UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 28, 2008

HILLENBRAND, INC.

(Exact Name of Registrant as Specified in Charter)

Indiana	**1-33794**	**26-1342272**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

One Batesville Boulevard **Batesville, Indiana** (Address of Principal Executive Offices)	**47006** (Zip Code)

Registrant's telephone number, including area code: (812) 934-7500

Batesville Holdings, Inc.
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Note Regarding Forward Looking Statements

Certain statements in this report contain forward looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, regarding the future plans, objectives, beliefs, expectations, representations and projections of Hillenbrand, Inc. (the "Company"). The Company has tried, wherever possible, to identify these forward looking statements using words such as "intend," "anticipate," "believe," "plan," "encourage," "expect," "may," "goal," "become," "pursue," "estimate," "strategy," "will," "projection," "forecast," "continue," "accelerate," "promise," "increase," "higher," "lower," "reduce," "improve," "expand," "progress," "potential" or the negative of those terms or other variations of them or by comparable terminology. The absence of such terms, however, does not mean that the statement is not forward looking. It is important to note that forward looking statements are not guarantees of future performance, and the Company's actual results could differ materially from those set forth in any forward looking statements. Factors that could cause actual results to differ from forward looking statements include but are not limited to: antitrust litigation, the Company's dependence on its relationships with several large national providers, continued fluctuations in mortality rates and increased cremations, whether the Company's new products are successful in the marketplace, ongoing involvement in claims, lawsuits and governmental proceedings related to operations, failure of the Company's announced strategic initiatives to achieve expected growth, efficiencies or cost reductions, disruptions in the Company's business or other adverse consequences resulting from the spin-off of the Company from Hillenbrand Industries, Inc., failure to achieve the anticipated benefits of the spin-off, failure of the Company to execute its acquisition and business alliance strategy through the consummation and successful integration of acquisitions or entry into joint ventures or other business alliances, competition from nontraditional sources in the funeral service business, volatility of the Company's investment portfolio, increased costs or unavailability of raw materials, labor disruptions, the ability to retain executive officers and other key personnel, and certain tax-related matters. For a more in depth discussion of these and other factors that could cause actual results to differ from those contained in forward looking statements, see the discussions under the heading "Risk Factors" in the Information Statement dated March 17, 2008 filed as Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 17, 2008. The Company assumes no obligation to update or revise any forward looking statements.

Item 1.01. Entry into a Material Definitive Agreement.

On March 28, 2008, the Company (then named Batesville Holdings, Inc.), entered into a $400 million credit agreement with the lenders named in the agreement, as initial lenders, and Citibank, N.A., as agent for the lenders.

The credit agreement provides for a $400 million revolving credit facility, with the potential for the Company to increase the amount of the facility up to $600 million. The credit facility may be used for loans and, subject to a $50 million sublimit, letters of credit. Borrowings under the credit facility may be used for working capital, other general corporate purposes and purposes related to the Distribution described under Item 8.01 of this report, and to finance acquisitions. The maturity date of the credit facility is March 2013, but the Company has the option, subject to the satisfaction of certain conditions, during the first two years of the credit agreement to extend the maturity date by one year.

Borrowings under the credit facility bear interest, at the Company's option, at either a fluctuating base rate or a rate equal to LIBOR plus a margin determined based on the Company's credit ratings, currently equal to 0.375% per annum. A commitment fee currently equal to 0.125% is paid quarterly and on the maturity date on the aggregate amount of the lenders' commitments. In addition, each day the loans and the amounts available under outstanding letters of credit exceed 50.0% of the aggregate lender commitments, a utilization fee, currently equal to .050% per annum, will be due. If an event of default occurs and is continuing, the lenders may increase the interest otherwise due by 2.0% per annum.

The credit agreement contains covenants that, among others things, restrict the ability of the Company to, with certain exceptions: (1) incur indebtedness; (2) grant liens; (3) acquire other companies or assets; (4) dispose of all or substantially all of its assets or enter into mergers, consolidations or similar transactions; (5) make restricted payments; and (6) enter into transactions with affiliates. The credit agreement also requires the Company to satisfy certain financial covenants, including maintaining (1) a ratio of Consolidated Indebtedness to Consolidated EBITDA (each as defined in the credit agreement) of not more than 3.5:1.0 and (2) a ratio of Consolidated EBITDA to interest expense of not less than 3.5:1.0. The Company does not believe that the covenants contained in the credit agreement will impair its ability to execute its strategy.

The Company's obligations under the credit agreement are guaranteed by its subsidiary Batesville Services, Inc.

The following constitute events of default under the credit agreement:

- a failure to pay principal, interest or fees due under the credit agreement;
- a representation or warranty is proven to have been incorrect when made;
- failure of the Company to perform covenants under the credit agreement;
- a change of control of the Company;
- an event of default and the lapse of any applicable grace period under other indebtedness of the Company with a principal amount of at least $75 million;
- the commencement of proceedings under federal, state or foreign bankruptcy, insolvency, receivership or similar laws;
- inability or general failure of the Company to pay debts as they become due;
- the entry of one or more judgments for the payment of money in an aggregate uninsured amount greater than $75 million that remain undischarged;
- the occurrence of certain ERISA events related to the Company's benefit plans where the liability exceeds, or could reasonably be expected to exceed, $75 million; or
- any provision relating to the Batesville Services, Inc. guaranty ceases to be valid or binding.

If an event of default occurs, the lenders may terminate their commitments under the credit agreement and declare any outstanding loans under the credit agreement to be immediately due and payable.

The credit agreement is filed as Exhibit 10.1 to this report.

On March 31, 2008, in connection with the Distribution described under Item 8.01 of this report, the Company borrowed $250 million under the credit agreement and made a cash distribution of that amount to Hillenbrand Industries, Inc. (subsequently renamed Hill-Rom Holdings, Inc.) ("Hill-Rom Holdings"), the Company's parent company prior to the Distribution.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information under Item 1.01 above is incorporated by reference into this Item 2.03.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

Effective March 31, 2008, the Company amended and restated its Articles of Incorporation to:

- change the name of the Company from Batesville Holdings, Inc. to Hillenbrand, Inc.;
- cause each of the 100 shares of its common stock then outstanding to be split into 622,545.59 shares of its common stock to permit Hill-Rom Holdings to make a one for one distribution of the Company's common stock to shareholders of Hill-Rom Holdings in the Distribution; and
- make other changes determined to be desirable for the Company as a stand alone public company following the Distribution.

The Articles of Restatement and Amendment effecting these changes, including the resulting Restated and Amended Articles of Incorporation, are filed as Exhibit 3.1 to this report. Certain of the material provisions of the Restated and Amended Articles of Incorporation are described under the heading "Description of New Hillenbrand Capital Stock" in the Information Statement dated March 17, 2008 filed as Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 17, 2008. That description is incorporated herein by reference.

Item 8.01. Other Events.

On March 31, 2008, Hill-Rom Holdings completed the previously announced distribution (the "Distribution") to its shareholders of all of the common stock of the Company held by Hill-Rom Holdings. To implement the Distribution, Hill-Rom Holdings distributed to each of its shareholders, through a pro rata dividend, one share of common stock of the Company for each share of common stock of Hill-Rom Holdings held by such shareholder as of the close of business on March 24, 2008, the record date for the Distribution. The Company's press release announcing the completion of the Distribution is filed as Exhibit 99.1 to this report and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

EXPLANATORY NOTE: In addition to the exhibits noted above related to the matters described herein, the Company is filing herewith the executed versions of certain agreements entered into between the Company and Hill-Rom Holdings in connection with the Distribution, including the distribution agreement, judgment sharing agreement, tax sharing agreement and employee matters agreement. The executed versions of these agreements reflect immaterial changes from the previously filed forms of these agreements. Additionally, the Company is filing as exhibits corrected forms of employment agreements for certain of its executive officers. The previously filed forms of employment agreements between the Company and Cynthia L. Lucchese, John R. Zerkle, Michael L. DiBease and Douglas I. Kunkel incorrectly provided for severance pay of up to six months for these officers. The corrected forms of these employment agreements provide for severance pay of up to twelve months, consistent with the previously filed descriptions of these employment agreements.

Exhibit Number	Description
2.1	Distribution Agreement dated as of March 14, 2008 by and between Hill-Rom Holdings, Inc. and Hillenbrand, Inc.
3.1	Articles of Restatement and Amendment of Articles of Incorporation
10.1	Credit Agreement dated as of March 28, 2008 among Hillenbrand, Inc., the lenders named therein, and Citibank, N.A., as agent for the lenders
10.2	Judgment Sharing Agreement dated as of March 14,

Exhibit Number	Description
	2008 among Hill-Rom Holdings, Inc., Hillenbrand, Inc. and Batesville Casket Company, Inc.
10.3	Employee Matters Agreement dated as of March 31, 2008 between Hill-Rom Holdings, Inc. and Hillenbrand, Inc.
10.4	Tax Sharing Agreement dated as of March 31, 2008 between Hill-Rom Holdings, Inc. and Hillenbrand, Inc.
10.5	Employment Agreement dated as of March 31, 2008 between Hillenbrand, Inc. and Cynthia L. Lucchese
10.6	Employment Agreement dated as of March 31, 2008 between Hillenbrand, Inc. and John R. Zerkle
10.7	Employment Agreement dated as of March 31, 2008 between Batesville Services, Inc. and Michael L. DiBease
10.8	Employment Agreement dated as of March 31, 2008 between Batesville Services, Inc. and Douglas I. Kunkel
99.1	Press release dated April 1, 2008

SIGNATURES

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

HILLENBRAND, INC.

DATE: April 1, 2008

BY: /S/ Cynthia L. Lucchese
Cynthia L. Lucchese
Senior Vice President and
Chief Financial Officer

DATE: April 1, 2008

BY: /S/ Theodore S. Haddad, Jr.
Theodore S. Haddad, Jr.
Chief Accounting Officer

EXHIBIT INDEX

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Exhibit 2.1

DISTRIBUTION AGREEMENT

BY AND BETWEEN

HILLENBRAND INDUSTRIES, INC.

AND

BATESVILLE HOLDINGS, INC.

Dated as of March 14, 2008

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DISTRIBUTION AGREEMENT

THIS DISTRIBUTION AGREEMENT, dated as of March 14, 2008 (this "Agreement"), is entered into by and between Hillenbrand Industries, Inc., an Indiana corporation ("RemainCo"), and Batesville Holdings, Inc., an Indiana corporation ("SpinCo"). Capitalized terms used herein and not other otherwise defined shall have the meanings set forth in Article I.

WITNESSETH:

WHEREAS, RemainCo currently owns 100 shares of SpinCo's issued and outstanding Common Stock, without par value ("SpinCo Common Stock"), constituting 100% of the outstanding SpinCo Common Stock;

WHEREAS, the Board of Directors of RemainCo has determined that it is in the best interests of RemainCo to distribute its entire ownership interest in SpinCo through a pro-rata distribution of all of the outstanding shares of SpinCo Common Stock then owned by RemainCo to the holders of RemainCo Common Stock pursuant to the terms and subject to the conditions of this Agreement (the "Distribution");

WHEREAS, effective promptly following the close of business on the Record Date, the Board of Directors of SpinCo and RemainCo, as the sole shareholder of SpinCo, will approve the split-up of the then outstanding shares of SpinCo Common Stock, and SpinCo will file articles of amendment to its amended and restated articles of incorporation with the Secretary of State of Indiana so that the Distribution Ratio shall be one to one;

WHEREAS, the shareholders of RemainCo and SpinCo have approved the change of the names of RemainCo and SpinCo to Hill-Rom Holdings, Inc. and Hillenbrand, Inc., respectively, and each of RemainCo and SpinCo will file articles of amendment to its amended and restated articles of incorporation with the Secretary of State of Indiana to effect the foregoing name changes prior to the Effective Time;

WHEREAS, the Distribution is intended to qualify as a Tax-Free Spin-Off pursuant to Section 355 of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the parties intend in this Agreement, including the Exhibits and Schedules hereto, and the Other Agreements, to set forth the principal arrangements between them regarding the Distribution;

NOW, THEREFORE, in consideration of the mutual promises, covenants and obligations herein contained and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I.

