the amount of such Lender's Ratable Share of such amount by no later than 2:00 p.m. on the Drawing Date, then interest shall accrue on such Lender's obligation to make such payment, from the Drawing Date to the date on which such Lender makes such payment: (i) at a rate per annum equal to the Federal Funds Effective Rate during the first three (3) days following the Drawing Date and (ii) at a rate per annum equal to the rate applicable to Loans under the Revolving Credit Base Rate Option on and after the fourth day following the Drawing Date. The Administrative Agent and such Issuing Lender will promptly give notice (as described in Section 2.8.3.1 above) of the occurrence of the Drawing Date, but failure of the Administrative Agent or such Issuing Lender to give any such notice on the Drawing Date or in sufficient time to enable any Lender to effect such payment on such date shall not relieve such Lender from its obligation under this Section 2.8.3.2.

2.8.3.3 With respect to any unreimbursed drawing that is not converted into Revolving Credit Loans in Dollars under the Base Rate Option to the Borrowers in whole or in part as contemplated by Section 2.8.3.1, because of the Borrowers' failure to satisfy the conditions set forth in Section 7.2 [Each Loan or Letter of Credit] other than any notice requirements, or for any other reason, the Borrowers shall be deemed to have incurred from such Issuing Lender a borrowing in Dollars (each a "*Letter of Credit Borrowing*") in the Dollar Equivalent amount of such drawing. Such Letter of Credit Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the rate per annum applicable to the Revolving Credit Loans under the Base Rate Option. Each Lender's payment to the Administrative Agent for the account of such Issuing Lender pursuant to Section 2.8.3 [Disbursements, Reimbursement] shall be deemed to be a payment in respect of its participation in such Letter of Credit Borrowing (each a "*Participation Advance*") from such Lender in satisfaction of its participation obligation under this Section 2.8.3.

2.8.4 Repayment of Participation Advances

2.8.4.1 Upon (and only upon) receipt by the Administrative Agent for the account of an Issuing Lender of immediately available funds from the applicable Borrower (i) in reimbursement of any payment made by such Issuing Lender under the Letter of Credit with respect to which any Lender has made a Participation Advance to the Administrative Agent, or (ii) in payment of interest on such a payment made by such Issuing Lender under such a Letter of Credit, the Administrative

Agent on behalf of such Issuing Lender will pay to each Lender, in the same funds as those received by the Administrative Agent, the amount of such Lender's Ratable Share of such funds, except the Administrative Agent shall retain for the account of such Issuing Lender the amount of the Ratable Share of such funds of any Lender that did not make a Participation Advance in respect of such payment by such Issuing Lender.

2.8.4.2 If the Administrative Agent is required at any time to return to any Loan Party, or to a trustee, receiver, liquidator, custodian, or any official in any Insolvency Proceeding, any portion of any payment made by any Loan Party to the Administrative Agent for the account of an Issuing Lender pursuant to this Section in reimbursement of a payment made under the Letter of Credit or interest or fee thereon, each Lender shall, on demand of the Administrative Agent, forthwith return to the Administrative Agent for the account of such Issuing Lender the amount of its Ratable Share of any amounts so returned by the Administrative Agent plus interest thereon from the date such demand is made to the date such amounts are returned by such Lender to the Administrative Agent, at a rate per annum equal to the Federal Funds Effective Rate (or, for any payment in an Optional Currency, the Overnight Rate) in effect from time to time.

2.8.5 Documentation.

Each Loan Party agrees to be bound by the terms of each Issuing Lender's application and agreement for letters of credit and each Issuing Lender's written regulations and customary practices relating to letters of credit, though such interpretation may be different from such Loan Party's own. In the event of a conflict between such application or agreement and this Agreement, this Agreement shall govern. It is understood and agreed that, except in the case of gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment, an Issuing Lender shall not be liable for any error, negligence and/or mistakes, whether of omission or commission, in following any Loan Party's instructions or those contained in the Letters of Credit or any modifications, amendments or supplements thereto.

2.8.6 Determinations to Honor Drawing Requests.

In determining whether to honor any request for drawing under any Letter of Credit by the beneficiary thereof, each Issuing Lender shall be responsible only to determine that the documents and certificates required to be delivered under such Letter of Credit have been delivered and that they comply on their face with the requirements of such Letter of Credit.

2.8.7 Nature of Participation and Reimbursement Obligations.

Each Lender's obligation in accordance with this Agreement to make the Revolving Credit Loans or Participation Advances, as contemplated by Section 2.8.3 [Disbursements, Reimbursement], as a result of a drawing under a Letter of Credit, and the Obligations of the Borrowers to reimburse each Issuing Lender upon a draw under a Letter of Credit issued by any such Issuing Lender, shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Section 2.8 under all circumstances, including the following circumstances:

(i) any set-off, counterclaim, recoupment, defense or other right which such Lender may have against any Issuing Lender or any of its Affiliates, the Borrowers or any other Person for any reason whatsoever, or which any Loan Party may have against any Issuing Lender or any of its Affiliates, any Lender or any other Person for any reason whatsoever;

(ii) the failure of any Loan Party or any other Person to comply, in connection with a Letter of Credit Borrowing, with the conditions set forth in Sections 2.1 [Revolving Credit Commitments], 2.4 [Revolving Credit Loan Requests; Swing Loan Requests], 2.5 [Making Revolving Credit Loans and Swing Loans; Etc.] or 7.2 [Each Loan or Letter of Credit] or as otherwise set forth in this Agreement for the making of a Revolving Credit Loan, it being acknowledged that such conditions

are not required for the making of a Letter of Credit Borrowing and the obligation of the Lenders to make Participation Advances under Section 2.8.3 [Disbursements, Reimbursement];

(iii) any lack of validity or enforceability of any Letter of Credit;

(iv) any claim of breach of warranty that might be made by any Loan Party or any Lender against any beneficiary of a Letter of Credit, or the existence of any claim, set-off, recoupment, counterclaim, crossclaim, defense or other right which any Loan Party or any Lender may have at any time against a beneficiary, successor beneficiary any transferee or assignee of any Letter of Credit or the proceeds thereof (or any Persons for whom any such transferee may be acting), any Issuing Lender or its Affiliates or any Lender or any other Person, whether in connection with this Agreement, the transactions contemplated herein or any unrelated transaction (including any underlying transaction between any Loan Party or Subsidiaries of a Loan Party and the beneficiary for which any Letter of Credit was procured);

(v) the lack of power or authority of any signer of (or any defect in or forgery of any signature or endorsement on) or the form of or lack of validity, sufficiency, accuracy, enforceability or genuineness of any draft, demand, instrument, certificate or other document presented under or in connection with any Letter of Credit, or any fraud or alleged fraud in connection with any Letter of Credit, or the transport of any property or provision of services relating to a Letter of Credit, in each case even if any Issuing Lender or any of its Affiliates has been notified thereof;

(vi) payment by any Issuing Lender or any of its Affiliates under any Letter of Credit against presentation of a demand, draft or certificate or other document which does not comply with the terms of such Letter of Credit;

(vii) the solvency of, or any acts or omissions by, any beneficiary of any Letter of Credit, or any other Person having a role in any transaction or obligation relating to a Letter of Credit, or the existence, nature, quality, quantity, condition, value or other characteristic of any property or services relating to a Letter of Credit;

(viii) any failure by any Issuing Lender or any of its Affiliates to issue any Letter of Credit in the form requested by any Loan Party, unless such Issuing Lender has received written notice from such Loan Party of such failure within three Business Days after such Issuing Lender shall have furnished such Loan Party and the Administrative Agent a copy of such Letter of Credit and such error is material and no drawing has been made thereon prior to receipt of such notice;

(ix) any adverse change in the business, operations, properties, assets, condition (financial or otherwise) or prospects of any Loan Party or Subsidiaries of a Loan Party;

(x) any breach of this Agreement or any other Loan Document by any party thereto;

(xi) the occurrence or continuance of an Insolvency Proceeding with respect to any Loan Party;

(xii) the fact that an Event of Default or a Potential Default shall have occurred and be continuing;

(xiii) the fact that the Expiration Date shall have passed or this Agreement or the Commitments hereunder shall have been

terminated; and

(xiv) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrowers' Obligations hereunder.

2.8.8 Indemnity.

Each Borrower hereby agrees to protect, indemnify, pay and save harmless each Issuing Lender and any of its Affiliates that has issued a Letter of Credit from and against any and all claims, demands, liabilities, damages, taxes, penalties, interest, judgments, losses, costs, charges and expenses (including reasonable fees, expenses and disbursements of counsel and allocated costs of internal counsel) which such Issuing Lender or any of its Affiliates may incur or be subject to as a consequence, direct or indirect, of the issuance of any Letter of Credit, other than as a result of (A) the gross negligence or willful misconduct of such Issuing Lender as determined by a final non-appealable judgment of a court of competent jurisdiction or (B) the wrongful dishonor by such Issuing Lender or any of such Issuing Lender's Affiliates of a proper demand for payment made under any Letter of Credit, except if such dishonor resulted from any act or omission, whether rightful or wrongful, of any present or future de jure or de facto government or Official Body.

2.8.9 Liability for Acts and Omissions.

As between any Loan Party and each Issuing Lender, or any Issuing Lender's Affiliates, such Loan Party assumes all risks of the acts and omissions of, or misuse of the Letters of Credit by, the respective beneficiaries of such Letters of Credit. In furtherance and not in limitation of the foregoing, no Issuing Lender shall be responsible for any of the following, including any losses or damages to any Loan Party or other Person or property relating therefrom: (i) the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for an issuance of any such Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged (even if the Issuing Lender of such Letter of Credit or any of its Affiliates shall have been notified thereof); (ii) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any such 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; (iii) the failure of the beneficiary of any such Letter of Credit, or any other party to which such Letter of Credit may be transferred, to comply fully with any conditions required in order to draw upon such Letter of Credit or any other claim of any Loan Party against any beneficiary of such Letter of Credit, or any such transferee, or any dispute between or among any Loan Party and any beneficiary of any Letter of Credit or any such transferee; (iv) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex or otherwise, whether or not they be in cipher; (v) errors in interpretation of technical terms; (vi) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any such Letter of Credit or of the proceeds thereof; (vii) the misapplication by the beneficiary of any such Letter of Credit of the proceeds of any drawing under such Letter of Credit; or (viii) any consequences arising from causes beyond the control of the Issuing Lender of such Letter of Credit or any of its Affiliates, as applicable, including any act or omission of any Official Body, and none of the above shall affect or impair, or prevent the vesting of, any of the rights or powers hereunder of any Issuing Lender or any of its Affiliates. Nothing in the preceding sentence shall relieve any Issuing Lender from liability for such Issuing Lender's gross negligence or willful misconduct in connection with actions or omissions described in such clauses (i) through (viii) of such sentence. In no event shall any Issuing Lender or its Affiliates be liable to any Loan Party for any indirect, consequential, incidental, punitive, exemplary or special damages or expenses (including without limitation attorneys' fees), or for any damages resulting from any change in the value of any property relating to a Letter of Credit.

Without limiting the generality of the foregoing, each Issuing Lender and each of its Affiliates (i) may rely on any oral or other communication believed in good faith by any such Issuing Lender or such Affiliate to have been authorized or given by or on behalf of the applicant for a Letter of Credit, (ii) may honor any presentation if the documents presented appear on their face substantially to

comply with the terms and conditions of the relevant Letter of Credit; (iii) may honor a previously dishonored presentation under a Letter of Credit, whether such dishonor was pursuant to a court order, to settle or compromise any claim of wrongful dishonor, or otherwise, and shall be entitled to reimbursement to the same extent as if such presentation had initially been honored, together with any interest paid by any such Issuing Lender or its Affiliate; (iv) may honor any drawing that is payable upon presentation of a statement advising negotiation or payment, upon receipt of such statement (even if such statement indicates that a draft or other document is being delivered separately), and shall not be liable for any failure of any such draft or other document to arrive, or to conform in any way with the relevant Letter of Credit; (v) may pay any paying or negotiating bank claiming that it rightfully honored under the laws or practices of the place where such bank is located; and (vi) may settle or adjust any claim or demand made on any such Issuing Lender or its Affiliate in any way related to any order issued at the applicant's request to an air carrier, a letter of guarantee or of indemnity issued to a carrier or any similar document (each an "Order") and honor any drawing in connection with any Letter of Credit that is the subject of such Order, notwithstanding that any drafts or other documents presented in connection with such Letter of Credit fail to conform in any way with such Letter of Credit.

In furtherance and extension and not in limitation of the specific provisions set forth above, any action taken or omitted by any Issuing Lender or its Affiliates under or in connection with the Letters of Credit issued by it or any documents and certificates delivered thereunder, if taken or omitted in good faith, shall not put any such Issuing Lender or its Affiliates under any resulting liability to any Borrower or any Lender.

2.8.10 Issuing Lender Reporting Requirements.

Each Issuing Lender shall, on the first Business Day of each month, provide to the Administrative Agent and the Borrowers a schedule of the Letters of Credit issued by it, in form and substance satisfactory to the Administrative Agent, showing the date of issuance of each Letter of Credit, the account party, the original face amount (if any), the applicable Optional Currency if not in Dollars, and the expiration date of any Letter of Credit outstanding at any time during the preceding month, and any other information relating to such Letter of Credit that the Administrative Agent may request.

2.8.11 Cash Collateral.

(i) Upon the request of Administrative Agent or the relevant Issuing Lender, if any Issuing Lender has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in a Letter of Credit Borrowing, or (ii) if any Letter of Credit for any reason will remain outstanding at any time after that date which is twenty (20) Business Days prior to the Expiration Date, the Borrowers shall, under the circumstances described in clause (i) above, immediately Cash Collateralize the then outstanding amount of all such Letter of Credit Obligations and, under the circumstances described in clause (ii) above, Cash Collateralize such Letter of Credit no later than that date which is twenty (20) Business Days prior to the Expiration Date, in each case in a manner comparable to that described in Section 5.14. Each Borrower hereby grants to Administrative Agent, for the benefit of each Issuing Lender and the Lenders, a security interest in all cash collateral pledged pursuant to this Section or otherwise under this Agreement. Each Letter of Credit outstanding after the Expiration Date which is Cash Collateralized for the benefit of an Issuing Lender shall after the Expiration Date be the sole responsibility of such Issuing Lender and all Cash Collateral related to each such Letter of Credit shall be for the sole benefit of such Issuing Lender and shall secure all Letter of Credit Obligations owing to such Issuing Lender related to each such Letter of Credit.

2.9 Increase in Revolving Credit Commitments

2.9.1 Increasing Lenders and New Lenders.

The Borrowers may, at any time and from time to time prior to the Expiration Date, request that (1) the current Lenders increase their Revolving Credit Commitments (any current Lender which elects to increase its Revolving Credit

Commitment shall be referred to as an "Increasing Lender") or (2) one or more new lenders (each a "New Lender") join this Agreement and provide a Revolving Credit Commitment hereunder, subject to the following terms and conditions:

2.9.1.1 No Obligation to Increase. No current Lender shall be obligated to increase its Revolving Credit Commitment and any increase in the Revolving Credit Commitment by any current Lender shall be in the sole discretion of such current Lender.

2.9.1.2 Defaults. No Event of Default or Potential Default has occurred and is continuing and no Event of Default or Potential Default shall exist on the effective date of such increase after giving effect to such increase.

2.9.1.3 Aggregate Revolving Credit Commitments. After giving effect to such increase, the total Revolving Credit Commitments shall not exceed \$1,200,000,000.

2.9.1.4 Individual Increases. No single increase in the Maximum Revolving Advance Amount under this Section 2.9 shall be for an amount less than \$50,000,000.

2.9.1.5 Minimum Revolving Credit Commitments. After giving effect to such increase, the amount of the new Revolving Credit Commitments provided by each of the New Lenders and each of the Increasing Lenders under this Section 2.9 shall be at least \$50,000,000 in the aggregate. The share of each New Lender located in or organized under the laws of the Netherlands in the Loans and the share of each New Lender hereunder in the Loans to a Netherlands Borrower shall initially be at least the Dollar Equivalent of EUR 100,000 or the Equivalent Amount in any Optional Currency (or such higher amount as may be required at the time of new Lender becoming a party to this Agreement in order for the New Lender to qualify as a Professional Market Party) or such New Lender shall otherwise qualify as a Professional Market Party, and each such New Lender shall confirm the foregoing on the date on which it becomes a New Lender hereunder by execution and delivery of its Lender Joinder and Assumption Agreement in which the New Lender confirms that it is a Professional Market Party.

2.9.1.6 Resolutions; Opinion. The Loan Parties shall deliver to the Administrative Agent on or before the effective date of such increase the following documents in a form reasonably acceptable to the Administrative Agent: (1) certifications of their corporate secretaries with attached resolutions certifying that the increase in the Revolving Credit Commitment has been approved by such Loan Parties, and (2) an opinion of counsel addressed to the Administrative Agent and the Lenders addressing the authorization and execution of the Loan Documents by, and enforceability of the Loan Documents against, the Loan Parties.

2.9.1.7 Notes. The Borrowers shall execute and deliver (1) to each Increasing Lender a replacement revolving credit Note reflecting the new amount of such Increasing Lender's Revolving Credit Commitment after giving effect to the increase (and the prior Note issued to such Increasing Lender shall be deemed to be terminated) and (2) to each New Lender a revolving credit Note reflecting the amount of such New Lender's Revolving Credit Commitment.

2.9.1.8 Approval of New Lenders. Any New Lender shall be subject to the approval of the Administrative Agent (which approval shall not be unreasonably withheld, conditioned or delayed).

2.9.1.9 Increasing Lenders and New Lenders. Each Increasing Lender and New Lender shall confirm its agreement to increase its Revolving Credit Commitment pursuant to an

acknowledgement in a form acceptable to the Administrative Agent, signed by it and the Borrowers and delivered to the Administrative Agent at least five (5) days before the effective date of such increase.

2.9.1.10 New Lenders--Joinder. Each New Lender shall execute a lender joinder in substantially the form of Exhibit 2.9 pursuant to which such New Lender shall join and become a party to this Agreement and the other Loan Documents with a Revolving Credit Commitment in the amount set forth in such lender joinder.

2.9.2 Treatment of Outstanding Loans and Letters of Credit.

2.9.2.1 Repayment of Outstanding Loans; Borrowing of New Loans. On the effective date of such increase, the Borrowers shall repay all Loans then outstanding, subject to the Borrowers' indemnity obligations under Section 5.10 [Indemnity]; provided that it may borrow new Loans with a Borrowing Date on such date. Each of the Lenders shall participate in any new Loans made on or after such date in accordance with their respective Ratable Shares after giving effect to the increase in Revolving Credit Commitments contemplated by this Section 2.9.

2.9.2.2 Outstanding Letters of Credit; Repayment of Outstanding Loans; Borrowing of New Loans. On the effective date of such increase, each Increasing Lender and each New Lender (i) will be deemed to have purchased a participation in each then outstanding Letter of Credit equal to its Dollar Equivalent amount of its Ratable Share of such Letter of Credit and the participation of each other Lender in such Letter of Credit shall be adjusted accordingly and (ii) will acquire, (and will pay to the Administrative Agent, for the account of each Lender, in immediately available funds, an amount equal to) its Dollar Equivalent amount of its Ratable Share of all outstanding Participation Advances.

2.10 Reduction of Revolving Credit Commitment.

The Borrowers shall have the right at any time after the Closing Date upon five (5) days' prior written notice to the Administrative Agent to permanently reduce (ratably among the Lenders in proportion to their Ratable Shares) the Revolving Credit Commitments, in an amount not less than an integral multiple of \$10,000,000, or to terminate completely the Revolving Credit Commitments, without penalty or premium except as hereinafter set forth; provided that (a) any such reduction or termination shall be accompanied by prepayment of the Notes, together with outstanding Commitment Fees and Letter of Credit Fees, and the full amount of interest accrued on the principal sum to be prepaid (and all amounts referred to in Section 5.10 [Indemnity] hereof) to the extent necessary to cause the aggregate Revolving Facility Usage after giving effect to such prepayments to be equal to or less than the Revolving Credit Commitments as so reduced or terminated, and (b) upon such reduction or termination, the Borrowers shall Cash Collateralize all outstanding Letters of Credit. Any notice to reduce the Revolving Credit Commitments under this Section 2.10 shall be irrevocable.

2.11 Utilization of Commitments in Optional Currencies.

2.11.1 Periodic Computations of Dollar Equivalent Amounts of Revolving Credit Loans that are Optional Currency Loans and Letters of Credit Outstanding; Repayment in Same Currency.

For purposes of determining utilization of the Revolving Credit Commitments, the Administrative Agent will determine the Dollar Equivalent amount of (i) the outstanding and proposed Revolving Credit Loans that are Optional Currency Loans and Letters of Credit to be denominated in an Optional Currency as of the requested Borrowing Date or date of issuance, as the case may be, (ii) the outstanding Letter of Credit Obligations denominated in an Optional Currency as of the last Business Day of each month, and (iii) the outstanding Revolving Credit Loans denominated in an Optional Currency as of the end of each Interest Period (each such date under clauses (i) through (iii), and any other date on

which the Administrative Agent determines it is necessary or advisable to make such computation, in its sole discretion, is referred to as a "Computation Date"). Unless otherwise provided in this Agreement or agreed to by the Administrative Agent and the Borrowers, each Loan and Reimbursement Obligation shall be repaid or prepaid in the same currency in which such Loan was made or the Letter of Credit relating to such Reimbursement Obligation was issued.

2.11.2 European Monetary Union

(i) Payments in Euros Under Certain Circumstances. If (i) any Optional Currency ceases to be lawful currency of the nation issuing the same and is replaced by the Euro or (ii) any Optional Currency and the Euro are at the same time recognized by any governmental authority of the nation issuing such currency as lawful currency of such nation and the Administrative Agent or the Required Lenders shall so request in a notice delivered to the Borrowers, then any amount payable hereunder by any party hereto in such Optional Currency shall instead be payable in the Euro and the amount so payable shall be determined by translating the amount payable in such Optional Currency to the Euro at the exchange rate established by that nation for the purpose of implementing the replacement of the relevant Optional Currency by the Euro (and the provisions governing payments in Optional Currencies in this Agreement shall apply to such payment in the Euro as if such payment in the Euro were a payment in an Optional Currency). Prior to the occurrence of the event or events described in clause (i) or (ii) of the preceding sentence, each amount payable hereunder in any Optional Currency will, except as otherwise provided herein, continue to be payable only in that currency.

(ii) Additional Compensation Under Certain Circumstances. The Borrowers agree, at the request of any Lender, to compensate such Lender for any loss, cost, expense or reduction in return that such Lender shall reasonably determine shall be incurred or sustained by such Lender as a result of the replacement of any Optional Currency by the Euro and that would not have been incurred or sustained but for the transactions provided for herein. A certificate of any Lender setting forth such Lender's determination of the amount or amounts necessary to compensate such Lender shall be delivered to the Borrowers and shall be conclusive absent manifest error so long as such determination is made on a reasonable basis. The Borrowers shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(iii) Requests for Additional Optional Currencies. The Borrowers may deliver to the Administrative Agent a written request that Revolving Credit Loans hereunder also be permitted to be made, and Letters of Credit hereunder be permitted to be issued, in any other lawful currency (other than Dollars), in addition to the currencies specified in the definition of "Optional Currency" herein, provided that (A) such written request must be delivered to the Administrative Agent not later than (i) four (4) Business Days prior to the date on which the Borrowers intend to request a Revolving Credit Loan denominated in the new currency, or (ii) five (5) Business Days on which the Loan Parties intend a Letter of Credit to be issued in the new currency; and (B) such currency must be freely traded in the offshore interbank foreign exchange markets, freely transferable, freely convertible into Dollars and available to the Lenders in the Relevant Interbank Market. The Administrative Agent will promptly notify the Lenders of any such request after the Administrative Agent receives such request. The Administrative Agent will promptly notify the Borrowers of the acceptance or rejection by the Administrative Agent and each of the Lenders of the Borrowers' request. The requested currency shall be approved as an Optional Currency hereunder only if the Administrative Agent and all of the Lenders approve of the Borrowers' request.

3.[RESERVED]
4.INTEREST RATES

4.1Interest Rate Options.

(i) The Borrowers shall pay interest in respect of the outstanding unpaid principal amount of Loans denominated in Dollars as selected by it from the Base Rate Option or the Eurocurrency Rate Option, as set forth in Section 4.1.1; and (ii) the Borrowers shall pay interest in respect of the outstanding unpaid principal amount of Optional Currency Loans pursuant to the Eurocurrency Rate Option set forth in Section 4.1.1(ii); it being understood that, subject to the provisions of this Agreement, the Borrowers may select different Interest Rate Options and different Interest Periods to apply simultaneously to the Loans comprising different Borrowing Tranches and may convert to or renew one or more Interest Rate Options with respect to all or any portion of the Loans comprising any Borrowing Tranche; provided that there shall not be at any one time outstanding more than twelve (12) Borrowing Tranches in the aggregate among all of the Loans and provided further that if an Event of Default or Potential Default exists and is continuing, the Borrowers may not request, convert to, or renew the Eurocurrency Rate Option for any Loans, and the Required Lenders may demand that all existing Borrowing Tranches bearing interest under the Eurocurrency Rate Option shall be converted immediately to the Base Rate Option, subject to the obligation of the Borrowers to pay any indemnity under Section 5.10 [Indemnity] in connection with such conversion. If at any time the designated rate applicable to any Loan made by any Lender exceeds such Lender's highest lawful rate, the rate of interest on such Lender's Loan shall be limited to such Lender's highest lawful rate. Interest on the principal amount of each Optional Currency Loan shall be repaid by the Borrowers in the same Optional Currency.

4.1.1Revolving Credit Interest Rate Options; Swing Line Interest Rate.

The Borrowers shall have the right to select from the following Interest Rate Options applicable to the Revolving Credit Loans denominated in U.S. Dollars and Optional Currency Loans, as applicable:

(i)Base Rate Option: A fluctuating rate per annum applicable to Loans denominated in Dollars, computed on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed, equal to the sum of (a) Base Rate plus (b) the Applicable Margin, such interest rate to change automatically from time to time effective as of the effective date of each change in the Base Rate;

(ii)Eurocurrency Rate Option: A rate per annum applicable to Revolving Credit Loans and Optional Currency Loans, computed on the basis of a year of 360 days and actual days elapsed, equal to the sum of (a) Eurocurrency Rate applicable to such Loans as determined for each applicable Interest Period plus (b) the Applicable Margin.

Subject to Section 4.3 [Interest After Default], only the Base Rate Option applicable to Revolving Credit Loans shall apply to the Swing Loans.

4.1.2Rate Quotations.

The Borrowers may call the Administrative Agent on or before the date on which a Loan Request is to be delivered to receive an indication of the rates then in effect, but it is acknowledged that such projection shall not be binding on the Administrative Agent or the Lenders nor affect the rate of interest which thereafter is actually in effect when the election is made.

4.1.3Interest Act (Canada).

For purposes of the *Interest Act* (Canada): (i) whenever any interest or fee under this Agreement is calculated on the basis of a period other than a calendar year, such rate used in such calculation, when expressed as an annual rate, is equivalent to (x) such rate, multiplied by (y) the actual number of days in the calendar year in which the period for which such interest or fee is calculated ends, and divided by (z) the number of days in such period of time, (ii) the principle of deemed reinvestment of interest shall not apply to any interest calculation under

this Agreement, and (iii) the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

4.1.4 Canadian Usury Provision.

If any provision of this Agreement would oblige a Canadian Borrower to make any payment of interest or other amount payable to any Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by that Lender of "interest" at a "criminal rate" (as such terms are construed under the Criminal Code (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by that Lender of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows:

(i) first, by reducing the amount or rate of interest; and

(ii) thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid which would constitute interest for purposes of Section 347 of the *Criminal Code* (Canada).

4.2 Interest Periods.

At any time when the Borrowers shall select, convert to or renew a Eurocurrency Rate Option, the Borrowers shall notify the Administrative Agent thereof by delivering a Loan Request (i) at least three (3) Business Days prior to the effective date of such Eurocurrency Rate Option with respect to a Loan denominated in Dollars, and (ii) at least four (4) Business Days prior to the effective date of the selection or renewal of the Interest Rate Option applicable to an Optional Currency Loan. The notice shall specify an Interest Period during which such Interest Rate Option shall apply. Notwithstanding the preceding sentence, the following provisions shall apply to any selection of, renewal of, or conversion to a Eurocurrency Rate Option:

4.2.1 Amount of Borrowing Tranche.

Each Borrowing Tranche of Loans under the Eurocurrency Rate Option shall be in respective amounts set forth in Section 2.5.1 [Revolving Credit Loan Requests]; and

4.2.2 Renewals.

In the case of the renewal of a Eurocurrency Rate Option at the end of an Interest Period, the first day of the new Interest Period shall be the last day of the preceding Interest Period, without duplication in payment of interest for such day.

4.2.3 No Conversion of Optional Currency Loans.

Notwithstanding anything to the contrary herein, no Optional Currency Loan may be converted into a Loan with a different Interest Rate Option or a Loan denominated in a different currency unless otherwise permitted herein.

4.3 Interest After Default.

To the extent permitted by Law, upon the occurrence of an Event of Default and until such time such Event of Default shall have been cured or waived, and at the discretion of the Administrative Agent or upon written demand by the Required Lenders to the Administrative Agent:

4.3.1 Letter of Credit Fees, Interest Rate.

The Letter of Credit Fees and the rate of interest for each Loan otherwise applicable pursuant to Section 2.8.2 [Letter of Credit Fees] or Section 4.1 [Interest Rate Options], respectively, shall be increased by 2.0% per annum;

4.3.2 Other Obligations.

Each other Obligation hereunder if not paid when due shall bear interest at a rate per annum equal to the sum of the rate of interest applicable to Revolving

Credit Loans under the Base Rate Option plus an additional 2.0% per annum from the time such Obligation becomes due and payable and until it is Paid In Full; and

4.3.3Acknowledgment.

Each Borrower acknowledges that the increase in rates referred to in this Section 4.3 reflects, among other things, the fact that such Loans or other amounts have become a substantially greater risk given their default status and that the Lenders are entitled to additional compensation for such risk; and all such interest shall be payable by the Borrowers upon demand by Administrative Agent.

4.4Eurocurrency Rate Unascertainable; Illegality; Increased Costs; Deposits Not Available

4.4.1Unascertainable.

If on any date on which a Eurocurrency Rate would otherwise be determined, the Administrative Agent shall have determined that:

(i)adequate and reasonable means do not exist for ascertaining such Eurocurrency Rate, or

(ii)a contingency has occurred which materially and adversely affects Relevant Interbank Market relating to the

Eurocurrency Rate, then the Administrative Agent shall have the rights specified in Section 4.4.3 [Administrative Agent's and Lender's Rights].

4.4.2Illegality; Increased Costs; Deposits Not Available.

If at any time any Lender shall have determined that:

(i)the making, maintenance or funding of any Loan to which a Eurocurrency Rate Option applies has been made impracticable or unlawful by compliance by such Lender in good faith with any Law or any interpretation or application thereof by any Official Body or with any request or directive of any such Official Body (whether or not having the force of Law), or

(ii)such Eurocurrency Rate Option will not adequately and fairly reflect the cost to such Lender of the establishment or maintenance of any such Loan, or

(iii)after making all reasonable efforts, deposits of the relevant amount in Dollars or in the Optional Currency, as applicable, for the relevant Interest Period for a Loan, or to banks generally, to which a Eurocurrency Rate Option applies, respectively, are not available to such Lender with respect to such Loan, or to banks generally, in the interbank eurodollar market, or

(iv)any Law has made it unlawful, or any Official Body has asserted that it is unlawful, for any Lender or its applicable lending office to issue, make, maintain, fund or charge interest with respect to any Loan to any Borrower who is organized under the laws of a jurisdiction other than the United States, a State thereof or the District of Columbia,

then the Administrative Agent shall have the rights specified in Section 4.4.3 [Administrative Agent's and Lender's Rights].

4.4.3Administrative Agent's and Lender's Rights.

In the case of any event specified in Section 4.4.1 [Unascertainable] above, the Administrative Agent shall promptly so notify the Lenders and the Borrowers thereof, and in the case of an event specified in Section 4.4.2 [Illegality; Increased Costs; Deposits Not Available] above, such Lender shall promptly so notify the Administrative Agent and endorse a certificate to such notice as to the specific circumstances of such notice, and the Administrative Agent shall promptly send copies of such notice and certificate to the other Lenders and

the Borrowers. Upon such date as shall be specified in such notice (which shall not be earlier than the date such notice is given), the obligation of (A) the Lenders, in the case of such notice given by the Administrative Agent, or (B) such Lender, in the case of such notice given by such Lender, to allow the Borrowers to select, convert to or renew a Eurocurrency Rate Option or select an Optional Currency or to issue, make, maintain, fund or charge interest with respect to any such Loan, as applicable, shall be suspended until the Administrative Agent shall have later notified the Borrowers, or such Lender shall have later notified the Administrative Agent, of the Administrative Agent's or such Lender's, as the case may be, determination that the circumstances giving rise to such previous determination no longer exist. If at any time the Administrative Agent makes a determination under Section 4.4.1 [Unascertainable] and the Borrowers have previously notified the Administrative Agent of its selection of, conversion to or renewal of a Eurocurrency Rate Option and such Interest Rate Option has not yet gone into effect, such notification shall be deemed to provide for selection of, conversion to or renewal of the Base Rate Option otherwise available with respect to such Loans. If any Lender notifies the Administrative Agent of a determination under Section 4.4.2 [Illegality; Increased Costs; Deposits Not Available], the Borrowers shall, subject to the Borrowers' indemnification Obligations under Section 5.10 [Indemnity], as to any Loan of the Lender to which a Eurocurrency Rate Option applies, on the date specified in such notice either (i) as applicable, convert such Loan to the Base Rate Option otherwise available with respect to such Loan or select a different Optional Currency or Dollars, or (ii) prepay such Loan in accordance with Section 5.6 [Voluntary Prepayments]. Absent due notice from the Borrowers of conversion or prepayment, such Loan shall automatically be converted to the Base Rate Option otherwise available with respect to such Loan upon such specified date. The Loan Parties shall, take all reasonable actions requested by the Administrative Agent or such Lender to mitigate any circumstances giving rise to the existence of illegality under Section 4.4.2 [Illegality; Increased Costs; Deposits Not Available].

4.5 Selection of Interest Rate Options.

If the Borrowers fail to select a new Interest Period to apply to any Borrowing Tranche of Loans under the Eurocurrency Rate Option at the expiration of an existing Interest Period applicable to such Borrowing Tranche in accordance with the provisions of Section 4.1.3 [Interest Periods], the Borrowers shall be deemed to have converted such Borrowing Tranche to the Revolving Credit Base Rate Option, commencing upon the last day of the existing Interest Period, and such currency conversion to Dollars shall be determined by the Administrative Agent at the time of such conversion.

5. PAYMENTS

5.1 Payments.

All payments and prepayments to be made in respect of principal, interest, Commitment Fees, Letter of Credit Fees, Administrative Agent's Fee or other fees or amounts due from the Borrowers hereunder shall be payable prior to 12:00 p.m. on the date when due without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by the Borrowers, and without set-off, counterclaim or other deduction of any nature, and an action therefor shall immediately accrue. Such payments shall be made to the Administrative Agent at the Principal Office for the account of the Swing Loan Lender with respect to the Swing Loans and for the ratable accounts of the Lenders with respect to the Revolving Credit Loans in U.S. Dollars and in immediately available funds, and the Administrative Agent shall promptly distribute such amounts to the Lenders in immediately available funds; provided that in the event payments are received by 12:00 p.m. by the Administrative Agent with respect to the Loans and such payments are not distributed to the Lenders on the same day received by the Administrative Agent, the Administrative Agent shall pay the Lenders interest at the Federal Funds Effective Rate in the case of Loans or other amounts due in Dollars, or the Overnight Rate in the case of Loans or other amounts due in an Optional Currency, with respect to the amount of such payments for each day held by the Administrative Agent and not distributed to the Lenders. The Administrative Agent's and each Lender's statement of account, ledger or other relevant record shall, in the absence of manifest error, be conclusive as the statement of the amount of principal of and interest on the Loans and

other amounts owing under this Agreement (including the Equivalent Amounts of the applicable currencies where such computations are required) and shall be deemed an "account stated." All payments of principal and interest made in respect of the Loans must be repaid in the same currency (whether Dollars or the applicable Optional Currency) in which such Loan was made (subject to the Borrowers' indemnity obligations under Section 5.8 [Increased Costs] and Section 5.10 [Indemnity]), and all Reimbursement Obligations with respect to each Letter of Credit shall be made in the same currency (whether Dollars or the applicable Optional Currency) in which such Letter of Credit was issued unless otherwise required by the Administrative Agent and such Issuing Lender.

5.2 Pro Rata Treatment of Lenders.

Each borrowing of Revolving Credit Loans shall be allocated to each Lender according to its Ratable Share, and each selection of, conversion to or renewal of any Interest Rate Option and each payment or prepayment by the Borrowers with respect to principal, interest, Commitment Fees and Letter of Credit Fees (but excluding the Administrative Agent's Fee and the Issuing Lender's fronting fee) shall (except as otherwise may be provided with respect to a Defaulting Lender and except as provided in Section 2.3 [Commitment Fees] or Section 4.4.3 [Administrative Agent's and Lender's Rights] in the case of an event specified in Section 4.4 [Eurocurrency Rate Unascertainable; Etc.], 5.12.2 [Replacement of a Lender] or 5.7 [Increased Costs]) be payable ratably among the Lenders entitled to such payment in accordance with the amount of principal, interest, Commitment Fees and Letter of Credit Fees, as set forth in this Agreement. Notwithstanding any of the foregoing, each borrowing or payment or prepayment by the Borrowers of principal, interest, fees or other amounts from the Borrowers with respect to Swing Loans shall be made by or to the Swing Loan Lender according to Section 2.5.5 [Borrowings to Repay Swing Loans].

5.3 Sharing of Payments by Lenders.

If any Lender shall, by exercising any right of set-off, counterclaim or banker's lien, by receipt of voluntary payment, by realization upon security, or by any other non-pro rata source, obtain payment in respect of any principal of or interest on any of its Loans or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other such obligations greater than the pro-rata share of the amount such Lender is entitled thereto, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them, provided that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, together with interest or other amounts, if any, required by Law (including court order) to be paid by the Lender or the holder making such purchase; and

(ii) the provisions of this Section 5.3 shall not be construed to apply to (x) any payment made by the Loan Parties pursuant to and in accordance with the express terms of the Loan Documents (including the application of funds arising from the existence of a Defaulting Lender), or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or Participation Advances to any assignee or participant, other than to the Borrowers or any Subsidiary thereof (as to which the provisions of this Section 5.3 shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Loan Party rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of each Loan Party in the amount of such participation.

5.4 Presumptions by Administrative Agent.

Unless the Administrative Agent shall have received notice from the Borrowers prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Lender hereunder that the Borrowers will not make such payment, the Administrative Agent may assume that the Borrowers have made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Lender, as the case may be, the amount due. In such event, if the Borrowers have not in fact made such payment, then each of the Lenders or the Issuing Lender, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or the Issuing Lender, with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate (or, for payments in an Optional Currency, the Overnight Rate) and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

5.5 Interest Payment Dates.

Interest on Loans to which the Base Rate Option applies shall be due and payable in arrears on each Payment Date. Interest on Loans to which the Eurocurrency Rate Option applies shall be due and payable on the last day of each Interest Period for those Loans and, if such Interest Period is longer than three (3) Months, also on the 90th day of such Interest Period. Interest on mandatory prepayments of principal under Section 5.7 [Mandatory Prepayments] shall be due on the date such mandatory prepayment is due. Interest on the principal amount of each Loan or other monetary Obligation shall be due and payable on demand after such principal amount or other monetary Obligation becomes due and payable (whether on the stated Expiration Date, upon acceleration or otherwise).

5.6 Voluntary Prepayments; Right to Prepay.

The Borrowers shall have the right at its option from time to time to prepay the Loans in whole or part without premium or penalty (except as provided in Section 5.12.2 [Replacement of a Lender] below, in Section 5.8 [Increased Costs] and Section 5.10 [Indemnity]). Whenever the Borrowers desire to prepay any part of the Loans, it shall provide a prepayment notice to the Administrative Agent by 11:00 a.m. at least one (1) Business Day prior to the date of prepayment of the Revolving Credit Loans denominated in Dollars, and at least four (4) Business Days prior to the date of prepayment of any Optional Currency Loan, or no later than 11:00 a.m. on the date of prepayment of Swing Loans, setting forth the following information:

- (w) the date, which shall be a Business Day, on which the proposed prepayment is to be made;
- (x) a statement indicating the application of the prepayment between the Revolving Credit Loans and Swing Loans;
- (y) a statement indicating the application of the prepayment between Loans to which the Base Rate Option applies and Loans to which the Eurocurrency Rate Option applies; and
- (z) the total principal amount of such prepayment, which shall not be less than the lesser of (i) the Revolving Facility Usage or (ii) \$100,000 for any Swing Loan or \$1,000,000 for any Revolving Credit Loan.

All prepayment notices shall be irrevocable. The principal amount of the Loans for which a prepayment notice is given, together with interest on such principal amount, shall be due and payable on the date specified in such prepayment notice as the date on which the proposed prepayment is to be made. Except as provided in Section 4.4.3 [Administrative Agent's and Lender's Rights], if the Borrowers prepay a Loan but fail to specify the applicable Borrowing Tranche which the Borrowers are prepaying, the prepayment shall be applied (i) first to Revolving Credit Loans to which the Base Rate

Option applies, (ii) then to Revolving Credit Loans denominated in Dollars to which the Eurocurrency Rate Option applies, (iii) then to Optional Currency Loans, (iv) then to Swing Loans. Any prepayment hereunder shall be subject to the Borrowers' Obligation to indemnify the Lenders under Section 5.10 [Indemnity]. Prepayments shall be made in the currency in which such Loan was made unless otherwise directed by the Administrative Agent in its sole discretion.

5.7Mandatory Prepayments.

5.7.1Optional Currency Loans Exceed Optional Currency Sublimit; Revolving Facility Usage Exceeds Revolving Credit Commitments.

If on any Computation Date the aggregate Dollar Equivalent amount of the Optional Currency Loans exceeds 105% of the Optional Currency Sublimit as a result of a change in the exchange rates between one or more Optional Currencies and Dollars, then the Administrative Agent shall notify the Borrowers of the same and the Borrowers shall immediately pay or prepay (subject to the Borrowers' indemnity obligations under Section 5.8 [Increased Costs] and Section 5.10 [Indemnity]) the Optional Currency Loans, in an amount sufficient to eliminate such excess. Notwithstanding the foregoing, if as a result of determining the Dollar Equivalent as of the most recent Computation Date the Revolving Facility Usage exceeds the aggregate Revolving Credit Commitments of all Lenders for any reason, including but not limited to a change in exchange rates between one or more Optional Currencies and Dollars, then the Administrative Agent shall notify the Borrowers of the same and the Borrowers shall immediately pay or prepay (subject to the Borrowers' indemnity obligations under Section 5.8 [Increased Costs] and Section 5.10 [Indemnity]) the Revolving Credit Loans or Cash Collateralize the outstanding Letters of Credit, or do a combination of the foregoing, in an amount sufficient to eliminate such excess.

5.7.2Application Among Loans and Interest Rate Options; Cash Collateral Under Certain Circumstances.

All prepayments required pursuant to this Section 5.7 shall, unless the Borrowers furnish a written statement to the Administrative Agent prior to the time of such prepayment requesting a different application: (a) first be applied to prepay Revolving Credit Loans to which the Base Rate Option applies, then to Loans denominated in Dollars to which the Eurocurrency Rate Option applies, then to Optional Currency Loans, then to Swing Loans. All cash collateral required pursuant to this Section 5.7 shall be deposited by the Borrowers in a non-interest bearing account with the Administrative Agent, as Cash Collateral for the Stated Amount of all Letters of Credit, and each Borrower hereby pledges to the Administrative Agent and the Lenders, and grants to the Administrative Agent and the Lenders a security interest in, all such cash and deposits required pursuant to this Section 5.7 as security for all Obligations. If no Default or Event of Default exists, at such time that the Revolving Facility Usage is less than the aggregate Revolving Credit Commitments of all of the Lenders, such Cash Collateral provided pursuant to this Section 5.7 that has not been utilized to pay any such reimbursement obligations shall to such extent be released and returned to the Borrowers upon their request. In accordance with Section 5.10 [Indemnity], the Borrowers shall indemnify the Lenders for any loss or expense, including loss of margin, incurred with respect to any such prepayments applied against Loans subject to a Eurocurrency Rate Option on any day other than the last day of the applicable Interest Period.

5.8Increased Costs

5.8.1Increased Costs Generally.

If any Change in Law shall:

(i)impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the Eurocurrency Rate or any Issuing Lender;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender, any Issuing Lender or the Relevant Interbank Market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein; and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender, such Issuing Lender or such other Recipient of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender, such Issuing Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, such Issuing Lender or other Recipient, the Borrowers will pay to such Lender, such Issuing Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, such Issuing Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

5.8.2 Capital Requirements.

If any Lender or any Issuing Lender determines that any Change in Law affecting such Lender or such Issuing Lender or any lending office of such Lender or such Lender's or such Issuing Lender's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or such Issuing Lender's capital or on the capital of such Lender's or such Issuing Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swing Loans held by, such Lender, or the Letters of Credit issued by such Issuing Lender, to a level below that which such Lender or such Issuing Lender or such Lender's or such Issuing Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such Issuing Lender's policies and the policies of such Lender's or such Issuing Lender's holding company with respect to capital adequacy or liquidity), then from time to time the Borrowers will pay to such Lender or such Issuing Lender, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Lender or such Lender's or such Issuing Lender's holding company for any such reduction suffered.

5.8.3 Certificates for Reimbursement.

A certificate of a Lender or an Issuing Lender setting forth the amount or amounts necessary to compensate such Lender or such Issuing Lender or its holding company, as the case may be, as specified in Sections 5.8.1 [Increased Costs Generally] or 5.8.2 [Capital Requirements] and delivered to the Borrowers shall be conclusive absent manifest error. The Borrowers shall pay such Lender or such Issuing Lender, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

5.8.4 Delay in Requests.

Failure or delay on the part of any Lender or any Issuing Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or such Issuing Lender's right to demand such compensation, provided that the Borrowers shall not be required to compensate a Lender or an Issuing Lender pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender or such Issuing Lender, as the case may be, notifies the Borrowers of the Change in Law giving rise to such increased costs or reductions and of such Lender's or such Issuing Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the

nine (9) month period referred to above shall be extended to include the period of retroactive effect thereof).

5.9 Taxes

5.9.1 Issuing Lender.

For purposes of this Section 5.9, the term "*Lender*" includes any Issuing Lender and the term "applicable Law" includes FATCA.

5.9.2 Payments Free of Taxes.

Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Law. If any applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Official Body in accordance with applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

5.9.3 Payment of Other Taxes by the Loan Parties.

The Loan Parties shall timely pay to the relevant Official Body in accordance with applicable Law, or at the option of the Administrative Agent jointly and severally timely reimburse it for the payment of, any Other Taxes.

5.9.4 Indemnification by the Loan Parties.

The Loan Parties shall jointly and severally indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Official Body. A certificate as to the amount of such payment or liability delivered to the Borrowers by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

5.9.5 Indemnification by the Lenders.

Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that a Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of any of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 11.8.4 [Participations] relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Official Body. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this Section 5.9.5.

5.9.6 Evidence of Payments.

As soon as practicable after any payment of Taxes by any Loan Party to an Official Body pursuant to this Section 5.9 [Taxes], such Loan Party shall deliver to

the Administrative Agent the original or a certified copy of a receipt issued by such Official Body evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

5.9.7 Status of Lenders.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrowers and the Administrative Agent, at the time or times reasonably requested by the Borrowers or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrowers or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrowers or the Administrative Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Borrowers or the Administrative Agent as will enable the Borrowers or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in clauses (ii)(A), (ii)(B) and (ii)(D) of this Section 5.9.7 below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the a Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to such Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of such Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to such Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of such Borrower or the Administrative Agent), whichever of the following is applicable:

(w) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(x) executed originals of IRS Form W-8ECI;

(y) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit 5.9.7(A) to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of a Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled

foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN; or

(z) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit 5.9.7(B) or Exhibit 5.9.7(C), IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit 5.9.7(D), on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to such Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of such Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Law to permit the Borrowers or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or Section 1472(b) of the Code, as applicable), such Lender shall deliver to such Borrower and the Administrative Agent at the time or times prescribed by Law and at such time or times reasonably requested by such Borrower or the Administrative Agent such documentation prescribed by applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by such Borrower or the Administrative Agent as may be necessary for such Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrowers and the Administrative Agent in writing of its legal inability to do so.

5.9.8 Treatment of Certain Refunds.

If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section 5.9 [Taxes]), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Official Body with respect to such refund). Such indemnifying party, upon the request of such indemnified party incurred in connection with obtaining such refund, shall repay to such indemnified party the amount paid over pursuant to this Section 5.9.8 [Treatment of Certain Refunds] (plus any penalties, interest or other charges imposed by the relevant Official Body) in the event that such indemnified party is required to repay such refund to such Official Body. Notwithstanding anything to the contrary in this Section 5.9.8 [Treatment of Certain Refunds], in no event will the

indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 5.9.8 [Treatment of Certain Refunds] the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

5.9.9Survival.

Each party's obligations under this Section 5.9 [Taxes] shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all Obligations.

5.10Indemnity.

In addition to the compensation or payments required by Section 5.8 [Increased Costs] or Section 5.9 [Taxes], the Borrowers shall indemnify each Lender against all liabilities, losses or expenses (including loss of anticipated profits, any foreign exchange losses and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan, from fees payable to terminate the deposits from which such funds were obtained or from the performance of any foreign exchange contract) which such Lender sustains or incurs as a consequence of any:

(i)payment, prepayment, conversion or renewal of any Loan to which a Eurocurrency Rate Option applies on a day other than the last day of the corresponding Interest Period (whether or not such payment or prepayment is mandatory, voluntary or automatic and whether or not such payment or prepayment is then due), or any voluntary prepayment without the required notice,

(ii)attempt by the Borrowers to revoke (expressly, by later inconsistent notices or otherwise) in whole or part any Loan Requests under Section 2.4 [Revolving Credit Loan Requests; Swing Loan Requests] or Section 4.1.3 [Interest Periods] or notice relating to prepayments under Section 5.6 [Voluntary Prepayments], or

(iii)default by any Borrower in the performance or observance of any covenant or condition contained in this Agreement or any other Loan Document, including any failure of the Borrowers to pay when due (by acceleration or otherwise) any principal, interest, Commitment Fee or any other amount due hereunder.

If any Lender sustains or incurs any such loss or expense, it shall from time to time notify the Borrowers of the amount determined in good faith by such Lender (which determination may include such assumptions, allocations of costs and expenses and averaging or attribution methods as such Lender shall deem reasonable) to be necessary to indemnify such Lender for such loss or expense. Such notice shall set forth in reasonable detail the basis for such determination. Such amount shall be due and payable by the Borrowers to such Lender ten (10) Business Days after such notice is given.

5.11Settlement Date Procedures.

In order to minimize the transfer of funds between the Lenders and the Administrative Agent, the Borrowers may borrow, repay and reborrow Swing Loans and the Swing Loan Lender may make Swing Loans as provided in Section 2.1.2 [Swing Loan Commitments] hereof during the period between Settlement Dates. The Administrative Agent shall notify each Lender of its Ratable Share of the total of the Revolving Credit Loans and the Swing Loans (each a "*Required Share*"). On such Settlement Date, each Lender shall pay to the Administrative Agent the amount equal to the difference between its Required Share and its Revolving Credit Loans, and the Administrative Agent shall pay to each Lender its Ratable Share of all payments made by the Borrowers to the

Administrative Agent with respect to the Revolving Credit Loans. The Administrative Agent shall also effect settlement in accordance with the foregoing sentence on the proposed Borrowing Dates for Revolving Credit Loans and on the dates on which Mandatory Prepayments are due and may at its option effect settlement on any other Business Day. These settlement procedures are established solely as a matter of administrative convenience, and nothing contained in this Section 5.11 shall relieve the Lenders of their obligations to fund Revolving Credit Loans on dates other than a Settlement Date pursuant to Section 2.1.2 [Swing Loan Commitment]. The Administrative Agent may at any time at its option for any reason whatsoever require each Lender to pay immediately to the Administrative Agent such Lender's Ratable Share of the outstanding Revolving Credit Loans and each Lender may at any time require the Administrative Agent to pay immediately to such Lender its Ratable Share of all payments made by the Borrowers to the Administrative Agent with respect to the Revolving Credit Loans.

5.12Mitigation Obligations; Replacement of a Lender

5.12.1Designation of a Different Lending Office.

If any Lender requests compensation under Section 5.8 [Increased Cost], or requires the Borrowers to pay any Indemnified Taxes or additional amounts to any Lender or any Official Body for the account of any Lender pursuant to Section 5.9 [Taxes], then such Lender shall (at the request of the Borrowers) use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 5.8 [Increased Costs] or Section 5.9 [Taxes], as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. Each Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

5.12.2Replacement of a Lender.

If any Lender (i) gives notice under Section 4.4 [Eurocurrency Rate Unascertainable, etc.], (ii) requests compensation under Section 5.8 [Increased Costs], or if the Borrowers are required to pay any Indemnified Taxes or additional amounts to any Lender or any Official Body for the account of any Lender pursuant to Section 5.9 [Taxes], (iii) is a Defaulting Lender, (iv) becomes subject to the control of an Official Body (other than normal and customary supervision), or (v) is a Non-Consenting Lender referred to in Section 11.1 [Modifications, Amendments or Waivers], then in any such event the Borrowers may, at their sole expense, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 11.8 [Successors and Assigns]), all of its interests, rights (other than its existing rights to payments pursuant to Section 5.8 [Increased Costs] or Section 5.9 [Taxes]) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(i)the Borrowers shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 11.8 [Successors and Assigns];

(ii)such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in Letter of Credit Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 5.10 [Indemnity]) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 5.8 [Increased Costs] or payments required to be made pursuant to Section 5.9 [Taxes], such assignment will result in a reduction in such compensation or payments thereafter;

(iv) such assignment does not conflict with applicable law; and

(v) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrowers to require such assignment and delegation cease to apply.

5.13 Defaulting Lenders

5.13.1 Defaulting Lender Adjustments.

Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(i) fees shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender pursuant to Section 2.3 [Commitment Fees];

(ii) the Commitment and outstanding Loans of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 11.1 [Modifications, Amendments or Waivers]); provided, that this clause (ii) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender or each Lender directly affected thereby;

(iii) if any Swing Loans are outstanding or any Letter of Credit Obligations exist at the time such Lender becomes a Defaulting Lender, then:

(a) all or any part of the outstanding Swing Loans and Letter of Credit Obligations of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Ratable Shares but only to the extent that (x) the Revolving Facility Usage does not exceed the total of all non-Defaulting Lenders' Revolving Credit Commitments, and (y) no Potential Default or Event of Default has occurred and is continuing at such time;

(b) if the reallocation described in clause (a) above cannot, or can only partially, be effected, the Borrowers shall within one Business Day following notice by the Administrative Agent (x) first, prepay such outstanding Swing Loans, and (y) second, cash collateralize for the benefit of the Issuing Lender the Borrowers' obligations corresponding to such Defaulting Lender's Letter of Credit Obligations (after giving effect to any partial reallocation pursuant to clause (a) above) in a deposit account held at the Administrative Agent for so long as such Letter of Credit Obligations are outstanding;

(c) if the Borrowers cash collateralizes any portion of such Defaulting Lender's Letter of Credit Obligations pursuant to clause (b) above, the Borrowers shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.8.2 [Letter of Credit Fees] with respect to

such Defaulting Lender's Letter of Credit Obligations during the period such Defaulting Lender's Letter of Credit Obligations are cash collateralized;

(d)if the Letter of Credit Obligations of the non-Defaulting Lenders are reallocated pursuant to clause (a) above, then the fees payable to the Lenders pursuant to Section 2.8.2 [Letter of Credit Fees] shall be adjusted in accordance with such non-Defaulting Lenders' Ratable Share; and

(e)if all or any portion of such Defaulting Lender's Letter of Credit Obligations are neither reallocated nor cash collateralized pursuant to clause (a) or (b) above, then, without prejudice to any rights or remedies of the Issuing Lender or any other Lender hereunder, all Letter of Credit Fees payable under Section 2.8.2 [Letter of Credit Fees] with respect to such Defaulting Lender's Letter of Credit Obligations shall be payable to the Issuing Lender (and not to such Defaulting Lender) until and to the extent that such Letter of Credit Obligations are reallocated and/or Cash Collateralized; and

(iv)so long as such Lender is a Defaulting Lender, the Swing Loan Lender shall not be required to fund any Swing Loans and the Issuing Lender shall not be required to issue, amend or increase any Letter of Credit, unless the Issuing Lender is satisfied that the related exposure and the Defaulting Lender's then outstanding Letter of Credit Obligations will be 100% covered by the Revolving Credit Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrowers in accordance with Section 5.13(iii), and participating interests in any newly made Swing Loan or any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 5.13(iii)(a) (and such Defaulting Lender shall not participate therein).

(v)If (i) a Bankruptcy Event with respect to a parent company of any Lender shall occur following the date hereof and for so long as such event shall continue, or (ii) the Swing Loan Lender or the Issuing Lender has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, the Swing Loan Lender shall not be required to fund any Swing Loan and the Issuing Lender shall not be required to issue, amend or increase any Letter of Credit, unless the Swing Loan Lender or the Issuing Lender, as the case may be, shall have entered into arrangements with the Borrowers or such Lender, satisfactory to the Swing Loan Lender or the Issuing Lender, as the case may be, to defease any risk to it in respect of such Lender hereunder.

(vi)In the event that the Administrative Agent, the Borrowers, the Swing Loan Lender and the Issuing Lender agree in writing that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Administrative Agent will so notify the parties hereto, and the Ratable Share of the Swing Loans and Letter of Credit Obligations of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment, and on such date such Lender shall purchase at par such of the Loans of the other Lenders (other than Swing Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Ratable Share.

5.14Cash Collateral.

At any time that there shall exist a Defaulting Lender, within one Business Day following the written request of the Administrative Agent or any Issuing Lender (with a copy to the Administrative Agent) the Borrowers shall be jointly and severally obligated to Cash Collateralize the Issuing Lenders' Fronting Exposure with respect to such Defaulting Lender (determined after giving effect to Section 5.13 [Defaulting Lenders] and any Cash Collateral provided by such Defaulting Lender) in an amount not less than the Minimum Collateral Amount.

5.14.1 Grant of Security Interest.

The Borrowers, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to the Administrative Agent, for the benefit of the Issuing Lenders, and agrees to maintain, a first priority security interest in all such Cash Collateral as security for the Defaulting Lenders' obligation to fund participations in respect of Letter of Credit Obligations, to be applied pursuant to clause (b) below. If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent and the Issuing Lenders as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Borrowers will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided by the Defaulting Lender).

5.14.2 Application.

Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under this Section 5.14 [Cash Collateral] or Section 5.13 [Defaulting Lenders] in respect of Letters of Credit shall be applied to the satisfaction of the Defaulting Lender's obligation to fund participations in respect of Letter of Credit Obligations (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

5.14.3 Termination of Requirement.

Cash Collateral (or the appropriate portion thereof) provided to reduce any Issuing Lender's Fronting Exposure shall no longer be required to be held as Cash Collateral pursuant to this Section 5.14 following (i) the elimination of the applicable Fronting Exposure (including by the termination of Defaulting Lender status of the applicable Lender), or (ii) the determination by the Administrative Agent and each Issuing Lender that there exists excess Cash Collateral; provided that, subject to Section 5.13 [Defaulting Lenders] the Person providing Cash Collateral and each Issuing Lender may agree that Cash Collateral shall be held to support future anticipated Fronting Exposure or other obligations and provided further that to the extent that such Cash Collateral was provided by the Borrowers, such Cash Collateral shall remain subject to any security interest granted pursuant to the Loan Documents, if any such general security interest exists at such time.

5.15 Currency Conversion Procedures for Judgments.

If for the purposes of obtaining judgment in any court it is necessary to convert a sum due hereunder in any currency (the "*Original Currency*") into another currency (the "*Other Currency*"), the parties hereby agree, to the fullest extent permitted by Law, that the rate of exchange used shall be that at which in accordance with normal lending procedures the Administrative Agent could purchase the Original Currency with the Other Currency after any premium and costs of exchange on the Business Day preceding that on which final judgment is given.

5.16 Indemnity in Certain Events.

The obligation of the Borrowers in respect of any sum due from the Borrowers to any Lender hereunder shall, notwithstanding any judgment in any Other Currency, whether pursuant to a judgment or otherwise, be discharged only to the extent that, on the Business Day following receipt by any Lender or any sum adjusted to be so due in such Other Currency, such Lender may in accordance with normal lending procedures purchase the Original Currency with such Other Currency. If the amount of the Original Currency so purchased is less than the sum originally due to such Lender in the Original Currency, the Borrowers agree, as a separate obligation and notwithstanding any such judgment or payment, to indemnify such Lender against such loss.

6. REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties.

The Loan Parties, jointly and severally, represent and warrant to the Administrative Agent and each of the Lenders as follows:

6.1.1Organization.

Each Loan Party is duly incorporated and validly existing; and each Loan Party (other than WABTEC UA) is in good standing under the laws of its jurisdiction of organization; and each Loan Party is duly qualified to do business in each jurisdiction where, because of the nature of its activities or properties, such qualification is required, except for such jurisdictions where the failure to so qualify would not have a Material Adverse Effect.

6.1.2Authorization; No Conflict.

Each Loan Party is duly authorized to execute and deliver each Loan Document to which it is a party, each Borrower is duly authorized to borrow monies hereunder and each Loan Party is duly authorized to perform its Obligations under each Loan Document to which it is a party. The execution, delivery and performance by each Loan Party of each Loan Document to which it is a party, and the borrowings by the Borrowers hereunder, do not and will not (a) require any consent or approval of any governmental agency or authority (other than any consent or approval which has been obtained and is in full force and effect), (b) conflict with (i) any provision of Law, (ii) the charter, by-laws or other organizational documents of any Loan Party or (iii) any material agreement, indenture, instrument or other document, or any judgment, order or decree, which is binding upon any Loan Party or any of their respective properties or (c) require, or result in, the creation or imposition of any Lien on any material asset of any Loan Party (other than Liens in favor of the Administrative Agent created pursuant to any of the Loan Documents). The Loan Parties are in compliance in all material respects with all applicable Laws (other than Environmental Laws which are specifically addressed herein) in all jurisdictions in which any Loan Party or Subsidiary of any Loan Party is presently or will be doing business except where the failure to do so would not constitute a Material Adverse Effect.

6.1.3Validity and Binding Nature.

Each of this Agreement and each other Loan Document to which any Loan Party is a party is the legal, valid and binding obligation of such Person, enforceable against such Person in accordance with its terms, subject to bankruptcy, insolvency and similar Laws affecting the enforceability of creditors' rights generally and to general principles of equity.

6.1.4Financial Condition.

The audited consolidated financial statements of the Company and its Subsidiaries for and as at the Company's Fiscal Year end 2012, and the unaudited consolidated interim financial statements of the Company and its Subsidiaries for the first three Fiscal Quarters of the Company's current Fiscal Year, copies of each of which have been made available to each Lender, were prepared in accordance with GAAP (subject, in the case of such unaudited statements, to the absence of footnotes and to normal year-end adjustments) and present fairly the consolidated financial condition of the Company and its Subsidiaries as at such dates and the results of their operations for the periods then ended.

6.1.5No Material Adverse Change.

Since the Company's Fiscal Year end 2012, there has been no material adverse change in the financial condition, operations, assets, business, or properties of the Loan Parties taken as a whole.

6.1.6Litigation and Contingent Liabilities.

As of the Closing Date, no litigation (including derivative actions), arbitration proceeding or governmental investigation or proceeding is pending or, to each Borrower's knowledge, threatened against any Loan Party which might reasonably be expected to have a Material Adverse Effect, except as set forth in Schedule 6.1.6. As of the Closing Date, other than any liability incident to such litigation or proceedings, no Loan Party has any material contingent liabilities that would be required to be disclosed by GAAP, which are not listed on Schedule 6.1.6 or permitted by Section 8.2.1 [Indebtedness]. No litigation, arbitration or similar proceedings, regardless whether or not previously disclosed to the Lenders or the Administrative Agent, is or are pending against any Loan Party which alone or in the aggregate would reasonably be expected to result, within nine (9) months of any date on which this representation and warranty is made or deemed

made (pursuant to a Loan Request or otherwise), in one or more judgments or awards against one or more of the Loan Parties in an amount not covered by confirmed insurance coverage and committed indemnification or contribution obligations with respect thereto in excess of \$100,000,000.

6.1.7Ownership of Properties; Liens.

Each Loan Party owns good and, in the case of real property, marketable title to all of its owned material properties and assets, real and personal, tangible and intangible, of any nature whatsoever (including patents, trademarks, trade names, service marks and copyrights), free and clear of all material Liens, charges and claims (including infringement claims with respect to patents, trademarks, service marks, copyrights and the like) except as permitted by Section 8.2.2 [Liens].

6.1.8Equity Ownership; Subsidiaries.

All issued and outstanding Capital Securities of each Loan Party are duly authorized and validly issued, fully paid, non-assessable, and free and clear of all Liens, and such securities were issued in material compliance with all applicable state and federal Laws concerning the issuance of securities. Schedule 6.1.8 sets forth the percentage of Capital Securities of each Loan Party (other than the Company) owned directly or indirectly by the Company and of each of the other Subsidiaries of the Loan Parties as of the Closing Date, together with their respective legal name, place of organization and type of organization. All of the issued and outstanding Capital Securities of each Wholly-Owned Subsidiary are, directly or indirectly, owned by the Company. As of the Closing Date, except as set forth on Schedule 6.1.8, there are no material pre-emptive or other outstanding rights, options, warrants, conversion rights or other similar agreements or understandings for the purchase or acquisition of any Capital Securities of any Loan Party (other than the Company).

6.1.9Pension Plans.

6.1.9.1 Each Pension Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other federal or state Laws. Each Pension Plan that is intended to qualify under Section 401(a) of the Code has received from the IRS a favorable determination or opinion letter, which has not by its terms expired, that such Pension Plan is so qualified, or such Pension Plan is entitled to rely on an IRS advisory or opinion letter with respect to an IRS-approved master and prototype or volume submitter plan, or a timely application for such a determination or opinion letter is currently being processed by the IRS with respect thereto; and, to the best knowledge of any Borrower, nothing has occurred which would prevent, or cause the loss of, such qualification. Borrowers and each member of the ERISA Group have made all required contributions to each Pension Plan subject to Sections 412 or 430 of the Code, and no application for a funding waiver or an extension of any amortization period pursuant to Sections 412 or 430 of the Code has been made with respect to any Pension Plan.

6.1.9.2(a) No ERISA Event has occurred during the current calendar year or the six (6) full calendar years ending prior to the Closing Date or is reasonably expected to occur; (b) no Pension Plan has any unfunded pension liability (i.e., excess of benefit liabilities over the current value of that Pension Plan's assets, determined pursuant to the assumptions used for funding the Pension Plan for the applicable plan year in accordance with Section 430 of the Code), except such unfunded pension liabilities which could not reasonably be expected to result in, either individually or in the aggregate, a Material Adverse Effect; (c) neither any Borrower nor any member of the ERISA Group has incurred, or reasonably expects to incur, any liability under Title IV of ERISA with respect to any Pension Plan (other than required minimum contributions under ERISA or premiums due and not delinquent under Section 4007 of ERISA); (d) neither any Borrower nor any member of the ERISA Group has incurred during the current calendar year or the six (6) calendar years ending prior to the Closing Date, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Section 4201 of

ERISA, with respect to a Multiemployer Plan; (e) neither any Borrower nor any member of the ERISA Group has received notice pursuant to Section 4242(a)(1)(B) of ERISA that a Multiemployer Plan is in reorganization and that additional contributions are due to the Multiemployer Plan pursuant to Section 4243 of ERISA; and (f) neither any Borrower nor any member of the ERISA Group has engaged in a transaction that could be subject to Sections 4069 or 4212(c) of ERISA.

6.1.10Investment Company Act.

No Loan Party is an "investment company" or a company "controlled" by an "investment company" or a "subsidiary" of an "investment company," within the meaning of the Investment Company Act of 1940.

6.1.11Regulation U.

No Loan Party is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock. No part of the proceeds of any Loan has been or will be used, immediately, incidentally, or ultimately, for any purpose which entails a violation of or which is inconsistent with the provisions of the regulations of the Board of Governors of the Federal Reserve System. No Borrower nor any of its Subsidiaries holds or intends to hold Margin Stock in such amounts that more than 25% of the reasonable value of the assets of such Borrower or any Subsidiary of such Borrower are or will be represented by Margin Stock.

6.1.12Solvency, etc.

On the Closing Date, and immediately prior to and after giving effect to the issuance of each Letter of Credit and each borrowing hereunder and the use of the proceeds thereof, with respect to the Loan Parties, taken as a whole, (a) the fair value of their assets is greater than the amount of their liabilities (including disputed, contingent and unliquidated liabilities) as such value is established and liabilities evaluated, (b) the present fair saleable value of their assets is not less than the amount that will be required to pay the probable liability on their debts as they become absolute and matured, (c) they are able to realize upon their assets and pay their debts and other liabilities (including disputed, contingent and unliquidated liabilities) as they mature in the normal course of business, (d) they do not intend to, and do not believe that they will, incur debts or liabilities beyond their ability to pay as such debts and liabilities mature and (e) they are not engaged in business or a transaction, and are not about to engage in business or a transaction, for which their property would constitute unreasonably small capital.

6.1.13Environmental Matters.

The on-going operations of each Loan Party comply in all respects with all Environmental Laws, except such non-compliance which could not reasonably be expected to result in, either individually or in the aggregate, a Material Adverse Effect. Each Loan Party has obtained, and maintained in good standing, all licenses, permits, authorizations, registrations and other approvals required under any Environmental Law and required for their respective ordinary course operations, and for their reasonably anticipated future operations, and each Loan Party is in compliance with all terms and conditions thereof, except where the failure to do so could not reasonably be expected to result in material liability to any Loan Party and could not reasonably be expected to result, either individually or in the aggregate, in a Material Adverse Effect. No Loan Party or any of its properties or operations is subject to any written order from or agreement with any Federal, state or local governmental authority, nor any pending, or the knowledge of any Loan Party threatened, judicial or docketed administrative or other proceeding or investigation, respecting any Environmental Law, Environmental Claim or Hazardous Substance which could reasonably be expected to have a Material Adverse Effect. No Loan Party has any underground storage tanks that are not properly registered or permitted under applicable Environmental Laws.