DEFINITIONS

1.01 General. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

AAA: as defined in Section 6.04(a).

Action: any claim, suit, action, mediation, arbitration, inquiry, investigation or other proceeding of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) by or before any mediator, arbitrator or Governmental Authority.

Advancing Party: as defined in Section 3.12.

affiliate: with respect to any specified Person, a Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person; provided, however, that for purposes of this Agreement, no member of either Group and no officer or director of any member of either Group shall be deemed to be an affiliate of any member of the other Group.

Agreed Termination Event: the first to occur of: (a) the full and complete satisfaction of a trial court judgment in the last pending Action comprising the BSI Litigation or the suspension of the execution of such judgment by the posting of a supersedeas bond; or (b) the settlement or voluntary dismissal of the last pending Action comprising the BSI Litigation as to all members of the RemainCo Group and the SpinCo Group.

Agreement: as defined in the preamble to this Agreement.

Applicable Deadline: as defined in Section 6.03(b).

Applicable Other Agreement: as defined in Section 6.03(b).

Appropriate Members of the RemainCo Group: as defined in Section 3.04.

Appropriate Members of the SpinCo Group: as defined in Section 3.03.

Arbitration Act: the United States Arbitration Act, 9 U.S.C. ss.ss 1-16, as the same may be amended from time to time.

Arbitration Demand Date: as defined in Section 6.03(a).

Arbitration Demand Notice: as defined in Section 6.03(a).

Article IX Third Party Claim: a Third Party Claim in which at least one member of the RemainCo Group and at least one member of the SpinCo Group are codefendants.

Base Rate: the rate which Citibank, N.A. (or any successor thereto or other major money center commercial bank agreed to by the parties hereto) announces from time to time as its base lending rate, as in effect from time to time.

best efforts: a Person's good faith best efforts to achieve a goal as expeditiously as possible, which may require the incurrence of expense or hardship in order to achieve the reasonable expectations of the other party as agreed hereunder.

BSI Litigation: To the extent not covered by collectible insurance: (a) each Action listed on Schedule 1; (b) each additional Action hereafter asserted prior to the consummation of the Distribution against both a member of the RemainCo Group and a member of the SpinCo Group seeking damages for alleged violations of state and federal antitrust laws based upon the SpinCo Group's method of distributing caskets exclusively through licensed funeral directors; and (c) any other Action consolidated for purposes of trial with any Action referred to in clause (a) or (b) above.

Business Day: any day other than a Saturday, a Sunday or a day on which banking institutions located in the State of Indiana are authorized or obligated by law or executive order to close.

Claims Administration: the processing of claims made under the Insurance Policies, including the reporting of claims to the insurance carrier, management and defense of claims and providing for appropriate releases upon settlement of claims.

Claims Handling Agreement: any third party administrator or claims handling agreement of any kind or nature to which any member of either Group is directly or indirectly a party, in effect as of the date hereof, related to the handling of Insured SpinCo Claims.

Code: as defined in the recitals to this Agreement.

Consolidated EBITDA: for any period, consolidated net income of RemainCo or SpinCo, as the case may be, and its Subsidiaries for such period plus, without duplication and to the extent reflected as a charge in the statement of such consolidated net income for such period, the sum of: (a) income tax expense; (b) interest expense, amortization or write-off of debt discount and hedges and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness; (c) depreciation and amortization expense; (d) amortization of intangibles (including, but not limited to, goodwill) and organization costs; (e) any extraordinary or non-recurring expenses or losses (including, whether or not otherwise includable as a separate item in the statement of consolidated net income for such period, losses on sales of assets outside the ordinary course of business and one time charges associated with the Distribution); and (f) all non-cash items decreasing consolidated net income for such period, (other than any such non-cash item to the extent that it will result in the making of cash payments in any future period), and minus, to the extent of: (i) any extraordinary or non-recurring income or gains (including, whether or not otherwise includable as a separate item in the statement of such consolidated net income for such period and gains on sales of assets outside of the ordinary course of business); and (ii) all non-cash items increasing consolidated net income for such period (other than any such non-cash item to the extent that it will result in the receipt of cash payments

in any future period). Consolidated EBITDA shall be calculated on a pro forma basis to give effect to any proposed acquisition of a Restricted Acquisition Target by RemainCo or SpinCo, as the case may be, as if such acquisition had been effected on the first day of such period.

Distribution: as defined in the recitals to this Agreement.

Distribution Agent: as defined in Section 2.04(a).

Distribution Date: March 31, 2008, being the date on which the Distribution becomes effective.

Distribution Ratio: as defined in Section 2.04(b).

Effective Time: as defined in Section 2.06.

Employee Matters Agreement: the employee benefits and compensation allocation agreement to be entered into prior to the Effective Time between RemainCo and SpinCo.

Escalation Notice: as defined in Section 6.02(a).

Executive Liability Policies: Insurance Policies with coverages relating to directors and officers liability, employment practices liability and fiduciary liability.

Governmental Authority: any federal, state, local, foreign or international court, government, department, commission, board, bureau or agency, authority (including, but not limited to, any central bank or taxing authority) or instrumentality (including, but not limited to, any court, tribunal or grand jury) exercising executive, prosecutorial, legislative, judicial, regulatory or administrative functions of or pertaining to government or any other regulatory, administrative or governmental authority.

Group: the RemainCo Group or the SpinCo Group, as the context requires.

Incurrence Ratio: the ratio of Pro Forma Consolidated Total Debt divided by pro forma Consolidated EBITDA, calculated as of the most recent fiscal four quarter period ended prior to a Person entering into an agreement for the contemplated acquisition of a Restricted Acquisition Target.

Indebtedness: as to any Person at a particular time, without duplication, all of the following, but only to the extent included as indebtedness or liabilities in accordance with generally accepted accounting principles in the United States: (a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments; (b) all direct or contingent obligations of such Person arising under unreimbursed payments made under letters of credit (including standby and commercial), bankers' acceptances and bank guarantees; (c) net obligations of such Person under any hedge contract pertaining to interest rates or pertaining to any currency or commodity; (d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable incurred in the ordinary course of business); (e) indebtedness (excluding prepaid interest thereon) secured by a lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in

recourse; (f) all obligations of such Person under capital leases; and (g) all guarantees of such Person in respect of any of the foregoing. The Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation, limited liability company or other limited liability entity) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The following three clauses shall be applicable when computing the Incurrence Ratio for SpinCo or RemainCo: (i) the amount of any net obligation under any hedge contract on any date shall be deemed to be the hedge termination value thereof as of such date; (ii) the amount of any capital lease as of any date shall be deemed to be the amount of attributable indebtedness in respect thereof as of such date; and (iii) Indebtedness shall not include 75% of the principal amount of any mandatorily convertible unsecured bonds, debentures, preferred stock or similar instruments which are payable in no more than three years (whether by redemption, call option or otherwise) solely in common stock or other common equity interests of such Person.

Indemnifiable Losses: all Losses which are subject to being indemnified by RemainCo or SpinCo pursuant to Article III.

Indemnifying Party: as defined in Section 3.07(a).

Indemnitee: as defined in Section 3.07(a).

Indemnity Payment: as defined in Section 3.07(a).

information: all records, books, contracts, instruments, computer data and other data and information of a Person.

Insurance Administration: with respect to each Insurance Policy, (a) the accounting for retrospectively-rated premiums, defense costs, indemnity payments, deductibles and retentions as appropriate under the terms and conditions of each of the Insurance Policies, (b) the reporting to excess insurance carriers of any losses or claims which may cause the per-occurrence or aggregate limits of any Insurance Policy to be exceeded and (c) the distribution of Insurance Proceeds as contemplated by this Agreement.

Insurance Company Program Agreement: contracts between RemainCo and insurers, Travelers and Discover Re, that outline the payment and collateral obligations associated with the self-funded retentions in the loss sensitive casualty insurance programs.

Insurance Policy: insurance policies and insurance contracts of any kind that immediately prior to the Effective Time are or have been owned or maintained by, or provide a benefit in favor of, any member of either Group or any of its predecessors, including, without limitation, workers compensation/employers liability (including self-insured workers compensation in the State of Indiana), commercial general liability (including product liability), auto liability, excess/umbrella liability, property/business interruption, marine cargo, blanket crime/fidelity, aviation including airport liability, international liability and Executive Liability Policies. The term “Insurance Policies” expressly excludes any insurance policies relating to Plans to the extent such insurance policies are addressed under the Employee Matters Agreement, other than the above referenced Executive Liability Policies and workers compensation/employers liability policies (including self-insured workers compensation in the State of Indiana).

Insurance Proceeds: those monies actually received by or on behalf of an insured from an insurance carrier or paid by an insurance carrier on behalf of the insured.

Insured Claims: any claim with respect to those Losses that, individually or in the aggregate, are covered within the terms and conditions of any of the Insurance Policies, whether or not subject to deductibles, coinsurance, uncollectibility or retrospectively-rated premium adjustments, but only to the extent that such Losses are within applicable Insurance Policy limits, including aggregates.

Insured SpinCo Claims: any claim with respect to any Loss, damage or injury that occurred prior to the Effective Time that is against any member of the SpinCo Group or any employee of any member of the SpinCo Group; provided, that in the case of any such claim or any claims identified in (a) through (e) below, such Loss or expense (including costs of defense and reasonable attorneys' fees) is or may be insured under one or more of the Insurance Policies. Insured SpinCo Claims include, without limitation, (a) claims for property or casualty damage or any other Loss or expense with respect to assets of SpinCo; (b) claims of Loss or expense arising from business interruption of any SpinCo Business; (c) claims against any member of the SpinCo Group whether or not the SpinCo Group has or has assumed liability for such claims under this Agreement or any of the Other Agreements; (d) claims against any member of the RemainCo Group to the extent any member of the SpinCo Group has liability for such claims under this Agreement or any of the Other Agreements; and (e) claims involving or against any director, officer, employee, fiduciary or agent of the SpinCo Group who are entitled or would have been entitled to indemnification by RemainCo had the Distribution not occurred.

Judgment Sharing Agreement: the Judgment Sharing Agreement dated as of March 14, 2008 among RemainCo, SpinCo and Batesville Casket Company, Inc. relating to the BSI Litigation.

law: any foreign, federal, state or local statute, ordinance, regulation, code, license, permit, authorization, approval, consent, common law, legal doctrine, order, judgment, decree, injunction or requirement of any Governmental Authority or any order or award of any arbitrator, now or hereafter in effect.

liabilities: means any and all claims, debts, liabilities, assessments, guarantees, assurances, commitments, obligations, fines, penalties, damages (whether compensatory, punitive, consequential, multiple or other), losses, disgorgements and obligations, of any kind, character or description (whether absolute, contingent, matured, not matured, liquidated, unliquidated, accrued, known, unknown, direct, indirect, derivative or otherwise) whenever arising, including, but not limited to, those arising under or in connection with any law, and those arising under any contract, guarantee, commitment or undertaking, whether sought to be imposed by any Governmental Authority or arbitrator, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute, or otherwise (but excluding, any liabilities for Taxes because the Tax Sharing Agreement will govern those liabilities), and including all costs, expenses and interest relating thereto (including, but not limited to, all expenses of investigation, all attorneys' fees and all out-of-pocket expenses in connection with any Action or threatened Action).

Losses: with respect to any Person, all losses, liabilities, damages, claims, demands, judgments or settlements of any nature or kind, known or unknown, fixed, accrued, absolute or contingent, liquidated or unliquidated, including all costs and expenses (legal, accounting or otherwise as such costs are incurred) relating thereto, including punitive damages and criminal fines and penalties, but excluding damages in respect of actual or alleged lost profits, suffered or alleged to be suffered by such Person, regardless of whether any such losses, liabilities, damages, claims, demands, judgments, settlements, costs, expenses, fines and penalties relate to or arise out of such Person's own alleged or actual negligent, grossly negligent, reckless or intentional misconduct.

NYSE: the New York Stock Exchange, Inc.

Other Agreements: the Employee Matters Agreement, the Ownership Agreements, the Shared Services Agreements, the Tax Sharing Agreement, the Transitional Services Agreements, the Judgment Sharing Agreement and any other agreement entered into by members of the RemainCo Group and the SpinCo Group in connection with the Distribution.

Ownership Agreements: the ownership agreements to be entered into prior to the Effective Time between RemainCo and SpinCo relating to the ownership of the airfield in Batesville, Indiana, the aircraft housed at that facility and the nearby corporate conference facility.

Person: an individual, a limited or general partnership, a joint venture, a corporation, a trust, a limited liability company, an unincorporated organization, or a Governmental Authority.

Plan: any Benefit Plan as defined in the Employee Matters Agreement.

Privileged Joint Defense Material: as defined in Section 9.02.

Pro Forma Consolidated Total Debt: all Indebtedness of SpinCo or RemainCo, as the case may be, and its Subsidiaries, calculated on a consolidated basis in accordance with generally accepted accounting principles in the United States, plus any Indebtedness proposed to be incurred in connection with the acquisition of a Restricted Acquisition Target.

Qualified Investment Banker: Citigroup Global Markets Inc. or Goldman, Sachs & Co., including in each case its successors and assigns, or any other investment banking firm of national stature in the United States mutually approved by RemainCo and SpinCo.

Record Date: the close of business on March 24, 2008, being the date for determining the holders of RemainCo Common Stock entitled to receive shares of SpinCo Common Stock pursuant to the Distribution.

RemainCo: as defined in the preamble to this Agreement, including its successors and permitted assigns.

RemainCo Business: all business and operations (including related joint ventures and alliances) of any member of the RemainCo Group at any time after the Distribution.

RemainCo Common Stock: the common stock, without par value, of RemainCo.

RemainCo Core Business: the manufacture or sale of non-implantable devices or any other existing business line conducted by Hill-Rom, Inc. and its Subsidiaries immediately prior to the Distribution (including medical technologies and related services for the health care industry, such as, for example, patient support systems, non-invasive therapeutic products for a variety of acute and chronic medical conditions, medical equipment rentals and workflow technology solutions).

RemainCo Group: RemainCo and the RemainCo Subsidiaries immediately following the consummation of the Distribution.

RemainCo Group Liabilities: except as otherwise specifically provided in any Other Agreement, all liabilities and obligations, whether arising before, at or after the Effective Time, (a) of any member of the RemainCo Group or (b) arising from the conduct of, in connection with or in any way relating to, in whole or in part, the businesses and operations of the RemainCo Group or the ownership or use of assets or property in connection therewith, including those allocated by Hillenbrand Industries, Inc. to any member of the RemainCo Group on Schedule 2.03(e).

RemainCo Indemnitees: as defined in Section 3.03.

RemainCo Minimum Credit Rating: one credit rating level below the initial credit rating assigned by Standard & Poors or Moody's Investor Services to RemainCo after giving effect to the Distribution.

RemainCo Subsidiaries: all of the corporations, limited liability companies or other entities listed on Exhibit A as members of the RemainCo Group, and any other Subsidiaries of RemainCo, in each case including their successors and permitted assigns.

RemainCo Transfer Agent: the transfer agent for the RemainCo Common Stock.

representative: with respect to any Person, any of such Person's directors, officers, employees, agents, consultants, advisors, accountants, attorneys and representatives.

Responsible Party: as defined in Section 3.12.

Restricted Acquisition Target: any Person engaged in the RemainCo Core Business in the case of RemainCo and the SpinCo Core Business in the case of SpinCo.

Rules: as defined in Section 6.05.

SEC: the United States Securities and Exchange Commission

Section 5.05 Information: as defined in Section 5.05.

Section 5.05 Requesting Party: as defined in Section 5.05.

Securities Exchange Act: the United States Securities Exchange Act of 1934, as amended.

Shared Services Agreements: the shared services agreements to be entered into prior to the Effective Time between RemainCo and SpinCo or their respective Subsidiaries providing for the provision of specified services on a long-term basis.

SpinCo: as defined in the preamble of this Agreement, including its successors and permitted assigns.

SpinCo Business: all business and operations (including related joint ventures and alliances) of any member of the SpinCo Group at any time after the Distribution.

SpinCo Common Stock: as defined in the preamble to this Agreement.

SpinCo Core Business: (a) the manufacture and/or sale of funeral service products, including burial caskets, cremation caskets, containers and urns, selection room display fixturing, and other personalization and memorialization products, including the SpinCo Business conducted immediately following the Distribution, and (b) any other basic manufacturing or distribution business where it is reasonable to assume that the core competencies developed by SpinCo in the manufacture and sale of the products referred to in clause (a) could add enterprise value.

SpinCo Distribution Documents: as defined in Section 3.03(e).

SpinCo Group: SpinCo and the SpinCo Subsidiaries immediately following the consummation of the Distribution.

SpinCo Group Liabilities: except as otherwise specifically provided in any Other Agreement, all liabilities and obligations, whether arising before, at or after the Effective Time, (a) of any member of the SpinCo Group or (b) arising from the conduct of, in connection with or in any way relating to, in whole or in part, the businesses and operations of the SpinCo Group or the ownership or use of assets or property in connection therewith, including those allocated by Hillenbrand Industries, Inc. to any member of the SpinCo Group on Schedule 2.03(e).

SpinCo Indemnitees: as defined in Section 3.04.

SpinCo Minimum Credit Rating: one credit rating level below the initial credit rating assigned by Standard & Poors or Moody's Investor Services to SpinCo after giving effect to the Distribution.

SpinCo Subsidiaries: all of the corporations, limited liability companies or other entities listed on Exhibit A as members of the SpinCo Group, and any other Subsidiaries of SpinCo, in each case including their successors and permitted assigns.

SpinCo Transfer Agent: the transfer agent for the SpinCo Common Stock.

Subsidiary: with respect to any specified Person, any corporation or other legal entity of which such Person or any of its Subsidiaries controls or owns, directly or indirectly, more than 50% of the stock or other equity interest entitled to vote on the election of members to the board of directors or similar governing body, in each case including its successors or assigns; provided,

however, that for purposes of this Agreement, no member of the SpinCo Group shall be deemed to be a Subsidiary of any member of the RemainCo Group.

Tax: as defined in the Tax Sharing Agreement.

Tax Sharing Agreement: the tax sharing and indemnification agreement to be entered into prior to the Effective Time between RemainCo and SpinCo.

Third Party: a Person who is not a party hereto or a wholly-owned Subsidiary thereof.

Third Party Claim: as defined in Section 3.08(a).

Transitional Services Agreements: the transitional services agreements to be entered into prior to the Effective Time between RemainCo and SpinCo or their respective Subsidiaries providing for the provision of specified services on a short-term basis.

1.02 References to Time. All references in this Agreement to times of the day shall be to Batesville, Indiana time, except as otherwise specifically provided herein.

ARTICLE II.

THE DISTRIBUTION

2.01 Distribution. RemainCo's Board of Directors today authorized the Distribution payable as promptly as practicable following the Effective Time to shareholders of record of RemainCo on the Record Date. In connection with such authorization, the Board of Directors of RemainCo received a favorable advance letter ruling from the Internal Revenue Service and such opinions and reports as it deemed necessary, appropriate or desirable to conclude that the Distribution may be made under IND. CODE § 23-1-28-1, *et seq.*

2.02 Actions Prior to the Distribution. Prior to the Effective Time, the parties will take the actions set forth in this Section 2.02.

(a) Required Information. SpinCo will prepare and RemainCo will mail, prior to the Distribution Date, to the holders of RemainCo Common Stock, the Information Statement filed as an exhibit to and incorporated by reference into SpinCo's Registration Statement on Form 10. Each of RemainCo and SpinCo will file with the SEC and secure the effectiveness, if required, of all such documentation that it determines is necessary, appropriate or desirable to effect the Distribution, including, without limitation, a Registration Statement on Form 10 and related Information Statement by SpinCo and a Current Report on Form 8-K by RemainCo.

(b) Governmental Approvals. RemainCo and/or SpinCo, as appropriate, will take all necessary action to obtain the governmental approvals and material consents that are the subject of Section 2.03(b).

(c) Other Agreements. The Other Agreements shall be executed and delivered by the parties thereto.

(d) Shareholder Approval of Name Change. The shareholders of RemainCo shall have approved and not rescinded the change of RemainCo's name to Hill-Rom Holdings, Inc. effective prior to the Effective Time.

2.03 Conditions to Distribution. The consummation of the Distribution will be subject to the satisfaction, or waiver by RemainCo in its sole and absolute discretion, of the conditions set forth in this Section 2.03; any determination by RemainCo regarding the satisfaction or waiver of any of such conditions will be conclusive:

(a) Section 2.02 Matters. Consummation of the actions set forth in Section 2.02.

(b) Approvals and Consents. The receipt of any governmental approvals and material consents determined by RemainCo to be necessary to consummate the Distribution, which approvals and consents will be in full force and effect.

(c) No Injunction. No order, injunction, decree or regulation issued by any Government Authority or other legal restraint or prohibition preventing the consummation of the Distribution will be in effect and no other event outside the control of RemainCo will have occurred or failed to occur that prevents the consummation of the Distribution.

(d) Listing Approval. The SpinCo Common Stock to be distributed in the Distribution will have been accepted for listing on the NYSE, subject to official notice of issuance.

(e) Rearrangement of Assets, Indebtedness and Employees. The rearrangement of assets, indebtedness and employees between the RemainCo Group and the SpinCo Group referred to on Schedule 2.03(e) shall have been completed.

(f) Change in Circumstances. No determination will have been made by RemainCo's Board of Directors, in its sole discretion, that the Distribution is no longer in the best interest of RemainCo or its shareholders or that market conditions or other circumstances are such that it is no longer advisable to separate the RemainCo Business and the SpinCo Business.

(g) Effect of Delayed Distribution. In the event the Distribution Date is for any reason postponed more than 120 days after the date hereof, RemainCo's Board of Directors shall have redetermined, as of such postponed Distribution Date, that the Distribution satisfies the requirements of the Indiana Business Corporation Law governing distributions.

2.04 Certain Shareholder Matters.

(a) Arrangements with Distribution Agent. Subject to Section 2.03, as promptly as practicable following the Effective Time RemainCo will deliver to the RemainCo Transfer Agent, or other agent selected by it, as settlement and distribution agent for the benefit of holders of record of RemainCo Common Stock on the Record Date (the "Distribution Agent"), one or more stock certificates, endorsed by RemainCo in blank, representing all of the outstanding shares of SpinCo Common Stock then owned by RemainCo, and RemainCo will instruct the RemainCo

Transfer Agent to deliver to the Distribution Agent true, correct and complete copies of the stock and transfer records reflecting the holders of RemainCo Common Stock entitled to receive shares of SpinCo Common Stock in connection with the Distribution. RemainCo will cause the Distribution Agent to distribute as soon as reasonably practicable after the Effective Time, in settlement of the transfer of the securities associated with the Distribution, the appropriate number of shares of SpinCo Common Stock to each such holder or designated transferee(s) of such holder and to credit the appropriate number of such shares to book entry accounts for each such holder or designated transferee. For shareholders who hold RemainCo Common Stock through a broker or other nominee, their shares of SpinCo Common Stock will be credited to their respective accounts by such broker or nominee. RemainCo will cooperate, and will instruct the Distribution Agent to cooperate, with SpinCo and the SpinCo Transfer Agent, and SpinCo will cooperate, and will instruct the SpinCo Transfer Agent to cooperate, with RemainCo and the Distribution Agent, in connection with all aspects of the Distribution and all other matters relating to the delivery of the shares of SpinCo Common Stock to be distributed to the holders of RemainCo Common Stock in connection with the Distribution.