6.1.14Insurance.

The properties of each Loan Party and each of its Subsidiaries are insured pursuant to policies and other bonds which are valid and in full force and effect and which provide adequate coverage from reputable and financially sound insurers in amounts sufficient to insure

the assets and risks of each such Loan Party and Subsidiary in accordance with prudent business practice in the industry of such Loan Parties and Subsidiaries.

6.1.15Real Property.

Set forth on Schedule 6.1.15 is a complete and accurate list, as of the Closing Date, of all material real property owned or leased by any Loan Party.

6.1.16Information.

To the best knowledge of each Borrower, all information heretofore or contemporaneously herewith furnished in writing by any Loan Party to the Administrative Agent or any Lender for purposes of or in connection with this Agreement and the other transactions contemplated hereby is, and all written information hereafter furnished by or on behalf of any Loan Party to the Administrative Agent or any Lender pursuant hereto or in connection herewith will be, true and accurate in every material respect on the date as of which such information is dated or certified, and none of such information is or will be incomplete by omitting to state any material fact necessary to make such information not misleading in light of the circumstances under which made (it being recognized by the Administrative Agent and the Lenders that any projections and forecasts provided by the Company are based on good faith estimates and assumptions believed by the Company to be reasonable as of the date of the applicable projections or assumptions and that actual results during the period or periods covered by any such projections and forecasts may differ from projected or forecasted results).

6.1.17Intellectual Property.

To the knowledge of the Senior Officers of the Loan Parties, each Loan Party owns and possesses or has a license or other right to use all patents, patent rights, trademarks, trademark rights, trade names, trade name rights, service marks, service mark rights and copyrights as are necessary for the then current conduct of the businesses of the Loan Parties, without any infringement upon rights of others which could reasonably be expected to have a Material Adverse Effect.

6.1.18Burdensome Obligations.

To the knowledge of the Senior Officers of the Loan Parties, no Loan Party is a party to any agreement or contract or subject to any restriction contained in its organizational documents which could reasonably be expected to have a Material Adverse Effect.

6.1.19Labor Matters.

Except as set forth on Schedule 6.1.19, as of the Closing Date, no Loan Party is subject to any labor or collective bargaining agreement. There are no existing or, to the knowledge of any Borrower, threatened strikes, lockouts or other labor disputes involving any Loan Party that singly or in the aggregate could reasonably be expected to have a Material Adverse Effect.

6.1.20No Default.

No Event of Default or Potential Default exists or would result from the incurrence by any Loan Party of any Indebtedness hereunder or under any other Loan Document.

6.1.21Indenture, No Recent Amendments.

There has occurred no amendment, restatement, refinancing, or the like to the 2013 Note Indenture from the date of its execution by the Company through the Closing Date.

6.1.22Anti-Terrorism Laws.

(i) No Covered Entity is a Sanctioned Person, and (ii) no Covered Entity, either in its own right or through any third party (a) has any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law, (b) does business in or with, or derives any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; or (c) engages in any dealings or transactions prohibited by any Anti-Terrorism Law.

6.1.23Anti-Corruption Laws and Anti-Corruption Sanctions.

The Borrowers have implemented and maintain in effect policies and procedures designed to ensure compliance by the

Borrowers, their Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Anti-Corruption Sanctions, and the Borrowers, their Subsidiaries and their respective officers and employees and to the knowledge of the Borrowers' directors and agents, are in compliance with Anti-Corruption Laws and applicable Anti-Corruption Sanctions in all material respects. None of (a) the Borrowers, any Subsidiary or any of their respective directors, officers or employees, or (b) to the knowledge of the Borrowers, any agent of the Borrowers or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is an Anti-Corruption Sanctioned Person. No Loan or Letter of Credit, use of proceeds or other transaction contemplated by this Agreement will violate Anti-Corruption Laws or applicable Anti-Corruption Sanctions.

7. CONDITIONS OF LENDING AND ISSUANCE OF LETTERS OF CREDIT

The obligation of each Lender to make Loans and of the Issuing Lender to issue Letters of Credit hereunder is subject to the performance by each of the Loan Parties of its Obligations to be performed hereunder at or prior to the making of any such Loans or issuance of such Letters of Credit and to the satisfaction of the following further conditions:

7.1 First Loans and Letters of Credit

7.1.1 Deliveries.

On the Closing Date, the Administrative Agent shall have received each of the following in form and substance satisfactory to the Administrative Agent:

(i) A certificate of each of the Loan Parties signed by a Senior Officer, dated the Closing Date stating that (w) all representations and warranties of the Loan Parties set forth in this Agreement are true and correct in all material respects, (x) the Loan Parties are in compliance with each of the covenants and conditions hereunder, (y) no Event of Default or Potential Default exists, and (z) no material adverse change has occurred since the date of the last audited financial statements of the Company delivered to the Administrative Agent;

(ii) A certificate dated the Closing Date and signed by the Secretary or an Assistant Secretary of each of the Loan Parties, certifying as appropriate as to: (a) all action taken by each Loan Party in connection with this Agreement and the other Loan Documents; (b) the names of the Senior Officers authorized to sign the Loan Documents and their true signatures; and (c) copies of its organizational documents as in effect on the Closing Date certified by the appropriate state official where such documents are filed in a state office together with certificates from the appropriate state officials as to the continued existence and good standing of each Loan Party in each state where organized;

(iii) This Agreement and each of the other Loan Documents signed by a Senior Officer and, to the extent applicable, an authorized officer of each of the Lenders whose names are set forth on Schedule 1.1(B) as of the Closing Date;

(iv) A written opinion of counsel for each of the Loan Parties, dated the Closing Date;

(v) Evidence of the existence of insurance required to be maintained pursuant to Section 8.1.2 [Maintenance of Property; Insurance];

(vi) A duly completed Compliance Certificate as of the last day of the Fiscal Quarter of the Company most recently ended prior to the Closing Date, signed by a Senior Officer of the Company;

(vii) All regulatory approvals and licenses necessary for the financing contemplated hereby shall have been completed and there shall be no legal or regulatory prohibitions or restrictions;

(viii) A Lien search in acceptable scope and with acceptable results;

(ix) The Existing Credit Agreement shall have been amended and restated and all outstanding obligations thereunder shall be deemed to be Obligations hereunder, and such Obligations shall be allocated to each Lender on the Closing Date in accordance with such Lender's Ratable Share; the Administrative Agent shall have paid all outstanding amounts owed to any lender under the Existing Credit Agreement who is not a Lender under this Agreement, and all Liens not permitted hereunder shall have been released;

(x) Such other documents in connection with such transactions as the Administrative Agent or said counsel may reasonably request, including all information required under applicable "Know-Your-Customer" and anti-money laundering rules and regulations, including the U.S. PATRIOT Act.

7.1.2 Payment of Fees.

The Company shall have paid all fees payable on or before the Closing Date as required by this Agreement, the Administrative Agent's Letter or any other Loan Document.

7.2 Each Loan or Letter of Credit.

At the time of making any Loans or issuing, extending or increasing any Letters of Credit and after giving effect to the proposed extensions of credit: (i) the representations and warranties of the Loan Parties shall then be true and correct (before and after giving effect to the making of such Loans or the issuance, extension or increase of any Letter of Credit, as applicable, and the application of the proceeds of the foregoing), (ii) no Event of Default or Potential Default shall have occurred and be continuing, (iii) the making of the Loans or issuance, extension or increase of such Letter of Credit shall not contravene any Law applicable to any Loan Party or Subsidiary of any Loan Party or any of the Lenders, and (iv) the Borrowers shall have delivered to the Administrative Agent a duly executed and completed Loan Request or to the Issuing Lender an application for a Letter of Credit, as the case may be.

8. COVENANTS

The Loan Parties, jointly and severally, covenant and agree that until Payment In Full, that, unless at any time the Required Lenders shall otherwise expressly consent in writing, the Loan Parties shall (and, where applicable, will cause any other Loan Party or any non-domestic Subsidiary of a Loan Party to) comply at all times with the following covenants:

8.1 Affirmative Covenants

8.1.1 Books, Records and Inspections.

Each Loan Party shall keep, and cause each other Loan Party to keep, its books and records in accordance with sound business practices sufficient to allow the preparation of financial statements in accordance with GAAP; permit, and cause each other Loan Party to permit, any Lender or the Administrative Agent or any representative thereof to inspect the properties and operations of the Loan Parties; and permit, and cause each other Loan Party to permit, at any reasonable time and with reasonable notice (or at any time without notice if an Event of Default exists), any Lender or the Administrative Agent or any representative thereof to visit any or all of its offices, to discuss its financial matters with its officers and its independent auditors (and the Company hereby authorizes such independent auditors to discuss such financial matters with any Lender or the Administrative Agent or any representative thereof), and to examine (and, at the expense of the Loan

Parties, photocopy extracts from) any of its books or other records. All such inspections or audits by the Administrative Agent shall be at the Company's expense, provided that so long as no Event of Default or Potential Default exists, the Company shall not be required to reimburse the Administrative Agent for inspections or audits.

8.1.2Maintenance of Property; Insurance.

Each Loan Party shall:

(a)Keep, and cause each other Loan Party to keep, all material property necessary in the business of the respective Loan Parties in working order and condition, ordinary wear and tear excepted except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(b)Insure its properties and assets against loss or damage by fire and such other insurable hazards as such assets are commonly insured (including fire, extended coverage, property damage, workers' compensation, public liability, and business interruption insurance) and against other risks (including errors and omissions) in such amounts as similar properties and assets are insured by prudent companies in similar circumstances carrying on similar businesses, and with insurers believed by the Company to be reputable and financially sound, including self-insurance to the extent customary. The Company shall provide to the Administrative Agent (who shall forward a copy of the same to each of the Lenders), no later than the date on which annual financial statements are to be provided to the Administrative Agent pursuant to Section 8.3.2 [Annual Reports], evidence (in such form as is satisfactory to the Administrative Agent) of compliance with the terms of this Section 8.1.2.

8.1.3Compliance with Laws; Payment of Taxes and Liabilities.

Each Loan Party shall comply, in all material respects with all applicable Laws, except where failure to comply could not reasonably have a Material Adverse Effect.

8.1.4Maintenance of Existence, etc.

Each Loan Party shall maintain and preserve, and (subject to Section 8.2.5 [Acquisitions, Mergers, Consolidations, Sales]) cause each other Loan Party and each non-domestic Subsidiary of a Loan Party to maintain and preserve, (a) its existence and good standing in the jurisdiction of its organization and (b) its qualification to do business and good standing in each jurisdiction where the nature of its business makes such qualification necessary (other than such jurisdictions in which the failure to be qualified or in good standing could not reasonably be expected to result in a Material Adverse Effect).

8.1.5Use of Proceeds.

The Loan Parties will use the Letters of Credit and the proceeds of the Loans only in accordance with Section 2.7 [Use of Proceeds] and as permitted by applicable Law.

8.1.6Employee Benefit Plans.

Each Loan Party shall:

8.1.6.1maintain, and cause each other member of the ERISA Group to maintain, each Pension Plan in substantial compliance with all applicable requirements of Law,

(a)make, and cause each other member of the ERISA Group to make, on a timely basis, all required contributions to any Multiemployer Plan, and

(b)not, and not permit any other member of the ERISA Group to (i) seek a waiver of the minimum funding standards of ERISA, (ii) terminate or withdraw from any Pension Plan or Multiemployer Plan or (iii) take any other action with respect to any Pension Plan that would reasonably be expected to entitle the PBGC to terminate, impose liability (other than timely payment of PBGC

premiums) in respect of, or cause a trustee to be appointed to administer, any Pension Plan, unless the actions or events described in clauses (i), (ii) and (iii) individually or in the aggregate would not have a Material Adverse Effect.

8.1.7Environmental Matters.

Each Loan Party shall comply, in all material respects, with all applicable Environmental Laws. Without limiting the foregoing, if any release or threatened release or other disposal of Hazardous Substances shall occur or shall have occurred on any real property or any other assets of any Loan Party, the Company shall, or shall cause the applicable Loan Party to, cause the prompt containment and removal of such Hazardous Substances and the remediation of such real property or other assets as necessary to comply with all Environmental Laws and to preserve the value of such real property or other assets. Without limiting the generality of the foregoing, the Company shall, and shall cause each other Loan Party to, comply with any Federal or state judicial or administrative order requiring the performance at any real property of any Loan Party of activities in response to the release or threatened release of a Hazardous Substance. To the extent that the transportation of Hazardous Substances is permitted by this Agreement, the Company shall, and shall cause its Subsidiaries to, dispose of such Hazardous Substances, or of any other wastes, only at licensed disposal facilities operating in compliance with Environmental Laws.

8.1.8Further Assurances; Joinder of Loan Parties.

Each Loan Party shall take, and cause each other Loan Party to take, such actions as are necessary or as the Administrative Agent or the Required Lenders may reasonably request from time to time to ensure that the Obligations of each Loan Party under the Loan Documents are guaranteed by each domestic Subsidiary (including, upon the acquisition or creation thereof, any Subsidiary acquired or created after the Closing Date), in each case as the Administrative Agent may determine, including the execution and delivery of the Loan Documents and other deliveries required under Section 11.15 [Joinder of Loan Parties] hereof.

8.1.9Excluded Subsidiaries.

In the event that the operations or revenue of any Excluded Subsidiary is no longer immaterial to the operations or income of a Borrower and its other Subsidiaries, as reasonably determined by the Administrative Agent in consultation with the Company, then such entity shall guaranty the Obligations of each Loan Party under the Loan Documents and become a Loan Party hereunder by the execution and delivery of guaranties and other documents including a Loan Party Joinder substantially in the form of Exhibit 1.1(L).

8.1.10Anti-Corruption Laws.

The Borrowers will maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrowers, their Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Anti-Corruption Sanctions.

8.1.11Keepwell.

Each Qualified ECP Loan Party jointly and severally (together with each other Qualified ECP Loan Party) hereby absolutely unconditionally and irrevocably (a) guarantees the prompt payment and performance of all Swap Obligations owing by each Non-Qualifying Party (it being understood and agreed that this guarantee is a guaranty of payment and not of collection), and (b) undertakes to provide such funds or other support as may be needed from time to time by any Non-Qualifying Party to honor all of such Non-Qualifying Party's obligations under this Agreement or any other Loan Document in respect of Swap Obligations (provided, however, that each Qualified ECP Loan Party shall only be liable under this Section 8.1.11 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 8.1.11, or otherwise under this Agreement or any other Loan Document, voidable under applicable law, including applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Loan Party under this Section 8.1.11 shall remain in full force and effect until payment in full of the Obligations and termination of this Agreement and the other Loan

Documents. Each Qualified ECP Loan Party intends that this Section 8.1.11 constitute, and this Section 8.1.11 shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support, or other agreement" for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v) (II) of the CEA.

8.2Negative Covenants

8.2.1Indebtedness.

Each of the Loan Parties shall not, and shall not permit any of its non-domestic Subsidiaries to, at any time create, incur, assume or suffer to exist any Indebtedness, except:

(i)Obligations under this Agreement and the other Loan Documents;

(ii)Indebtedness secured by Liens permitted by Section 8.2.2(iv), and extensions, renewals and refinancings thereof;

provided that the aggregate amount of all such Indebtedness at any time outstanding shall not exceed an amount equal to five percent (5%) of the Consolidated Net Tangible Assets;

(iii)Indebtedness of any non-domestic Subsidiary of the Company to any other non-domestic Subsidiary of the Company;

and, Indebtedness of any Loan Party to any other Loan Party, provided that the obligations of the Borrowers to each of the other Loan Parties under such Indebtedness shall be subordinated to the Obligations of the Borrowers hereunder in a manner reasonably satisfactory to the Administrative Agent;

(iv)Indebtedness arising under the 2013 Note Indenture and any New Note Indenture that is or pursuant to its terms may become secured (other than to the extent of customary rights of set off) by any Lien on any property or assets of any Loan Party in an aggregate outstanding amount not at any time exceeding \$500,000,000;

(v)Any (i) Lender Provided Interest Rate Hedge, (ii) Lender Provided Foreign Currency Hedge, (iii) Lender Provided Commodity Hedge, (iv) other Commodity Hedge, Interest Rate Hedge or Foreign Currency Hedge approved by the Administrative Agent or (v) Indebtedness under any Other Lender Provided Financial Services Product; provided however, the Loan Parties shall enter into a Commodity Hedge, Interest Rate Hedge or Foreign Currency Hedge only for hedging (rather than speculative) purposes;

(vi)Indebtedness described on Schedule 8.2.1 and, subject to Section 8.2.15 [Limitations on Indentures], any extension, renewal or refinancing thereof to the extent the principal amount thereof is not increased or made senior in right of payment to the Loans, and so long as the terms thereof are not materially more burdensome than those of the Indebtedness being extended, renewed, or refinanced;

(vii)Contingent Liabilities of the Loan Parties or any non-domestic Subsidiary of a Loan Party arising with respect to (i) any Indebtedness permitted hereby, and (ii) notwithstanding any other provision hereof (but subject to the proviso below), guaranties of performance, completion, quality, and the like provided by the Company or any Subsidiary of the Company with respect to performance or similar obligations owing to a Person by the Company or any of its Subsidiaries provided, however, that the sum of all amounts paid plus all costs incurred, as the case may be, by the Loan Parties with respect to guaranties of the performance, completion, quality, or similar obligations of all non-domestic Subsidiaries of the Company, to the extent such amounts paid or costs incurred by Loan Parties are not repaid or reimbursed by the non-domestic Subsidiaries of the Company, shall be deemed to be Indebtedness of

non-domestic Subsidiaries of the Company owing to Loan Parties for the purposes, and subject to the limitations of clause (ix) of this Section 8.2.1 (for the avoidance of doubt, none of such obligations incurred or amounts paid or costs incurred by the Company or any of its Subsidiaries with respect to guaranties of the performance, completion, quality, or similar obligations of the Company or any of its Subsidiaries shall be deemed to be Indebtedness of, or a loan to, the Company or any of its Subsidiaries for the purposes of the calculation of any of the financial covenants of Section 8.2.13 [Financial Covenants]);

(viii) Indebtedness of the Loan Parties and any non-domestic Subsidiary of a Loan Party in respect of surety bonds, performance bonds, bid bonds, or similar obligations arising in the ordinary course of business up to an amount reasonably determined to be payable under all surety bonds then outstanding not to exceed at any time \$750,000,000 in the aggregate;

(ix) Indebtedness of any non-domestic Subsidiary of the Company to any Loan Party or to any other Person, *provided that* the aggregate of all such Indebtedness in existence at any time of calculation shall not exceed the equivalent amount of \$100,000,000; and

(x) other unsecured Indebtedness of any Loan Party, including Indebtedness arising under a New Note Indenture that is not and pursuant to its terms will not become secured (other than to the extent of customary rights of set off) by any Lien on any property or assets of any Loan Party, so long as (A) no Potential Default or Event of Default shall exist immediately prior to, or after giving effect to, the incurrence of such Indebtedness, and (B) the Loan Parties are in compliance with the financial ratios and restrictions set forth in Section 8.2.13 [Financial Covenants] immediately after giving effect to the incurrence of such Indebtedness.

8.2.2 Liens.

Each of the Loan Parties shall not, and shall not permit any other Loan Party or any of its non-domestic Subsidiaries to, at any time create, incur, assume or suffer to exist any Lien on any of its property or assets, tangible or intangible, now owned or hereafter acquired, or agree or become liable to do so, except:

(i) Liens for taxes or other governmental charges not at the time delinquent or thereafter payable without penalty or being contested in good faith by appropriate proceedings and, in each case, for which it maintains adequate reserves;

(ii) Liens arising in the ordinary course of business (including (i) Liens of carriers, warehousemen, mechanics and materialmen and other similar Liens imposed by Law, (ii) Liens in the form of deposits or pledges incurred in connection with worker's compensation, unemployment compensation and other types of social security (excluding Liens arising under ERISA) or in connection with surety bonds, bids, performance bonds and similar obligations) for sums not overdue or being contested in good faith by appropriate proceedings and not involving any advances or borrowed money or the deferred purchase price of property or services and, in each case, for which it maintains adequate reserves, and (iii) in relation to WABTEC UA (and any other Borrower organized under the laws of the Netherlands), any Lien which arises under the general banking conditions of a bank in the Netherlands with which such Borrower holds an account;

(iii) Liens arising under the Loan Documents from time to time;

(iv) subject to the limitation set forth in Section 8.2.1(ii), (i) Liens arising in connection with Capital Leases (and attaching only to the property being leased), (ii) Liens existing on property at the time of the acquisition thereof by any Loan Party or any non-domestic Subsidiary of a Loan Party (and not created in contemplation of such acquisition) and (iii) Liens that constitute purchase

money security interests on any property securing debt incurred for the purpose of financing all or any part of the cost of acquiring such property, provided that any such Lien attaches to such property within 60 days of the acquisition thereof and attaches solely to the property so acquired;

(v) attachments, appeal bonds, judgments and other similar Liens, for sums not exceeding \$25,000,000 arising in connection with court proceedings, provided the execution or other enforcement of such Liens is effectively stayed and the claims secured thereby are being actively contested in good faith and by appropriate proceedings;

(vi) Liens on contracts entered into with its customers by a Loan Party or any non-domestic Subsidiary of a Loan Party and the assets related thereto to secure the obligations of the Loan Party or the non-domestic Subsidiary of a Loan Party in respect of such contracts or in respect of surety bonds, performance bonds, bid bonds, or similar obligations arising in the ordinary course of business issued on its behalf, in each case to assure performance of such contracts;

(vii) easements, rights of way, restrictions, minor defects or irregularities in title and other similar Liens not interfering in any material respect with the ordinary conduct of the business of any Loan Party;

(viii) Liens arising under Securitizations;

(ix) Liens securing the payment or performance of the Indebtedness permitted pursuant to clause (iv) of Section 8.2.1; and

(x) other Liens securing payment of an aggregate amount of Indebtedness not to exceed \$50,000,000.

8.2.3 Operating Leases.

Each of the Loan Parties shall not permit the aggregate amount of all rental payments under Operating Leases made (or scheduled to be made) by the Loan Parties (on a consolidated basis) to exceed \$150,000,000 in any Fiscal Year.

8.2.4 Restricted Payments.

Each of the Loan Parties shall not, and shall not permit any other Loan Party or any of its non-domestic Subsidiaries of such Loan Party to, (a) make any distribution to any holders of its Capital Securities, (b) purchase or redeem any of its Capital Securities, (c) make any principal payment on the Indebtedness outstanding under the 2013 Note Indenture or any New Note Indenture, or (d) set aside funds for any of the foregoing (collectively, the "*Restricted Payments*"); provided however, the Loan Parties may make Restricted Payments so long as (A) no Event of Default or Potential Default shall exist immediately prior to, or after giving effect to, such Restricted Payments, and (B) the Loan Parties are in compliance with the financial ratios and restrictions set forth in Section 8.2.13 [Financial Covenants] immediately after giving effect to such Restricted Payment.

8.2.5 Acquisitions, Mergers, Consolidations, Sales.

Each of the Loan Parties shall not, and shall not permit any other Loan Party or any of its non-domestic Subsidiaries to, (a) be a party to any merger or consolidation, or purchase or otherwise acquire all or substantially all of the assets or any Capital Securities of any class of, or any partnership or joint venture interest in, any other Person, (b) sell, transfer, convey or lease all or any substantial part of its assets or Capital Securities (including the sale of Capital Securities of any Subsidiary, but excluding the Capital Securities of the Company), or (c) sell or assign with or without recourse any receivables, except for:

(i) any such merger, consolidation, sale, transfer, conveyance, lease or assignment of or by any Wholly-Owned Subsidiary into a Borrower or into any other domestic Wholly-Owned

Subsidiary or any such purchase or other acquisition by a Borrower or any domestic Wholly-Owned Subsidiary of the assets or Capital Securities of any Wholly-Owned Subsidiary;

(ii) any such merger, consolidation, sale, transfer, conveyance, lease or assignment of or by any non-domestic Subsidiary into a Borrower or into any other non-domestic Subsidiary or any such purchase or other acquisition by a Borrower or any non-domestic Subsidiary of the assets or Capital Securities of any non-domestic Subsidiary;

(iii) any sale, lease, or other disposition of assets in the ordinary course of business;

(iv) any sale of assets transferred, disposed of or otherwise directly or indirectly subject to any Securitization so long as the aggregate face amount of all such Securitizations shall not exceed \$200,000,000 at any one time;

(v) any sale, lease, or other disposition of assets (other than those specifically excepted pursuant to clauses (i) through (iv) above), provided that (a) at the time of any such disposition, no Event of Default shall exist or shall result from such disposition, and (b) the aggregate value of all assets so transferred or disposed of by the Borrowers or any domestic Subsidiary of the Company shall not exceed: (1) in any fiscal year ten percent (10%) of the total tangible assets of the Loan Parties at the time of such disposition, and (2) for the period commencing on the Closing Date and continuing until the Expiration Date, twenty percent (20%) of the total tangible assets of the Loan Parties at the time of any such disposition; or

(vi) any other Acquisition by the Borrowers or any Wholly-Owned Subsidiary where:

(a) the business or division acquired are for use, or the Person acquired is engaged, in the businesses conducted by the Loan Parties on the Closing Date or in other activities reasonably incidental thereto or to the operations of a company of the size or nature of any of the Loan Parties, and a Loan Party shall be the surviving Person in the event of a merger or consolidation with a domestic Person, and a Subsidiary of the Company shall be the surviving Person in the event of a merger or consolidation with a non-domestic Person;

(b) immediately before and after giving effect to such Acquisition, no Event of Default or Potential Default shall exist;

(c) the Company shall demonstrate that it shall be in pro forma compliance with all the financial ratios and restrictions set forth in Section 8.2.13 [Financial Covenants], immediately after giving effect to such Acquisition, by delivering to the Administrative Agent (who shall forward a copy of the same to the Lenders) at least three (3) Business Days prior to such Acquisition an acquisition compliance certificate substantially in the form of Exhibit 8.2.5 evidencing such compliance; provided, however, no such notice shall be required for an Acquisition in which the total consideration paid or incurred with respect thereto by the Company or any of its Subsidiaries in the aggregate (including Indebtedness incurred or assumed) is no greater than \$50,000,000;

(d) in the case of the Acquisition of any Person, the Board of Directors or similar governing body of such Person has approved such Acquisition;

(e) the provisions of Section 8.1.8 [Further Assurances; Joinder of Loan Parties] have been satisfied.

8.2.6Modification of Organizational Documents.

Each of the Loan Parties shall not, and shall not permit the articles, charter, by-laws or other organizational documents of any Loan Party or any non-domestic Subsidiary of a Loan Party to be amended or modified in any way which could reasonably be expected to materially adversely affect the interests of the Lenders.

8.2.7Transactions with Affiliates.

Each of the Loan Parties shall not, and not permit any other Loan Party to, enter into, or cause, suffer or permit to exist any transaction, arrangement or contract with any of its other Affiliates which is on terms which are less favorable than are obtainable from any Person which is not one of its Affiliates, other than with respect to transactions with any of the Loan Parties or any other Subsidiary of a Loan Party for which there exists a reasonable economic, legal, or related motivation.

8.2.8Unconditional Purchase Obligations.

Each of the Loan Parties shall not, and not permit any other Loan Party to, enter into or be a party to any contract for the purchase of materials, supplies or other property or services if such contract requires that payment be made by it regardless of whether delivery is ever made of such materials, supplies or other property or services except for such contracts in an aggregate amount not at any time exceeding \$150,000,000.

8.2.9Inconsistent Agreements.

Each of the Loan Parties shall not, and not permit any other Loan Party to, enter into any agreement containing any provision which would (a) be violated or breached by any borrowing by the Borrowers hereunder or by the performance by any Loan Party of any of its Obligations hereunder or under any other Loan Document, (b) prohibit any Loan Party from granting to the Administrative Agent and the Lenders, a Lien on any of its assets or (c) create or permit to exist or become effective any encumbrance or restriction on the ability of any Subsidiary to (i) pay dividends or make other distributions to the Company or any other Subsidiary, or pay any Indebtedness owed to the Company or any other Subsidiary, (ii) make loans or advances to any Loan Party or (iii) transfer any of its assets or properties to any Loan Party, other than (A) customary restrictions and conditions contained in agreements relating to the sale of all or a substantial part of the assets of any Subsidiary pending such sale, provided that such restrictions and conditions apply only to the Subsidiary to be sold and such sale is permitted hereunder (B) restrictions or conditions imposed by any agreement relating to purchase money Indebtedness, Capital Leases and other secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness and (C) customary provisions in leases and other contracts restricting the assignment thereof.

8.2.10Business Activities; Issuance of Equity.

Each of the Loan Parties shall not, and shall not permit any other Loan Party or any of its non-domestic Subsidiaries to engage in any line of business other than the businesses engaged in on the date hereof and businesses and other activities reasonably incidental thereto or to the operations of a company of the size or nature of any of the Loan Parties. Each of the Loan Parties shall not, and shall not permit any other Loan Party (other than the Company) to, issue any Capital Securities other than (a) any issuance of shares of the Company's common Capital Securities pursuant to any employee or director option program, benefit plan or compensation program or (b) any issuance by a Subsidiary to the Company or another Subsidiary in accordance with Section 8.2.4 [Restricted Payments].

8.2.11Investments.

Each of the Loan Parties shall not, and shall not permit any other Loan Party or any of its non-domestic Subsidiaries to, make or permit to exist any Investment in any other Person, except the following:

(i) contributions by a Borrower to the capital of any Wholly-Owned Subsidiary, or by any Subsidiary to the capital of any other domestic Wholly-Owned Subsidiary, so long as the recipient

of any such capital contribution has guaranteed the Obligations, in each case in accordance with Section 8.1.8 [Further Assurances; Joinder of Loan Parties];

(ii) Investments constituting Indebtedness permitted by Section 8.2.1 [Indebtedness];

(iii) Contingent Liabilities constituting Indebtedness permitted by Section 8.2.1 [Indebtedness] or Liens permitted by

Section 8.2.2 [Liens];

(iv) Cash Equivalent Investments;

(v) bank deposits in the ordinary course of business;

(vi) intercompany loans or investments by domestic Loan Parties to or in domestic Loan Parties;

(vii) in addition to the Investments permitted by other clauses of this Section 8.2.11 (including Investments permitted by

clause (ix) below), Investments to or in Ventures or non-domestic Subsidiaries of the Company in an aggregate amount at any time of calculation not in excess of \$100,000,000;

(viii) loans by non-domestic Subsidiaries to a Borrower, *provided* that each such loan is subject to a subordination

agreement satisfactory to Administrative Agent;

(ix) Investments to consummate Acquisitions permitted by Section 8.2.5 [Acquisitions, Mergers, Consolidations, Sales];

and

(x) Investments listed on Schedule 8.2.11 as of the Closing Date,

provided that (x) any Investment which when made complies with the requirements of the definition of the term "*Cash Equivalent Investment*" may continue to be held notwithstanding that such Investment if made thereafter would not comply with such requirements; (y) no Investment otherwise permitted by clause (vii), or (ix) shall be permitted to be made if, immediately before or after giving effect thereto, any Event of Default or Potential Default exists.

8.2.12 Fiscal Year.

Each of the Loan Parties shall not change its Fiscal Year.

8.2.13 Financial Covenants.

8.2.13.1 Interest Coverage Ratio. The Loan Parties shall not permit the Interest Coverage Ratio for any Computation Period to be less than 3.00 to 1.00.

8.2.13.2 Leverage Ratio. The Loan Parties shall not permit the Leverage Ratio as of the last day of any Computation Period to exceed 3.25 to 1.00.

8.2.13.3 Covenant Calculations. In the event of a proposed Acquisition, the Company shall demonstrate pro forma compliance with Section 8.2.13.1 [Interest Coverage Ratio] and Section 8.2.13.2 [Leverage Ratio] by determining the calculations of each such Section as if such Acquisition and all obligations of the Company and its Subsidiaries incurred in connection therewith had been completed and incurred at the beginning of the period for each such calculation.

8.2.14 Cancellation of Indebtedness.

Each of the Loan Parties shall not, and shall not permit any other Loan Party to, cancel any claim or debt owing to it, except for reasonable consideration or in the ordinary course of business.

8.2.15 Limitations on Indentures; Limitations on Amendments to 2013 Note Indenture.

Each of the Loan Parties shall not agree to, permit, or suffer to exist any New Note Indenture or any amendment, modification or waiver with respect to the 2013 Note Indenture, unless such New Note Indenture, and the Indebtedness thereunder, or such 2013 Note Indenture as so amended, modified or waived, meets all of the following criteria:

(a) after giving effect to any New Note Indenture, the Loan Parties shall be in compliance with the covenants and other requirements of this Agreement (including those set forth at Section 8.2.13 [Financial Covenants] of this Agreement) and no Event of Default or Potential Default shall exist or be continuing;

(b) the events of default and covenants set forth in any New Note Indenture, shall not be more restrictive, in any material respect, than the Events of Default and covenants set forth in this Agreement;

(c) the payment of the Indebtedness outstanding under any New Note Indenture, shall not be secured (other than to the extent of customary rights of set off) by any Lien on any property or assets of any Loan Party; notwithstanding the foregoing, the Loan Parties may grant a Lien under a New Note Indenture if required to do so under the terms of such New Note Indenture to secure the Indebtedness outstanding under such New Note Indenture, provided that in such case, the Loan Parties shall concurrently grant a Lien on the same property or assets, on a pari passu basis, to the Administrative Agent for the benefit of the Lenders to secure the Obligations outstanding under the Loan Documents; provided that, the Loan Parties shall only permit such Liens granted under such New Note Indenture to exist for as long as such Liens are required under the terms of such New Note Indenture; provided further that, if a Lien is granted by the Loan Parties to secure the payment or performance of any obligations under any New Note Indenture in violation of this clause (c), then the Loan Parties will be deemed to have concurrently granted a Lien in the same collateral, on a pari passu basis, to the Administrative Agent to secure the payment and performance of the Obligations under this Agreement (and the Loan Parties hereby authorize the perfection of all such Liens by the Administrative Agent for the benefit of the Lenders);

(d) no New Note Indenture shall prohibit any Loan Party from providing any Lien, now or hereafter, to the Administrative Agent or any Lender to secure the payment or performance of any or all of the Obligations;

(e) no Obligations of the Loan Parties under this Agreement and the other Loan Documents shall conflict with or violate the terms of any New Note Indenture, and any Loans made or hereafter made to the Borrowers and any Letters of Credit issued or hereafter issued under this Agreement shall continue to be permitted to be incurred under such New Note Indenture; and

(f) the Indebtedness outstanding under any New Note Indenture, will not conflict with or violate the terms of this Agreement or any other Loan Document.

8.2.16 Anti-Terrorism Laws; International Trade Compliance; Anti-Corruption Laws.

(a) No Covered Entity will become a Sanctioned Person, (b) no Covered Entity, either in its own right or through any third party, will (A) have any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law; (B) do

business in or with, or derive any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; (C) engage in any dealings or transactions prohibited by any Anti-Terrorism Law or (D) use the Loans to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law, (c) the funds used to repay the Obligations will not be derived from any unlawful activity, (d) each Covered Entity shall comply with all Anti-Terrorism Laws, and (e) the Borrowers shall promptly notify the Agent in writing upon the occurrence of a Reportable Compliance Event. No Borrower will request any Loan or Letter of Credit, and no Borrower will use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Loan or Letter of Credit (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Anti-Corruption Sanctioned Person, or in any Anti-Corruption Sanctioned Country, or (C) in any manner that would result in the violation of any Anti-Corruption Sanctions applicable to any party hereto.