(b) Distribution Ratio. Subject to Section 2.03, each holder of RemainCo Common Stock on the Record Date (or such holder's designated transferee(s)) will be entitled to receive in the Distribution one share of SpinCo Common Stock for each share of RemainCo Common Stock held by such holder on the Record Date (the "Distribution Ratio").

(c) No Fractional Shares. Fractional shares of SpinCo Common Stock will not be issued as part of the Distribution nor will any fractional shares of SpinCo Common Stock be credited to book entry accounts. Instead, the Distribution Agent will, as soon as practicable after the Effective Time, aggregate into whole shares the fractional shares of SpinCo Common Stock that holders of RemainCo Common Stock would otherwise be entitled to receive. The Distribution Agent will sell these whole shares of SpinCo Common Stock in the open market at prevailing market prices and distribute the aggregate sales proceeds, net of applicable expenses including brokerage fees, ratably to such Persons who would otherwise have been entitled to receive fractional shares. The receipt of cash in lieu of fractional shares will generally be taxable to the recipient. Because the Distribution Ratio is one share of SpinCo Common Stock for each share of RemainCo Common Stock outstanding on the Record Date, RemainCo believes that the payment of cash in lieu of fractional shares will only apply to certain shareholders of RemainCo that hold shares of RemainCo Common Stock through the BYDS By Direct Stock Program maintained by the RemainCo Transfer Agent.

(d) Deemed Owner of SpinCo Common Stock. Until such SpinCo Common Stock is duly transferred in accordance with applicable law, SpinCo will regard the Persons entitled to receive such SpinCo Common Stock as record holders of SpinCo Common Stock in accordance with the terms of the Distribution without requiring any action on the part of such Persons. SpinCo agrees that, subject to any transfers of such stock, (i) each such holder will be entitled to receive all dividends payable on, and exercise voting rights and all other rights and privileges with respect to, the shares of SpinCo Common Stock then held by such holder, and (ii) each such holder will be entitled, without any action on the part of such holder, to receive a book entry credit to such holder's account for the shares of SpinCo Common Stock then held by such holder.

2.05 Intercompany Accounts. Except as provided in Schedule 2.05, all intercompany loans or advances between any member of the RemainCo Group and any member of the SpinCo Group, and all other intercompany balances between such Group members shall be paid by the obligor to the obligee within 30 days after the Distribution Date.

2.06 Effective Time. The Distribution shall be effective as of 11:59 p.m. on the Distribution Date (the "Effective Time").

ARTICLE III.

MUTUAL RELEASES; INDEMNIFICATION

3.01 Survival of Agreements. All covenants and agreements of the parties hereto contained in this Agreement and all covenants and agreements of the parties hereto and their respective Subsidiaries contained in the Other Agreements shall survive the Distribution Date in accordance with their respective terms and shall not be merged into any deeds or other transfer or closing instruments or documents.

3.02 Mutual Release of Pre-Effective Time Claims.

(a) SpinCo Release. Except as expressly provided in, arising pursuant to or in connection with this Agreement, the Other Agreements or as set forth in Schedule 3.02(a), effective as of the Effective Date, SpinCo does hereby, for itself and each other member of the SpinCo Group and their respective successors and assigns, remise, release and forever discharge RemainCo, each member of the RemainCo Group and their respective successors and assigns, from any and all liabilities whatsoever to SpinCo and each other member of the SpinCo Group, whether at law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed before the Effective Time, including in connection with the transactions contemplated herein and all other activities to implement the Distribution.

(b) RemainCo Release. Except as expressly provided in, arising pursuant to or in connection with this Agreement, the Other Agreements or as set forth in Schedule 3.02(b), effective as of the Effective Time, RemainCo does hereby, for itself and each other member of the RemainCo Group and their respective successors and assigns, remise, release and forever discharge SpinCo, each member of the SpinCo Group and their respective successors and assigns, from any and all liabilities whatsoever to RemainCo and each other member of the RemainCo Group, whether at law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed before the Effective Time, including in connection with the transactions contemplated herein and all other activities to implement the Distribution.

(c) Surviving Liabilities. Nothing contained in Section 3.02(a) or Section 3.02(b) shall impair any right of any Person to enforce this Agreement, any Other Agreement, any claim to the extent covered by insurance or any other agreements, arrangements, commitments or understandings that are specified in, or are contemplated to continue pursuant to, this Agreement or any Other Agreement. Furthermore, nothing contained in Section 3.02(a) or Section 3.02(b) shall release any Person from:

(i) any liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other liability of any member of any Group under, this Agreement or any Other Agreement;

(ii) any liability for unpaid amounts for the sale, lease, construction or receipt of goods, property or services purchased, obtained or used in the ordinary course of business by a member of one Group from a member of any other Group within 180 days prior to the Distribution Date;

(iii) any liability for unpaid amounts for products or services or refunds owing on products or services for work done by a member of one Group at the request or on behalf of a member of another Group within 180 days prior to the Distribution Date;

(iv) any liability that the parties may have with respect to indemnification or contribution pursuant to this Agreement or any Other Agreement, which liability shall be governed by the provisions of this Article III and, if applicable, the appropriate provisions of such Other Agreement; or

(v) any liability the release of which would result in the release of any Person other than a Person released pursuant to this Section 3.02; provided that the parties agree not to bring suit, seek to collect any amounts from or file any liens or encumbrances against any Person, or permit any member of their Group to bring suit, seek to collect any amounts from or file any liens or encumbrances against any Person, with respect to any liability to the extent that such Person would be released with respect to such liability by this Section 3.02 but for the provisions of this clause (v).

(d) Agreement to Make No Claims. Except as provided in this Article III, SpinCo shall not make, and shall not permit any member of the SpinCo Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against RemainCo or any member of the RemainCo Group, or any other Person released pursuant to Section 3.02(a), with respect to any liabilities released pursuant to Section 3.02(a). Except as provided in this Article III, RemainCo shall not make, and shall not permit any member of the RemainCo Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against SpinCo or any member of the SpinCo Group, or any other Person released pursuant to Section 3.02(b), with respect to any liabilities released pursuant to Section 3.02(b).

(e) Further Assurances. Except as expressly set forth in Section 3.02(c), it is the intent of each of RemainCo and SpinCo by virtue of the provisions of this Section 3.02 to provide for a full and complete release and discharge of all liabilities existing or arising from all acts and events occurring or failing to occur or alleged to have occurred or to have failed to occur and all conditions existing or alleged to have existed before the Effective Time, between or among SpinCo or any member of the SpinCo Group, on the one hand, and RemainCo or any member of the RemainCo Group, on the other hand (including any contractual agreements or arrangements existing or alleged to exist between or among any such members before the Effective Time). At any time, at the request of any other party, each party shall cause each member of its respective Group to execute and deliver releases reflecting the provisions hereof.

3.03 Indemnification by SpinCo. Excluding all Losses arising with respect to the BSI Litigation and except as otherwise provided in this Article III or in the Other Agreements, SpinCo and the Appropriate Members of the SpinCo Group (as defined below) shall indemnify, defend and hold harmless RemainCo, each member of the RemainCo Group, their respective successors and assigns and the officers and directors of each member of the RemainCo Group (collectively, the "RemainCo Indemnitees"), from and against any and all Losses of the

RemainCo Indemnitees relating to, arising out of or resulting from any of the following (without duplication):

(a) SpinCo Group Liabilities. Any SpinCo Group Liability, including the failure of SpinCo or any other member of the SpinCo Group or any other Person to pay, perform or otherwise promptly discharge any SpinCo Group Liabilities in accordance with their respective terms, whether prior to or after the Effective Time;

(b) SpinCo Business. The SpinCo Business;

(c) Breaches. Any breach by SpinCo or any member of the SpinCo Group of this Agreement or any of the Other Agreements;

(d) Actions Other Than BSI Litigation. Any Action (other than the BSI Litigation) to which SpinCo or the SpinCo Subsidiaries are or become parties that relate to liabilities and obligations of the sort referred to in clause (ii) of the definition of SpinCo Group Liabilities, including any Action in which any member of the RemainCo Group is a named codefendant; and

(e) Inaccurate Statements. Any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, with respect to all information (i) contained in SpinCo's Registration Statement on Form 10, the related Information Statement and any other documents filed with the SEC pursuant to the Securities Exchange Act in connection with the Distribution prior to the Effective Time (collectively the "SpinCo Distribution Documents") (other than information provided by RemainCo to SpinCo specifically for inclusion therein as set forth on Schedule 3.03(e)), and (ii) provided by SpinCo to RemainCo specifically for inclusion in RemainCo's annual, quarterly, periodic reports or other filings made with the SEC following the Effective Time.

As used in this Section 3.03, "Appropriate Members of the SpinCo Group" means the member or members of the SpinCo Group if any, whose acts, conduct or omissions or failures to act caused, gave rise to or resulted in the Loss from and against which indemnity is provided; provided, however, that with respect to satisfying any obligation under this Section 3.03, the obligations of the Appropriate Members of the SpinCo Group shall be joint and several.

3.04 Indemnification by RemainCo. Excluding all Losses arising with respect to the BSI Litigation, and except as otherwise provided in this Article III or in the Other Agreements, RemainCo and the Appropriate Members of the RemainCo Group (as defined below) shall indemnify, defend and hold harmless SpinCo, each member of the SpinCo Group, their respective successors and assigns and the officers and directors of each member of the SpinCo Group (collectively, the "SpinCo Indemnitees"), from and against any and all Losses of the SpinCo Indemnitees relating to, arising out of or resulting from any of the following (without duplication):

(a) RemainCo Group Liabilities. Any RemainCo Group Liability, including the failure of RemainCo or any other member of the RemainCo Group or any other Person to

pay, perform or otherwise promptly discharge any RemainCo Group Liabilities, in accordance with their respective terms, whether prior to or after the Effective Time;

(b) RemainCo Business. The RemainCo Business;

(c) Breaches. Any breach by RemainCo or any member of the RemainCo Group of this Agreement or any of the Other Agreements;

(d) Actions Other Than BSI Litigation. Any Action (other than the BSI Litigation) to which RemainCo or the RemainCo Subsidiaries are or become parties that relate to liabilities and obligations of the sort referred to in clause (ii) of the definition of RemainCo Group Liabilities, including any Action in which any member of the SpinCo Group is a named codefendant; and

(e) Inaccurate Statements. Any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, with respect to all information (i) contained in the SpinCo Distribution Documents provided by RemainCo specifically for inclusion therein and set forth on Schedule 3.03(e), (ii) contained in any public filing made by SpinCo with the SEC following the Effective Time to the extent the information was provided to SpinCo by RemainCo regarding the BSI Litigation specifically for inclusion therein as contemplated elsewhere in this Agreement and (iii) provided by RemainCo to SpinCo specifically for inclusion in SpinCo's annual, quarterly or periodic reports or other filings made with the SEC following the Effective Time.

As used in this Section 3.04, "Appropriate Members of the RemainCo Group" means the member or members of the RemainCo Group if any, whose acts, conduct or omissions or failures to act caused, gave rise to or resulted in the Loss from and against which indemnity is provided; provided, however, that with respect to satisfying any obligation under this Section 3.04, the obligations of the Appropriate Members of the RemainCo Group shall be joint and several.

3.05 Covenant of SpinCo.

(a) Negative Covenant of SpinCo. Until the occurrence of an Agreed Termination Event, neither SpinCo nor any of the SpinCo Subsidiaries will: (i) incur Indebtedness to finance (x) the payment of any extraordinary cash dividend on its outstanding capital stock or (y) the repurchase of any outstanding shares of its capital stock; (ii) in the case of SpinCo, declare and pay regular quarterly cash dividends on the shares of SpinCo Common Stock of more than $0.1825 per share (as adjusted for stock splits and other similar changes in outstanding capital stock); (iii) make an acquisition outside the SpinCo Core Business; (iv) incur Indebtedness in excess of $100 million to finance any acquisition in the SpinCo Core Business without the receipt of an opinion from a Qualified Investment Banker that the transaction is fair to the shareholders of SpinCo from a financial point of view; or (v) incur Indebtedness to make an acquisition within the SpinCo Core Business that either causes SpinCo to exceed an Incurrence Ratio of 1.8x or causes SpinCo's credit rating to fall below the SpinCo Minimum Credit Rating; provided, however, that the obligations of SpinCo and the SpinCo Subsidiaries under this Section 3.05(a) shall terminate in the event that either SpinCo's or RemainCo's

obligations under Article II of the Judgment Sharing Agreement are terminated pursuant to Section 2.03 of that agreement.