8.3 Reporting Requirements.

The Loan Parties, jointly and severally, covenant and agree that until Payment In Full, that the Loan Parties shall (and, where applicable, will cause any other Loan Party or any non-domestic Subsidiary of a Loan Party to) furnish or cause to be furnished to the Administrative Agent and each of the Lenders:

8.3.1 Quarterly Financial Statements.

Promptly when available and in any event within 45 days after the end of each Fiscal Quarter (except the last Fiscal Quarter of each Fiscal Year), consolidated financial statements of the Company and its Subsidiaries as of the end of such Fiscal Quarter consisting of the consolidated 10-Q of the Company and its Subsidiaries.

8.3.2 Annual Reports.

Promptly when available and in any event within 90 days after the close of each Fiscal Year, the consolidated financial statements of the Company and its Subsidiaries as at the end of such Fiscal Year consisting of the consolidated 10-K of the Company and its Subsidiaries, all in reasonable detail and certified without adverse reference to going concern value and without qualification by independent auditors of recognized standing selected by the Company and reasonably acceptable to the Administrative Agent.

8.3.3 Certificate of the Company.

Concurrently with the financial statements of the Company furnished to the Administrative Agent and to the Lenders pursuant to Sections 8.3.1 [Quarterly Financial Statements] and 8.3.2 [Annual Reports], a certificate (each a "*Compliance Certificate*") of the Company signed by a Senior Officer of the Company, in the form of Exhibit 8.3.3, containing a computation of each of the financial ratios and restrictions set forth in Section 8.2.13 [Financial Covenants] and to the effect that such officer has not become aware of any Event of Default or Potential Default that has occurred and is continuing or, if there is any such event, describing it and the steps, if any, being taken to cure it.

8.3.4 Notices

8.3.4.1 Default. Promptly after any officer of any Loan Party has learned of the occurrence of an Event of Default or Potential Default, a certificate signed by a Senior Officer setting forth the details of such Event of Default or Potential Default and the action which such Loan Party proposes to take with respect thereto.

8.3.4.2 Notice of Litigation. Promptly after the commencement thereof, notice of all actions, suits, or governmental investigations or proceedings (as to which the Company or

any Subsidiary of the Company has actual knowledge) against the Company or any Subsidiary of the Company, involving a claim or series of claims in excess of \$25,000,000 or which if adversely determined could reasonably be expected to have a Material Adverse Effect.

8.3.4.3 Organizational Documents. Within the time limits set forth in Section 8.2.6 [Modification of Organizational Documents], any amendment to the organizational documents of any Loan Party.

8.3.4.4 Erroneous Financial Information. Immediately in the event that the Company or its accountants conclude or advise that any previously issued financial statement, audit report or interim review should no longer be relied upon or that disclosure should be made or action should be taken to prevent future reliance, notice in writing setting forth the details thereof and the action which the Company proposes to take with respect thereto.

8.3.4.5 Notice of Litigation Matters and ERISA. Promptly upon becoming aware of any of the following, written notice describing the same and the steps being taken by the Company or the Subsidiary affected thereby with respect thereto:

(a) any litigation, arbitration or governmental investigation or proceeding not previously disclosed by the Company to the Lenders which has been instituted or, to the knowledge of any Borrower, is threatened against any Loan Party or to which any of the properties of any thereof is subject or any change or adverse development in any such litigation, arbitration or governmental investigation or proceeding whether or not such litigation, arbitration or governmental investigation or proceeding was previously disclosed by the Company to the Lenders (including any change in insurance coverage or rights of indemnification or contribution with respect thereto), which in any case might reasonably be expected to have a Material Adverse Effect;

(b) the occurrence of any ERISA Event, notice in writing setting forth the details thereof and the action which the Borrowers propose to take with respect thereto; or

(c) any violation of any Environmental Law or the assertion of any Environmental Claim which would reasonably be expected to have a Material Adverse Effect.

8.3.4.6 Other Reports. Promptly upon their becoming available to the Company, but in no event later than the specific date or time provided below with respect to such item, the Company shall furnish copies to the Administrative Agent of the following items:

(i) Annual Budget. The annual budget and any forecasts or projections of the Company, to be supplied not later than the last day of February of each year,

(ii) Reports to the SEC and to Shareholders. Promptly upon the filing or sending thereof, copies of all regular, periodic or special reports of any Loan Party filed with the SEC; copies of all registration statements of any Loan Party filed with the SEC (other than on Form S-8); and copies of all proxy statements or other communications made to security holders generally,

(iii) Management Letters. Unless the Company is prohibited from furnishing copies thereof pursuant to restrictions contained therein, any reports including management letters submitted to the Company by independent accountants in connection with any annual, interim or special audit,

(iv) Indenture Debt Notices. Copies of any notices (including notices of default or acceleration) received from any holder or trustee of, under or with respect to the Amended Permitted Note Indenture or any New Note Indenture, and
(v) Other Information. Such other reports and information as any of the Lenders may from time to time reasonably request.

8.3.5 SEC Web Site

. Reports required to be delivered pursuant to Sections 8.3.1 [Quarterly Financial Statements], 8.3.2 [Annual Financial Statements] and [Other Reports and Information] shall be deemed to have been delivered on the date on which such report is posted on the SEC's website at www.sec.gov, and such posting shall be deemed to satisfy the reporting requirements of Sections 8.3.1, 8.3.2 and 8.3.4.6.

9. DEFAULT

9.1 Events of Default.

An Event of Default shall mean the occurrence or existence of any one or more of the following events or conditions (whatever the reason therefor and whether voluntary, involuntary or effected by operation of Law):

9.1.1 Non-Payment of the Loans, etc.

Default in the payment when due of the principal of any Loan; or default, and continuance thereof for five days, in the payment when due of any interest, fee, reimbursement obligation with respect to any Letter of Credit or other amount payable by the Borrowers hereunder or under any other Loan Document;

9.1.2 Non-Payment of Other Indebtedness.

Any default shall occur under the terms applicable to any Indebtedness of any one or more Loan Party or Loan Parties in an aggregate amount (for all such Indebtedness so affected and including undrawn committed or available amounts and amounts owing to all creditors under any combined or syndicated credit arrangement) exceeding \$25,000,000 and such default shall (a) consist of the failure to pay such Indebtedness when due, whether by acceleration or otherwise, or (b) accelerate the maturity of such Indebtedness or permit the holder or holders thereof, or any trustee or agent for such holder or holders, to cause such Indebtedness to become due and payable (or require any Loan Party to purchase or redeem such Indebtedness or post cash collateral in respect thereof) prior to its expressed maturity;

9.1.3 Other Material Obligations.

Default in the payment when due, or in the performance or observance of, any material obligation of, or condition agreed to by, any Loan Party with respect to any material purchase or lease of goods or services where such default, singly or in the aggregate with all other such defaults, would reasonably be expected to have a Material Adverse Effect;

9.1.4 Material Adverse Effect.

The occurrence of any event having a Material Adverse Effect;

9.1.5 Non-Compliance with Loan Documents.

(a) Failure by any Loan Party to comply with or to perform any covenant set forth in Section 8.2 [Negative Covenants] (other than Section 8.2.13.2 [Covenant Calculations]) or Section 8.1.10 [Anti-Terrorism Laws; International Trade Law Compliance]; or (b) failure by any Loan Party to comply with or to perform any other provision of this Agreement or any other Loan Document (and not constituting an Event of Default under any other provision of this Section 9) and continuance of such failure described in this clause (b) for 45 days;

9.1.6 Representations; Warranties.

Any representation or warranty made by any Loan Party herein or any other Loan Document is breached or is false or misleading in any material

respect, or any schedule, certificate, financial statement, report, notice or other writing furnished by any Loan Party to the Administrative Agent or any Lender in connection herewith is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified;

9.1.7Pension Plans.

An ERISA Event occurs with respect to a Pension Plan which has resulted or could reasonably be expected to result in liability of any Borrower or any member of the ERISA Group under Title IV of ERISA to the Pension Plan or the PBGC in an aggregate amount in excess of \$50,000,000, or any Borrower or any member of the ERISA Group fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan, where the aggregate amount of unamortized withdrawal liability is in excess of \$50,000,000;

9.1.8Judgments.

Final judgments which exceed an aggregate of \$25,000,000 shall be rendered against any Loan Party and shall not have been paid, discharged or vacated or had execution thereof stayed pending appeal within 60 days after entry or filing of such judgments;

9.1.9Invalidity of Loan Documents, etc.

Any Loan Document shall cease to be in full force and effect; or any Loan Party (or any Person by, through or on behalf of any Loan Party) shall contest in any manner the validity, binding nature or enforceability of any Loan Document;

9.1.10Change of Control.

A Change of Control shall occur;

9.1.11Anti-Terrorism Laws.

Any representation or warranty contained in Section 6.1.22 [Anti-Terrorism Laws] is or becomes false or misleading at any time; or

9.1.12Bankruptcy, Insolvency, etc.

Any Loan Party becomes insolvent or generally fails to pay, or admits in writing its inability or refusal to pay, debts as they become due; or any Loan Party applies for, consents to, or acquiesces in the appointment of a trustee, receiver or other custodian for such Loan Party or any property thereof, or makes a general assignment for the benefit of creditors; or, in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian is appointed for any Loan Party or for a substantial part of the property of any thereof and is not discharged within 60 days; or any bankruptcy, reorganization, debt arrangement, or other case or proceeding under any bankruptcy or insolvency Law, or any dissolution or liquidation proceeding, is commenced in respect of any Loan Party, and if such case or proceeding is not commenced by such Loan Party, it is consented to or acquiesced in by such Loan Party, or remains for 60 days undismissed; or any Loan Party takes any action to authorize, or in furtherance of, any of the foregoing.

9.2Effect of Event of Default

9.2.1Events of Default Other Than Bankruptcy, Insolvency or Reorganization Proceedings.

If an Event of Default specified under Sections 9.1.1 through 9.1.11 shall occur and be continuing, the Lenders and the Administrative Agent shall be under no further obligation to make Loans and the Issuing Lender shall be under no obligation to issue Letters of Credit and the Administrative Agent may, and upon the written request of the Required Lenders shall, (i) by written notice to the Borrowers, declare the unpaid principal amount of the Notes then outstanding and all interest accrued thereon, any unpaid fees and all other Indebtedness of the Borrowers to the Lenders hereunder and thereunder to be forthwith due and payable, and the same shall thereupon become and be immediately due and payable to the Administrative Agent for the benefit of each Lender without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, and (ii) require the Borrowers to, and the Borrowers shall thereupon, Cash Collateralize all Letters of Credit, and each

Borrower hereby pledges to the Administrative Agent and the Lenders, and grants to the Administrative Agent and the Lenders a security interest in, all such cash as security for such Obligations; and

9.2.2Bankruptcy, Insolvency or Reorganization Proceedings.

If an Event of Default specified under Section 9.1.12 [Bankruptcy, Insolvency, etc.] shall occur, the Lenders shall be under no further obligations to make Loans hereunder and the Issuing Lender shall be under no obligation to issue Letters of Credit, and the Borrowers shall become immediately obligated to Cash Collateralize all Letters of Credit, and the unpaid principal amount of the Loans then outstanding and all interest accrued thereon, any unpaid fees and all other Indebtedness of the Borrowers to the Lenders hereunder and thereunder shall be immediately due and payable, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived; and

9.2.3Set-Off.

If an Event of Default shall have occurred and be continuing, each Lender, each Issuing Lender, and each of their respective Affiliates and any participant of any Lender which has agreed in writing to be bound by the provisions of Section 5.3 [Sharing of Payments by Lenders] is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, such Issuing Lender or any such Affiliate or such participant to or for the credit or the account of any Loan Party against any and all of the Obligations of such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender, such Issuing Lender, their respective Affiliate or such participant, irrespective of whether or not such Lender, Issuing Lender, Affiliate or participant shall have made any demand under this Agreement or any other Loan Document and although such Obligations of such Loan Party may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender or such Issuing Lender different from the branch or office or Affiliate holding such deposit or obligated on such Indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of set-off, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 5.13 [Defaulting Lenders] and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuing Lenders, and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of set-off. The rights of each Lender, each Issuing Lender and their respective Affiliates and participants under this Section 9.2 are in addition to other rights and remedies (including other rights of set-off) that such Lender, such Issuing Lender or their respective Affiliates and participants may have. Each Lender and Issuing Lender agrees to notify the Borrowers and the Administrative Agent promptly after any such set-off and application; provided that the failure to give such notice shall not affect the validity of such set-off and application; and

9.2.4Application of Proceeds.

From and after the date on which the Administrative Agent has taken any action pursuant to this Section 9.2 and until Payment In Full, any and all proceeds received by the Administrative Agent from the exercise of any other remedy by the Administrative Agent, shall be applied as follows:

(i)First, to payment of that portion of the Obligations constituting fees (other than interest), indemnities, expenses and other amounts, including attorney fees, payable to the Administrative Agent in its capacity as such, the Issuing Lender in its capacity as such and the Swing Loan Lender in its capacity as such, ratably among the Administrative Agent, the Issuing Lender and Swing Loan Lender in proportion to the respective amounts described in this clause First payable to them;

(ii)Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders under the Loan Documents, including attorney fees, ratably among the Lenders in proportion to the respective amounts described in this clause Second payable to them;

(iii)Third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans and Reimbursement Obligations, ratably among the Lenders in proportion to the respective amounts described in this clause Third payable to them;

(iv)Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans, Reimbursement Obligations and payment obligations then owing under Lender Provided Commodity Hedges, Lender Provided Interest Rate Hedges, Lender Provided Foreign Currency Hedges, and Other Lender Provided Financial Service Products, ratably among the Lenders, the Issuing Lender, and the Lenders or Affiliates of Lenders which provide Lender Provided Commodity Hedges, Lender Provided Interest Rate Hedges Lender Provided Foreign Currency Hedges, and Other Lender Provided Financial Service Products, in proportion to the respective amounts described in this clause Fourth held by them.

(v)Fifth, to the Administrative Agent for the account of the Issuing Lender, to cash collateralize any undrawn amounts under outstanding Letters of Credit; and

(vi)Last, the balance, if any, to the Loan Parties or as required by Law

Notwithstanding anything to the contrary in this Section 9.2.4, no Swap Obligations of any Non-Qualifying Party shall be paid with amounts received from such Non-Qualifying Party under its Guaranty Agreement (including sums received as a result of the exercise of remedies with respect to such Guaranty Agreement) or from the proceeds of such Non-Qualifying Party's Collateral if such Swap Obligations would constitute Excluded Hedge Liabilities; provided, however, that to the extent possible appropriate adjustments shall be made with respect to payments and/or the proceeds of Collateral from other Loan Parties that are Eligible Contract Participants with respect to such Swap Obligations to preserve the allocation to Obligations otherwise set forth above in this Section 9.2.4.

10. THE ADMINISTRATIVE AGENT

10.1 Appointment and Authority.

Each of the Lenders and the Issuing Lender hereby irrevocably appoints PNC to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Section 10 are solely for the benefit of the Administrative Agent, the Lenders and Issuing Lenders, and neither the Borrowers nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

10.2 Rights as a Lender.

The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the

Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrowers or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

10.3Exculpatory Provisions.

(a) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Potential Default or Event of Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(iii) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(b) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 11.1 [Modifications, Amendments or Waivers] and 9.2 [Consequences of Event of Default]) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Potential Default or Event of Default unless and until notice describing such Potential Default or Event of Default is given to the Administrative Agent in writing by the Borrowers, a Lender or an Issuing Lender.

(c) The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Potential Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Section 7 [Conditions of Lending and Issuance of Letters of Credit] or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

10.4Reliance by Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the Issuing Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender or the Issuing Lender unless the Administrative Agent shall have received notice to the contrary from such Lender or the Issuing Lender prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Company), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

10.5Delegation of Duties.

The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Section 10 shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

10.6Resignation of Administrative Agent.

10.6.1Resignation.

The Administrative Agent may at any time give notice of its resignation to the Lenders, the Issuing Lender and the Borrowers. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, with approval from the Borrowers (so long as no Event of Default has occurred and is continuing), to appoint a successor, such approval not to be unreasonably withheld or delayed. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation (the "*Resignation Effective Date*"), then the retiring Administrative Agent may (but shall not be obligated to), on behalf of the Lenders and Issuing Lenders, appoint a successor Administrative Agent. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

10.6.2Effect.

With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (i) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the Issuing Lender under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (ii) except for any indemnity payments owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and the Issuing Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance

of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent (other than any rights to indemnity payments owed to the retiring or removed Administrative Agent), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Section 10 and Section 11.3 [Expenses; Indemnity; Damage Waiver] shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

10.6.3 Issuing Lender; Swing Loan Lender.

If PNC resigns as Administrative Agent under this Section 10.6, PNC shall also resign as an Issuing Lender and as the Swing Loan Lender. Upon the appointment of a successor Administrative Agent hereunder, such successor shall (i) succeed to all of the rights, powers, privileges and duties of PNC as the retiring Issuing Lender and Administrative Agent and PNC shall be discharged from all of its respective duties and obligations as Issuing Lender and Administrative Agent under the Loan Documents, and (ii) issue letters of credit in substitution for the Letters of Credit issued by PNC, if any, outstanding at the time of such succession or make other arrangement satisfactory to PNC to effectively assume the obligations of PNC with respect to such Letters of Credit.

10.7 Non-Reliance on Administrative Agent and Other Lenders.

Each Lender and the Issuing Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the Issuing Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

10.8 No Other Duties, etc.

Anything herein to the contrary notwithstanding, none of the Lead Arrangers, the Syndication Agent, or the Co-Documentation Agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or the Issuing Lender hereunder.

10.9 Administrative Agent's Fee.

The Borrowers shall pay to the Administrative Agent and PNC Capital Markets LLC a nonrefundable fee (the "*Administrative Agent's Fee*") under the terms of a letter (the "*Administrative Agent's Letter*") among the Borrowers, PNC Capital Markets LLC and Administrative Agent, as amended from time to time.

10.10 Administrative Agent May File Proofs of Claim.

In case of the pendency of any Relief Proceeding or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or Letter of Credit Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrowers) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, Letter of Credit Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Issuing Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the Issuing Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due any of the Lenders, the Issuing Lenders and the Administrative Agent under any of the Loan Documents allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

(c) and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and Issuing Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the Issuing Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under any of the Loan Documents.

10.11 Guaranty Matters.

Notwithstanding any other term or condition of any of the Loan Documents (except as set forth with respect to clause (z) set forth below), the Lenders and Issuing Lenders irrevocably authorize the Administrative Agent, at its option and in its discretion, to release any Guarantor from its obligations under the Guaranty Agreement if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release any Guarantor from its obligations under the Guaranty pursuant to this Section 10.

10.12 No Reliance on Administrative Agent's Customer Identification Program.

Each Lender acknowledges and agrees that neither such Lender, nor any of its Affiliates, participants or assignees, may rely on the Administrative Agent to carry out such Lender's, Affiliate's, participant's or assignee's customer identification program, or other obligations required or imposed under or pursuant to the U.S. PATRIOT Act or the regulations thereunder, including the regulations contained in 31 CFR 103.121 (as hereafter amended or replaced, the "*CIP Regulations*"), or any other Anti-Terrorism Law, including any programs involving any of the following items relating to or in connection with any of the Loan Parties, their Affiliates or their agents, the Loan Documents or the transactions hereunder or contemplated hereby: (i) any identity verification procedures, (ii) any recordkeeping, (iii) comparisons with government lists, (iv) customer notices or (v) other procedures required under the CIP Regulations or such other Laws.

10.13 Hedging Agreements.

Each Lender shall endeavor to inform the Administrative Agent of any Lender Provided Commodity Hedge, Lender Provided Interest Rate Hedge, Lender Provided Foreign Currency Hedge, or Indebtedness under any Other Lender Provided Financial Services Product; provided that the failure of a Lender to so inform the Administrative Agent shall not adversely affect the rights of such Lender hereunder, under any other Loan Document, under any Lender Provided Commodity Hedge, Lender Provided Interest Rate Hedge, Lender Provided Foreign Currency Hedge, or Indebtedness under any Other Lender Provided Financial Services Product, or otherwise.

11.MISCELLANEOUS

11.1 Modifications, Amendments or Waivers.

With the written consent of the Required Lenders, the Administrative Agent, acting on behalf of all the Lenders, and the Borrowers, on behalf of the Loan Parties, may from time to time enter into written agreements amending or changing any provision of this Agreement or any other Loan Document or the rights of the Lenders or the Loan Parties hereunder or thereunder, or may grant written waivers or consents hereunder or thereunder. Any such agreement, waiver or consent made with such written consent shall be effective to bind all the Lenders and the Loan Parties; provided, that no such agreement, waiver or consent may be made which will:

11.1.1 Increase of Commitment.

Increase the amount of the Revolving Credit Commitment of any Lender hereunder without the consent of such Lender;

11.1.2 Extension of Payment; Reduction of Principal, Interest or Fees; Modification of Terms of Payment.

Whether or not any Loans are outstanding, extend the Expiration Date or the time for payment of principal or interest of any Loan (excluding the due date of any mandatory prepayment of a Loan), the Commitment Fee or any other fee payable to any Lender, or reduce the principal amount of or the rate of interest borne by any Loan or reduce the Commitment Fee or any other fee payable to any Lender, without the consent of each Lender directly affected thereby;

11.1.3 Release of Guarantor.

Except for sales of assets permitted by Section 8.2.5 [Acquisition, Mergers, Consolidations, Sales], release any Guarantor from its Obligations under the Guaranty Agreement without the consent of all Lenders (other than Defaulting Lenders); or

11.1.4 Miscellaneous.

Amend the definition of "Required Lenders", the definition of "Optional Currency", Section 2.11.2(iii) [Requests for Additional Optional Currencies], Section 5.2 [Pro Rata Treatment of Lenders], Section 10.3 [Exculpatory Provisions] or Section 5.3 [Sharing of Payments by Lenders] or this Section 11.1, alter any provision regarding the pro rata treatment of the Lenders or requiring all Lenders to authorize the taking of any action or reduce any percentage specified in the definition of Required Lenders, in each case without the consent of all of the Lenders (other than Defaulting Lenders);

provided that no agreement, waiver or consent which would modify the interests, rights or obligations of the Administrative Agent, the Swing Loan Lender or any Issuing Lender may be made without the written consent of such Administrative Agent, Swing Loan Lender or Issuing Lender, as applicable, and provided, further that, if in connection with any proposed waiver, amendment or modification referred to in Sections 11.1.1 through 11.1.4 above, the consent of the Required Lenders is obtained but the consent of one or more of such other Lenders whose consent is required is not obtained (each a "*Non-Consenting Lender*"), then the Borrowers shall have the right to replace any such Non-Consenting Lender with one or more replacement Lenders pursuant to Section 5.12.2 [Replacement of a Lender]. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than the Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender, and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects the Defaulting Lender disproportionately adversely relative to other affected Lenders shall require the consent of such Defaulting Lender.

11.2 No Implied Waivers; Cumulative Remedies.

No course of dealing and no delay or failure of the Administrative Agent or any Lender in exercising any right, power, remedy or privilege under this

Agreement or any other Loan Document shall affect any other or future exercise thereof or operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any further exercise thereof or of any other right, power, remedy or privilege. The rights and remedies of the Administrative Agent and the Lenders under this Agreement and any other Loan Documents are cumulative and not exclusive of any rights or remedies which they would otherwise have.

11.3Expenses; Indemnity; Damage Waiver

11.3.1Costs and Expenses.

The Borrowers shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent) in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the Issuing Lender in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, (iii) all reasonable out-of-pocket expenses incurred by the Administrative Agent, any Lender or the Issuing Lender (including the fees, charges and disbursements of any outside counsel for the Administrative Agent, any Lender or the Issuing Lender) in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such reasonable out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit, and (iv) all reasonable out-of-pocket expenses of the Administrative Agent's regular employees and agents engaged periodically to perform audits of the Loan Parties' books, records and business properties.

11.3.2Indemnification by the Borrowers.

The Borrowers shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and each Issuing Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "*Indemnitee*") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrowers or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance or nonperformance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the Issuing Lender to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) breach of representations, warranties or covenants of the Borrowers under the Loan Documents, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, including any such items or losses relating to or arising under Environmental Laws or pertaining to environmental matters, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrowers or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by the Borrowers or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrowers or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. This Section 11.3.2 shall not

apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

11.3.3Reimbursement by Lenders.

To the extent that the Borrowers for any reason fail to indefeasibly pay any amount required under Sections 11.3.1 [Costs and Expenses] or 11.3.2 [Indemnification by the Borrowers] to be paid by it to the Administrative Agent (or any sub-agent thereof), any Issuing Lender, any Swing Loan Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), such Issuing Lender, such Swing Loan Lender or such Related Party, as the case may be, such Lender's Ratable Share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), such Issuing Lender or such Swing Loan Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) such Issuing Lender or any such Swing Loan Lender in connection with such capacity.

11.3.4Waiver of Consequential Damages, Etc.

To the fullest extent permitted by applicable Law, the Borrowers shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in Section 11.3.2 [Indemnification by the Borrowers] shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

11.3.5Payments.

All amounts due under this Section shall be payable not later than ten (10) days after demand therefor.

11.3.6Survival

. Each party's obligations under this Section shall survive the termination of the Loan Documents and payment of the obligations hereunder.

11.4Holidays.

Whenever payment of a Loan to be made or taken hereunder shall be due on a day which is not a Business Day such payment shall be due on the next Business Day (except as provided in Section 4.1.3 [Interest Periods]) and such extension of time shall be included in computing interest and fees, except that the Loans shall be due on the Business Day preceding the Expiration Date if the Expiration Date is not a Business Day. Whenever any payment or action to be made or taken hereunder (other than payment of the Loans) shall be stated to be due on a day which is not a Business Day, such payment or action shall be made or taken on the next following Business Day, and such extension of time shall not be included in computing interest or fees, if any, in connection with such payment or action.

11.5Notices; Effectiveness; Electronic Communication

11.5.1Notices Generally.

Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in Section 11.5.2 [Electronic Communications]), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier (i) if to a Lender, to it at its address set forth in its administrative questionnaire, or (ii) if to any other Person, to it at its address set forth on Schedule 1.1(B).

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through electronic communications to the extent provided in Section 11.5.2 [Electronic Communications], shall be effective as provided in such Section.

11.5.2 Electronic Communications.

Notices and other communications to the Lenders and the Issuing Lender hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices to any Lender or the Issuing Lender if such Lender or the Issuing Lender, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrowers may, in their discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications. Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of the next Business Day for the recipient.

11.5.3 Change of Address, Etc.

Any party hereto may change its address, e-mail address or telecopier number for notices and other communications hereunder by notice to the other parties hereto.

11.5.4 Platform

(i) Each Loan Party agrees that the Administrative Agent may, but shall not be obligated to, make the Communications (as defined below) available to the Issuing Lenders and the other Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system (the "*Platform*").

(ii) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "*Agent Parties*") have any liability to the Borrowers or the other Loan Parties, any Lender, any Issuing Lender or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Borrower's, any Loan Party's or the Administrative Agent's transmission of communications through the Platform. "*Communications*" shall mean, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions

contemplated therein which is distributed to the Administrative Agent, any Lender or any Issuing Lender by means of electronic communications pursuant to this Section, including through the Platform.

11.6 Severability.

The provisions of this Agreement are intended to be severable. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

11.7 Duration; Survival.

All representations and warranties of the Loan Parties contained herein or made in connection herewith shall survive the execution and delivery of this Agreement, the completion of the transactions hereunder and Payment In Full. All covenants and agreements of the Borrowers contained herein relating to the payment of principal, interest, premiums, additional compensation or expenses and indemnification, including those set forth in the Notes, Article 5 [Payments] and Section 11.3 [Expenses; Indemnity; Damage Waiver], shall survive Payment In Full. All other covenants and agreements of the Loan Parties shall continue in full force and effect from and after the date hereof and until Payment In Full.

11.8 Successors and Assigns

11.8.1 Successors and Assigns Generally.

The provisions of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns permitted hereby, except that no Borrower nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of Section 11.8.2 [Assignments by Lenders], (ii) by way of participation in accordance with the provisions of Section 11.8.4 [Participations], or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 11.8.5 [Certain Pledges; Successors and Assigns Generally] (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 11.8.4 [Participations] and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

11.8.2 Assignments by Lenders.

Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(a) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or contemporaneous assignments to related Approved Funds that equal at least the amount specified in clause (i) (b) of this Section 11.8.2 in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(b) in any case not described in clause (i)(a) of this Section 11.8.2, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the

assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption Agreement with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption Agreement, as of the Trade Date) shall not be less than \$5,000,000 of any assignment in respect of the Revolving Credit Commitment of the assigning Lender, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrowers otherwise consent (each such consent not to be unreasonably withheld or delayed).

(ii)Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned.

(iii)Required Consents. No consent shall be required for any assignment except to the extent required by clause (i)(b) of this Section 11.8.2 and except for the consent of the Administrative Agent (which consent shall not be unreasonably withheld or delayed and shall not be required for an assignment by a Lender to a Lender or an Affiliate of a Lender) and:

(a)the consent of the Borrower Agent (which consent shall not be required for an assignment by a Lender to a Lender or an Affiliate of a Lender) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Borrower Agent shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof; and

(b)the consent of each Issuing Lender and the Swing Loan Lender (which consent shall not be unreasonably withheld or delayed and shall not be required for an assignment by a Lender to a Lender or an Affiliate of a Lender) shall be required for any assignment that increases the obligation of the assignee to participate in exposure under one or more Letters of Credit (whether or not then outstanding).

(iv)Assignment and Assumption Agreement. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption Agreement, together with a processing and recordation fee of \$3,500 (provided that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment), and the assignee, if it is not a Lender, shall deliver to the Administrative Agent an administrative questionnaire provided by the Administrative Agent.

(v)No Assignment to Certain Persons. No such assignment shall be made to (A) the Borrowers or any Borrower's Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B).

(vi)No Assignment to Natural Persons. No such assignment shall be made to a natural person.

(vii)Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrowers

and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, each Issuing Lender, the Swing Loan Lender and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swing Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to Section 11.8.3 [Register], from and after the effective date specified in each Assignment and Assumption Agreement, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption Agreement, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption Agreement, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption Agreement covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 4.4 [Eurocurrency Rate Unascertainable; Illegality; Increased Costs; Deposits Not Available], 5.7 [Increased Costs], and 11.3 [Expenses, Indemnity; Damage Waiver] with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 11.8.2 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 11.8.4 [Participations].

11.8.3Register.

The Administrative Agent, acting solely for this purpose as an agent of the Borrowers, shall maintain a copy of each Assignment and Assumption Agreement delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "*Register*"). The entries in the Register shall be conclusive absent manifest error, and the Borrowers, the Administrative Agent and the Lenders shall treat each Person whose name is in such Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. Such Register shall be available for inspection by the Borrowers and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

11.8.4Participations.

Any Lender may at any time, without the consent of, or notice to, the Borrowers or the Administrative Agent, sell participations to any Person (other than a natural person or the Borrowers or any Borrower's Affiliates or Subsidiaries) (each, a "*Participant*") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrowers, the Administrative Agent, the Lenders, and the Issuing Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for its reimbursement and indemnity obligations to the Administrative Agent hereunder (including under Section 11.3.3 [*Reimbursement by Lenders*]) including with respect to any payments or participations made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree (other than as is already provided for herein) to any amendment, modification or waiver with respect to Sections 11.1.1 [Increase of Commitment, Etc.], 11.1.2 [Extension of Payment, Etc.], or 11.1.3 [Release of Guarantor]) that affects such Participant. Each Borrower agrees that each Participant shall be entitled to the benefits of Sections 4.4 [Eurocurrency Rate Unascertainable; Illegality; Increased Costs; Deposits Not Available], 5.8 [Increased Costs], 5.10 [Indemnity], and 5.9 [Taxes] (subject to the requirements and limitations therein, including the requirements under Section 5.9.7 [Status of Lenders] (it being understood that the documentation required under Section 5.9.7 [Status of Lenders] shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 11.8.2 [Assignments by Lenders]; provided that such Participant (A) agrees to be subject to the provisions of Section 5.12 [Mitigation Obligations; Replacement of a Lender] as if it were an assignee under Section 11.8.2 [Assignments by Lenders]; and (B) shall not be entitled to receive any greater payment under Section 5.8 [Increased Costs] or Section 5.9 [Taxes], with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrowers' request and expense, to use reasonable efforts to cooperate with the Borrowers to effectuate the provisions of Section 5.12 [Mitigation Obligations; Replacement of a Lender] with respect to any Participant. To the extent permitted by Law, each Participant also shall be entitled to the benefits of Section 9.2.3 [Set-off] as though it were a Lender; provided that such Participant agrees to be subject to Section 5.3 [Sharing of Payments by Lenders] as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "*Participant Register*"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

11.8.5Certain Pledges; Successors and Assigns Generally.

Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

11.8.6Netherlands Bank Rules.

The share of each new Lender located in or organized under the laws of the Netherlands in the Loans and the share of each new Lender hereunder in the Loans to WABTEC UA or a Foreign Borrower organized under the laws of the Netherlands (or its portion in the rights and obligations relating to such Loans transferred by an existing Lender) shall initially be at least the Dollar Equivalent of EUR 100,000 or the Equivalent Amount in any Optional Currency (or such higher amount as may be required at the time of the transfer in order for the New Lender to qualify as a Professional Market Party) or such new Lender shall otherwise qualify as a

Professional Market Party, and each such new Lender shall confirm the foregoing on the date on which it becomes a Lender hereunder by execution and delivery of its Assignment and Assumption Agreement in which the new Lender confirms that it is a Professional Market Party.

11.9 Confidentiality

11.9.1 General.

Each of the Administrative Agent, the Lenders and the Issuing Lenders agrees to maintain the confidentiality of the Information, except that Information may be disclosed (i) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (ii) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (iii) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process, (iv) to any other party hereto, (v) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (vi) subject to an agreement containing provisions substantially the same as those of this Section, to (A) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement or (B) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrowers and their obligations, this Agreement or payments hereunder; (vii) on a confidential basis to (A) any rating agency in connection with rating a Borrower or its Subsidiaries or the credit facilities provided for herein or (B) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the credit facilities provided for herein; (viii) with the consent of the Borrowers or (ix) to the extent such Information (Y) becomes publicly available other than as a result of a breach of this Section or (Z) becomes available to the Administrative Agent, any Lender, any Issuing Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrowers or the other Loan Parties. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

11.9.2 Sharing Information With Affiliates of the Lenders.

Each Loan Party acknowledges that from time to time financial advisory, investment banking and other services may be offered or provided to a Borrower or one or more of its Affiliates (in connection with this Agreement or otherwise) by any Lender or by one or more Subsidiaries or Affiliates of such Lender and each of the Loan Parties hereby authorizes each Lender to share any information delivered to such Lender by such Loan Party and its Subsidiaries pursuant to this Agreement to any such Subsidiary or Affiliate subject to the provisions of Section 11.9.1 [General].

11.10 Counterparts; Integration; Effectiveness

11.10.1 Counterparts; Integration; Effectiveness.

This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof including any prior confidentiality agreements and commitments. Except as provided in Section 7 [Conditions Of Lending And Issuance Of Letters Of Credit], this Agreement shall become

effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or in electronic (*i.e.*, ".pdf" or ".tif") format shall be effective as delivery of a manually executed counterpart of this Agreement.