(b) Sole Beneficiary. The provisions of this Section 3.05 are solely for the benefit of RemainCo, and no provision of this Agreement shall include any third party beneficiary or other rights in any Person or Persons other than RemainCo.

3.06 Covenant of RemainCo.

(a) Negative Covenant of RemainCo. Until the occurrence of an Agreed Termination Event, neither RemainCo nor any of the RemainCo Subsidiaries will: (i) incur Indebtedness to finance (x) the payment of any extraordinary cash dividend on its outstanding capital stock or (y) the repurchase of any outstanding shares of its capital stock; (ii) in the case of RemainCo, declare and pay regular quarterly cash dividends on the shares of RemainCo Common Stock of more than $0.1025 per share (as adjusted for stock splits and other similar changes in outstanding capital stock); (iii) make an acquisition outside the RemainCo Core Business; (iv) incur Indebtedness in excess of $100 million to finance any acquisition in the RemainCo Core Business without the receipt of an opinion from a Qualified Investment Banker that the transaction is fair to the shareholders of RemainCo from a financial point of view; or (v) incur Indebtedness to make an acquisition within the RemainCo Core Business that either causes RemainCo to exceed an Incurrence Ratio of 1.8x or causes RemainCo's credit rating to fall below the RemainCo Minimum Credit Rating; provided, however, that the obligations of RemainCo and the RemainCo Subsidiaries under this Section 3.06(a) shall terminate in the event that either RemainCo's or SpinCo's obligations under Article II of the Judgment Sharing Agreement are terminated pursuant to Section 2.03 of that agreement.

(b) Sole Beneficiary. The provisions of this Section 3.06 are solely for the benefit of SpinCo, and no provision of this Agreement shall create any third party beneficiary or other rights in any Person or Persons other than SpinCo.

3.07 Indemnification Obligations Net of Insurance Proceeds and Other Amounts.

(a) Net of Insurance. The parties intend that any Loss subject to indemnification or reimbursement pursuant to this Article III will be net of Insurance Proceeds that actually reduce the amount of the Loss. Accordingly, the amount which any party (an "Indemnifying Party") is required to pay to any Person entitled to indemnification under this Article III (an "Indemnitee") will be reduced by any Insurance Proceeds theretofore actually recovered by or on behalf of the Indemnitee in reduction of the related Loss. If an Indemnitee receives a payment (an "Indemnity Payment") required by this Article III from an Indemnifying Party in respect of any Loss and subsequently receives Insurance Proceeds, then the Indemnitee will pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if the Insurance Proceeds recovery had been received, realized or recovered before the Indemnity Payment was made. The parties agree that if any such Insurance Proceeds were paid by an insurance company under a plan, such as a retrospective premium or large deductible program, where such Insurance Proceeds are subsequently billed back to one of the parties by the insurance company, then (i) if billed to the Indemnifying Party, it will pay the insurance company and will not charge such

amount to the Indemnitee, or (ii) if billed to the Indemnitee, the Indemnifying Party will pay on behalf of or reimburse, as appropriate, the Indemnitee for such amount.

(b) No Inadvertent Releases. An insurer who would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of the indemnification provisions contained in this Article III, have any subrogation rights with respect thereto, it being expressly understood and agreed that no insurer or any other third party shall be entitled to a "windfall" (i.e., a benefit it would not be entitled to receive in the absence of these indemnification provisions) by virtue of the indemnification provisions contained in this Article III. Nothing contained in this Agreement or any Other Agreement shall obligate any member of any Group to seek to collect or recover any Insurance Proceeds.

3.08 Procedures for Indemnification of Third Party Claims.

(a) Definition. If an Indemnitee shall receive notice or otherwise learn of the assertion by a Person (including any Governmental Authority) who is not a member of the RemainCo Group or the SpinCo Group of any claims or of the commencement by any such Person of any Action (other than the BSI Litigation) (collectively, a "Third Party Claim") with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnitee pursuant to this Article III, such Indemnitee shall give such Indemnifying Party written notice thereof promptly and in any event within ten days after becoming aware of such Third Party Claim. Any such notice shall describe the Third Party Claim in reasonable detail. Notwithstanding the foregoing, the failure of any Indemnitee or other Person to give notice as provided in this Section 3.08(a) shall not relieve the related Indemnifying Party of its obligations under this Article III, except to the extent that such Indemnifying Party is actually prejudiced by such failure to give notice timely.

(b) Election to Defend. An Indemnifying Party may elect to defend (and, unless, as set forth below, the Indemnifying Party has specified any reservations or exceptions, to seek to settle or compromise), at such Indemnifying Party's own expense and by such Indemnifying Party's own counsel, any Third Party Claim for which indemnification is available under this Article III. Within 30 days after the receipt of notice from an Indemnitee in accordance with Section 3.08(a) (or sooner, if the nature of such Third Party Claim so requires), the Indemnifying Party shall notify the Indemnitee of its election whether the Indemnifying Party will assume responsibility for defending such Third Party Claim, which election shall specify any reservations or exceptions. After notice from an Indemnifying Party to an Indemnitee of its election to assume the defense of a Third Party Claim, such Indemnitee shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise or settlement thereof, but the fees and expenses of such counsel shall be the expense of such Indemnitee except as set forth in the next sentence. In the event that the Indemnifying Party has elected to assume the defense of a Third Party Claim for which indemnification is available under this Article III but has specified, and continues to assert, any reservations or exceptions in such notice, then, in any such case, the reasonable fees and expenses of one separate counsel for all Indemnitees shall be borne by the Indemnifying Party.

(c) Failure to Elect to Defend. If an Indemnifying Party elects not to assume responsibility for defending a Third Party Claim for which indemnification is available under

this Article III, or fails to notify an Indemnitee of its election as provided in Section 3.08(b), such Indemnitee may defend such Third Party Claim at the cost and expense (including allocated costs of in-house counsel and other personnel) of the Indemnifying Party.

(d) Settlement. Unless the Indemnifying Party has failed to assume the defense of the Third Party Claim for which indemnification is available under this Article III in accordance with the terms of this Agreement, no Indemnitee may settle or compromise such Third Party Claim without the consent of the Indemnifying Party.

(e) Limitation on Consent to Judgments. No Indemnifying Party shall consent to entry of any judgment or enter into any settlement of the Third Party Claim without the consent of an Indemnitee if the effect thereof is to permit any injunction, declaratory judgment, or other nonmonetary relief to be entered, directly or indirectly, against such Indemnitee.

(f) Subrogation. In the event of payment by or on behalf of any Indemnifying Party to any Indemnitee in connection with any Third Party Claim under this Article III, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnitee as to any events or circumstances in respect of which such Indemnitee may have any right, defense or claim relating to such Third Party Claim against any claimant or plaintiff asserting such Third Party Claim or against any other Person. Such Indemnitee shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense (including allocated costs of in-house counsel and other personnel) of such Indemnifying Party, in prosecuting any subrogated right, defense or claim. In the event of an Action in which the Indemnifying Party is not a named defendant, if either the Indemnitee or Indemnifying Party shall so request, the parties shall endeavor to substitute the Indemnifying Party for the named defendant, if at all practicable. If such substitution or addition cannot be achieved for any reason or is not requested, the named defendant shall allow the Indemnifying Party to manage the Action as set forth in this Section 3.08 and the Indemnifying Party shall fully indemnify the named defendant against all costs of defending the Action (including court costs, sanctions imposed by a court, attorneys' fees, experts' fees and all other external expenses, and the allocated costs of in-house counsel and other personnel), the costs of any judgment or settlement, and the costs of any interest or penalties relating to any judgment or settlement.

3.09 Effect of Negligence. THE PARTIES UNDERSTAND AND AGREE THAT THE INDEMNIFICATION OBLIGATIONS HEREUNDER AND UNDER THE OTHER AGREEMENTS MAY INCLUDE INDEMNIFICATION FOR LOSSES RESULTING FROM, OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, AN INDEMNIFIED PARTY'S OWN NEGLIGENCE OR STRICT LIABILITY.

3.10 Remedies Cumulative. The remedies provided in this Article III shall be cumulative and, subject to the provisions of Article VI, shall not preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

3.11 Survival of Indemnities. The rights and obligations of each of RemainCo and SpinCo and their respective Subsidiaries and Indemnitees under this Article III shall survive the

sale or other transfer by any party of any assets or businesses or the assignment by it of any liabilities.

3.12 Indemnification of Directors and Officers. It is the parties' intent that each of SpinCo and RemainCo, as applicable, shall be responsible for the costs and expenses incurred pursuant to any indemnification obligations to its current and former officers, directors, employees and agents (the parties so responsible, the "Responsible Party"). To the extent that a Responsible Party's current or former officer, director, employee or agent shall receive indemnification or an advancement of funds from another party (the party so indemnifying or advancing funds, the "Advancing Party") pursuant to an indemnification obligation of the Advancing Party to such Person under its restated articles of incorporation or bylaws, an employment agreement or otherwise, then the Advancing Party shall be reimbursed promptly and in full by the Responsible Party. The parties agree that reimbursement pursuant to this Section 3.12 shall not be construed to expand or limit a Person's respective indemnification rights and obligations under this Article III or to confer upon any Person any rights of indemnification.

3.13 Mitigation of Damages. The parties each agree to attempt to mitigate, and to cause each of the members of their respective Groups to attempt to mitigate, any Losses that such party may suffer as a consequence of any matter giving rise to a right to indemnification under this Article III by taking all actions which a reasonable Person would undertake to minimize or alleviate the amount of Losses and the consequences thereof, as if such Person would be required to suffer the entire amount of such Losses and the consequences thereof by itself, without recourse to any remedy against another Person, including pursuant to any right of indemnification hereunder.

ARTICLE IV.

CERTAIN ADDITIONAL COVENANTS

4.01 Further Assurances. In addition to the actions specifically provided for in this Agreement and unless otherwise expressly provided in this Agreement or an Other Agreement, each of the parties hereto shall use its commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things reasonably necessary, proper or advisable under applicable laws, regulations and agreements to consummate and make effective the transactions contemplated by this Agreement.

4.02 Receivables Collection and Other Payments. If, after the Distribution Date, one party receives payments belonging to another party, the recipient shall promptly account for and remit same to the appropriate party.

ARTICLE V.

ACCESS TO INFORMATION

5.01 Provision of Corporate Records. Prior to or as promptly as practicable after the Effective Time or from time to time as reasonably requested by the SpinCo Group, the

RemainCo Group shall deliver to the SpinCo Group: (a) any corporate books and records of the SpinCo Group and any such books and records that primarily relate to the business of the SpinCo Group, in each case in the possession of the RemainCo Group; (b) originals or copies of those corporate books and records of the RemainCo Group that relate to any aspect of the business of the SpinCo Group; and (c) copies (paper or electronic) of all Insurance Policies of any type covering (i) solely the SpinCo Group or (ii) both the SpinCo Group and the RemainCo Group. From and after the Effective Time, all such books, records and copies (where copies are delivered in lieu of originals), whether or not delivered, shall be the property of the RemainCo Group; provided, however, that all such information contained in such books, records or copies relating to the SpinCo Group shall be subject to the applicable confidentiality provisions and restricted use provisions, if any, contained therein, in this Agreement or the Other Agreements and any confidentiality restrictions imposed by law. RemainCo, if it so elects, may retain copies of any original books and records delivered to SpinCo; provided, however, that all such information contained in such books, records or copies (whether or not delivered to the SpinCo Group) relating to the SpinCo Group, shall be subject to the applicable confidentiality provisions and restricted use provisions, if any, contained in this Agreement or the Other Agreements and any confidentiality restrictions imposed by law; provided, however, that RemainCo shall make the original books and records available to the SpinCo Group for inspection by Governmental Authorities or as otherwise required in connection with the defense of any Action.