11.10.2Electronic Execution of Assignments.

The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption Agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the Pennsylvania Electronic Transactions Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

11.11CHOICE OF LAW; SUBMISSION TO JURISDICTION; WAIVER OF VENUE; SERVICE OF PROCESS; WAIVER OF JURY TRIAL

11.11.1Governing Law.

This Agreement shall be deemed to be a contract under the Laws of the Commonwealth of Pennsylvania without regard to its conflict of laws principles. Each standby Letter of Credit issued under this Agreement shall be subject either to the rules of the Uniform Customs and Practice for Documentary Credits, as most recently published by the International Chamber of Commerce (the "*ICC*") at the time of issuance ("*UCP*"), or the rules of the International Standby Practices (ICC Publication Number 590) ("*ISP98*"), as determined by the Issuing Lender, and each trade Letter of Credit shall be subject to UCP; and, to the extent not inconsistent with the foregoing, each Letter of Credit shall be subject to the Laws of the Commonwealth of Pennsylvania or the Laws of such other state as may be required by the applicable Issuing Bank, in each case without regard to its conflict of laws principles.

11.11.2SUBMISSION TO JURISDICTION.

EACH BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE COMMONWEALTH OF PENNSYLVANIA SITTING IN ALLEGHENY COUNTY AND OF THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF PENNSYLVANIA, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH PENNSYLVANIA STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR THE ISSUING LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWERS OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

11.11.3WAIVER OF VENUE.

EACH BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN THIS SECTION 11.11. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT AND AGREES NOT ASSERT ANY SUCH DEFENSE.

11.11.4SERVICE OF PROCESS.

EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 11.5 [NOTICES; EFFECTIVENESS; ELECTRONIC COMMUNICATION]. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

11.11.5WAIVER OF JURY TRIAL.

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, ADMINISTRATIVE AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

11.12U.S. PATRIOT Act Notice.

Each Lender that is subject to the U.S. PATRIOT Act and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies Loan Parties that pursuant to the requirements of the U.S. PATRIOT Act, it is required to obtain, verify and record information that identifies the Loan Parties, which information includes the name and address of Loan Parties and other information that will allow such Lender or Administrative Agent, as applicable, to identify the Loan Parties in accordance with the U.S. PATRIOT Act.

11.13No Fiduciary Duty.

The Borrowers and the other Loan Parties acknowledge and agree that the Administrative Agent, each Lender and each of their Affiliates (collectively, solely for purposes of this Section 11.13, the "*Lender Parties*"), may have economic interests that conflict with those of a Borrower or any of its stockholders or Affiliates. Each Borrower agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender Party, on the one hand, and such Borrower or any of its stockholders or Affiliates, on the other. Each Borrower acknowledges and agrees that (i) the transactions contemplated by the Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions between the Lender Parties, on the one hand, and the Borrowers and other Loan Parties, on the other, and (ii) in connection therewith and with the process leading thereto, (x) no Lender Party has assumed an advisory or fiduciary responsibility in favor of a Borrower or any of its stockholders or Affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender Party has advised, is currently advising or will advise a

Borrower or any of its stockholders or Affiliates on other matters) or any other obligation to the Borrowers except the obligations expressly set forth in the Loan Documents and (y) each Lender Party is acting solely as principal and not as the agent or fiduciary of a Borrower or any of its Affiliates, or any of their respective management, stockholders or creditors, or of any other Person. Each of the Borrowers and each other Loan Party acknowledges and agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Each Borrower agrees that it will not claim that any Lender Party has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to any Borrower or any other Loan Party, in connection with such transactions or the process leading thereto. The terms of this Section 11.13 are supplemental to, and not in derogation of, the provisions of Section 10.

11.14Borrower Agent.

Each of the Borrowers hereby irrevocably appoints the Company as its agent (the "*Borrower Agent*") for purposes of, among other things, requesting the continuance or conversion of Loans (including all elections of interest rates and currencies), for delivering notices as to prepayments and commitment reductions and for providing consents pursuant to Section 11.8.2 [Assignments by Lenders]. The Administrative Agent shall be entitled to rely in such matters on all communications delivered by the Borrower Agent as being delivered on behalf of all Borrowers.

11.15Joinder of Loan Parties.

Each domestic Subsidiary that is acquired, formed or in existence after the Closing Date shall either join this Agreement as either a Borrower or a Guarantor, as designated by the Borrowers and agreed to by the Administrative Agent. The Loan Parties shall cause each such domestic Subsidiary to deliver to the Administrative Agent within thirty (30) days (unless such time period is extended in writing by the Administrative Agent) after the date of organization or acquisition of such domestic Subsidiary (i) a Loan Party Joinder substantially in the form of Exhibit 1.1(L), pursuant to which such domestic Subsidiary shall join this Agreement and other Loan Documents, as a Borrower or a Guarantor, as applicable; and such domestic Subsidiary shall, after acceptance by the Administrative Agent of such Loan Party Joinder, join each of the other Loan Documents as set forth in such Loan Party Joinder, (ii) deliver documents and other deliverables in the forms described in Section 7 [First Loans and Letters of Credit], modified as appropriate to relate to such domestic Subsidiary, and (iii) do all such other acts and things as the Administrative Agent in its reasonable discretion may deem necessary or advisable from time to time in order to more effectively carry out the provisions and goals of this Agreement and the other Loan Documents.

11.16Foreign Borrower.

Notwithstanding anything in this Agreement or any of the Loan Documents to the contrary, the parties intend that this Agreement does hereby provide, and shall in all circumstances be interpreted to provide, that the Foreign Borrower is liable only for Loans made to the Foreign Borrower, interest on such Loans, the Foreign Borrower's reimbursement obligations with respect to any Letter of Credit issued for its account and for the account of its Subsidiaries and its ratable share of any of the other Obligations, including, without limitation, general fees, reimbursements, indemnities and charges hereunder and under any other Loan Document that are attributable, or attributed as a ratable share, to it. Nothing in this Agreement or in any other Loan Document or in this Section 11.16 (including, but not limited to provisions which purport to impose joint and several liability on the Foreign Borrower with a domestic Loan Party) shall be deemed or operate to cause the Foreign Borrower to guaranty or assume liability with respect to a Revolving Credit Loan made to the Company or any domestic Loan Party, any Letters of Credit issued for the account of a domestic Loan Party or other Obligation for which a domestic Loan Party is the primary obligor. Nothing in this Section 11.16 is intended to limit, nor shall it be deemed to limit, any of the liability of the Company or any other domestic Loan Party for any of the Obligations, whether in its primary capacity as a Borrower, as a Guarantor, at law or otherwise. Subject to the limitation of liability of Foreign Borrower as expressly set forth in this Section 11.16, all Obligations of the Borrowers and Guarantors are joint and several.

11.17No Novation.

THIS AGREEMENT REPLACES THE EXISTING CREDIT AGREEMENT. THIS AGREEMENT IS NOT INTENDED TO CONSTITUTE, AND DOES NOT CONSTITUTE, A NOVATION OR SATISFACTION OF THE OBLIGATIONS REPRESENTED BY THE EXISTING CREDIT AGREEMENT.

[Signature Pages to First Amended and Restated Refinancing Credit Agreement Follow]

[Signature Page to First Amended and Restated Refinancing Credit Agreement]

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed this Agreement as of the day and year first above written with the intention that it constitute a sealed instrument.

BORROWERS:

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION,
a Delaware corporation

By: /s/ Alvaro Garcia-Tunon (SEAL)
Name: Alvaro Garcia-Tunon
Title: Chief Financial Officer

WABTEC COÖPERATIEF U.A.,
a *coöperatieve vereniging met uitsluiting van aansprakelijkheid* under the laws of the
Netherlands

By: /s/ Patrick D. Dugan (SEAL)
Name: Patrick D. Dugan
Title: Authorized Person

GUARANTORS:

MOTIVEPOWER, INC.,

a Delaware corporation;

RAILROAD FRICTION PRODUCTS CORPORATION,

a Delaware corporation;

RICON CORP.,

a California corporation;

SCHAEFER EQUIPMENT, INC.,

an Ohio corporation;

YOUNG TOUCHSTONE COMPANY,

a Wisconsin corporation;

STANDARD CAR TRUCK COMPANY,

a Delaware corporation;

DUROX COMPANY,

an Ohio corporation;

G&B SPECIALTIES, INC.,

a Pennsylvania corporation;

GBI USA HOLDINGS, INC.,

a Nevada corporation;

XORAIL, LLC,

a Delaware limited liability company;

XORAIL, INC.,

a Florida corporation;

WABTEC INTERNATIONAL, INC.,

a Delaware corporation;

RFPC HOLDING CORP.,

a Delaware corporation;

WABTEC HOLDING CORP.,

a Delaware corporation;

TURBONETICS HOLDINGS, INC.,

a Delaware corporation;

BARBER STEEL FOUNDRY CORP.,

a Delaware corporation;

LONGWOOD ELASTOMERS, INC.,

a Virginia corporation;

LONGWOOD INDUSTRIES, INC.,

a New Jersey corporation;

LONGWOOD INTERNATIONAL, INC.,

a Delaware corporation;

By: /s/ Patrick D. Dugan (SEAL)

Name: Patrick D. Dugan

Title: Vice President, Finance of each Guarantor listed above

ADMINISTRATIVE AGENT AND LENDERS:

PNC BANK, NATIONAL ASSOCIATION,

as a Lender and as Administrative Agent

By: /s/ Tracy J. DeCock

Name: Tracy J. DeCock

Title: Senior Vice President

[Signature Page to First Amended and Restated Refinancing Credit Agreement]

JPMORGAN CHASE BANK, N.A.,

as a Lender

By: /s/ Deborah R. Winkler

Name: Deborah R. Winkler

Title: Vice President

[Signature Page to First Amended and Restated Refinancing Credit Agreement]

CITIZENS BANK OF PENNSYLVANIA,

as a Lender

By: /s/ Philip Medsger

Name: Philip Medsger

Title: Senior Vice President

[Signature Page to First Amended and Restated Refinancing Credit Agreement]

BANK OF AMERICA, N.A.,

as a Lender

By: /s/ Beth Henry

Name: Beth Henry

Title: Vice President

BRANCH BANKING AND TRUST COMPANY,

as a Lender

By: /s/ Brent Walser

Name: Brent Walser

Title: Assistant Vice President

[Signature Page to First Amended and Restated Refinancing Credit Agreement]

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,

as a Lender

By: /s/ George Stoecklein

Name: George Stoecklein

Title: Director

THE BANK OF NOVA SCOTIA,

as a Lender

By: /s/ Rafael Tobon

Name:Rafael Tobon

Title:Director

[Signature Page to First Amended and Restated Refinancing Credit Agreement]

HSBC BANK USA, N.A.,
as a Lender

By: /s/ Christopher S. Helmecci
Name: Christopher S. Helmecci
Title: Sr. Global RM

[Signature Page to First Amended and Restated Refinancing Credit Agreement]

WELLS FARGO BANK, NATIONAL ASSOCIATION,

as a Lender

By: /s/ James Travagline

Name: James Travagline

Title: Director

TD BANK, N.A.,
as a Lender

By: /s/ Mark Hogan
Name: Mark Hogan
Title: Executive Director

FIFTH THIRD BANK,
as a Lender

By: /s/ Michael Barnett
Name: Michael Barnett
Title: Managing Director

THE HUNTINGTON NATIONAL BANK,

as a Lender

By: /s/ Michael Kiss

Name: Michael Kiss

Title: Vice President

THE PRIVATEBANK AND TRUST COMPANY,

as a Lender

By: /s/ Tricia Balser

Name: Tricia Balser

Title: Managing Director

FIRST COMMONWEALTH BANK,

as a Lender

By: /s/ Neil Corry-Roberts

Name: Neil Corry-Roberts

Title: Senior Vice President

CITIBANK, N.A.,
as a Lender

By: /s/ Ryan J. Beiser
Name: Ryan J. Beiser
Title: Senior Vice President

FIRST NATIONAL BANK OF PENNSYLVANIA,
as a Lender

By: /s/ Michael D. Pearce
Name: Michael D. Pearce
Title: Vice President

SCHEDULE 1.1(A)
PRICING GRID--
VARIABLE PRICING AND FEES BASED ON LEVERAGE RATIO

<u>Level</u>	<u>Leverage Ratio</u>	<u>Commitment Fee</u>	<u>Letter of Credit Fee</u>	<u>Revolving Credit Base Rate Spread</u>	<u>Revolving Credit Eurocurrency Rate Spread</u>
I	Less than 0.50 to 1.00	0.20%	0.75%	0.00%	0.75%
II	Greater than or equal to 0.50 to 1.00 but less than 1.00 to 1.00	0.20%	1.00%	0.00%	1.00%
III	Greater than or equal to 1.00 to 1.00 but less than 1.50 to 1.00	0.25%	1.25%	0.25%	1.25%
IV	Greater than or equal to 1.50 to 1.00 but less than 2.00 to 1.00	0.30%	1.50%	0.50%	1.50%
V	Greater than or equal to 2.00 to 1.00	0.30%	1.75%	0.75%	1.75%

For purposes of determining the Applicable Margin, the Applicable Commitment Fee Rate and the Applicable Letter of Credit Fee Rate:

(a) The Applicable Margin, the Applicable Commitment Fee Rate and the Applicable Letter of Credit Fee Rate shall be determined on the Closing Date based on the Leverage Ratio computed on such date pursuant to a Compliance Certificate to be delivered on the Closing Date.

(b) The Applicable Margin, the Applicable Commitment Fee Rate and the Applicable Letter of Credit Fee Rate shall be recomputed as of the end of each Fiscal Quarter ending after the Closing Date based on the Leverage Ratio as of such quarter end. Any increase or decrease in the Applicable Margin, the Applicable Commitment Fee Rate or the Applicable Letter of Credit Fee Rate computed as of a quarter end shall be effective on the date on which the Compliance Certificate evidencing such computation is due to be delivered under Section 8.3.3 [Certificate of the Borrowers]. If a Compliance Certificate is not delivered when due in accordance with such Section 8.3.3 [Certificate of the Borrowers], then the rates in "Level V" shall apply as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered and shall remain in effect until the date on which such Compliance Certificate is delivered.

(c) If, as a result of any restatement of or other adjustment to the financial statements of the Borrowers or for any other reason, the Borrowers or the Lenders determine that (i) the Leverage Ratio as calculated by the Borrowers as of any applicable date was inaccurate and (ii) a proper calculation of the

Leverage Ratio would have resulted in higher pricing for such period, the Borrowers shall immediately and retroactively be obligated to pay to the Administrative Agent for the account of the applicable Lenders, promptly on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to the Borrowers under the Bankruptcy Code of the United States, automatically and without further action by the Administrative Agent, any Lender or the Issuing Lender), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period. This paragraph shall not limit the rights of the Administrative Agent, any Lender or the Issuing Lender, as the case may be, under Section 2.8 [Letter of Credit Subfacility] or Section 4.3 [Interest After Default] or Section 9 [Default]. The Borrowers' obligations under this paragraph shall survive the termination of the Commitments and the repayment of all other Obligations hereunder.

SCHEDULE 1.1(B)

COMMITMENTS OF LENDERS AND ADDRESSES FOR NOTICES

Part 1 - Commitments of Lenders and Addresses for Notices to Lenders

<u>Lender</u>	<u>Revolving Commitment Amount</u>	<u>Ratable Share</u>
<p><i>ne:</i> C Bank, National Association</p> <p>1000 Fifth Avenue, 4th Floor Pittsburgh, PA 15222 Attention: Tracy DeCock, Senior Vice President Telephone: (412) 762-9999 Facsimile: (412) 762-4718 Email: tracy.decock@pnc.com</p>	\$ 90,000,000	11.250000000%
<p><i>ne:</i> Morgan Chase Bank, N.A.</p> <p>700 Park Avenue, 43rd Floor New York, NY 10172 Attention: Deborah R. Winkler, Vice President Telephone: (212) 622-3285 Facsimile: (646) 534-3081 Email: deborah.r.winkler@jpmorgan.com</p>	\$ 80,000,000	10.000000000%
<p><i>ne:</i> RBS Citizens Bank of Pennsylvania</p> <p>100 RBS Citizens, N.A. 100 William Penn Place Pittsburgh, PA 15219 Attention: Philip Medsger, Senior Vice President Telephone: (412) 867-2384 Facsimile: (412) 552-6307 Email: philip.r.medsger@rbscitizens.com</p>	\$ 75,000,000	9.375000000%

<u>Lender</u>	<u>Revolving Commitment Amount</u>	<u>Ratable Share</u>
<p><i>ne:</i> BC Bank USA, N.A. 15 Washington Road Pittsburgh, PA 15228 Attention: Christopher S. Helmecci, Sr. Global RM Telephone: (412) 320-0072 Facsimile: (212) 642-1888 Email: Christopher.S.Helmecci@us.hsbc.com</p>	\$ 45,000,000	5.625000000%
<p><i>ne:</i> Wells Fargo Bank, National Association 1000 Broad Street, 8th Floor Philadelphia, PA 19107 Attention: Laura Rowley, Senior Vice President Telephone: (267) 321-6712 Facsimile: (267) 321-6700 Email: Laura.Rowley@wellsfargo.com</p>	\$ 45,000,000	5.625000000%
<p><i>ne:</i> TD Bank, N.A. 15 Market Street, 2nd Floor Philadelphia, PA 19103 Attention: Mark Hogan, Executive Director Telephone: (215) 282-2796 Facsimile: (215) 282-2476 Email: mark.hogan@td.com</p>	\$ 40,000,000	5.000000000%
<p><i>ne:</i> Bank of America Third Bank 1000 Grant Street, 21st Floor Pittsburgh, PA 15219 Attention: Michael Barnett, Managing Director Telephone: (412) 291-5457 Email: michael.barnett@53.com</p>	\$ 35,000,000	4.375000000%

<u>Lender</u>	<u>Revolving Commitment Amount</u>	<u>Ratable Share</u>
<p><i>me:</i> ie Huntington National Bank</p> <p>5 South Wacker Dr Suite 2840 CHIL icago, IL 60606 ention:Michael Kiss, Vice President eophone:(312) 762-2163 ail:Michael.Kiss@huntington.com</p>	\$ 35,000,000	4.375000000%
<p><i>ne:</i> e PrivateBank and Trust Company</p> <p>0 Superior Avenue, Suite 1325 eland, OH 44114 ention:Tricia Balsler, Managing Director eophone:(216) 456-2985 ail:tbalsler@theprivatebank.com</p>	\$ 25,000,000	3.125000000%
<p><i>ne:</i> st Commonwealth Bank</p> <p>' Grant Street, Suite 1600 sburgh, PA 15219 ention:Neil Corry-Roberts, Senior Vice President eophone:(412) 690-2122 ecopy:(412) 690-2206 ail:Ncorry-roberts@fcbanking.com</p>	\$ 25,000,000	3.125000000%
<p><i>ne:</i> ibank, N.A.</p> <p>1 Pennsylvania Avenue, 11th Floor shington, D.C. 20004 ention:Ryan J. Beiser, Senior Vice President eophone:202-508-4527 ail:ryan.beiser@citi.com</p>	\$ 25,000,000	3.125000000%

<u>Lender</u>	<u>Revolving Commitment Amount</u>	<u>Ratable Share</u>
<i>ne:</i> st National Bank of Pennsylvania	\$ 25,000,000	3.125000000%
<i>e North Shore Center</i> Federal Street, Suite 500 sburgh, PA 15212 ention:Michael D. Pearce, Vice President ephone:(412) 359-2612 ecopy:(412) 231-3584 ail:PearceM@fnb-corp.com		
al	<u>\$ 800,000,000</u>	<u>100.000000000%</u>

SCHEDULE 1.1(B)

COMMITMENTS OF LENDERS AND ADDRESSES FOR NOTICES

Part 2 - Addresses for Notices to Administrative Agent, Borrowers and Guarantors:

ADMINISTRATIVE AGENT:

Name:

PNC Bank, National Association

225 Fifth Avenue, 4th Floor
Pittsburgh, PA 15222
Attention: Tracy DeCock, Senior Vice President
Telephone: (412) 762-9999
Telecopy: (412) 762-4718
Email: tracy.decock@pnc.com

With a Copy To:

PNC Bank, National Association

Agency Services
Mail Stop: P7-PFSC-04-I
500 First Avenue
Pittsburgh, PA 15219
Attention: Trina Barkley, Agency Services
Telephone: (412) 768-0423
Telecopy: (412) 705-2006
Email: trina.barkley@pnc.com

BORROWERS:

Name:

Westinghouse Air Brake Technologies Corporation

1001 Air Brake Avenue
Wilmerding, PA 15148

For Notices given prior to January 1, 2014:

Attention: Alvaro Garcia-Tunon, Chief Financial Officer
Telephone: (412) 825-1317
Telecopy: (412) 825-1883
Email: agarcia-tunon@wabtec.com

For Notices given on or after January 1, 2014:

Attention: Patrick D. Dugan, Chief Financial Officer
Telephone: (412) 825-1638
Telecopy: (412) 825-1883
Email: pdugan@wabtec.com

Name:

Wabtec Coöperatief U.A.
c/o Westinghouse Air Brake Technologies Corporation

1001 Air Brake Avenue
Wilmerding, PA 15148

For Notices given prior to January 1, 2014:

Attention: Alvaro Garcia-Tunon, Chief Financial Officer
Telephone:(412) 825-1317
Telecopy:(412) 825-1883
Email:agarcia-tunon@wabtec.com

For Notices given on or after January 1, 2014:

Attention: Patrick D. Dugan, Chief Financial Officer
Telephone:(412) 825-1638
Telecopy:(412) 825-1883
Email:pdugan@wabtec.com

GUARANTORS:

Name:

MotivePower, Inc.
Railroad Friction Products Corporation
Ricon Corp.
Schaefer Equipment, Inc.
Young Touchstone Company
Standard Car Truck Company
Durox Company
G&B Specialties, Inc.
GBI USA Holdings, Inc.
Xorail, LLC
Xorail, Inc.
Wabtec International, Inc.
RFPC Holding Corp.
Wabtec Holding Corp.
Turbonetics Holdings, Inc.
Barber Steel Foundry Corp
Longwood Elastomers, Inc.
Longwood Industries, Inc.
Longwood International, Inc.
c/o Westinghouse Air Brake Technologies Corporation

1001 Air Brake Avenue
Wilmerding, PA 15148

For Notices given prior to January 1, 2014:

Attention: Alvaro Garcia-Tunon, Chief Financial Officer
Telephone:(412) 825-1317
Telecopy:(412) 825-1883
Email:agarcia-tunon@wabtec.com

For Notices given on or after January 1, 2014:

Attention: Patrick D. Dugan, Chief Financial Officer

Telephone:(412) 825-1638
Telecopy:(412) 825-1883
Email:pdugan@wabtec.com

SCHEDULE 1.1(E)
EXCLUDED SUBSIDIARIES

Ricon Acquisition Corp.
Barber Steel Castings, Inc.
Barber Tian Rui Railway Supply LLC
Longwood Engineered Products, Inc.
SCT Technology LLC
Standard Car Truck – Asia, Inc.
Wabtec Corporation
Wabtec Investments Limited LLC
Wabtec Finance LLC
Mors Smitt Technologies, Inc.

**SCHEDULE 2.8.1
EXISTING LETTERS OF CREDIT**

Account Party	Instrument Number (Issuer)	Beneficiary	Issue Date	Expiry Date	Currency Amount
Car Truck	18118284-00 (PNC, National Association)	Societe Generale	09/25/12	01/31/14	\$4,171,166.60 USD
House Air Brake Companies Corporation	18112118-00 (PNC, National Association)	National Union Fire Insurance	10/21/09	10/22/14	\$100,000.00 USD
House Air Brake Companies Corporation	18112725-00 (PNC, National Association)	China Minsheng Banking Corp Ltd.	02/19/10	01/11/14	\$237,463.00 USD
House Air Brake Companies Corporation	18113607-00 (PNC, National Association)	The Travelers Indemnity Company	08/19/10	08/01/14	\$2,000,000.00 USD
House Air Brake Companies Corporation	18114586-00 (PNC, National Association)	HSBC Bank Brasil SA – Banco Multiplo	03/02/11	01/31/14	R\$29,900,000.00 BRL
House Air Brake Companies Corporation	18115558-00 (PNC, National Association)	Merchants Bonding Company	08/23/11	09/10/14	\$200,000.00 USD
House Air Brake Companies Corporation	18118195-00 (PNC, National Association)	Old Republic Insurance Company	09/11/12	08/31/14	\$914,687.00 USD
House Air Brake Companies Corporation	18118583-00 (PNC, National Association)	Kawasaki Heavy Industries Ltd.	04/19/13	10/03/17	\$495,460.48 USD
House Air Brake Companies Corporation	18119559-00 (PNC, National Association)	CSR Meishan Co., Ltd.	05/13/13	03/11/15	\$60,838.00 USD
House Air Brake Companies Corporation	18119701-00 (PNC, National Association)	Package Properties, LLC	05/15/13	05/15/14	\$695,000.00 USD

Account Party	Instrument Number (Issuer)	Beneficiary	Issue Date	Expiry Date	Currency Amount
AS	18117701-00 (PNC, National Association)	Banco Bilbao Vizcaya Argentina	06/25/12	07/22/16	€106,103.44 EUR
rope	18114177-00 (PNC, National Association)	Unicredit Banca AG.623	01/18/11	12/30/13	€85,998.00 EUR
rope	18114179-00 (PNC, National Association)	Unicredit Banca AG.623	01/18/11	12/30/13	€25,799.40 EUR
rope	18114180-00 (PNC, National Association)	Unicredit Banca AG.623	01/18/11	12/30/13	€21,811.20 EUR
rope	18114181-00 (PNC, National Association)	Unicredit Banca AG.623	01/18/11	12/30/13	€72,704.00 EUR
rope	18115995-00 (PNC, National Association)	Citibank Korea Inc	01/20/12	01/31/16	€601,428.00 EUR
rope	18115999-00 (PNC, National Association)	Citibank Korea Inc	01/20/12	01/31/19	€2,001,360.00 EUR
South Africa d.	18119584-00 (PNC, National Association)	Bank of China Ltd., Hunan Branch	07/22/13	09/22/14	R13,526,248.90 ZAR
South Africa d.	18119586-00 (PNC, National Association)	Bank of China Ltd., Hunan Branch	07/18/13	09/30/14	R13,526,248.90 ZAR
House Air Brake gies Corporation	18111403-00 (PNC, National Association)	Chevy Chase Business Park Limited	05/29/09	07/31/14	\$100,000.00 USD
House Air Brake gies Corporation	18112724-00 (PNC Bank, National Association)	China Minsheng Banking Corp Ltd.	02/19/10	01/11/14	\$87,225.35 USD
House Air Brake gies Corporation	P-210871 (JPMorgan Chase Bank, N.A.)	The Home Insurance Company	07/28/95	03/09/14	\$39,246.00 USD

Account Party	Instrument Number (Issuer)	Beneficiary	Issue Date	Expiry Date	Currency Amount
House Air Brake Services Corporation	S657543 (Bank of America, N.A.)	Standard Chartered Bank	09/26/08	09/25/14	\$25,000.00 USD
Power, Inc.	S18572/346249 (The Bank of Nova Scotia)	Metrolinx	03/26/13	03/26/14	\$31,744,660.00 USD

SCHEDULE 6.1.6

LITIGATION AND CONTINGENT LIABILITIES

1. Claims have been filed against the Company and certain of its affiliates in various jurisdictions across the United States by persons alleging bodily injury as a result of exposure to asbestos-containing products.

Subsidiary	Jurisdiction of Formation	Entity Type	Company Ownership % (direct and indirect)
Adantech Industria e Comercio de Metal, Borracha e Friccao Ltda. EPP Brazil	Brazil, Federative Republic of	Corporation	100
Barber Steel Castings, Inc.	Delaware	Corporation	100
Barber Steel Foundry Corp.	Delaware	Corporation	100
Barber Tian Rui Railway Supply LLC	Delaware	Joint Venture	50
Bearward Engineering Limited	England	Corporation	100
Bearward Limited	England	Corporation	100
Becorit GmbH	Germany, Federal Republic of	Corporation	100
Beijing Wabtec Huaxia Technology Company Ltd.	China, People's Republic of	Joint Venture	100
CoFren S.A.S.	France, French Republic	Corporation	100
CoFren S.r.l.	Italy, Italian Republic	Corporation	100
Coleman Hydraulics Limited	England	Corporation	100
Coleman Manufacturing Limited	England	Corporation	100
Coleman UK Group Limited	England	Corporation	100
Durox Company	Ohio	Corporation	100
Envirotech Research Limited	England	Corporation	100
Evand Pty., Ltd.	Australia, Commonwealth of	Corporation	100
F.I.P. Pty. Ltd.	Australia, Commonwealth of	Corporation	100
FIP Brakes South Africa (Proprietary) Limited	South Africa, Republic of	Joint Venture	70
G & B Specialties, Inc.	United States of America	Corporation	100
GBI USA Holdings, Inc.	United States of America	Corporation	100
Hubei Dengfeng Unifin Electrical Equipment Cooling System Co., Ltd.	China, People's Republic of	Joint Venture	60
Hunan CSR Wabtec Railway Transportation Technology Co., Ltd.	China, People's Republic of	Joint Venture	50
InTrans Engineering Limited	India, Republic of	Corporation	100
J. & D. Gears Limited	England	Corporation	100
Keelex 351 Limited	England	Corporation	100
LH Access Technology Limited	England	Corporation	100
LH Group Holdings Limited	England	Corporation	100
LH Group Services Limited	England	Corporation	100
LH Group Wheelsets Limited	England	Corporation	100
LH Plant (Burton) Limited	England	Corporation	100
Longwood Elastomers, Inc.	Virginia	Corporation	100
Longwood Elastomers, S.A.	Spain, Kingdom of	Corporation	100
Longwood Engineered Products, Inc.	Delaware	Corporation	100

Longwood Industries, Inc.	New Jersey	Corporation	100
Longwood International, Inc.	Delaware	Corporation	100
LWI Elastomers International, S.L.	Spain, Kingdom of	Corporation	100
LWI International B.V.	Netherlands, Kingdom of the	Corporation	100
Mors Smitt BV	Netherlands, Kingdom of the	Corporation	100
Mors Smitt France S.A.S.	France, French Republic	Corporation	100
Mors Smitt Holding S.A.S.	France, French Republic	Corporation	100
Mors Smitt Netherlands BV	Netherlands, Kingdom of the	Limited Liability Company	100
Mors Smitt Technologies, Inc.	United States of America	Corporation	100
Mors Smitt UK Ltd	United Kingdom of Great Britain & Northern Ireland	Corporation	100
MorsSmitt Asia, Ltd.	Hong Kong, Special Administrative Region of China	Corporation	100
MotivePower, Inc.	Delaware	Corporation	100
Napier Turbochargers (Holdings) Limited	England	Corporation	100
Napier Turbochargers Limited	England	Corporation	100
Parts Supply Limited	England	Corporation	100
Poli S.r.l.	Italy, Italian Republic	Corporation	100
Railroad Friction Products Corp.	Delaware	Corporation	100
RFPC Holding Corp.	Delaware	Corporation	100
Ricon Acquisition Corp.	Georgia	Corporation	100
Ricon Corp.	California	Corporation	100
Sanhe CNR Wabtec Railway Brake Technology Ltd.	China, People's Republic of	Corporation	100
Schaefer Equipment, Inc.	Ohio	Corporation	100
SCT Europe Limited	England/Wales	Corporation	100
SCT Technology, LLC	Delaware	Joint Venture	100
Shenyang CNR Wabtec Railway Brake Technology Company, Ltd.	China, People's Republic of	Joint Venture	50
Standard Car Truck - Asia, Inc.	Delaware	Corporation	100
Standard Car Truck Company	Delaware	Corporation	100
The Hunslet Engine Company Limited	England	Corporation	100
TP (Powder Coating) Limited	England	Corporation	100
Turbonetics Holdings, Inc.	Delaware	Corporation	100
Vapor Europe S.r.l.	Italy, Italian Republic	Limited Liability Company	100
Vapor Rail Kapi Sistemleri Ticaret Ve Hizmetleri Limited Sirketi Turney	Turkey, Republic of	Joint Venture	54
Vapor Ricon Europe Ltd.	England	Subsidiary	100
Wabtec (Beijing) Corporate Management Co., Ltd.	China, People's Republic of	Corporation	100
Wabtec Assembly Services S. de R.L. de C.V.	Mexico, United Mexican States	Limited Liability Company	100
Wabtec Australia Pty. Limited	Australia, Commonwealth of	Corporation	100

Wabtec Brasil Fabricacao e Manutencao de Equipamentos Ferroviarios Ltd.	Brazil, Federative Republic of	Corporation	100
Wabtec Canada, Inc.	Canada	Corporation	100
Wabtec China Friction Holding Limited	Hong Kong, Special Administrative Region of China	Limited Liability Company	100
Wabtec China Rail Products & Services Holding Limited	Hong Kong, Special Administrative Region of China	Limited Liability Company	100
Wabtec Cooperatief U.A.	Netherlands, Kingdom of the	Limited Liability Company	100
Wabtec Corporation	New York	Corporation	100
Wabtec de Mexico S. de R.L. de C.V.	Mexico, United Mexican States	Limited Liability Company	100
			100
Wabtec Europe GmbH	Austria, Republic of	Corporation	100
Wabtec Finance LLC	Delaware	Limited Liability Company	100
Wabtec FRG GmbH	Germany, Federal Republic of	Corporation	100
Wabtec FRG Holdings GmbH & Co. KG	Germany, Federal Republic of	Corporation	100
Wabtec Golden Bridge Transportation Technology (Hangzhou) Company Ltd.	China, People's Republic of	Joint Venture	51
Wabtec Holding Corp.	Delaware	Corporation	100
Wabtec International, Inc.	Delaware	Corporation	100
Wabtec Investments Limited LLC	United States of America	Limited Liability Company	100
Wabtec Jinxin (Wuxi) Heat Exchanger Co., Ltd.	China, People's Republic of	Joint Venture	85
Wabtec Manufacturing Mexico, S. de R.L. de C.V.	Mexico, United Mexican States	Limited Liability Company	100
Wabtec MZT AD Skopje	Macedonia, Republic of	Corporation	87.4
Wabtec MZT Poland Sp. z.o.o.	Poland, Republic of	Limited Liability Company	100
Wabtec Rail Limited	England	Corporation	100
Wabtec Rail Scotland Limited	Scotland	Corporation	100
Wabtec Railway Electronics Corporation	Canada	Corporation	100
Wabtec Servicios Administrativos S.A. de C.V.	Mexico, United Mexican States	Corporation	100
Wabtec South Africa Proprietary Limited	South Africa, Republic of	Joint Venture	70
Wabtec UK Holdings Limited	England	Corporation	100
Wabtec UK Investments Limited	England	Corporation	100
Wabtec UK Management Limited	England	Corporation	100
Westinghouse Air Brake Technologies Corporation	Delaware	Corporation	N/A
Westinghouse Railway Holdings (Canada), Inc.	Ontario, Canada	Corporation	100
Wilmerding International Holdings C.V.	Netherlands, Kingdom of the	Corporation	100
Winco Equipamentos Ferroviarios Ltda.	Brazil, Federative Republic of	Corporation	100
Xorail LLC	Delaware	Limited Liability Company	100
Xorail, Inc.	Florida	Corporation	100

Young Touchstone Company	Wisconsin	Corporation	100
Zhongshan MorsSmitt Relay	China, People's Republic of	Corporation	100

SCHEDULE 6.1.14

Has been removed, no longer applicable.

**SCHEDULE 6.1.15
REAL PROPERTY**

Location	Business Segment	Primary Use	Own/ Lease	Approximate Square Feet
Domestic				
Rothbury, MI	Freight	Manufacturing/Office/Warehouse	Own	500,000
Imerding, PA	Freight	Manufacturing/Service/Office	Own	365,000
Boise, ID	Freight/Transit	Manufacturing	Own	326,000
Panorama City, CA	Transit	Manufacturing	Lease	200,000
Spartanburg, SC	Transit	Manufacturing/Service	Lease	183,600
Lexington, TN	Freight	Manufacturing	Own	170,000
Jackson, TN	Freight	Manufacturing	Own	150,000
Berwick, PA	Freight	Manufacturing/Warehouse	Own	150,000
Brenham, TX	Transit	Manufacturing/Office	Own	144,671
Chicago, IL	Freight	Manufacturing/Service	Own	123,140
Buffalo Grove, IL	Transit	Manufacturing	Lease	115,570
Greensburg, PA	Freight	Manufacturing	Own	113,000
Maxton, NC	Freight/Transit	Manufacturing	Own	105,000
Chillicothe, OH	Freight	Manufacturing	Lease	104,000
Warren, OH	Freight	Manufacturing	Own	102,650
Kansas City, MO	Freight	Service Center	Own	95,900
Cleveland, OH	Transit	Manufacturing/Warehouse/Office	Lease	92,609
Pittsburgh, PA	Freight	Manufacturing/Office	Lease	90,000

Location	Business Segment	Primary Use	Own/ Lease	Approximate Square Feet
Coshocton, OH	Freight	Manufacturing/Warehouse/Office	Own	83,000
Wytheville, VA	Transit	Manufacturing/Office	Own	82,400
Germantown, MD	Freight	Manufacturing	Own	80,000
Strongsville, OH	Freight	Manufacturing/Warehouse/Office	Lease	80,000
Columbia, SC	Freight	Service Center	Lease	71,000
Willits, CA	Freight/Transit	Manufacturing	Own	70,000
Plattsburgh, NY	Transit	Manufacturing	Lease	64,000
Bensenville, IL	Freight	Manufacturing/Warehouse/Office	Lease	58,000
Jacksonville, FL	Freight	Office	Lease	46,351
Moorpark, CA	Transit	Office/Warehouse	Lease	45,916
Cleveland, OH	Transit	Manufacturing/Warehouse/Office	Lease	43,283
Cedar Rapids, IA	Freight	Office	Lease	37,000
Greer, SC	Transit	Warehouse	Lease	34,000
Export, PA	Freight	Manufacturing	Lease	34,000
Jacksonville, FL	Freight	Warehouse	Lease	30,000
Elmsford, NY	Transit	Service Center	Lease	28,000
Chesapeake, VA	Freight	Manufacturing/Office	Lease	24,630
Wytheville, VA	Transit	Manufacturing	Lease	23,500
Boise, ID	Freight/Transit	Warehouse/Office	Lease	22,826
Burlington, NC	Transit	Manufacturing/Office	Lease	22,480
Clarksburg, MD	Freight	Manufacturing	Lease	22,433
Carson City, NV	Freight	Service Center	Lease	22,000

Location	Business Segment	Primary Use	Own/ Lease	Approximate Square Feet
Salem, OH	Freight	Manufacturing	Own	20,000
Park Ridge, IL	Freight	Office	Lease	15,150
Boise, ID	Freight/Transit	Warehouse	Lease	13,028
Export, PA	Transit	Manufacturing	Lease	13,000
Greensboro, GA	Transit	Office	Lease	9,105
Elkhart, IN	Transit	Warehouse	Lease	8,000
Omaha, NE	Freight	Office	Lease	7,048
Jackson, TN	Freight	Warehouse	Lease	6,000
Ontario, CA	Freight	Office	Lease	5,954
Englewood, CO	Freight	Office	Lease	5,676
Azle, TX	Freight	Office	Lease	5,180
Oak Creek, WI	Freight	Engineering/Admin	Lease	5,000
Woodbury, MN	Freight	Office	Lease	3,654
Wayne, PA	Freight	Office	Lease	3,641
Fort Worth, TX	Freight	Office	Lease	2,980
Merriam, KS	Freight	Office	Lease	2,874
Walnut Creek, CA	Freight	Warehouse	Lease	1,821
Hudson, OH	Freight	Office	Lease	800
San Pablo, CA	Transit	Office	Lease	550
McKeesport, PA	Freight	Warehouse	Lease	400
Hiram, GA	Transit	Warehouse	Lease	400
New Castle, DE	Transit	Sales Office	Lease	400

Location	Business Segment	Primary Use	Own/ Lease	Approximate Square Feet
Glen Mills, PA	Freight	Office	Lease	300
Mountaintop, PA	Corporate	Vacant Land Available for Sale	Own	N/A

SCHEDULE 6.1.19
LABOR MATTERS

1. Cardinal Pumps & Exchangers division of Young Touchstone Company and United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, Local 3372-2. Salem, Ohio
Dated May 19, 2011 thru May 19, 2014
2. Triangle Engineered Products division of Westinghouse Air Brake Technologies Corporation and Automobile Mechanics Union Local 701, International Association of Machinists & Aerospace Workers, AFL-CIO. Bensenville, IL
Dated December 12, 2011 thru December 11, 2014 (currently being renegotiated)
3. Westinghouse Air Brake Technologies Corporation and United Electrical, Radio and Machine Workers of America Local 610. Wilmerding and Greensburg, PA
Dated May 1, 2013 thru May, 2016 (Hourly Workers)
4. Westinghouse Air Brake Technologies Corporation and United Electrical, Radio and Machine Workers of America Local 610. Wilmerding and Greensburg, PA
Dated May 1, 2013 thru May 1, 2016 (Salaried Workers)
5. MotivePower, Inc. agreement with International Union of Operating Engineers Local 370. Boise, Idaho
Dated July 1, 2012 thru June 30, 2015
6. Barber Pa division of Standard Car Truck Company and United Steelworkers - Pittsburgh PA
Expires March, 2015

SCHEDULE 8.2.1
PERMITTED INDEBTEDNESS

None.

SCHEDULE 8.2.11
PERMITTED INVESTMENTS

None.

EXHIBIT 1.1(A)

FORM OF

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "*Assignment and Assumption*") is dated as of the Effective Date set forth below and is entered into by and between the **ASSIGNOR IDENTIFIED IN ITEM 1 BELOW** (the "*Assignor*") and the **ASSIGNEE IDENTIFIED IN ITEM 2 BELOW** (the "*Assignee*"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as the same may be amended, restated, modified or supplemented, the "*Credit Agreement*"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below: (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including, without limitation, any Letters of Credit and guarantees included in such facilities); and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by the Assignor to the Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as the "*Assigned Interest*"). Each such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

12.

Assignor: _____

13.

Assignee: _____

[and is an Affiliate of [*identify Lender*]]

14.

Borrowers: WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION and WABTEC COÖPERATIEF U.A., collectively, as the borrowers

15.

Administrative Agent: PNC BANK, NATIONAL ASSOCIATION, a national banking association, as the administrative agent under the Credit Agreement

16.

Credit Agreement: The \$800,000,000 Revolving Credit Facility First Amended and Restated Refinancing Credit Agreement dated as of December 19, 2013 among the Borrowers, the Guarantors

party thereto, the Lenders party thereto, and the Administrative Agent.

17.

Assigned Interest:

Facility Assigned	Aggregate Amount of Commitment / Loans for all Lenders	Amount of Commitment / Loans Assigned ¹	Percentage Assigned of Commitment / Loans ²	CUSIP Number
Revolving Credit Commitment	\$	\$	%	

18.

[Trade Date: _____]³

Effective Date: _____, 20__ [TO BE INSERTED BY THE ADMINISTRATIVE AGENT AND WHICH

SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]⁴

[SIGNATURE PAGES FOLLOW]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By:
Name:
Title:

ASSIGNEE

[NAME OF ASSIGNEE]

By:
Name:
Title:

Accepted:
PNC BANK, NATIONAL ASSOCIATION,
as the Administrative Agent

By:
Name:
Title:

Consented to:
WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION,
a Delaware corporation, as Borrower Agent

By:
Name:
Title:

ANNEX 1
WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
WABTEC COÖPERATIEF U.A.

\$800,000,000 REVOLVING CREDIT FACILITY
STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION AGREEMENT

1. Representations and Warranties.

1.1 Assignor. The Assignor: (a) represents and warrants that: (i) it is the legal and beneficial owner of the Assigned Interest; (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim; and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to: (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document; (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder; (iii) the financial condition of the Borrowers, any of their Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document; or (iv) the performance or observance by the Borrowers, any of their Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2 Assignee. The Assignee: (a) represents and warrants that: (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement; (ii) it meets all requirements of an eligible assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement); (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder; (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 8.3 [Reporting Requirements] thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender; (v) after giving effect to the Assigned Interest, the share of the Assignee located in or organized under the laws of the Netherlands in the Loans and the share of the Assignee in the Loans to WABTEC UA or a Foreign Borrower organized under the laws of the Netherlands is at least the Dollar Equivalent of EUR 100,000 or such higher amount as may be required on the Effective Date in order for the Assignee to qualify as a Professional Market Party or the Assignee shall otherwise qualify as a Professional Market Party; (vi) it is a Professional Market Party and (vii) if the Assignee is not incorporated or organized under the Laws of the United States of America or a state thereof, attached to the Assignment and Assumption is any other documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that: (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents; and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania without regard to its conflict of laws principles.

EXHIBIT 1.1(G)

FORM OF

AMENDED AND RESTATED

CONTINUING AGREEMENT OF GUARANTY AND SURETYSHIP

This Amended and Restated Continuing Agreement of Guaranty and Suretyship (this "*Guaranty*"), dated as of December 19, 2013, is jointly and severally given by **EACH OF THE UNDERSIGNED AND EACH OF THE OTHER PERSONS WHICH BECOME GUARANTORS HEREUNDER FROM TIME TO TIME** (each a "*Guarantor*" and collectively the "*Guarantors*") in favor of **PNC BANK, NATIONAL ASSOCIATION**, as administrative agent for the Lenders (the "*Administrative Agent*"), in connection with that First Amended and Restated Refinancing Credit Agreement, dated as of December 19, 2013, by and among **WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION**, a Delaware corporation and **WABTEC COÖPERATIEF U.A.**, a *coöperatieve vereniging met uitsluiting van aansprakelijkheid* under the laws of the Netherlands (collectively referred to as the "*Borrowers*" and each as a "*Borrower*"), the Administrative Agent, the Lenders now or hereafter party thereto (the "*Lenders*") and the Guarantors (as amended, restated, modified, or supplemented from time to time hereafter, the "*Credit Agreement*"). Capitalized terms not otherwise defined herein shall have the respective

meanings ascribed to them by the Credit Agreement, and the rules of construction set forth in Section 1.2 [Construction] of the Credit Agreement shall apply to this Guaranty.

To induce the Administrative Agent and the Lenders to make loans and grant other financial accommodations to the Borrowers and Guarantors under the Credit Agreement, each Guarantor jointly and severally agrees as follows:

4. **Guarantied Obligations.** Each Guarantor hereby jointly and severally unconditionally and irrevocably guaranties to the Administrative Agent and each Lender and any provider of a Lender Provided Foreign Currency Hedge, any provider of a Lender Provided Interest Rate Hedge or any provider of Other Lender Provided Financial Service Products and becomes surety, as though it was a primary obligor for, the full and punctual payment and performance when due (whether on demand, at stated maturity, by acceleration, or otherwise and including any amounts which would become due but for the operation of an automatic stay under the federal bankruptcy code of the United States or any similar Laws of any country or jurisdiction) of all Obligations, including, without limiting the generality of the foregoing, all obligations, liabilities, and indebtedness from time to time of the Borrowers or any other Guarantor to the Administrative Agent or any of the Lenders or any Affiliate of any Lender under or in connection with the Credit Agreement or any other Loan Document, whether for principal, interest, fees, indemnities, expenses, or otherwise, and all renewals, extensions, amendments, refinancings or refundings thereof, whether such obligations, liabilities, or indebtedness are direct or indirect, secured or unsecured, joint or several, absolute or contingent, due or to become due, whether for payment or performance, now existing or hereafter arising (and including obligations, liabilities, and indebtedness arising or accruing after the commencement of any bankruptcy, insolvency, reorganization, or similar proceeding with respect to any Borrower or any Guarantor or which would have arisen or accrued but for the commencement of such proceeding, even if the claim for such obligation, liability, or indebtedness is not enforceable or allowable in such proceeding, and including all Obligations, liabilities, and Indebtedness arising from any extensions of credit under or in connection with any Loan Document from time to time, regardless of whether any such extensions of credit are in excess of the amount committed under or contemplated by the Loan Documents or are made in circumstances in which any condition to extension of credit is not satisfied) (all of the foregoing obligations, liabilities and indebtedness are referred to herein collectively as the "*Guarantied Obligations*" and each as a "*Guarantied Obligation*"). Notwithstanding anything to the contrary contained herein, Guarantied Obligations shall specifically exclude any and all Excluded Hedge Liabilities. Without limitation of the foregoing, any of the Guarantied Obligations shall be and remain Guarantied Obligations entitled to the benefit of this Guaranty if the Administrative Agent or any of the Lenders (or any one or more assignees or transferees thereof) from time to time assign or otherwise transfer all or any portion of their respective rights and obligations under the Loan Documents, or any other Guarantied Obligations, to any other Person.

5. **Guaranty.** Each Guarantor hereby promises to pay and perform all such Guarantied Obligations immediately upon demand of the Administrative Agent and the Lenders or any one or more of them. All payments made hereunder shall be made by each Guarantor in immediately available funds in U.S. Dollars and shall be made without set-off, counterclaim, withholding, or other deduction of any nature.

6. **Obligations Absolute.** The obligations of the Guarantors hereunder shall not be discharged or impaired or otherwise diminished by the failure, default, omission, or delay, willful or otherwise, by any Lender, the Administrative Agent, or any Borrower or any other obligor on any of the Guarantied Obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of any Guarantor or would otherwise operate as a discharge of any Guarantor as a matter of law or equity. Each of the Guarantors agrees that the Guarantied Obligations will be paid and performed strictly in accordance with the terms of the Loan Documents. Without limiting the generality of the foregoing, each Guarantor hereby consents to, at any time and from time to time, and the joint and several obligations of each Guarantor hereunder shall not be diminished, terminated, or otherwise similarly affected by any of the following:

6.1 Any lack of genuineness, legality, validity, enforceability or allowability (in a bankruptcy, insolvency, reorganization or similar proceeding, or otherwise), or any avoidance or subordination, in whole or in part, of any Loan Document or any of the Guarantied Obligations and regardless of any Law, regulation or order now or hereafter in effect in any jurisdiction affecting any of the Guarantied Obligations, any of the terms of the Loan Documents, or any rights of the Administrative Agent or the Lenders or any other Person with respect thereto;

6.2 Any increase, decrease, or change in the amount, nature, type or purpose of any of, or any release, surrender, exchange, compromise or settlement of any of, the Guarantied Obligations (whether or not contemplated by the Loan Documents as presently constituted); any change in the time, manner, method, or place of payment or performance of, or in any other term of, any of the Guarantied Obligations; any execution or delivery of any additional Loan Documents; or any amendment, modification or supplement to, or renewals, extensions, refinancing or refunding of, any Loan Document or any of the Guarantied Obligations;

6.3 Any failure to assert any breach of or default under any Loan Document or any of the Guarantied Obligations; any extensions of credit in excess of the amount committed under or contemplated by the Loan Documents, or in circumstances in which any condition to such extensions of credit has not been satisfied; any other exercise or non-exercise, or any other failure, omission, breach, default, delay, or wrongful action in connection with any exercise or non-exercise, of any right or remedy against any Borrower or any other Person under or in connection with any Loan Document or any of the Guarantied Obligations; any refusal of payment or performance of any of the Guarantied Obligations, whether or not with any reservation of rights against any Guarantor; or any application of collections (including but not limited to collections resulting from realization upon any direct or indirect security for the Guarantied Obligations) to other obligations, if any, not entitled to the benefits of this Guaranty, in preference to Guarantied Obligations entitled to the benefits of this Guaranty, or if any collections are applied to Guarantied Obligations, any application to particular Guarantied Obligations;

6.4 Any taking, exchange, amendment, modification, waiver, supplement, termination, subordination, compromise, release, surrender, loss, or impairment of, or any failure to protect, perfect, or preserve the value of, or any enforcement of, realization upon, or exercise of rights, or remedies under or in connection with, or any failure, omission, breach, default, delay, or wrongful action by the Administrative Agent or the Lenders, or any of them, or any other Person in connection with the enforcement of, realization upon, or exercise of rights or remedies under or in connection with, or any other action or inaction by the Administrative Agent or the Lenders, or any of them, or any other Person in respect of, any direct or indirect security for any of the Guarantied Obligations. As used in this Guaranty, "direct or indirect security" for the Guarantied Obligations, and similar phrases, includes any collateral security, guaranty, suretyship, letter of credit, capital maintenance agreement, put option, subordination agreement, or other right or arrangement of any nature providing direct or indirect assurance of payment or performance of any of the Guarantied Obligations, made by or on behalf of any Person;

6.5 Any merger, consolidation, liquidation, dissolution, winding-up, charter revocation, forfeiture, restructuring or termination of, or other change in, the corporate structure or existence of, any Borrower or any other Person; any bankruptcy, insolvency, reorganization or similar proceeding with respect to any Borrower or any other Person; or any action taken or election made by the Administrative Agent or the Lenders, or any of them (including but not limited to any election under Section 1111(b)(2) of the United States Bankruptcy Code), any Borrower, or any other Person in connection with any such proceeding;

6.6 Any defense, set-off, or counterclaim which may at any time be available to or be asserted by any Borrower or any other person with respect to any Loan Document or any of the Guarantied Obligations; or any discharge by operation of Law or release of any Borrower or

any other Person from the performance or observance of any Loan Document or any of the Guaranteed Obligations; or

6.7 Any other event or circumstance, whether similar or dissimilar to the foregoing, and whether known or unknown, which might otherwise constitute a defense available to, or limit the liability of, any Guarantor, a guarantor or a surety, excepting only Payment In Full.

Each Guarantor acknowledges, consents, and agrees that new Guarantors may join in this Guaranty pursuant to Section 8.1.8 [Further Assurances; Joinder of Loan Parties] of the Credit Agreement and each Guarantor affirms that its obligations shall continue hereunder undiminished.

7 Waivers, etc. Each of the Guarantors hereby waives any defense to or limitation on its obligations under this Guaranty arising out of or based on any event or circumstance referred to in Section 3 hereof. Without limitation and to the fullest extent permitted by applicable Law, each Guarantor waives each of the following:

7.1 All notices, disclosures and demands of any nature which otherwise might be required from time to time to preserve intact any rights against any Guarantor, including the following: any notice of any event or circumstance described in Section 3 hereof; any notice required by any Law, regulation or order now or hereafter in effect in any jurisdiction; any notice of nonpayment, nonperformance, dishonor, or protest under any Loan Document or any of the Guaranteed Obligations; any notice of the incurrence of any Guaranteed Obligation; any notice of any default or any failure on the part of any Borrower or any other Person to comply with any Loan Document or any of the Guaranteed Obligations or any direct or indirect security for any of the Guaranteed Obligations; and any notice of any information pertaining to the business, operations, condition (financial or otherwise) or prospects of any Borrower or any other Person;

7.2 Any right to any marshalling of assets, to the filing of any claim against any Borrower or any other Person in the event of any bankruptcy, insolvency, reorganization or similar proceeding, or to the exercise against any Borrower or any other Person of any other right or remedy under or in connection with any Loan Document or any of the Guaranteed Obligations or any direct or indirect security for any of the Guaranteed Obligations; any requirement of promptness or diligence on the part of the Administrative Agent or the Lenders, or any of them, or any other Person; any requirement to exhaust any remedies under or in connection with, or to mitigate the damages resulting from default under, any Loan Document or any of the Guaranteed Obligations or any direct or indirect security for any of the Guaranteed Obligations; any benefit of any statute of limitations; and any requirement of acceptance of this Guaranty or any other Loan Document, and any requirement that any Guarantor receive notice of any such acceptance;

7.3 Any defense or other right arising by reason of any Law now or hereafter in effect in any jurisdiction pertaining to election of remedies (including but not limited to anti-deficiency laws, "one action" laws or the like), or by reason of any election of remedies or other action or inaction by the Administrative Agent or the Lenders, or any of them (including but not limited to commencement or completion of any judicial proceeding or nonjudicial sale or other action in respect of collateral security for any of the Guaranteed Obligations), which results in denial or impairment of the right of the Administrative Agent or the Lenders, or any of them, to seek a deficiency against any Borrower or any other Person or which otherwise discharges or impairs any of the Guaranteed Obligations; and

7.4 Any and all defenses it may now or hereafter have based on principles of suretyship, impairment of collateral, or the like.

8 Reinstatement. This Guaranty is a continuing obligation of the Guarantors and shall remain in full force and effect notwithstanding that no Guaranteed Obligations may be outstanding from time to time and notwithstanding any other event or circumstance. Upon Payment In Full, this Guaranty shall terminate; provided, however, that this Guaranty shall continue to be effective or be reinstated, as the case may be, any time any payment of any of the Guaranteed Obligations is rescinded, recouped, avoided, or must otherwise be returned or released by any Lender or Administrative Agent upon or during the insolvency, bankruptcy, or reorganization of, or any similar proceeding affecting, any Borrower or for any other reason whatsoever, all as though such payment had not been made and was due and owing.

9 Subrogation. Each Guarantor waives and agrees it will not exercise any rights against any Borrower or any other Guarantor arising in connection with, or any Collateral securing, the Guaranteed Obligations (including rights of subrogation, contribution, and the like) until the Guaranteed Obligations have been indefeasibly paid in full, and all Commitments have been terminated and all Letters of Credit have expired. If any amount shall be paid to any Guarantor by or on behalf of any Borrower or any other Guarantor by virtue of any right of subrogation, contribution, or the like, such amount shall be deemed to have been paid to such Guarantor for the benefit of, and shall be held in trust for the benefit of, the Administrative Agent and the Lenders and shall forthwith be paid to the Administrative Agent to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms of the Credit Agreement.

10 No Stay. Without limitation of any other provision of this Guaranty, if any declaration of default or acceleration or other exercise or condition to exercise of rights or remedies under or with respect to any Guaranteed Obligation shall at any time be stayed, enjoined, or prevented for any reason (including but not limited to stay or injunction resulting from the pendency against any Borrower or any other Person of a bankruptcy, insolvency, reorganization or similar proceeding), the Guarantors agree that, for the purposes of this Guaranty and their obligations hereunder, the Guaranteed Obligations shall be deemed to have been declared in default or accelerated, and such other exercise or conditions to exercise shall be deemed to have been taken or met.

11 Taxes. Each Guarantor covenants and agrees to comply with the provisions applicable to such Guarantor in Section 5.9 [Taxes], Section 8.1 [Affirmative Covenants] and Section 8.2 [Negative Covenants] of the Credit Agreement.

12 Notices. Each Guarantor agrees that all notices, statements, requests, demands and other communications under this Guaranty shall be given to such Guarantor at the address set forth on a Schedule to, or in a Loan Party Joinder and Assumption Agreement given under, the Credit Agreement and in the manner provided in Section 11.5 [Notices; Effectiveness; Electronic Communication] of the Credit Agreement. The Administrative Agent and the Lenders may rely on any notice (whether or not made in a manner contemplated by this Guaranty) purportedly made by or on behalf of a Guarantor, and the Administrative Agent and the Lenders shall have no duty to verify the identity or authority of the Person giving such notice.

13 Counterparts; Telecopy Signatures. This Guaranty may be executed in any number of counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument. Each Guarantor acknowledges and agrees that transmission by way of electronic communications (including by e-mail), as permitted in the Credit Agreement), or by telecopy transmission to Administrative Agent or any Lender of signature pages hereof purporting to be signed on behalf of any Guarantor shall constitute effective and binding execution and delivery hereof by such Guarantor, but shall in any event be promptly followed by delivery of the original manually executed signature page (provided, however, that the failure to do so shall in no event adversely affect the rights of the Administrative Agent or any of the Lenders under this Guaranty whatsoever).

14 Set-off, Default Payments by the Borrowers.

14.1 In the event that at any time any obligation of the Guarantors now or hereafter existing under this Guaranty shall have become due and payable, the Administrative Agent and the Lenders, or any of them, shall have the right from time to time, without notice to any Guarantor, to set off against and apply to such due and payable amount any obligation of any nature of any Lender or the Administrative Agent, or any subsidiary or affiliate of any Lender or Administrative Agent, to any Guarantor, including but not limited to all deposits (whether time or demand, general or special, provisionally credited or finally credited, however evidenced) now or hereafter maintained by any Guarantor with

the Administrative Agent or any Lender. Such right shall be absolute and unconditional in all circumstances and, without limitation, shall exist whether or not the Administrative Agent or the Lenders, or any of them, shall have given any notice or made any demand under this Guaranty or under such obligation to the Guarantor, whether such obligation to the Guarantor is absolute or contingent, matured or unmatured (it being agreed that the Administrative Agent and the Lenders, or any of them, may deem such obligation to be then due and payable at the time of such set-off), and regardless of the existence or adequacy of any collateral, guaranty, or other direct or indirect security or right or remedy available to the Administrative Agent or any of the Lenders. The rights of the Administrative Agent and the Lenders under this Section are in addition to such other rights and remedies (including, without limitation, other rights of set-off and banker's lien) which the Administrative Agent and the Lenders, or any of them, may have, and nothing in this Guaranty or in any other Loan Document shall be deemed a waiver of or restriction on the right of set-off or banker's lien of the Administrative Agent and the Lenders, or any of them. Each of the Guarantors hereby agrees that, to the fullest extent permitted by Law, any affiliate or subsidiary of the Administrative Agent or any of the Lenders and any holder of a participation in any obligation of any Guarantor under this Guaranty, shall have the same rights of set-off as the Administrative Agent and the Lenders as provided in this Section (regardless whether such affiliate or participant otherwise would be deemed a creditor of the Guarantor).

14.2 Upon the occurrence and during the continuation of any default under any Guaranteed Obligation, if any amount shall be paid to any Guarantor by or for the account of the Borrowers, such amount shall be held in trust for the benefit of each Lender and Administrative Agent and shall forthwith be paid to the Administrative Agent to be credited and applied to the Guaranteed Obligations when due and payable.

15. Construction. The section and other headings contained in this Guaranty are for reference purposes only and shall not affect interpretation of this Guaranty in any respect. This Guaranty has been fully negotiated between the applicable parties, each party having the benefit of legal counsel, and accordingly neither any doctrine of construction of guaranties or suretyships in favor of the guarantor or surety, nor any doctrine of construction of ambiguities in agreements or instruments against the party controlling the drafting thereof, shall apply to this Guaranty.

16. Successors and Assigns. This Guaranty shall be binding upon each Guarantor, its successors and assigns, and shall inure to the benefit of and be enforceable by the Administrative Agent and the Lenders, or any of them, and their successors and permitted assigns; provided, however, that no Guarantor may assign or transfer any of its rights or obligations hereunder or any interest herein and any such purported assignment or transfer shall be null and void. Without limitation of the foregoing, the Administrative Agent and the Lenders, or any of them (and any successive assignee or transferee), from time to time may assign or otherwise transfer all or any portion of its rights or obligations under the Loan Documents (including all or any portion of any commitment to extend credit), or any other Guaranteed Obligations, to any other person and such Guaranteed Obligations (including any Guaranteed Obligations resulting from extension of credit by such other Person under or in connection with the Loan Documents) shall be and remain Guaranteed Obligations entitled to the benefit of this Guaranty, and to the extent of its interest in such Guaranteed Obligations such other Person shall be vested with all the benefits in respect thereof granted to the Administrative Agent and the Lenders in this Guaranty or otherwise.

17. Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.

17.1 Governing Law. This Guaranty shall be governed by, construed, and enforced in accordance with, the internal Laws of the Commonwealth of Pennsylvania, without regard to conflict of laws principles

17.2 Certain Waivers. Each Guarantor hereby irrevocably:

17.2.1 Submits to the nonexclusive jurisdiction of the Courts of the Commonwealth of Pennsylvania sitting in Allegheny County and of the United States District Court for the Western District of Pennsylvania, and any Appellate Court from any thereof, in any action or proceeding arising out of or relating to this Agreement, and each Guarantor hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such Pennsylvania state or federal court. Each Guarantor hereby waives to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of any such action or proceeding. Each Guarantor hereby appoints the process agent identified below (the "*Process Agent*") as its agent to receive on behalf of such party and its respective property service of copies of the summons and complaint and any other process which may be served in any action or proceeding. Such service may be made by mailing or delivering a copy of such process to the Guarantor in care of the Process Agent at the Process Agent's address, and each Guarantor hereby authorizes and directs the Process Agent to receive such service on its behalf. Each Guarantor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions (or any political subdivision thereof) by suit on the judgment or in any other manner provided at law. Each Guarantor further agrees that it shall, for so long as any commitment or any obligation of any Loan Party to any Lender remains outstanding, continue to retain Process Agent for the purposes set forth in this Section 14. The Process Agent is Westinghouse Air Brake Technologies Corporation, with an office on the date hereof as set forth in the Credit Agreement. The Process Agent hereby accepts the appointment of Process Agent by the Guarantors and agrees to act as Process Agent on behalf of the Guarantors;

17.2.2 Waives any objection to jurisdiction and venue of any action instituted against it as provided herein and agrees not to assert any defense based on lack of jurisdiction or venue; and

17.2.3 WAIVES TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING, OR COUNTERCLAIM OF ANY KIND ARISING OUT OF OR RELATED TO THIS GUARANTY, THE CREDIT AGREEMENT, OR ANY OTHER LOAN DOCUMENT TO THE FULLEST EXTENT PERMITTED BY LAW.

18. Severability; Modification to Conform to Law.

18.1 It is the intention of the parties that this Guaranty be enforceable to the fullest extent permissible under applicable Law, but that the unenforceability (or modification to conform to such Law) of any provision or provisions hereof shall not render unenforceable, or impair, the remainder hereof. If any provision in this Guaranty shall be held invalid or unenforceable in whole or in part in any jurisdiction, this Guaranty shall, as to such jurisdiction, be deemed amended to modify or delete, as necessary, the offending provision or provisions and to alter the bounds thereof in order to render it or them valid and enforceable to the maximum extent permitted by applicable Law, without in any manner affecting the validity or enforceability of such provision or provisions in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

18.2 Notwithstanding any other provision of this Guaranty, in any action or proceeding involving any state corporate law, or any state, federal or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of a Guarantor under this Guaranty would otherwise be held or determined to be avoidable, invalid or unenforceable on account of the amount of such Guarantor's liability under this Guaranty, then, notwithstanding any other provision of this Guaranty to the contrary, the amount of such liability shall, without any further action by such Guarantor or the Administrative Agent or any Lender, be automatically limited and reduced to the highest amount that is valid and enforceable as determined in such action or proceeding.

18.3 This Guaranty shall be presumptively valid and enforceable to its full extent in accordance with its terms, and in any related litigation the burden of proof shall be on the party asserting the invalidity or unenforceability of any provision hereof or asserting any limitation on any Guarantor's obligations hereunder as to each element of such assertion.

19. Additional Guarantors. At any time after the initial execution and delivery of this Guaranty to the Administrative Agent and the Lenders, additional Persons may become parties to this Guaranty and thereby acquire the duties and rights of being Guarantors hereunder by executing and delivering to the Administrative Agent and the Lenders a Loan Party Joinder pursuant to the Credit Agreement. No notice of the addition of any Guarantor shall be required to be given to any pre-existing Guarantor and each Guarantor hereby consents thereto.

20. Joint and Several Obligations. The obligations and additional liabilities of the Guarantors under this Guaranty are joint and several obligations of the Guarantors, and each Guarantor hereby waives to the full extent permitted by Law any defense it may otherwise have to the payment and performance of the Obligations that its liability hereunder is limited and not joint and several. Each Guarantor acknowledges and agrees that the foregoing waivers and those set forth below serve as a material inducement to the agreement of the Administrative Agent and the Lenders to make the Loans, and that the Administrative Agent and the Lenders are relying on each specific waiver and all such waivers in entering into this Guaranty. The undertakings of each Guarantor hereunder secure the obligations of itself and the other Guarantors. The Administrative Agent and the Lenders, or any of them, may, in their sole discretion, elect to enforce this Guaranty against any Guarantor without any duty or responsibility to pursue any other Guarantor and such an election by the Administrative Agent and the Lenders, or any of them, shall not be a defense to any action the Administrative Agent and the Lenders, or any of them, may elect to take against any Guarantor. Each of the Lenders and Administrative Agent hereby reserve all rights against each Guarantor.

21. Receipt of Credit Agreement, Other Loan Documents, Benefits.

21.1 Each Guarantor hereby acknowledges that it has received a copy of the Credit Agreement and the other Loan Documents and each Guarantor certifies that the representations and warranties made therein with respect to such Guarantor are true and correct. Further, each Guarantor acknowledges and agrees to perform, comply with, and be bound by all of the provisions of the Credit Agreement and the other Loan Documents.

21.2 Each Guarantor hereby acknowledges, represents, and warrants that it receives direct and indirect benefits by virtue of its affiliation with the Borrowers and the other Guarantors and that it will receive direct and indirect benefits from the financing arrangements contemplated by the Credit Agreement and that such benefits, together with the rights of contribution and subrogation that may arise in connection herewith are a reasonably equivalent exchange of value in return for providing this Guaranty.

22. Miscellaneous.

22.1 Amendments, Waivers. No amendment to or waiver of any provision of this Guaranty, and no consent to any departure by any Guarantor herefrom, shall in any event be effective unless in a writing manually signed by or on behalf of the Administrative Agent and the Lenders. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No delay or failure of the Administrative Agent or the Lenders, or any of them, in exercising any right or remedy under this Guaranty shall operate as a waiver thereof; nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies of the Administrative Agent and the Lenders under this Guaranty are cumulative and not exclusive of any other rights or remedies available hereunder, under any other agreement or instrument, by Law, or otherwise.

22.2 Telecommunications. Each Lender and Administrative Agent shall be entitled to rely on the authority of any individual making any telecopy, electronic or telephonic notice, request, or signature without the necessity of receipt of any verification thereof.

22.3 Expenses. Each Guarantor unconditionally agrees to pay all costs and expenses, including reasonable attorney's fees incurred by the Administrative Agent or any of the Lenders in enforcing this Guaranty against any Guarantor and each Guarantor shall pay and indemnify each Lender and Administrative Agent for, and hold it harmless from and against, any and all obligations, liabilities, losses, damages, costs, expenses (including disbursements and reasonable legal fees of counsel to any Lender or Administrative Agent), penalties, judgments, suits, actions, claims, and disbursements imposed on, asserted against, or incurred by any Lender or Administrative Agent:

22.3.1 relating to the preparation, negotiation, execution, administration, or enforcement of or collection under this Guaranty or any document, instrument, or agreement relating to any of the Obligations, including in any bankruptcy, insolvency, or similar proceeding in any jurisdiction or political subdivision thereof;

22.3.2 relating to any amendment, modification, waiver, or consent hereunder or relating to any telecopy, electronic, or telephonic transmission purporting to be by any Guarantor or the Borrowers; and

22.3.3 in any way relating to or arising out of this Guaranty, or any document, instrument, or agreement relating to any of the Guaranteed Obligations, or any action taken or omitted to be taken by any Lender or Administrative Agent hereunder, and including those arising directly or indirectly from the violation or asserted violation by any Guarantor or the Borrowers or Administrative Agent or any Lender of any Law, rule, regulation, judgment, order, or the like of any jurisdiction or political subdivision thereof (including those relating to environmental protection, health, labor, importing, exporting, or safety) and regardless whether asserted by any governmental entity or any other Person.