5.02 Access to Information. In addition to the provisions set forth in Section 5.01 above, from and after the Effective Time and upon commercially reasonable notice, each of the RemainCo Group and the SpinCo Group shall afford to the other and to the other's representatives at the expense of the other party, commercially reasonable access and duplicating rights during normal business hours to all information developed or obtained prior to the Effective Time within such party's possession relating to the other party or its businesses, its former businesses, its assets, its liabilities, or the Other Agreements, insofar as such access is reasonably requested by such other party, but subject to the applicable confidentiality provisions and restricted use provisions, if any, contained therein, in this Agreement or the Other Agreements and any confidentiality restrictions imposed by law. In addition, without limiting the foregoing, information may be requested under this Section 5.02 for audit, accounting, claims, intellectual property protection, litigation and Tax purposes, as well as for purposes of fulfilling disclosure and reporting obligations. In each case, the requesting party agrees to cooperate with the other party to minimize the risk of unreasonable interference with the other party's business. In the event access to any information otherwise required to be granted herein or in the Other Agreements is restricted by law or otherwise, the parties agree to take such actions as are reasonably necessary, proper or advisable to have such restrictions removed or to seek an exemption therefrom or to otherwise provide the requesting party with the benefit of the information to the same extent such actions would have been taken on behalf of the requesting party had such a restriction existed and the Distribution not occurred. The alleged breach of this Agreement by one party hereto shall not be a defense to the obligation of another party hereto to perform its obligations under this Article V.

5.03 Litigation Support and Production of Witnesses. After the Effective Time, each member of the RemainCo Group and the SpinCo Group shall use commercially reasonable efforts to provide assistance to the other with respect to any Third Party Claim, and to make available to the other, upon written request: (a) such employees who have expertise or

knowledge with respect to the other party's business or products or matters in litigation or alternative dispute resolution, for the purpose of consultation and/or as a witness; and (b) its directors, officers, other employees and agents, as witnesses, in each case to the extent that the requesting party believes any such Person may reasonably be useful or required in connection with any legal, administrative or other proceedings in which the requesting party may from time to time be involved. The employing party agrees that such consultant or witness shall be made available to the requesting party upon commercially reasonable notice to the same extent that such employing party would have made such consultant or witness available if the Distribution had not occurred. The requesting party agrees to cooperate with the employing party in giving consideration to business demands of such Persons.

5.04 Reimbursement. Except to the extent otherwise contemplated by this Agreement or any Other Agreement, a party providing information, consulting, or witness services to the other party under this Article V shall be entitled to receive from the recipient of such information or services, upon the presentation of invoices therefor, payments for such amounts, relating to supplies, disbursements, travel expenses, and other out-of-pocket expenses (including the direct and indirect costs of employees providing consulting and expert witness services in connection with litigation and alternative dispute resolution, but excluding direct and indirect costs of employees who provide information or are fact witnesses) as may be reasonably incurred in providing such information, consulting or witness services.

5.05 Retention of Records. Except as otherwise required by law or agreed in writing, or as otherwise provided in any Other Agreement, each member of the RemainCo Group and the SpinCo Group shall retain, for the retention periods set forth in their respective records management programs as in effect at the Effective Time or such longer period as may be required by law, this Agreement or the Other Agreements, all proprietary information in such party's possession or under its control relating to the business, former business, assets or liabilities of the other party or the Other Agreements (the "Section 5.05 Information"). Promptly following the Effective Time, RemainCo and SpinCo will each deliver to the other a copy of its record management program then in effect and will thereafter promptly deliver to the other any amendment thereto that affects the retention of Section 5.05 Information in any material respect. Either RemainCo or SpinCo (a "Section 5.05 Requesting Party") may request in writing to the other, at least 30 days prior to the scheduled disposition or destruction of Section 5.05 Information as contemplated by the most recent version of the other party's record retention program in the possession of the Section 5.05 Requesting Party, that any of the Section 5.05 Information scheduled for imminent disposition or destruction be delivered to the Section 5.05 Requesting Party. The Section 5.05 Requesting Party shall promptly arrange for the delivery of the requested Section 5.05 Information to a location specified by, and at the expense of, such Section 5.05 Requesting Party.

5.06 Confidentiality. From and after the Effective Time and except as otherwise required by this Agreement or the Other Agreements, each of RemainCo and SpinCo shall hold, and shall use its commercially reasonable efforts to cause its Subsidiaries, employees, affiliates and representatives to hold, in strict confidence all information concerning or belonging to the other party obtained by it prior to the Effective Time or furnished to it by such other party pursuant to this Agreement or the Other Agreements and shall not release or disclose such information to any other Person, except its representatives who shall be bound by the provisions

of this Section 5.06; provided, however, that RemainCo and SpinCo and their respective employees, affiliates and representatives may disclose such information to the extent that (a) disclosure is compelled by judicial or administrative process or, in the opinion of RemainCo's or SpinCo's counsel (as the case may be), by other requirements of law, or (b) such party can show that such information was (i) available to such party after the Effective Time from Third Party sources (other than employees or former employees of either party or their Subsidiaries, their affiliates, former affiliates, representatives or former representatives), on a nonconfidential basis prior to its disclosure to such party after the Effective Time by the Third Party, (ii) in the public domain through no fault of such party, (iii) lawfully acquired by such party from Third Party sources other than employees or former employees of either party or their Subsidiaries, their affiliates, former affiliates, representatives or former representatives, after the time that it was furnished to such party pursuant to this Agreement or the Other Agreements or (iv) is independently discovered or developed after the Effective Time by employees of such party. Notwithstanding the foregoing, each of RemainCo and SpinCo and their respective representatives and affiliates shall be deemed to have satisfied its obligations under this Section 5.06 with respect to any information if it exercises the same care with regard to such information as it takes to preserve confidentiality for its own similar information.

5.07 Harmonization. If there shall be a conflict or an inconsistency between the provisions of this Article V and Article IX, the provisions in Article IX shall control over the inconsistent provisions in this Article V as to matters specifically addressed in Article IX.

ARTICLE VI.

ARBITRATION; DISPUTE RESOLUTION

6.01 Agreement to Arbitrate. The procedures for discussion, negotiation and arbitration set forth in this Article VI shall be the final, binding and exclusive means to resolve, and shall apply to all disputes, controversies or claims (whether in contract, tort or otherwise) that may arise out of or relate to, or arise under or in connection with this Agreement or any Other Agreement that does not contain provisions similar to this Article VI relating to arbitration and dispute resolution. Each party agrees on behalf of itself and each member of its respective Group that the procedures set forth in this Article VI shall be the final, binding and exclusive remedy in connection with any dispute, controversy or claim relating to any of the foregoing matters and irrevocably waives any right to commence any Action in or before any Governmental Authority, except to the extent provided under the Arbitration Act in the case of judicial review of arbitration results or awards. Each party on behalf of itself and each member of its respective Group irrevocably waives any right to any trial by jury with respect to any dispute, controversy or claim covered by this Section 6.01.

6.02 Escalation.

(a) Expeditious Resolution. It is the intent of the parties to use their respective commercially reasonable efforts to resolve expeditiously any dispute, controversy or claim between them with respect to the matters covered by this Agreement that may arise from time to time on a mutually acceptable negotiated basis. In furtherance of the foregoing, any party involved in a dispute, controversy or claim may deliver a notice (an "Escalation Notice") demanding an in-person meeting involving representatives of the parties at a senior level of

management (or if the parties agree, of the appropriate business function or division within such entity). A copy of any such Escalation Notice shall be delivered addressed to the General Counsel, or like chief legal officer or official, of each party involved in the dispute, controversy or claim (which copy shall state that it is an Escalation Notice pursuant to this Agreement). Any agenda, location or procedure for such discussions or negotiations between the parties may be established by agreement of the parties from time to time; provided, however, that the parties shall use their commercially reasonable efforts to meet within 20 days of the Escalation Notice.

(b) Good Faith Negotiations. Following delivery of an Escalation Notice, the parties shall undertake good faith, diligent efforts to negotiate a commercially reasonable resolution of the dispute, controversy or claim. The parties may, by mutual consent, retain a mediator to aid the parties in their discussions and negotiations. Any opinion expressed by the mediator shall be strictly advisory and shall not be binding on the parties, nor shall any opinion expressed by the mediator be admissible in any arbitration proceedings. The mediator may be chosen from a list of mediators selected by the parties or by other agreement of the parties. All third-party costs of the mediation shall be borne equally by the parties involved in the matter, and each party shall be responsible for its own expenses. Mediation is not a prerequisite to an Arbitration Demand Notice under Section 6.03.

6.03 Demand for Arbitration.

(a) Initiation of Process. At any time following 60 days after the date of an Escalation Notice (the "Arbitration Demand Date"), any party involved in the dispute, controversy or claim (regardless of whether such party delivered the Escalation Notice) may deliver a notice demanding arbitration of such dispute, controversy or claim (an "Arbitration Demand Notice"). Delivery of an Escalation Notice by a party shall be a prerequisite to delivery of an Arbitration Demand Notice by that party or the other party, provided, however, that in the event that any party shall deliver an Arbitration Demand Notice to the other party, such other party may itself deliver an Arbitration Demand Notice to such first party with respect to any related dispute, controversy or claim with respect to which the Applicable Deadline has not passed without the requirement of delivering an Escalation Notice. No party may assert that the failure to resolve any matter during any prior discussions or negotiations, the course of conduct during such prior discussions or negotiations, or the failure to agree on a mutually acceptable time, agenda, location or procedure for a meeting is a prerequisite to an Arbitration Demand Notice under Section 6.03. In the event that any party delivers an Arbitration Demand Notice with respect to any dispute, controversy or claim that is the subject of any then pending arbitration proceeding or of a previously delivered Arbitration Demand Notice, all such disputes, controversies and claims shall be resolved in the arbitration proceeding for which an Arbitration Demand Notice was first delivered unless the arbitrators in their sole discretion determine that it is impracticable or otherwise inadvisable to do so.

(b) Limitation Periods. Except as may be expressly provided in any Other Agreement to which this Article VI is applicable (an "Applicable Other Agreement"), any Arbitration Demand Notice may be given until the date that is two years after the later of the occurrence of the act or event giving rise to the underlying claim or the date on which such act or event was, or should have been, in the exercise of reasonable due diligence, discovered by the party asserting the claim (as applicable and as it may in a particular case be specifically extended

by the parties in writing, the "Applicable Deadline"). Any discussions, negotiations or mediations between the parties pursuant to this Agreement or otherwise will not toll the Applicable Deadline unless expressly agreed in writing by the parties. Each of the parties agrees on behalf of itself and each member of its Group that if an Arbitration Demand Notice with respect to a dispute, controversy or claim is not given prior to the occurrence of the Applicable Deadline, as between or among the parties and the members of their Groups, such dispute, controversy or claim will be barred. Subject to Section 6.09, upon delivery of an Arbitration Demand Notice pursuant to Section 6.03(a) prior to the Applicable Deadline, the dispute, controversy or claim, and all substantive and procedural issues related thereto, shall be decided by a three member panel of arbitrators in accordance with this Article VI.

6.04 Arbitrators.

(a) Selection. The party delivering the Arbitration Demand Notice shall notify the American Arbitration Association ("AAA") and the other party in writing describing in reasonable detail the nature of the dispute. Within 20 days of the date of the Arbitration Demand Notice, each party to the dispute shall select one arbitrator from the members of a panel of arbitrators of the AAA. The selected arbitrators shall then jointly select a third arbitrator from the members of a panel of arbitrators of the AAA, and such third arbitrator shall be disinterested with respect to each of the parties and shall be experienced in complex commercial arbitration. In the event that the parties' selected arbitrators are unable to agree on the selection of the third arbitrator, the AAA shall select the third arbitrator, within 45 days of the date of the Arbitration Demand Notice. In the event that any arbitrator is unable to serve, his replacement will be selected in the same manner as the arbitrator to be replaced. The vote of two of the three arbitrators shall be required for any decision under this Article VI.