22.4 Prior Understandings. This Guaranty and the Credit Agreement constitute the entire agreement of the parties hereto with respect to the subject matter hereof and supersede any and all other prior and contemporaneous understandings and agreements.

22.5 Survival. All representations and warranties of the Guarantors made in connection with this Guaranty shall survive, and shall not be waived by, the execution and delivery of this Guaranty, any investigation by or knowledge of the Administrative Agent and the Lenders, or any of them, any extension of credit, or any other event or circumstance whatsoever.

22.6 Foreign Borrower. **NOTWITHSTANDING ANYTHING CONTAINED IN THIS GUARANTY TO THE CONTRARY, THE OBLIGATIONS OF WABTEC COÖPERATIEF U.A. WITH RESPECT TO REIMBURSEMENT OF GUARANTORS, OR ANY RIGHTS OF SUBROGATION AGAINST WABTEC COÖPERATIEF U.A. HELD BY GUARANTORS, AS A RESULT OF PAYMENTS MADE BY GUARANTORS HEREUNDER, SHALL BE EXPRESSLY SUBJECT TO THE LIMITATIONS SET FORTH IN SECTION 11.16 OF THE CREDIT AGREEMENT.**

22.7 Amendment and Restatement; No Novation. This Guaranty hereby replaces in its entirety, that certain Continuing Agreement of Guaranty and Suretyship dated as of November 7, 2011, given by the Guarantors in favor of the Administrative Agent (as thereafter amended, supplemented or modified from time to time, the "*Original Guaranty Agreement*"), and the Guarantors acknowledge and agree that the amendment and restatement of the Original Guaranty Agreement by this Guaranty is not intended to constitute, nor does it constitute, a novation, interruption, suspension of continuity, satisfaction, discharge or termination of the obligations, liabilities, or indebtedness under the Original Guaranty Agreement and this Guaranty is entitled to all rights and benefits originally pertaining to the Guaranty Agreement, as such rights and benefits may have been amended pursuant to the terms of this Guaranty.

IN WITNESS WHEREOF, the undersigned parties intending to be legally bound, have executed this Amended and Restated Continuing Agreement of Guaranty and Suretyship as of the date first above written with the intention that this Amended and Restated Continuing Agreement of Guaranty and Suretyship shall constitute a sealed instrument.

GUARANTORS:

MOTIVEPOWER, INC.,
a Delaware corporation;
RAILROAD FRICTION PRODUCTS CORPORATION,
a Delaware corporation;
RICON CORP.,
a California corporation;
SCHAEFER EQUIPMENT, INC.,
an Ohio corporation;
YOUNG TOUCHSTONE COMPANY,
a Wisconsin corporation;
STANDARD CAR TRUCK COMPANY,
a Delaware corporation;
DUROX COMPANY,
an Ohio corporation;
G&B SPECIALTIES, INC.,
a Pennsylvania corporation;
GBI USA HOLDINGS, INC.,
a Nevada corporation;
XORAIL, LLC,
a Delaware limited liability company;
XORAIL, INC.,
a Florida corporation;
WABTEC INTERNATIONAL, INC.,
a Delaware corporation;
RFPC HOLDING CORP.,
a Delaware corporation;
WABTEC HOLDING CORP.,
a Delaware corporation;
TURBONETICS HOLDINGS, INC.,
a Delaware corporation;
BARBER STEEL FOUNDRY CORP.,
a Delaware corporation;
LONGWOOD ELASTOMERS, INC.,
a Virginia corporation;
LONGWOOD INDUSTRIES, INC.,
a New Jersey corporation;
LONGWOOD INTERNATIONAL, INC.,
a Delaware corporation;

By: (SEAL)
Name:Patrick D. Dugan
Title:Vice President, Finance of each Guarantor listed above

Acknowledged and consented to:

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION,
a Delaware corporation

By: (SEAL)
Name:Alvaro Garcia-Tunon
Title:Chief Financial Officer

WABTEC COÖPERATIEF U.A.,
a coöperatieve vereniging met uitsluiting van aansprakelijkheid under the laws of the Netherlands

By: (SEAL)
Name:Patrick D. Dugan
Title:Authorized Person

EXHIBIT 1.1(I)
FORM OF
AMENDED AND RESTATED
INTERCOMPANY SUBORDINATION AGREEMENT

THIS AMENDED AND RESTATED INTERCOMPANY SUBORDINATION AGREEMENT (this "Agreement") is dated as of December 19, 2013 and is made by and among **WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION**, a Delaware corporation, and **WABTEC COÖPERATIEF U.A.**, a *coöperatieve vereniging met uitsluiting van aansprakelijkheid* under the laws of the Netherlands (collectively, the "Borrowers" and each a "Borrower"), **EACH OF THE PERSONS LISTED ON THE SIGNATURE PAGES HERETO AND EACH OF THE OTHER PERSONS WHICH BECOME GUARANTORS HEREUNDER FROM TIME TO TIME** (the Borrowers and each Guarantor being individually referred to herein as a "Company" and collectively as the "Companies"), and **PNC BANK, NATIONAL ASSOCIATION**, as administrative agent (the "Administrative Agent") for the Lenders (defined below).

WITNESSETH THAT:

WHEREAS, each capitalized term used herein shall, unless otherwise defined herein, have the meaning specified in that certain First Amended and Restated Refinancing Credit Agreement by and among the Borrowers, the Guarantors now or hereafter party thereto, the Lenders now or hereafter party thereto (the "Lenders"), and the Administrative Agent, dated as of even date hereof (as it may be hereafter amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"); and

WHEREAS, pursuant to the Credit Agreement and the other Loan Documents referred to and defined in the Credit Agreement, the Lenders intend to make Loans to the Borrowers; and

WHEREAS, the Companies have or, in the future, may have liabilities, obligations or indebtedness owed to each other (the liabilities, obligations and indebtedness of each of the Companies to any other Company, now existing or hereafter incurred (whether created directly or acquired by assignment or otherwise), and interest and premiums, if any, thereon and other amounts payable in respect thereof and all other obligations and other amounts payable by any Company to any other Company are hereinafter collectively referred to as the "Intercompany Indebtedness"); and

WHEREAS, the obligations of the Lenders to maintain the Commitments and make Loans to the Borrowers from time to time are subject to the condition, among others, that the Companies subordinate the Intercompany Indebtedness to the Obligations of the Borrowers or any other Company to the Administrative Agent or the Lenders pursuant to the Credit Agreement, the other Loan Documents or any Lender Provided Interest Rate Hedge, Lender Provided Foreign Currency Hedge or any Other Lender Provided Financial Service Product (collectively, the "Senior Debt") in the manner set forth herein.

NOW, THEREFORE, intending to be legally bound hereby, the parties hereto covenant and agree as follows:

23. Intercompany Indebtedness Subordinated to Senior Debt. The recitals set forth above are hereby incorporated by reference. All Intercompany Indebtedness shall be subordinate and subject in right of payment to the prior Payment In Full of all Senior Debt pursuant to the provisions contained herein (subject to permitted payments of Intercompany Indebtedness as set forth in Section 6 hereof).

24. Payment Over of Proceeds Upon Dissolution, Etc. Upon any distribution of assets of any Company in the event of: (a) any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, relative to any such Company or to its creditors, as such, or to its assets; or (b) any liquidation, dissolution or other winding up of any such Company, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy; or (c) any assignment for the benefit of creditors or any marshalling of assets and liabilities of any such Company (a Company distributing assets as set forth herein being referred to in such capacity as a "Distributing Company"), then and in any such event, the Administrative Agent shall be entitled to receive, for the benefit of the Administrative Agent and the Lenders as their respective interests may appear, Payment In Full of all amounts due or to become due (whether or not an Event of Default has occurred under the terms of the Loan Documents or the Senior Debt has been declared due and payable prior to the date on which it would otherwise have become due and payable) on or in respect of any and all Senior Debt before the holder of any Intercompany Indebtedness owed by the Distributing Company is entitled to receive any payment on account of the principal of or interest on such Intercompany Indebtedness, and to that end, the Administrative Agent shall be entitled to receive, for application to the payment of the Senior Debt, any payment or distribution of any kind or character, whether in cash, property or securities, which may be payable or deliverable in respect of the Intercompany Indebtedness owed by the Distributing Company in any such case, proceeding, dissolution, liquidation or other winding up event.

25. No Commencement of Any Proceeding. Each Company agrees that, so long as the Senior Debt shall remain unpaid, it will not commence, or join with any creditor other than the Lenders and the Administrative Agent in commencing, any proceeding referred to in clauses (a), (b) and (c) of Section 2 against any other Company that owes it any Intercompany Indebtedness.

26. Prior Payment of Senior Debt Upon Acceleration of Intercompany Indebtedness. If any portion of the Intercompany Indebtedness owed by any Company becomes or is declared due and payable before its stated maturity, then and in such event the Administrative Agent and the Lenders shall be entitled to receive Payment In Full of all amounts due and to become due on or in respect of the Senior Debt (whether or not an Event of Default has occurred under the terms of the Loan Documents or the Senior Debt has been declared due and payable prior to the date on which it would otherwise have become due and payable) before the holder of any such Intercompany Indebtedness is entitled to receive any payment thereon.

27. No Payment When Senior Debt in Default. If any Event of Default shall have occurred and be continuing, or such an Event of Default or Potential Default would result from or exist after giving effect to a payment with respect to any portion of the Intercompany Indebtedness, unless the Required Lenders shall have consented to or waived the same, so long as any of the Senior Debt shall remain

outstanding, no payment shall be made by any Company owing such Intercompany Indebtedness on account of principal or interest on any portion of the Intercompany Indebtedness.

28. Payment Permitted if No Default. Nothing contained in this Agreement shall prevent any of the Companies, at any time except during the pendency of any of the conditions described in Sections 2, 4 and 5, from making regularly scheduled payments of principal of or interest on any portion of the Intercompany Indebtedness, or the retention thereof by any of the Companies of any money deposited with them for the payment of or on account of the principal of or interest on the Intercompany Indebtedness.

29. Receipt of Prohibited Payments. If, notwithstanding the foregoing provisions of Sections 2, 4, 5 and 6, a Company that is owed Intercompany Indebtedness by a Distributing Company shall have received any payment or distribution of assets from the Distributing Company of any kind or character, whether in cash, property or securities, then and in such event such payment or distribution shall be held in trust for the benefit of the Administrative Agent and the Lenders as their respective interests may appear, shall be segregated from other funds and property held by such Company, and shall be forthwith paid over to the Administrative Agent in the same form as so received (with any necessary endorsement) to be applied (in the case of cash) to or held as collateral (in the case of noncash property or securities) for the payment or prepayment of the Senior Debt in accordance with the terms of the Credit Agreement.

30. Rights of Subrogation. Each Company agrees that no payment or distribution to the Administrative Agent or the Lenders pursuant to the provisions of this Agreement shall entitle it to exercise any rights of subrogation in respect thereof until the Senior Debt (other than continuing future indemnification obligations for which no claim has then been made) shall have been Paid In Full.

31. Agreement Solely to Define Relative Rights. The purpose of this Agreement is solely to define the relative rights of the Companies, on the one hand, and the Administrative Agent and the Lenders, on the other hand. Nothing contained in this Agreement is intended to or shall impair, as between any of the Companies and their creditors other than the Administrative Agent and the Lenders, the obligation of the Companies to each other to pay the principal of and interest on the Intercompany Indebtedness as and when the same shall become due and payable in accordance with its terms, or is intended to or shall affect the relative rights among the Companies and their creditors other than the Administrative Agent and the Lenders, nor shall anything herein prevent any of the Companies from exercising all remedies otherwise permitted by applicable Law upon default under any agreement pursuant to which the Intercompany Indebtedness is created, subject to the rights, if any, under this Agreement of the Administrative Agent and the Lenders to receive cash, property or securities otherwise payable or deliverable with respect to the Intercompany Indebtedness.

32. Instruments Evidencing Intercompany Indebtedness. Each Company shall cause each instrument which now or hereafter evidences all or a portion of the Intercompany Indebtedness to be conspicuously marked as follows:

"This instrument is subject to the terms of that certain Amended and Restated Intercompany Subordination Agreement dated as of December 19 2013, in favor of PNC BANK, NATIONAL ASSOCIATION, as the Administrative Agent for the Lenders referred to therein, which Amended and Restated Intercompany Subordination Agreement is incorporated herein by reference. Notwithstanding any contrary statement contained in the within instrument, no payment on account of the principal thereof or interest thereon shall become due or payable except in accordance with the express terms of the Amended and Restated Intercompany Subordination Agreement."

Each Company will further mark its internal records in such a manner as shall be effective to give proper notice to the effect of this Agreement.

33. No Implied Waivers of Subordination. No right of the Administrative Agent or any Lender to enforce subordination, as herein provided, shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of any Company or by any act or failure to act by the Administrative Agent or any Lender, or by any non-compliance by any Company with the terms, provisions and covenants of any agreement pursuant to which the Intercompany Indebtedness is created, regardless of any knowledge thereof with which the Administrative Agent or any Lender may have or be otherwise charged. Each Company by its acceptance hereof shall agree that, so long as there is Senior Debt outstanding or Commitments in effect under the Credit Agreement, such Company shall not agree to sell, assign, pledge, encumber or otherwise dispose of, or agree to compromise, the obligations of the other Companies with respect to their Intercompany Indebtedness, other than by means of payment of such Intercompany Indebtedness according to its terms, without the prior written consent of the Administrative Agent.

Without in any way limiting the generality of the foregoing paragraph, the Administrative Agent or any of the Lenders may, at any time and from time to time, without the consent of or notice to the Companies, without incurring responsibility to the Companies and without impairing or releasing the subordination provided in this Agreement or the obligations hereunder of the Companies to the Administrative Agent and the Lenders, do any one or more of the following in accordance with the terms of the Credit Agreement: (i) change the manner, place or terms of payment, or extend the time of payment, renew or alter the Senior Debt or otherwise amend or supplement the Senior Debt or the Loan Documents; (ii) sell, exchange, release or otherwise deal with any property pledged, mortgaged or otherwise securing the Senior Debt; (iii) release any person liable in any manner for the payment or collection of the Senior Debt; and (iv) exercise or refrain from exercising any rights against any of the Companies and any other person.

34. Additional Subsidiaries. The Companies covenant and agree that they shall cause Subsidiaries created or acquired after the date of this Agreement, and any other Subsidiaries required to join this Agreement pursuant to Section 8.1.8 [Further Assurances; Joinder of Loan Parties] of the Credit Agreement, to execute a Loan Party Joinder in substantially the form of Exhibit 1.1(L) to the Credit Agreement, whereby such Subsidiary joins this Agreement and subordinates all Indebtedness owed to any such Subsidiary by any of the Companies or other Subsidiaries hereafter created or acquired to the Senior Debt.

35. Continuing Force and Effect. This Agreement shall continue in force for so long as any portion of the Senior Debt (other than continuing future indemnification obligations for which no claim has then been made) remains unpaid and any Commitments or Letters of Credit under the Credit Agreement remain outstanding, it being contemplated that this Agreement be of a continuing nature.

36. Modification, Amendments or Waivers. Any and all agreements amending or changing any provision of this Agreement or the rights of the Administrative Agent or the Lenders hereunder, and any and all waivers or consents to Events of Default or other departures from the due performance of the Companies hereunder, shall be made only by written agreement, waiver or consent signed by the Administrative Agent, acting on behalf of all the Lenders, with the written consent of the Required Lenders, any such agreement, waiver or consent made with such written consent being effective to bind all the Lenders.

37. Expenses. The Companies unconditionally and jointly and severally agree upon demand to pay to the Administrative Agent and the Lenders the amount of any and all out-of-pocket costs, expenses and disbursements, including fees and expenses of counsel (based on the actual time incurred at counsel's customary hourly rate) for which reimbursement is customarily obtained, which the Administrative Agent or any of the Lenders may incur in connection with: (a) the exercise or enforcement of any of the rights of the Administrative Agent or the Lenders hereunder; or (b) the failure by the Companies to perform or observe any of the provisions hereof.

38. Severability. The provisions of this Agreement are intended to be severable. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such

invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

39. Governing Law. This Agreement shall be a contract under the internal laws of the Commonwealth of Pennsylvania and for all purposes shall be construed in accordance with the internal laws of the Commonwealth of Pennsylvania without giving effect to its principles of conflict of laws.

40. Successors and Assigns. This Agreement shall inure to the benefit of the Administrative Agent and the Lenders and their respective successors and assigns, and the obligations of the Companies shall be binding upon their respective successors and permitted assigns, provided, that no company may assign or transfer its rights or obligations hereunder or any interest herein and any such purported assignment or transfer shall be null and void. The duties and obligations of the Companies may not be delegated or transferred by the Companies without the written consent of the Required Lenders and any such delegation or transfer without such consent shall be null and void. Except to the extent otherwise required by the context of this Agreement, the word "Lenders" when used herein shall include, without limitation, any holder of a Note or an assignment of rights therein originally issued to a Lender under the Credit Agreement, and each such holder of a Note or assignment shall have the benefits of this Agreement to the same extent as if such holder had originally been a Lender under the Credit Agreement.

41. Joint and Several Obligations. Each of the obligations of each and every Company under this Agreement are joint and several. The Administrative Agent and the Lenders or any of them may, in their sole discretion, elect to enforce this Agreement against any Company without any duty or responsibility to pursue any other Company and such an election by the Administrative Agent and the Lenders or any of them shall not be a defense to any action the Administrative Agent and the Lenders or any of them may elect to take against any Company. Each of the Lenders and the Administrative Agent hereby reserve all right against each Company.

42. Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which, when executed and delivered, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument. Each Company acknowledges and agrees that a telecopy or electronic transmission to the Administrative Agent or any Lender of the signature page hereof purporting to be signed on behalf of such Company shall constitute effective and binding execution and delivery hereof by such Company.

43. Attorneys-in-Fact. Each of the Companies hereby authorizes and empowers the Administrative Agent, at its election and in the name of either itself, for the benefit of the Administrative Agent and the Lenders, as their respective interests may appear, or in the name of each such Company as is owed Intercompany Indebtedness, to execute and file proofs and documents and take any other action the Administrative Agent may deem advisable to completely protect the Administrative Agent's and the Lenders' interests in the Intercompany Indebtedness and their right of enforcement thereof, and to that end each of the Companies hereby irrevocably makes, constitutes and appoints the Administrative Agent, its officers, employees and agents, or any of them, with full power of substitution, as the true and lawful attorney-in-fact and agent of such Company, and with full power for such Company, and in the name, place and stead of such Company for the purpose of carrying out the provisions of this Agreement, and taking any action and executing, delivering, filing and recording any instruments that the Administrative Agent may deem necessary or advisable to accomplish the purposes hereof, which power of attorney, being given for security, is coupled with an interest and is irrevocable. Each Company hereby ratifies and confirms, and agrees to ratify and confirm, all action taken by the Administrative Agent, its officers, employees or agents pursuant to the foregoing power of attorney.

44. Application of Payments. In the event any payments are received by the Administrative Agent under the terms of this Agreement for application to the Senior Debt at any time when the Senior Debt has not been declared due and payable and prior to the date on which it would otherwise become due and payable, such payment shall constitute a voluntary prepayment of the Senior Debt for all purposes under the Credit Agreement.

45. Remedies. In the event of a breach by any of the Companies in the performance of any of the terms of this Agreement, the Administrative Agent, on behalf of the Lenders, may demand specific performance of this Agreement and seek injunctive relief and may exercise any other remedy available at law or in equity, it being recognized that the remedies of the Administrative Agent on behalf of the Lenders at law may not fully compensate the Administrative Agent on behalf of the Lenders for the damages they may suffer in the event of a breach hereof.

46. Consent to Jurisdiction; Process Agent. Each Company hereby irrevocably submits to the nonexclusive jurisdiction of any Pennsylvania state or federal court sitting in Allegheny County, in any action or proceeding arising out of or relating to this Agreement, and each Company hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such Pennsylvania state or federal court. Each Company hereby waives to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of any such action or proceeding. Each Company hereby appoints the process agent identified below (the "*Process Agent*") as its agent to receive on behalf of such party and its respective property service of copies of the summons and complaint and any other process which may be served in any action or proceeding. Such service may be made by mailing or delivering a copy of such process to the Company in care of the Process Agent at the Process Agent's address, and each Company hereby authorizes and directs the Process Agent to receive such service on its behalf. Each Company agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions (or any political subdivision thereof) by suit on the judgment or in any other manner provided at law. Each Company further agrees that it shall, for so long as any commitment or any obligation of any Loan Party to any Lender remains outstanding, continue to retain Process Agent for the purposes set forth in this Section 24. Process Agent is Westinghouse Air Brake Technologies Corporation, with an office on the date hereof as set forth in the Credit Agreement. Process Agent hereby accepts the appointment of Process Agent by the Companies and agrees to act as Process Agent on behalf of the Companies.

47. WAIVER OF JURY TRIAL EXCEPT AS PROHIBITED BY LAW, EACH COMPANY, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY WAIVE TRIAL BY A JURY IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM OF ANY KIND ARISING OUT OF THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE COLLATERAL TO THE FULLEST EXTENT PERMITTED BY LAW.

48. Notices. All notices, statements, requests and demands and other communications given to or made upon the Companies, the Administrative Agent or the Lenders in accordance with the provisions of this Agreement shall be given or made as provided in Section 11.5 [Notices; Effectiveness; Electronic Communication] of the Credit Agreement.

49. Rules of Construction. The rules of construction set forth in Section 1.2 [Construction] of the Credit Agreement shall apply to this Agreement.

50. No Novation. This Agreement hereby replaces in its entirety, that certain Intercompany Subordination Agreement dated as of November 7, 2011, by and among the Companies party thereto, and the Administrative Agent (as thereafter amended, supplemented, restated or modified from time to time, the "*Original Subordination Agreement*"), and the Companies acknowledge and agree that the amendment and restatement of the Original Subordination Agreement by this Agreement is not intended to constitute, nor does it constitute, a novation,

interruption, suspension of continuity, satisfaction, discharge or termination of the obligations, liabilities, or indebtedness under the Original Subordination Agreement and this Agreement is entitled to all rights and benefits originally pertaining to the Original Subordination Agreement.

[SIGNATURE PAGE FOLLOWS]

WITNESS the due execution hereof as of the day and year first above written with the intent that it constitute a sealed instrument.

COMPANIES:

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION,
a Delaware corporation

By: (SEAL)
Name:Alvaro Garcia-Tunon
Title:Chief Financial Officer

WABTEC COÖPERATIEF U.A.,
a coöperatieve vereniging met uitsluiting van aansprakelijkheid under the laws of the Netherlands

By: (SEAL)
Name:Patrick D. Dugan
Title:Authorized Person

MOTIVEPOWER, INC.,
a Delaware corporation;
RAILROAD FRICTION PRODUCTS CORPORATION,
a Delaware corporation;
RICON CORP.,
a California corporation;
SCHAEFER EQUIPMENT, INC.,
an Ohio corporation;
YOUNG TOUCHSTONE COMPANY,
a Wisconsin corporation;
STANDARD CAR TRUCK COMPANY,
a Delaware corporation;
DUROX COMPANY,
an Ohio corporation;
G&B SPECIALTIES, INC.,
a Pennsylvania corporation;
GBI USA HOLDINGS, INC.,
a Nevada corporation;
XORAIL, LLC,
a Delaware limited liability company;
XORAIL, INC.,
a Florida corporation;
WABTEC INTERNATIONAL, INC.,
a Delaware corporation;
RFPC HOLDING CORP.,
a Delaware corporation;
WABTEC HOLDING CORP.,
a Delaware corporation;
TURBONETICS HOLDINGS, INC.,
a Delaware corporation;
BARBER STEEL FOUNDRY CORP.,
a Delaware corporation;
LONGWOOD ELASTOMERS, INC.,
a Virginia corporation;
LONGWOOD INDUSTRIES, INC.,
a New Jersey corporation;
LONGWOOD INTERNATIONAL, INC.,
a Delaware corporation;

By: (SEAL)
Name: Patrick D. Dugan
Title: Vice President, Finance of each Guarantor listed above

ADMINISTRATIVE AGENT:

PNC BANK, NATIONAL ASSOCIATION,
as Administrative Agent

By:
Name: Tracy J. DeCock
Title: Senior Vice President

EXHIBIT 1.1(L)

FORM OF

LOAN PARTY JOINDER AND ASSUMPTION AGREEMENT

THIS LOAN PARTY JOINDER AND ASSUMPTION AGREEMENT (the "*Loan Party Joinder and Assumption Agreement*") is made as of _____, 20__ by _____, a _____ [limited liability company / corporation] (the ["*New Guarantor*"/["*New Borrower*"]]).

Background

Reference is made to (i) the First Amended and Restated Refinancing Credit Agreement by and among **WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION**, a Delaware corporation and **WABTEC COÖPERATIEF U.A.**, a *coöperatieve vereniging met uitsluiting van aansprakelijkheid* under the laws of the Netherlands (collectively referred to as the "*Borrowers*" and each as a "*Borrower*"), each of the Guarantors now or hereafter party thereto (the "*Guarantors*" and together with the Borrowers, the "*Loan Parties*"), the Lenders now or hereafter party thereto (the "*Lenders*") and PNC Bank, National Association, a national banking association, in its capacity as the administrative agent for the Lenders (in such capacity, the "*Administrative Agent*"), dated as of December 19, 2013 (as the same may be amended, restated, supplemented or modified from time to time, collectively, the "*Credit Agreement*"), [(ii) the Amended and Restated Revolving Credit Notes dated December 19, 2013 (as the same may be amended, restated, modified, or supplemented, from time to time, the "*Revolving Credit Notes*"), (iii) the Amended and Restated Swing Loan Note dated December 19, 2013 (as the same may be amended, restated, modified, or supplemented, from time to time, the "*Swing Loan Note*" and collectively with the Revolving Credit Notes, the "*Notes*")] / [(ii) the Amended and Restated Guaranty and Suretyship Agreement, dated as of December 19, 2013 (as the same may be amended, restated, supplemented or modified from time to time, the "*Guaranty*"), of the Guarantors in favor of the Administrative Agent, administrative agent for the Lenders], [(iii)/(iv)] the Amended and Restated Intercompany Subordination Agreement, dated as of December 19, 2013 (as the same may be amended, restated, supplemented or modified from time to time, the "*Intercompany Subordination Agreement*"), among the Loan Parties, and (vi) the other Loan Documents referred to in the Credit Agreement (as the same may be amended, restated, supplemented or modified from time to time, the "*Loan Documents*").

Agreement

Capitalized terms defined in the Credit Agreement are used herein as defined therein and the rules of construction set forth in Section 1.2 of the Credit Agreement shall apply to this Loan Party Joinder and Assumption Agreement.

The [New Guarantor]/[New Borrower] hereby becomes a [Guarantor]/[Borrower] under the terms of the Credit Agreement and in consideration of the value of the synergistic and other benefits received by the [New Guarantor]/[New Borrower] as a result of being or becoming affiliated with the Borrowers and the Guarantors, the [New Guarantor]/[New Borrower] hereby agrees that effective as of the date hereof it hereby is, and shall be deemed to be, and assumes the obligations of, a "Loan Party" and a ["Guarantor"/["Borrower"]], jointly and severally under the Credit Agreement, [a "Borrower", jointly and severally with the existing Borrowers under the Notes] / [a "Guarantor", jointly and severally with the existing Guarantors under the Guaranty], a "Company" (as defined therein) jointly

and severally under the Intercompany Subordination Agreement and a Loan Party or [Guarantor]/[Borrower], as the case may be, under each of the other Loan Documents to which the Loan Parties or Guarantors are a party; and, as such, the [New Guarantor]/[New Borrower] hereby agrees that from the date hereof and so long as any Loan or any Commitment of any Lender shall remain outstanding and until the Payment in Full of the Loans and the Obligations and the performance of all other obligations of the Loan Parties under the Loan Documents, the [New Guarantor]/[New Borrower] shall perform, comply with, and be subject to and bound by each of the applicable terms and provisions of the Credit Agreement, [the Notes] / [the Guaranty], Intercompany Subordination Agreement and each of the other Loan Documents in its capacity as a Loan Party jointly and severally with the existing parties thereto. Without limiting the generality of the foregoing, the [New Guarantor]/[New Borrower] hereby represents and warrants that: (i) each of the representations and warranties set forth in Article 6 of the Credit Agreement applicable to a Loan Party is true and correct as to the [New Guarantor]/[New Borrower] on and as of the date hereof and (ii) the [New Guarantor]/[New Borrower] has heretofore received a true and correct copy of the Credit Agreement, [the Notes] / [the Guaranty], Intercompany Subordination Agreement and each of the other Loan Documents (including any modifications thereof or supplements or waivers thereto) in effect on the date hereof.

The [New Guarantor]/[New Borrower] hereby makes, affirms, and ratifies in favor of the Lenders and the Administrative Agent the Credit Agreement, [the Notes] / [the Guaranty], Intercompany Subordination Agreement and each of the other Loan Documents given by the [Guarantors] / [Borrowers] to the Administrative Agent and any of the Lenders.

In furtherance of the foregoing, the [New Guarantor]/[New Borrower] shall execute and deliver or cause to be executed and delivered at any time and from time to time such further instruments and documents and do or cause to be done such further acts as may be reasonably necessary in the reasonable opinion of Administrative Agent to carry out more effectively the provisions and purposes of this Loan Party Joinder and Assumption Agreement and the Credit Agreement.

The [New Guarantor]/[New Borrower] acknowledges and agrees that a telecopy or electronic transmission to the Administrative Agent or any Lender of signature pages hereof purporting to be signed on behalf of the [New Guarantor]/[New Borrower] shall constitute effective and binding execution and delivery hereof by the [New Guarantor]/[New Borrower].

[SIGNATURE PAGE FOLLOWS]

[Signature Page - Loan Party Joinder and Assumption Agreement]

IN WITNESS WHEREOF, and intending to be legally bound hereby, the [New Guarantor]/[New Borrower] has duly executed this Loan Party Joinder and Assumption Agreement and delivered the same to the Administrative Agent for the benefit of the Lenders, as of the date and year first above written, with the intention that this Loan Party Joinder and Assumption Agreement constitute a sealed instrument.

[NEW GUARANTOR]/[NEW BORROWER]

By: (SEAL)

Name:

Title:

Acknowledged and accepted:
PNC BANK, NATIONAL ASSOCIATION,
as the Administrative Agent

By:

Name:

Title:

EXHIBIT 1.1(N)(1)

FORM OF AMENDED AND RESTATED REVOLVING CREDIT NOTE

\$ _____ Pittsburgh, Pennsylvania
December 19, 2013

FOR VALUE RECEIVED, the undersigned, **WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION**, a Delaware corporation, and **WABTEC COÖPERATIEF U.A.**, a *coöperatieve vereniging met uitsluiting van aansprakelijkheid* under the laws of the Netherlands (herein collectively called the "Borrowers" and each a "Borrower"), hereby unconditionally promise to pay to the order of _____ (the "Lender"), the lesser of (i) the principal sum of _____ Dollars and 00/100 (US\$ _____), or (ii) the aggregate unpaid principal balance of all Revolving Credit Loans made by the Lender to the Borrowers pursuant to Section 2.1.1 [Revolving Credit Loans; Optional Currency Loans] of the First Amended and Restated Refinancing Credit Agreement, dated as of December 19, 2013, among the Borrowers, the Guarantors now or hereafter party thereto, the Lenders now or hereafter party thereto and PNC Bank, National Association, as administrative agent, (hereinafter referred to in such capacity as the "Administrative

Agent") (as amended, restated, modified, or supplemented from time to time, the "Credit Agreement"), together with all outstanding interest thereon on the Expiration Date.

The Borrowers shall pay interest on the unpaid principal balance hereof from time to time outstanding from the date hereof at the rate or rates per annum specified by the Borrowers pursuant to, or as otherwise provided in, the Credit Agreement. Subject to the provisions of the Credit Agreement, interest on this Amended and Restated Revolving Credit Note will be payable pursuant to Section 5.5 [Interest Payment Dates] of, or as otherwise provided in, the Credit Agreement. If any payment or action to be made or taken hereunder shall be stated to be or become due on a day which is not a Business Day, such payment or action shall be made or taken on the next following Business Day, unless otherwise provided in the Credit Agreement, and such extension of time shall be included in computing interest or fees, if any, in connection with such payment or action. Upon the occurrence and during the continuation of an Event of Default, the Borrowers shall pay interest on the entire principal amount of the then outstanding Revolving Credit Loans evidenced by this Amended and Restated Revolving Credit Note and all other obligations due and payable to the Lender pursuant to the Credit Agreement and the other Loan Documents at a rate per annum as set forth in Section 4.3 [Interest After Default] of the Credit Agreement. Such interest rate will accrue before and after any judgment has been entered.

Subject to the provisions of the Credit Agreement, payments of both principal and interest shall be made without setoff, counterclaim or other deduction of any nature at the office of the Administrative Agent located at 500 First Avenue, Pittsburgh, Pennsylvania 15219 unless otherwise directed in writing by the Administrative Agent, in lawful money of the United States of America in immediately available funds.

This Amended and Restated Revolving Credit Note is one of the Notes referred to in, and is entitled to the benefits of, the Credit Agreement and the other Loan Documents, including the representations, warranties, covenants, conditions, security interests and Liens contained or granted therein. The Credit Agreement among other things contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments, in certain circumstances, on account of principal hereof prior to maturity upon the terms and conditions therein specified. The Borrowers waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Amended and Restated Revolving Credit Note and the Credit Agreement.

This Amended and Restated Revolving Credit Note shall bind the Borrowers and their successors and assigns, and the benefits hereof shall inure to the benefit of the Lender and its successors and assigns. All references herein to the "Borrowers" and the "Lender" shall be deemed to apply to each of the Borrowers and the Lender, respectively, and their respective successors and assigns as permitted under the Credit Agreement.

This Amended and Restated Revolving Credit Note and any other documents delivered in connection herewith and the rights and obligations of the parties hereto and thereto shall for all purposes be governed, by and construed and enforced in accordance with, the internal laws of the Commonwealth of Pennsylvania without giving effect to its conflicts of law principles.

NOTWITHSTANDING ANYTHING CONTAINED IN THIS AMENDED AND RESTATED REVOLVING CREDIT NOTE TO THE CONTRARY, THE OBLIGATIONS OF WABTEC COÖPERATIEF U.A. HEREUNDER, SHALL BE EXPRESSLY SUBJECT TO THE LIMITATIONS SET FORTH IN SECTION 11.16 OF THE CREDIT AGREEMENT.

THIS AMENDED AND RESTATED REVOLVING CREDIT NOTE REPLACES THAT CERTAIN REVOLVING CREDIT NOTE DATED AS OF NOVEMBER 7, 2011 (THE "EXISTING NOTE"). THIS AMENDED AND RESTATED REVOLVING CREDIT NOTE IS NOT INTENDED TO CONSTITUTE, AND DOES NOT CONSTITUTE, A NOVATION OR SATISFACTION OF THE OBLIGATIONS REPRESENTED BY THE EXISTING NOTE.