(b) Time. The arbitrators will set a time for the hearing of the matter which will commence no later than 180 days after the date of appointment of the third arbitrator and which hearing will be no longer than 30 days (unless in the judgment of the arbitrators the matter is unusually complex and sophisticated and thereby requires a longer time, in which event such hearing shall be no longer than 90 days). The final decision of such arbitrators will be rendered in writing to the parties not later than 60 days after the last day of the hearing, unless otherwise agreed by the parties in writing.

(c) Place. The place of any arbitration hereunder will be Indianapolis, Indiana, and the language of any arbitration hereunder will be English. Unless otherwise agreed by the parties, the arbitration hearing shall be conducted on consecutive days.

6.05 Hearings. Within the time period specified in Section 6.04(b), the matter shall be presented to the arbitrators at a hearing by means of written submissions of memoranda and verified witness statements, filed simultaneously, and responses, if necessary in the judgment of the arbitrators or both of the parties. If the arbitrators deem it to be essential to a fair resolution of the dispute, live cross-examination or direct examination may be permitted, but is not generally contemplated to be necessary. The arbitrators shall actively manage the arbitration with a view to achieving a just, speedy and cost-effective resolution of the dispute, claim or controversy. The arbitrators may, in their discretion, set time and other limits on the presentation of each party's case, its memoranda or other submissions, and may refuse to receive any proffered evidence,

which the arbitrators, in their discretion, find to be cumulative, unnecessary, irrelevant or of low probative nature. Any arbitration hereunder shall be conducted in accordance with the Commercial Arbitration Rules of the AAA ("Rules") in effect on the date the Arbitration Demand Notice is served. The decision of the arbitrators will be final and binding on the parties, and judgment thereon may be had and will be enforceable in any court having jurisdiction over the parties. Arbitration awards will bear interest at the Base Rate plus 2% per annum, subject to any maximum amount permitted by applicable law. To the extent that the provisions of this Agreement and the prevailing Rules conflict, the provisions of this Agreement shall govern.

6.06 Discovery and Certain Other Matters.

(a) Production of Documents. Any party involved in a dispute, controversy or claim subject to this Article VI may request document production from the other party or parties of specific and expressly relevant documents, with the reasonable expenses of the producing party incurred in such production paid by the requesting party. Any such discovery shall be conducted in accordance with the Rules, subject to the discretion of the arbitrators. Any such discovery shall be conducted expeditiously and shall not cause the hearing to be adjourned except upon consent of all parties involved in the applicable dispute or upon an extraordinary showing of cause demonstrating that such adjournment is necessary to permit discovery essential to a party to the proceeding. Disputes concerning the scope of document production and enforcement of the document production requests will be determined by written agreement of the parties involved in the applicable dispute or, failing such agreement, will be referred to the arbitrators for resolution. Subject to the terms of this Agreement, all discovery requests will be subject to the parties' rights to claim any applicable privilege, and no joint privilege may be waived without the prior written consent of both parties to this Agreement. The arbitrators will adopt procedures to protect the proprietary rights of the parties and to maintain the confidential treatment of the arbitration proceedings (except as may be required by law). Subject to the foregoing, the arbitrators shall have the power to issue subpoenas to compel the production of documents relevant to the dispute, controversy or claim.

(b) Authority of Arbitrators. The arbitrators shall have full power and authority to determine issues of arbitrability but shall otherwise be limited to interpreting or construing the applicable provisions of this Agreement and any Applicable Other Agreement, and will have no authority or power to limit, expand, alter, amend, modify, revoke or suspend any condition or provision of this Agreement or any Applicable Other Agreement; it being understood, however, that the arbitrators will have full authority to implement the provisions of this Agreement or any Applicable Other Agreement, and to fashion appropriate remedies for breaches of this Agreement and any Applicable Other Agreement (including interim or permanent injunctive relief); provided that the arbitrators shall not have (i) any authority in excess of the authority a court having jurisdiction over the parties and the controversy or dispute would have absent these arbitration provisions or (ii) any right or power to award punitive damages. It is the intention of the parties that in rendering a decision the arbitrators give effect to the applicable provisions of this Agreement and the Applicable Other Agreements and follow applicable law (it being understood and agreed that this sentence shall not give rise to a right of judicial review of the arbitrators' award).

(c) Effect of Failure to Participate. If a party fails or refuses to appear at and participate in an arbitration hearing after due notice, the arbitrators may hear and determine the controversy upon evidence produced by the appearing party.

(d) Costs. Arbitration costs will be borne equally by each party involved in the matter, and each party will be responsible for its own attorneys' fees and other costs and expenses, including the costs of any expert witnesses selected by such party.

6.07 Certain Additional Matters.

(a) Nature of Award. Any arbitration award shall be a bare award limited to a holding for or against a party and shall be without findings as to facts, issues or conclusions of law and shall be without a statement of the reasoning on which the award rests, but must be in adequate form so that a judgment of a court may be entered thereupon. Judgment upon any arbitration award hereunder may be entered in any court having jurisdiction thereof.

(b) Confidentiality of Proceedings. Except as required by law, the parties shall hold, and shall cause their respective officers, directors, employees, agents and other representatives to hold, the existence, content and result of mediation or arbitration in confidence in accordance with the provisions of this Section 6.07(b) and except as may be required in order to enforce any award. Each of the parties shall request that any mediator or arbitrator comply with such confidentiality requirement.

6.08 Continuity of Service and Performance. Unless otherwise agreed in writing, the parties will continue to provide service and honor all other commitments under this Agreement, each Other Agreement and any other agreement between or among any members of the RemainCo Group and the SpinCo Group during the course of the dispute resolution procedures pursuant to this Article VI with respect to all matters not subject to such dispute, controversy or claim.

6.09 Law Governing Arbitration Procedures. The interpretation of the provisions of this Article VI, only insofar as they relate to the agreement to arbitrate and any procedures pursuant thereto, shall be governed by the Arbitration Act, as amended, and other applicable federal law. In all other respects, the interpretation of this Agreement shall be governed as set forth in Section 10.04.

ARTICLE VII.

NO REPRESENTATIONS OR WARRANTIES

7.01 No Representations or Warranties. SpinCo understands and agrees that no member of the RemainCo Group is, in this Agreement or in any Other Agreement, representing or warranting to the SpinCo Group in any way as to the SpinCo Business, or as to any consents or approvals required in connection with the consummation of the transactions contemplated by this Agreement. RemainCo understands and agrees that no member of the SpinCo Group is, in this Agreement or in any Other Agreement, representing or warranting to the RemainCo Group in any way as to the RemainCo Business, or as to any consents or approvals required in connection with the consummation of the transactions contemplated by this Agreement.

ARTICLE VIII.

INSURANCE

8.01 Insurance Policies and Rights.

(a) Assets and Liabilities of SpinCo. To the extent permitted under the terms of any applicable Insurance Policy, without limiting the availability of subrogation rights as an Indemnifying Party under Section 3.08(f), the assets of SpinCo shall include any and all rights of an insured party, including rights of indemnity and the right to be defended by or at the expense of the insurer, and to receive Insurance Proceeds with respect to all Insured SpinCo Claims under any Insurance Policies. The SpinCo Group shall be solely responsible for any and all deductibles, self-insured retentions, retrospective premiums, claims handling fees, program adjustments, collateral obligations and other charges or obligations owed under the Insurance Policies or associated agreements with respect to the coverage provided for Insured SpinCo Claims.

(b) Assets and Liabilities of RemainCo. To the extent permitted under the terms of any applicable Insurance Policy, without limiting the availability of subrogation rights as an Indemnifying Party under Section 3.08(f), the assets of RemainCo shall include any and all rights of an insured party including rights of indemnity and the right to be defended by or at the expense of the insurer, and to receive Insurance Proceeds under any Insurance Policies other than the rights under any Insurance Policies which are solely assets of SpinCo. The RemainCo Group shall be solely responsible for any and all deductibles, self-insured retentions, retrospective premiums, claims handling fees, program adjustments, collateral obligations and other charges or obligations owed under the Insurance Policies or associated agreements with respect to the coverage provided for Insured Claims other than Insured SpinCo Claims.

(c) Definitions. Except as set forth in the Employee Matters Agreement regarding workers compensation liabilities, solely for purposes of this Article VIII, "RemainCo Group" and "SpinCo Group" shall include RemainCo and SpinCo, as the case may be, and their consolidated entities to the extent such entities were in existence at or prior to the Effective Time or are set forth on Exhibit A.

(d) No Release of Insurers. Nothing in this Agreement is intended to relieve any insurer of any liability under any Insurance Policy.

8.02 Administration and Reserves. Consistent with the provisions of Article III, from and after the Effective Time:

(a) RemainCo Responsibilities. RemainCo shall be responsible for (i) Insurance Administration of the Insurance Policies with respect to any liabilities of any member of the RemainCo Group, any assets of the RemainCo Group or any claims as to which the RemainCo Group has retained rights of reimbursement or subrogation pursuant to this Agreement or any Other Agreement; and (ii) Claims Administration with respect to any liabilities of any member of the RemainCo Group, any assets of the RemainCo Group or any claims as to which the RemainCo Group has retained rights of coverage, indemnification, defense, reimbursement or subrogation pursuant to this Agreement or any Other Agreement. It is understood that the retention of the Insurance Policies by RemainCo is in no way intended to

limit, inhibit or preclude any right to insurance coverage for any Insured Claim or any other rights under the Insurance Policies, including without limitation, claims of SpinCo and any of its operations, the SpinCo Subsidiaries and affiliates for insurance coverage, reimbursement, subrogation or otherwise.

(b) SpinCo Responsibilities. SpinCo shall be responsible for (i) Insurance Administration of any Insurance Policies which insure the SpinCo Group only, and (ii) Claims Administration with respect to any liabilities of any member of the SpinCo Group, any assets of the SpinCo Group or any claims as to which the SpinCo Group has rights of coverage, indemnification, defense, reimbursement or subrogation pursuant to this Agreement or any Other Agreement.

(c) Cooperation. The parties hereto shall cooperate with regards to Insurance Administration, and shall share material information concerning such matters so that both the SpinCo Group and the RemainCo Group are aware on a continuing basis of remaining aggregate limits of coverage, deductible payments, retrospective premium payments, claim reserves, claim payments and other material matters relevant to continued dealings with insurers providing coverage for liabilities of both Groups.

(d) Future Rights. Nothing in this Agreement shall be construed or deemed to affect in any way the right of either RemainCo or SpinCo to obtain and administer future insurance policies or to enter into future indemnification agreements with third parties on whatever terms it believes to be advisable, including the entry into separate insurance policies covering RemainCo and the RemainCo Subsidiaries or SpinCo and the SpinCo Subsidiaries, as the case may be.

8.03 Allocation of Insurance Proceeds: Cooperation. Except as otherwise provided in Article III, the parties shall use reasonable efforts to ensure that Insurance Proceeds received with respect to claims, costs and expenses under the Insurance Policies shall be paid to RemainCo with respect to RemainCo Group Liabilities and to SpinCo with respect to the SpinCo Group Liabilities.

8.04 Reimbursement of Expenses. SpinCo shall reimburse the relevant insurer or the relevant third-party administrator or RemainCo, as appropriate, to the extent required under any Insurance Policy, Insurance Company Program Agreement or Claims Handling Agreement for any services performed after the Effective Time with respect to any and all Insured SpinCo Claims which are not RemainCo Group Liabilities which are paid, settled, adjusted, defended and/or otherwise handled by such insurer, third-party administrator or RemainCo pursuant to the terms and conditions of such Insurance Policy, Insurance Company Program Agreement or Claims Handling Agreement.