All capitalized terms used herein shall, unless otherwise defined herein, have the same meanings given to such terms in the Credit Agreement and Section 1.2 [Construction] of the Credit Agreement shall apply to this Amended and Restated Revolving Credit Note.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, and intending to be legally bound hereby, the undersigned have executed this Revolving Credit Note by their duly authorized officers with the intention that it constitute a sealed instrument.

BORROWERS:

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION,
a Delaware corporation

By: (SEAL)
Name: Alvaro Garcia-Tunon
Title: Chief Financial Officer

WABTEC COÖPERATIEF U.A.,
a coöperatieve vereniging met uitsluiting van aansprakelijkheid under the laws of the Netherlands

By: (SEAL)
Name: Patrick D. Dugan
Title: Authorized Person

EXHIBIT 1.1(N)(2)

**FORM OF
AMENDED AND RESTATED SWING LOAN NOTE**

\$30,000,000

Pittsburgh, Pennsylvania
December 19, 2013

FOR VALUE RECEIVED, the undersigned, **WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION**, a Delaware corporation, and **WABTEC COÖPERATIEF U.A.**, a *coöperatieve vereniging met uitsluiting van aansprakelijkheid* under the laws of the Netherlands (herein collectively called the "*Borrowers*" and each a "*Borrower*"), hereby unconditionally promises to pay to the order of **PNC BANK, NATIONAL ASSOCIATION** (the "*Lender*"), the lesser of (a) the principal sum of Thirty Million Dollars (US\$30,000,000), or (b) the aggregate unpaid principal balance of all Swing Loans made by the Lender to the Borrowers pursuant to the First Amended and Restated Refinancing Credit Agreement, dated as of December 19, 2013, among the Borrowers, the Guarantors now or hereafter party thereto, the Lenders now or hereafter party thereto, and the Lender, as administrative agent (hereinafter referred to in such capacity as the "*Administrative Agent*") (as amended, restated, modified, or supplemented from time to time, the "*Credit Agreement*"), payable with respect to each Swing Loan evidenced hereby on the earlier of: (i) demand by the Lender; or (ii) on the Expiration Date.

The Borrowers shall pay interest on the unpaid principal balance of each Swing Loan from time to time outstanding from the date hereof at the rate per annum and on the date(s) provided in the Credit Agreement. Subject to the provisions of the Credit Agreement, interest on this Amended and Restated Swing Loan Note will be payable pursuant to Section 5.5 [Interest Payment Dates] of, or as otherwise provided in, the Credit Agreement. If any payment or action to be made or taken hereunder shall be stated to be or become due on a day which is not a Business Day, such payment or action shall be made or taken on the next following Business Day, unless otherwise provided in the Credit Agreement, and such extension of time shall be included in computing interest or fees, if any, in connection with such payment or action. Upon the occurrence and during the continuation of an Event of Default, the Borrowers shall pay interest on the entire principal amount of the then outstanding Swing Loans evidenced by this Amended and Restated Swing Loan Note at a rate per annum as set forth in Section 4.3 [Interest After Default] of the Credit Agreement. Such interest rate will accrue before and after any judgment has been entered.

Subject to the provisions of the Credit Agreement, payments of both principal and interest shall be made without setoff, counterclaim or other deduction of any nature at the office of the Administrative Agent located at 500 First Avenue, Pittsburgh, Pennsylvania 15219, unless otherwise directed in writing by the holder hereof, in lawful money of the United States of America in immediately available funds.

This Amended and Restated Swing Loan Note is one of the Notes referred to in, and is entitled to the benefits of, the Credit Agreement and the other Loan Documents, including the representations, warranties, covenants, conditions, security interests and Liens contained or granted therein. The Credit Agreement among other things contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments, in certain circumstances, on account of principal hereof prior to maturity upon the terms and conditions therein specified. The Borrowers waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Amended and Restated Swing Loan Note and the Credit Agreement.

The Borrowers acknowledge and agree that the Lender may at any time and in its sole discretion demand payment of all amounts outstanding under this Amended and Restated Swing Loan Note without prior notice to the Borrowers.

This Amended and Restated Swing Loan Note shall bind the Borrowers and their successors and assigns, and the benefits hereof shall inure to the benefit of the Lender and its successors and assigns. All references herein to the "*Borrowers*" and the "*Lender*" shall be deemed to apply to each of the Borrowers and the Lender, respectively, and their respective successors and assigns as permitted under the Credit Agreement.

This Amended and Restated Swing Loan Note and any other documents delivered in connection herewith and the rights and obligations of the parties hereto and thereto shall for all purposes be governed, by and construed and enforced in accordance with, the internal laws of the Commonwealth of Pennsylvania without giving effect to its conflicts of law principles.

NOTWITHSTANDING ANYTHING CONTAINED IN THIS AMENDED AND RESTATED SWING NOTE TO THE CONTRARY, THE OBLIGATIONS OF WABTEC COÖPERATIEF U.A. HEREUNDER, SHALL BE EXPRESSLY SUBJECT TO THE LIMITATIONS SET FORTH IN SECTION 11.16 OF THE CREDIT AGREEMENT.

THIS AMENDED AND RESTATED SWING LOAN NOTE REPLACES THAT CERTAIN SWING LINE NOTE DATED AS OF NOVEMBER 7, 2011 (THE "EXISTING NOTE"). THIS SWING LOAN NOTE IS NOT INTENDED TO CONSTITUTE, AND DOES NOT CONSTITUTE, A NOVATION OR SATISFACTION OF THE OBLIGATIONS REPRESENTED BY THE EXISTING NOTE.

All capitalized terms used herein shall, unless otherwise defined herein, have the same meanings given to such terms in the Credit Agreement and Section 1.2 [Construction] of the Credit Agreement shall apply to this Amended and Restated Swing Loan Note.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, and intending to be legally bound hereby, the undersigned have executed this Swing Loan Note by their duly authorized officers with the intention that it constitute a sealed instrument.

BORROWERS:

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION,
a Delaware corporation

By: (SEAL)
Name: Alvaro Garcia-Tunon
Title: Chief Financial Officer

WABTEC COÖPERATIEF U.A.,
a *coöperatieve vereniging met uitsluiting van aansprakelijkheid* under the laws of the
Netherlands

By: (SEAL)
Name: Patrick D. Dugan
Title: Authorized Person

**EXHIBIT 2.4.1
FORM OF
LOAN REQUEST**

TO: PNC Bank, National Association, as Administrative Agent
PNC Firstside Center - 4th Floor
500 First Avenue
Pittsburgh, Pennsylvania 15219
Telephone No.: _____
Telecopier No.: _____
Attention: _____

FROM: WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION, a Delaware corporation as borrower agent for
the Borrowers (defined below) (in such capacity, the "*Borrower Agent*")

RE: First Amended and Restated Refinancing Credit Agreement (as it may be amended, restated, modified or
supplemented, the "*Credit Agreement*"), dated as of December 19, 2013, by and among the WESTINGHOUSE AIR
BRAKE TECHNOLOGIES CORPORATION, a Delaware corporation, and WABTEC COÖPERATIEF U.A., a
coöperatieve vereniging met uitsluiting van aansprakelijkheid under the laws of the Netherlands (each a "*Borrower*"
and collectively, the "*Borrowers*"), the Guarantors party thereto, the Lenders party thereto, and PNC BANK,
NATIONAL ASSOCIATION, a national banking association, as the administrative agent for the Lenders (the
"*Administrative Agent*").

Capitalized terms not otherwise defined herein shall have the respective meanings ascribed to them by the Credit Agreement.

A. Pursuant to Sections 2.4.1 and 4.1 of the Credit Agreement, the Borrower Agent irrevocably requests [*check one box under 1(a) below and fill in blank space next to the box as appropriate*]:

1.(a) A new Revolving Credit Loan, OR

- Renewal of the Eurocurrency Rate Option applicable to an outstanding Revolving Credit Loan originally made on _____, 20__ , OR
- Conversion of the Base Rate Option applicable to an outstanding Revolving Credit Loan originally made on _____, 20__ to a Revolving Credit Loan to which the Eurocurrency Rate Option applies, OR
- Conversion of the Eurocurrency Rate Option applicable to an outstanding Revolving Credit Loan originally made on _____, 20__ to a Revolving Credit Loan to which the Base Rate Option applies.

SUCH NEW, RENEWED OR CONVERTED REVOLVING CREDIT LOAN SHALL BEAR INTEREST:

[*Check one box under 1(b) below and fill in blank spaces in line next to box*]:

1.(b) Under the Base Rate Option. Such Revolving Credit Loan shall have a Borrowing Date of _____, 20__ (which date shall be: (i) the same Business Day as the Business Day of receipt by the Administrative Agent of the request with respect to a new Revolving Credit Loan to which the Base Rate Option applies; or (ii) prior to the last day of the preceding Interest Period if a Revolving Credit Loan to which the Eurocurrency Rate Option applies is being converted to a Revolving Credit Loan to which the Base Rate Option applies; and this Loan Request must be received by Administrative Agent not later than 11:00 a.m. (Pittsburgh, Pennsylvania time) on any such Business Day which satisfies the preceding clauses (i) or (ii))

OR

- Under the Eurocurrency Rate Option. Such Revolving Credit Loan shall have a Borrowing Date of

_____, 20__ (which date shall be at least (i) four (4) Business Days later than the date of the request (a) with respect to the making of Optional Currency Loans, or (b) the date of the renewal of the Interest Rate Option applicable to any Optional Currency Loan, and (ii) three (3) Business Days later than the date of the request, with respect to (a) the making of Revolving Credit Loans denominated in Dollars to which the Eurocurrency Rate Option applies or (b) the conversion to or the renewal of the Eurocurrency Rate Option for any Revolving Credit Loans denominated in Dollars; and this Loan Request must be received by Administrative Agent not later than 11:00 a.m. (Pittsburgh, Pennsylvania time) on any such Business Day which satisfies the preceding clauses (i) or (ii))

2. Such Revolving Credit Loan is in the principal amount of U.S. \$ _____ [or [specify Optional Currency] _____] or the principal amount to be renewed or converted is U.S. \$ _____ [or [specify Optional Currency] _____] [such amount shall be: (i) integral multiples of \$1,000,000 (or the Dollar Equivalent thereof) and not less than \$2,500,000 (or the Dollar Equivalent thereof) for each Borrowing Tranche under the Eurocurrency Rate Option, and (ii) integral multiples of \$500,000 and not less than \$1,000,000 for each Borrowing Tranche under the Base Rate Option]
3. [Complete blank below if the Borrower Agent is selecting the Eurocurrency Rate Option]: Such Revolving Credit Loan shall have an Interest Period of (choose one of the following: (a) with respect to Optional Currency Loans, one month, and (b) with respect to Loans denominated in Dollars, one, two, three or six Months, or nine or twelve Months, as such periods may be available in the determination of the Administrative Agent) _____ Months.

B. On and as of the date hereof and the date of making, renewing or converting the above-requested Revolving Credit Loan (and after giving effect thereto): the representations and warranties contained in Section 6 of the Credit Agreement are true and correct on and as of such dates with the same effect as though such representations and warranties had been made on and as of such dates (except representations and warranties that expressly relate solely to an earlier date or time, which representations and warranties were true and correct on and as of the specific dates or times referred to therein); no Event of Default or Potential Default has occurred and is continuing or exists; and the making of such Revolving Credit Loan does not contravene any Law applicable to any Loan Party or any Subsidiary of any Loan Party or any Lender; and the making of such Loan shall not cause the Revolving Facility Usage to exceed the Revolving Credit Commitments.

C. The undersigned hereby irrevocably requests [check one line below and fill in blank spaces next to the line as appropriate]:

- 1 Funds to be deposited into a PNC Bank bank account per our current standing instructions. Complete amount of deposit if not full loan advance amount: U.S. \$ _____ [or [specify Optional Currency]] _____.
- 2 Funds to be wired per the following wire instructions:
U.S. \$ _____ [or [specify Optional Currency]] _____ Amount of Wire Transfer
Bank Name: _____
ABA: _____
Account Number: _____
Account Name: _____
Reference: _____
- 3 Funds to be wired per the attached Funds Flow (multiple wire transfers).

[SIGNATURE PAGE FOLLOWS]

[Signature Page - Loan Request]

The Borrower Agent, on behalf of all of the Borrowers, certifies to the Administrative Agent for the benefit of the Lenders as to the accuracy of the foregoing on _____, 20__.

**WESTINGHOUSE AIR BRAKE TECHNOLOGIES
CORPORATION,**
a Delaware corporation, as Borrower Agent

By:
Name:
Title:

EXHIBIT 2.4.2
FORM OF
SWING LOAN REQUEST

TO: PNC Bank, National Association, as Administrative Agent
PNC Firstside Center - 4th Floor
500 First Avenue
Pittsburgh, Pennsylvania 15219
Telephone No.: _____
Telecopier No.: _____
Attention: _____

FROM: WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION, a Delaware corporation as borrower agent for
the Borrowers (defined below) (in such capacity, the "*Borrower Agent*")
RE: First Amended and Restated Refinancing Credit Agreement (as it may be amended, restated, modified or
supplemented, the "*Credit Agreement*"), dated as of December 19, 2013, by and among the WESTINGHOUSE AIR
BRAKE TECHNOLOGIES CORPORATION, a Delaware corporation, and WABTEC COÖPERATIEF U.A., a
coöperatieve vereniging met uitsluiting van aansprakelijkheid under the laws of the Netherlands (each a "*Borrower*"
and collectively, the "*Borrowers*"), the Guarantors party thereto, the Lenders party thereto, and PNC BANK,
NATIONAL ASSOCIATION, a national banking association, as the administrative agent for the Lenders (the
"*Administrative Agent*").

Capitalized terms not otherwise defined herein shall have the respective meanings given to them by the Credit Agreement.
Pursuant to Section 2.4.2 of the Credit Agreement, the Borrower Agent hereby makes the following Swing Loan Request:

1. Aggregate principal amount of such Swing Loan
(may not be less than \$100,000) U.S. \$ _____
2. Proposed Borrowing Date (which date shall be on or
after the date on which the Administrative
Agent receives this Swing Loan Request, with
such Swing Loan Request to be received no
later than 1:00 p.m. Pittsburgh, Pennsylvania
time on the Borrowing Date)
3. As of the date hereof and the date of making the above-requested Swing Loan (and after giving effect thereto): the
representations and warranties contained in Section 6 of the Credit Agreement are true and correct on and as of such dates
with the same effect as though such representations and warranties had been made on and as of such dates (except
representations and warranties that expressly relate solely to an earlier date or
time, which representations and warranties were true and correct on and as of the specific dates or times referred to
therein); no Event of Default or Potential Default has occurred and is continuing or exists; and the making of such Swing
Loan does not contravene any Law applicable to any Loan Party or any Subsidiary of any Loan Party or any Lender; and
the making of such Swing Loan shall not exceed the Swing Loan Commitment or cause the Revolving Facility Usage to
exceed the Revolving Credit Commitments.
4. The undersigned hereby irrevocably requests [check one line below and fill in blank spaces next to the line as
appropriate]:
 - A Funds to be deposited into a PNC Bank bank account per our
current standing instructions. Complete amount of deposit if not
full loan advance amount: U.S. \$ _____.
 - B Funds to be wired per the following wire instructions:
U.S. \$ _____ Amount of Wire Transfer
Bank Name: _____
ABA: _____
Account Number: _____
Account Name: _____
Reference: _____
 - C Funds to be wired per the attached Funds Flow (multiple wire
transfers).

[SIGNATURE PAGE FOLLOWS]

The Borrower Agent, on behalf of all of the Borrowers, certifies to the Administrative Agent for the benefit of the Lenders as to the accuracy of the foregoing on _____, 20__.

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION,
a Delaware corporation, as Borrower Agent

By:
Name:
Title:

EXHIBIT 2.9

FORM OF LENDER JOINDER AND ASSUMPTION AGREEMENT

THIS LENDER JOINDER AND ASSUMPTION AGREEMENT (the "*Joinder*") is made as of _____, 20__ (the "*Effective Date*") by _____ (the "*New Lender*").

Background

Reference is made to the First Amended and Restated Refinancing Credit Agreement dated as of December 19, 2013 among WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION, a Delaware corporation, and WABTEC COÖPERATIEF U.A., a *coöperatieve vereniging met uitsluiting van aansprakelijkheid* under the laws of the Netherlands (collectively, the "*Borrowers*" and each a "*Borrower*"), the Guarantors now or hereafter party thereto, the Lenders now or hereafter party thereto and PNC Bank, National Association, a national banking association, as the administrative agent (the "*Administrative Agent*") (as the same has been and may hereafter be modified, supplemented, amended or restated, the "*Credit Agreement*"). Capitalized terms defined in the Credit Agreement are used herein as defined therein.

Agreement

In consideration of the Lenders permitting the New Lender to become a Lender under the Credit Agreement, the New Lender agrees that effective as of the Effective Date it shall become, and shall be deemed to be, a Lender under the Credit Agreement and each of the other Loan Documents and agrees that from the Effective Date and so long as the New Lender remains a party to the Credit Agreement, such New Lender shall assume the obligations of a Lender under and perform, comply with and be bound by each of the provisions of the Credit Agreement which are stated to apply to a Lender and shall be entitled (in accordance with its Ratable Share) to the benefits, rights and remedies set forth therein and in each of the other Loan Documents. The New Lender hereby acknowledges that it has heretofore received: (a) a true and correct copy of the Credit Agreement (including any modifications thereof or supplements or waivers thereto) as in effect on the Effective Date; and (b) a Revolving Credit Note dated the Effective Date issued by the Borrowers under the Credit Agreement in the face amount of \$_____.

The Commitments and Ratable Shares of the New Lender and each of the other Lenders are as set forth on Schedule 1.1(B) to the Credit Agreement. Schedule 1.1(B) to the Credit Agreement is being amended and restated effective as of the Effective Date hereof to read as set forth on Schedule 1.1(B) hereto. Schedule 1 hereto lists as of the date hereof the amount of Loans under each outstanding Borrowing Tranche. Notwithstanding the foregoing on the date hereof, the Borrowers shall repay all outstanding Loans and simultaneously reborrow a like amount of Loans under each such Interest Rate Option from the Lenders (including the New Lender) according to the Ratable Shares set forth on the attached Schedule 1.1(B) and shall be subject to breakage fees and other indemnities provided in Section 5.10 [Indemnity].

The New Lender is executing and delivering this Joinder as of the Effective Date and acknowledges that it shall: (A) participate in all new Revolving Credit Loans borrowed by the Borrowers on and after the Effective Date according to its Ratable Share; and (B) participate in all Letters of Credit outstanding on and after the Effective Date according to its Ratable Share.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the New Lender has duly executed and delivered this Lender Joinder and Assumption Agreement as of the Effective Date.

[NEW LENDER]

By:
Name:
Title:

[Acknowledgement - Lender Joinder and Assumption Agreement]

ACKNOWLEDGED:
PNC BANK, NATIONAL ASSOCIATION,
as the Administrative Agent

By:
Name:
Title:

**WESTINGHOUSE AIR BRAKE
TECHNOLOGIES CORPORATION,**
a Delaware corporation, as Borrower Agent

By:
Name:
Title:

SCHEDULE 1.1(B)

COMMITMENTS OF LENDERS

SCHEDULE 1

OUTSTANDING TRANCHES

EXHIBIT 5.9.7(A)

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the First Amended and Restated Refinancing Credit Agreement dated as of December 19, 2013 (as amended, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION, WABTEC COÖPERATIEF U.A., as Borrowers, the other Borrowers from time to time party thereto, the Guarantors party thereto, and each Lender from time to time party thereto.

Pursuant to the provisions of Section 5.9 [Taxes] of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of a Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrowers as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrowers with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrowers and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrowers and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By:

Name:

Title:

Date: _____, 20[]

EXHIBIT 5.9.7(B)

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the First Amended and Restated Refinancing Credit Agreement dated as of December 19, 2013 (as amended, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION, WABTEC COÖPERATIEF U.A., as Borrowers, the other Borrowers from time to time party thereto, the Guarantors party thereto, and each Lender from time to time party thereto.

Pursuant to the provisions of Section 5.9 [Taxes] of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of a Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrowers as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By:

Name:

Title:

Date: _____, 20[]

EXHIBIT 5.9.7(C)

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the First Amended and Restated Refinancing Credit Agreement dated as of December 19, 2013 (as amended, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION, WABTEC COÖPERATIEF U.A., as Borrowers, the other Borrowers from time to time party thereto, the Guarantors party thereto, and each Lender from time to time party thereto.

Pursuant to the provisions of Section 5.9 [Taxes] of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of a Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrowers as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-

81MY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By:

Name:

Title:

Date: _____, 20[]

EXHIBIT 5.9.7(D)

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the First Amended and Restated Refinancing Credit Agreement dated as of December 19, 2013 (as amended, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION, WABTEC COÖPERATIEF U.A., as Borrowers, the other Borrowers from time to time party thereto, the Guarantors party thereto, and each Lender from time to time party thereto.

Pursuant to the provisions of Section 5.9 [Taxes] of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of a Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrowers as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrowers with IRS Form W-81MY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-81MY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrowers and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrowers and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By:

Name:

Title:

Date: _____, 20[]

EXHIBIT 8.2.5

FORM OF

ACQUISITION COMPLIANCE CERTIFICATE

To: PNC BANK, NATIONAL ASSOCIATION, as the Administrative Agent

225 Fifth Avenue

Pittsburgh, Pennsylvania 15222

Please refer to the First Amended and Restated Refinancing Credit Agreement dated as of December 19, 2013 (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*") among WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION, a Delaware corporation, and WABTEC COÖPERATIEF U.A., a *coöperatieve vereniging met uitsluiting van aansprakelijkheid* under the laws of the Netherlands (collectively, the "*Borrowers*"), the Guarantors from time to time party thereto, the financial institutions from time to time party thereto (the "*Lenders*") and PNC Bank, National Association, as the Administrative Agent. Terms used but not otherwise defined herein are used herein as defined in the Credit Agreement.

This certificate is being delivered in connection with Section 8.2.5 [Acquisitions, Mergers, Consolidations, Sales] of the Credit Agreement and with respect to a proposed permitted Acquisition by _____ [name Borrower or the Loan Party that will be making the Acquisition] of _____ [name of entity whose assets or stock are/is being acquired] (the "*Target*"). The "Computation Date" herein shall be the date of the most recent quarter ended prior to the date of the proposed Acquisition of the Target.

I. Financial Tests. The Company hereby certifies and warrants to you that the following is a true and correct computation as at the Computation Date of the following ratios and/or financial restrictions contained in the Credit Agreement, after giving effect to the proposed Acquisition of the Target (all calculations set forth below give effect to the proposed Acquisition and are calculated for the applicable periods as if the Target were a Loan Party for the entire relevant period, i.e., if a financial covenant is measured for the immediately preceding four quarters ended as of the Computation Date, the financial results of the Target as well as the Loan Parties will be included in that four quarter period calculation):

A. EBITDA

Company (consolidated):

- 1. Consolidated Net Income\$ _____
- 2. Plus: Interest Expense\$ _____
 - income tax expense\$ _____
 - depreciation\$ _____
 - amortization\$ _____
 - losses from Asset Dispositions\$ _____
 - extraordinary losses\$ _____
 - noncash losses from discontinued operations \$ _____
 - other noncash charges\$ _____
- 3. Minus: noncash credits\$ _____
 - gains from Asset Dispositions\$ _____
 - noncash gains from discontinued operations \$ _____
 - other extraordinary income\$ _____
- 4. Total (EBITDA) for the Company (consolidated)\$ _____

Target:

- 5. net income\$ _____
- 6. Plus: Interest Expense\$ _____
 - income tax expense\$ _____
 - amortization\$ _____
 - depreciation\$ _____
 - losses from Asset Dispositions\$ _____
 - extraordinary losses\$ _____
 - noncash losses from discontinued operations \$ _____
 - other noncash charges\$ _____
- 7. Minus: noncash credits\$ _____
 - gains from Asset Dispositions\$ _____
 - noncash gains from discontinued operations\$ _____
 - other extraordinary income\$ _____
- 8. Total (EBITDA) for Target\$ _____
- 9. Proforma EBITDA for prior Acquisitions\$ _____
- 10. Proforma Total (EBITDA) (sum of items A(4), A(8) and A(9))\$ _____

B. Section 8.2.14.1 - Interest Coverage Ratio

- 1. EBITDA (from Item A(10) above)\$ _____
- 2. Proforma Interest Expense\$ _____
- 3. Ratio of (1) to (2) _____ to 1.00
- 4. Minimum required 3.00 to 1.00

C. Section 8.2.14.2 - Leverage Ratio

- 1. Proforma Total Debt\$ _____
- 2. EBITDA (from Item A(10) above)\$ _____
- 3. Ratio of (1) to (2) _____ to 1.00
- 4. Maximum allowed 3.25 to 1.00

The Company further certifies to you that no Event of Default or Potential Default has occurred and is continuing.

The proposed Acquisition Date is _____ [which date shall not be sooner than 3 Business Days from the date of receipt by Agent of this Certificate].

The business of the Target is located at _____ [addresses of targets places of business].

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE - ACQUISITION COMPLIANCE CERTIFICATE]

The Company has caused this Certificate to be executed and delivered by its duly authorized officer on _____, 20__.

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION,
a Delaware corporation

By:
Name:
Title:

EXHIBIT 8.3.3
FORM OF
QUARTERLY COMPLIANCE CERTIFICATE
_____, 20__

Please refer to the First Amended and Restated Refinancing Credit Agreement dated as of December 19, 2013 (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*") among WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION, a Delaware corporation, and WABTEC COÖPERATIEF U.A., a *coöperatieve vereniging met uitsluiting van aansprakelijkheid* under the laws of the Netherlands (collectively, the "*Borrowers*"), the Guarantors from time to time party thereto, the financial institutions from time to time party thereto (the "*Lenders*") and PNC BANK, NATIONAL ASSOCIATION, as Administrative Agent. Terms used but not otherwise defined herein are used herein as defined in the Credit Agreement.

- I. **Reports.** Enclosed herewith is a copy of the [**annual audited/quarterly**] consolidated financial statements of the Company and its Subsidiaries as at _____, ____ (the "*Computation Date*"), consisting of the consolidated [**10-K/10-Q**] of the Company and its Subsidiaries, which to the best of my knowledge, fairly presents in all material respects the financial condition and results of operations of the Company as of the Computation Date and has been prepared in accordance with GAAP consistently applied.
- II. **Financial Tests.** The Company hereby certifies and warrants to you that the following is a true and correct computation as at the Computation Date of the following ratios and/or financial restrictions contained in the Credit Agreement:

A. EBITDA

1. Consolidated Net Income\$ _____
2. Plus: Interest Expense\$ _____
income tax expense\$ _____
depreciation\$ _____
amortization\$ _____
losses from Asset Dispositions\$ _____
extraordinary losses\$ _____
noncash losses from discontinued operations \$ _____
operations\$ _____
other noncash charges\$ _____
3. Minus: noncash credits\$ _____
gains from Asset Dispositions\$ _____
noncash gains from discontinued operations \$ _____
operations\$ _____
other extraordinary income\$ _____
4. Total (EBITDA)\$ _____

B. Section 8.2.13.1 - Interest Coverage Ratio

1. EBITDA (from Item A(4) above)\$ _____
2. Interest Expense\$ _____
3. Ratio of (1) to (2) _____ to 1.00
4. Minimum required 3.00 to 1.00

C. Total Debt

1. Total Indebtedness from Balance Sheet\$ _____
2. Plus: Letters of Credit\$ _____
3. Minus: Unencumbered domestic cash\$ _____
87.5% of Unencumbered domestic cash held in
Australia, Brazil, Europe and each of the NAFTA
countries\$ _____
4. Total (Debt)\$ _____

D. Section 8.2.13.2 - Leverage Ratio

1. Total Debt (from Item C(4) above)\$ _____
2. EBITDA (from Item A(4) above)\$ _____
- 2a. EBITDA from Acquisitions (pursuant to clause (b)
of the definition of EBITDA, and without duplication
in Item A(4) above)\$ _____
3. Ratio of (1) to (2) _____ to 1.00
4. Maximum allowed 3.25 to 1.00

The Company further certifies to you that no Event of Default or Potential Default has occurred and is continuing.

[SIGNATURE PAGE FOLLOWS]

The Company has caused this Certificate to be executed and delivered by its duly authorized officer on _____, 20__.

**WESTINGHOUSE AIR BRAKE TECHNOLOGIES
CORPORATION,**
a Delaware corporation

By:
Name:
Title:

SUBSIDIARIES AND AFFILIATES

Company	Jurisdiction of Incorporation	Ownership Interest
Adantech Industria e Comercio de Metal, Borracha e Friccao Ltda. EPP Brazil.	Brazil	100%
Barber Steel Castings, Inc.	Delaware	100%
Barber Steel Foundry Corp.	Delaware	100%
Barber Tian Rui Railway Supply LLC	China	50%
Bearward Limited	United Kingdom	100%
Bearward Engineering Limited	United Kingdom	100%
Becorit GmbH	Germany	100%
Beijing Wabtec Huaxia Technology Company Ltd.	China	100%
CoFren S.A.S.	France	100%
CoFren S.r.l.	Italy	100%
Coleman Hydraulics Limited	United Kingdom	100%
Coleman Manufacturing Limited	United Kingdom	100%
Coleman UK Group Limited	United Kingdom	100%
Durox Company	Ohio	100%
Envirotech Research Limited	United Kingdom	100%
Evand Pty Ltd.	West Australia, Australia	100%
FIP Brakes South Africa (Proprietary) Limited	South Africa	70%
FIP Pty Ltd.	Victoria, Australia	100%
G&B Specialties, Inc.	Pennsylvania	100%
GBI USA Holdings, Inc.	Nevada	100%
Hubei Dengfeng Unifin Electrical Equipment Cooling System Co., Ltd.	China	60%
Hunan CSR Wabtec Railway Transportation Technology Co. Ltd.	China	50%
InTrans Engineering Limited	West Bengal, India	100%
J. & D. Gears Limited	United Kingdom	100%
Keelex 351 Limited	United Kingdom	100%
LH Access Technology Limited	United Kingdom	100%
LH Group Holdings Limited	United Kingdom	100%
LH Group Services Limited	United Kingdom	100%
LH Group Wheelsets Limited	United Kingdom	100%
LH Plant (Burton) Limited	United Kingdom	100%
Longwood Elastomers, Inc.	Virginia	100%
Longwood Elastomers, S.A.	Spain	100%
Longwood Engineered Products, Inc.	Delaware	100%
Longwood Industries, Inc.	New Jersey	100%
Longwood International, Inc.	Delaware	100%
LWI Elastomers International, S.L.	Spain	100%
LWI International B.V.	Netherlands	100%
Mors Smitt BV	Netherlands	100%
Mors Smitt France S.A.S.	France	100%
Mors Smitt Holding S.A.S.	France	100%
Mors Smitt Netherlands	Netherlands	100%
Mors Smitt Technologies, Inc.	Connecticut	100%
Mors Smitt UK Ltd.	United Kingdom	100%
Mors Smitt Asia, Ltd.	Hong Kong	100%
MotivePower, Inc.	Delaware	100%
Napier Turbochargers (Holdings) Limited	United Kingdom	100%
Napier Turbochargers Limited	United Kingdom	100%
Parts Supply Limited	United Kingdom	100%
Poli S.r.l.	Italy	100%
Railroad Friction Products Corporation	Delaware	100%
Representative Office of Wabtec International, Inc.	Russia	100%
RFPC Holding Corporation	Delaware	100%
Ricon Acquisition Corp.	Georgia	100%
Ricon Corp.	California	100%
Sanhe Wabtec Railway Brake Technology Co., Ltd.	China	100%
Schaefer Equipment, Inc.	Ohio	100%
SCT Europe Ltd.	United Kingdom	100%
SCT Technology LLC	Delaware	100%
Shenyang CNR Wabtec Railway Brake Technology Company, Ltd.	China	50%
Standard Car Truck Company	Delaware	100%
Standard Car Truck-Asia, Inc.	Delaware	100%
TP (Powder Coating) Limited	United Kingdom	100%
The Hunslet Engine Company Limited	United Kingdom	100%
Turbonetics Holdings, Inc.	Delaware	100%
Vapor Europe S.r.l.	Italy	100%
Vapor Rail Kapi Sistemleri Ticaret Ve Hizmetleri Limited Sirketi	Turkey	54%
Vapor Ricon Europe Ltd.	United Kingdom	100%
Wabtec Assembly Services S. de R.L. de C.V.	Mexico	100%
Wabtec Australia Pty. Limited	Capital Territory, Australia	100%
Wabtec (Beijing) Corporate Management Co. Ltd.	China	100%
Wabtec Brasil Fabricacao Manutencao de Equipamentos Ferroviarios Ltda	Brazil	100%
Wabtec Corporation	New York	100%
Wabtec Canada, Inc.	Ontario, Canada	100%
Wabtec China Friction Holding Limited	Hong Kong	100%
Wabtec China Rail Products & Services Holding Limited	Hong Kong	100%

Wabtec Coöperatief UA	Netherlands	100%
Wabtec de Mexico, S. de R.L. de C.V.	Mexico	100%
Wabtec Europe GmbH	Austria	100%
Wabtec FRG GmbH	Germany	100%
Wabtec FRG Holdings GmbH & Co. KG	Germany	100%
Wabtec Finance LLC	Delaware	100%
Wabtec Golden Bridge Transportation Technology (Hangzhou) Company, Ltd.	China	51%
Wabtec Holding Corp.	Delaware	100%
Wabtec International, Inc.	Delaware	100%
Wabtec Investments Limited LLC	Delaware	100%
Wabtec Jinxin (Wuxi) Heat Exchanger Co., Ltd.	China	85%
Wabtec MZT Poland Sp. Z.o.o.	Poland	87%
Wabtec MZT AD Skopje	Macedonia	87%
Wabtec Manufacturing Mexico S. de R.L. de C.V.	Mexico	100%
Wabtec Rail Limited	United Kingdom	100%
Wabtec Rail Scotland Limited	Scotland	100%
Wabtec Railway Electronics Corporation	Nova Scotia	100%
Wabtec Servicios Administrativos, S.A. de C.V.	Mexico	100%
Wabtec South Africa Proprietary Limited	South Africa	70%
Wabtec UK Holdings Limited	United Kingdom	100%
Wabtec UK Investments Limited	United Kingdom	100%
Wabtec UK Management Limited	United Kingdom	100%
Westinghouse Railway Holdings (Canada) Inc.	Ontario, Canada	100%
Wilmerding International Holdings C.V.	Netherlands	100%
Winco Equipamentos Ferroviarios Ltda.	Brazil	100%
Wuxi Jinxin Group Company Limited	China	100%
Xorail LLC	Delaware	100%
Xorail, Inc.	Florida	100%
Young Touchstone Company	Wisconsin	100%
Zhongshan MorsSmitt Relay	China	100%

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-53753, 333-39159, 333-02979, 333-115014, 333-137985, 333-41840, 333-40468, 333-35744, 333-89086, and 333-179857) of our reports dated February 21, 2014, with respect to the consolidated financial statements and schedule of Westinghouse Air Brake Technologies Corporation and the effectiveness of internal control over financial reporting of Westinghouse Air Brake Technologies Corporation, included in this Annual Report (Form 10-K) for the year ended December 31, 2013.

/s/ Ernst & Young LLP

Pittsburgh, Pennsylvania
February 21, 2014