8.05 No Reduction of Coverage. Except for reduction in coverage resulting from submission and payment of claims, neither party shall take any action to eliminate or reduce coverage available to the other party under any Insurance Policy, Insurance Company Program Agreement or Claims Handling Agreement in existence prior to the Effective Time and covering claims incurred prior to the Effective Time (or claims made after the Effective Time for acts prior to the Effective Time on claims-made policies) without the prior written

consent of the other party (which shall not be unreasonably withheld or delayed); provided, however, that nothing herein shall affect a party's right to amend the terms of a Claims Handling Agreement, Insurance Company Program Agreement or Insurance Policy after the Distribution on renewal or otherwise that relates to claims incurred after the Effective Time (or claims made after the Effective Time for acts after the Effective Time on claims-made policies); and provided that no member of the RemainCo Group shall have any liability to any member of the SpinCo Group if any Insurance Policy is inadequate to cover any liability of the SpinCo Group for any reason.

8.06 Shared Insurance Policies Other Than Executive Liability Policies. Effective as of the Effective Time, RemainCo will take the necessary action to terminate the SpinCo Group's coverage with respect to occurrences after the Effective Time under the shared insurance policies, including, but not limited to, workers compensation/employers liability, commercial general liability (including product liability,) auto liability, excess/umbrella liability, property/business interruption, marine cargo, blanket crime/fidelity and international liability. Any resulting return of premium or credit will be allocated between the RemainCo Group and the SpinCo Group in proportion to their respective contributions to the payment of such premium. Each of the RemainCo Group and the SpinCo Group shall be responsible for obtaining its own replacement policies (if so desired) for occurrences after the Effective Time.

8.07 Executive Liability Policies. Effective as of the Effective Time and continuing for a period of six years thereafter, RemainCo will renew and/or continue in force the Executive Liability Policies with comparable insurers and with comparable coverage terms to the extent available in the marketplace. The Executive Liability Policies, to the extent of their respective coverage terms, will respond to claims that are first made during this six-year period following the Effective Time based on: (a) covered wrongful acts of RemainCo, the RemainCo Subsidiaries in existence as of the Effective Time, SpinCo and the SpinCo Subsidiaries in existence as of the Effective Time and their respective directors, officers and employees that occurred prior to the Effective Time; and (b) covered wrongful acts of RemainCo and the RemainCo Subsidiaries in existence after the Effective Time and their respective officers, directors and their employees that occur after the Effective Time. To the extent that a self-insured retention applies to any claim made against members of the SpinCo Group or their respective officers, directors and employees that is based on wrongful acts that occurred prior to the Effective Time, the liability to pay such self insured retention shall be determined pursuant to the indemnification provisions set forth in Article III. Effective on the Effective Time, SpinCo and the SpinCo Subsidiaries shall be responsible for obtaining the Executive Liability Policies to cover wrongful acts of SpinCo, the SpinCo Subsidiaries and their respective directors, officers and employees that occur after the Effective Time.

ARTICLE IX.

JOINT DEFENSE AGREEMENT

9.01 Control of Actions. While RemainCo and SpinCo shall have the right to participate in the coordination of legal strategy of the BSI Litigation, SpinCo shall have the right to maintain control over the investigation, defense and/or settlement of the BSI Litigation; provided, however, that if SpinCo settles the BSI

Litigation without RemainCo's consent, RemainCo shall have the right, but not the obligation, to assume control over any remaining investigation, defense and/or settlement of the BSI Litigation. RemainCo or SpinCo shall have the right to maintain control over the investigation, defense and/or settlement of any Article IX Third Party Claims relating to the RemainCo Business and the SpinCo Business, respectively. Nothing contained in this Agreement shall prevent either RemainCo or SpinCo from settling without the other's consent.

9.02 Privileged Information. To improve the efficient handling of the BSI Litigation and Article IX Third Party Claims, to protect their joint interests in the defense of the litigation to effectuate their respective rights to participate in the coordination of legal strategy as set forth in Section 9.01 of this Agreement, and to minimize the costs to RemainCo and SpinCo, RemainCo and SpinCo agree to joint representation by the attorneys providing legal services to the BSI Litigation and the Article IX Third Party Claims described in Schedule V to the Transitional Services Agreement relating to, among other things, the rendition of legal services and/or share with each other through their attorneys confidential information and materials sufficient to enable each party fully and completely to evaluate and assess the costs, risks and efficient handling of the BSI Litigation and Article IX Third Party Claims. Such confidential information and materials include, but are not limited to, interview notes, memoranda of law, research memoranda, and any settlement analysis or settlement offer (collectively, "Privileged Joint Defense Material"). In so doing, RemainCo and SpinCo intend to preserve the attorney-client privilege, the work product privilege, and any other privilege, or protection that may relate or apply to any of the Privileged Joint Defense Material, or any portion thereof, as against third parties.

9.03 Communications. The interests of RemainCo and SpinCo with respect to the BSI Litigation and Article IX Third Party Claims are mutual, common and consistent with each other. Accordingly, it is the intention and understanding of RemainCo and SpinCo that the results of communications between them through their attorneys in connection with the BSI Litigation and Article IX Third Party Claims, including, but not limited to, any work performed by attorneys retained by RemainCo or SpinCo in connection with the BSI Litigation or Article IX Third Party Claims, will remain confidential and protected from disclosure to any third party and shall not be disclosed to anyone but their attorneys and those assisting their attorneys in the defense or prosecution of the BSI Litigation and/or Article IX Third Party Claims. RemainCo and SpinCo agree with each other that neither of them nor any member of their respective Groups will disclose Privileged Joint Defense Material to third parties without the consent of the other, and that the disclosure of Privileged Joint Defense Material generated by one of them to the other does not constitute a waiver of any available privileges. RemainCo and SpinCo consider such disclosure of matters of common concern essential to the effective representation of them in the BSI Litigation and Article IX Third Party Claims, and therefore, such disclosure is covered by the common interest doctrine.

9.04 Confidentiality. RemainCo and SpinCo further agree (subject to the exceptions set forth herein) that RemainCo and SpinCo will use their best efforts to ensure that the confidentiality of Privileged Joint Defense Material is maintained at all times and that no disclosure is made which would result in a waiver or loss of any privilege or confidentiality right otherwise available as against any third party. In the event that RemainCo or SpinCo or any member of their respective Groups receives a subpoena from any Person, the receiving party shall immediately notify the other party of that fact and shall not voluntarily surrender any Privileged Joint Defense Material (except that originated by the subpoenaed party) without permitting the other party an opportunity to protect its respective interests by motion in an appropriate court or other forum.

9.05 Limitations. Nothing in this Agreement shall be construed as giving rise to any obligation to share any information, communications or Privileged Joint Defense Material, other than as required in this Agreement.

9.06 Continued Effectiveness of Article IX. This Article IX shall continue in effect notwithstanding any conclusion or resolution as to any party hereto of the investigation, defense or prosecution of the BSI Litigation or Article IX Third Party Claims. RemainCo and SpinCo and the members of their respective Groups will continue to be bound by this Article IX following any such conclusion or resolution.

9.07 Diversion of Interests or Disputes. In the event the interests of RemainCo and SpinCo with respect to the BSI Litigation and Article IX Third Party Claims are no longer mutual, common and consistent with each other or in the event a dispute between RemainCo and SpinCo arises under this Article IX, the obligation to share Privileged Joint Defense Material shall cease. Previously exchanged Privileged Joint Defense Material may be used, if and only if both parties consent, in any proceeding instituted to resolve such a dispute to the extent such information is relevant to the resolution of that dispute. In the event both parties consent and such information is used, such information shall remain privileged and confidential as against third parties and the parties shall take all steps necessary to preserve that privilege and confidentiality.

9.08 Withdrawal. Even though the interests of RemainCo and SpinCo with respect to the BSI Litigation and Article IX Third Party Claims remain mutual, common and consistent with each other, each party may, with reasonable written notice, withdraw prospectively from the joint defense described in this Article IX with respect to any Article IX Third Party Claim if both parties mutually consent. The effect of withdrawal shall be prospective only and will not affect the parties' mutual obligation to hold confidential all Privileged Joint Defense Material, communications and information exchanged prior to receipt of written notice of withdrawal. In the event of a withdrawal of a party, the parties may keep all copies of Privileged Joint Defense Material provided under this Agreement so long as the parties maintain the confidentiality of the Privileged Joint Defense Material as set forth in this Article IX.

9.09 Waiver of Disqualification of Counsel. In the event a dispute arises between RemainCo and SpinCo pursuant to this Article IX, the prior exchange of Privileged Joint Defense Material between the parties and their respective counsel shall not be used as a basis for disqualification of any attorney for RemainCo or SpinCo, respectively, in the BSI Litigation or Article IX Third Party Claims or related litigation, and each party waives prospectively the right to claim disqualification on that basis. In the event a conflict between the parties arises, (a) the parties' counsel may continue to represent their respective client at the client's sole option; and (b) neither party will seek to disqualify the other party's attorneys from continuing to represent their respective client.

9.10 Certain Acknowledgements. After consulting with their respective counsel, RemainCo and SpinCo each acknowledges the risks inherent in joint representation and gives its informed consent to waive any conflicts or potential conflicts with respect to or arising out of such joint representation.

9.11 Irreparable Damage for Breach of Article IX. RemainCo and SpinCo agree that irreparable damage would result from any party's breach of this Article IX and that, in the event of a breach, specific performance and/or injunctive relief is appropriate to remedy a breach of this Article IX.

ARTICLE X.

MISCELLANEOUS

10.01 Complete Agreement. This Agreement, the Exhibit and Schedules hereto, the Other Agreements and the agreements and other documents referred to herein shall constitute the entire agreement between the parties hereto with respect to the subject matter hereof and shall supersede all previous negotiations, commitments and writings with respect to such subject matter.

10.02 Other Agreements. Except as otherwise expressly provided herein, if there shall be a conflict or an inconsistency between the provisions of this Agreement and the provisions of an Other Agreement, the provisions of the Other Agreement shall control over the inconsistent provisions of this Agreement as to matters specifically addressed in the Other Agreement.

10.03 Expenses. RemainCo and SpinCo shall each be responsible for its expenses incurred in connection with the Distribution.

10.04 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana (other than the laws regarding choice of laws and conflicts of laws) as to all matters, including matters of validity, construction, effect, performance and remedies; provided, however, that the Arbitration Act shall govern the matters described in Article VI.

10.05 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person (including a nationally recognized delivery service) by facsimile, electronic mail or other standard form of telecommunications (provided confirmation is delivered to the recipient the next Business Day in the case of facsimile, electronic mail or other standard form of telecommunications) or by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to RemainCo:
Hillenbrand Industries, Inc.
1069 State Route 46 East
Batesville, IN 47006-8835
c/o Corporate Secretary

If to SpinCo:
Batesville Holdings, Inc.
One Batesville Boulevard
Batesville, IN 47006-8835
c/o General Counsel

or to such other address as a party hereto may have furnished to the other party by a notice in writing in accordance with this Section 10.05.

10.06 Amendment and Modification. This Agreement may be amended, modified or supplemented only by a written agreement signed by each of the parties hereto.

10.07 Successors and Assigns: No Third Party Beneficiaries This Agreement is made and shall be binding on and inure solely to the benefit of the RemainCo Group and the SpinCo Group and their respective successors or permitted assigns and does not otherwise confer any rights or defenses on any other Person. Neither RemainCo nor SpinCo may assign any of its rights or obligations under this Agreement to another Person without the consent of the other party to this Agreement, which consent may be withheld for any reason or no reason. Subject to the foregoing, (a) this Agreement and all the terms and provisions hereof shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and permitted assigns, and (b) each party to this Agreement shall require any Person or Persons that, as a result of any merger, purchase of assets, reorganization or other transaction, acquires or succeeds to all or substantially all of its business or assets to assume its obligations under this Agreement pursuant to a written assumption agreement in form and substance reasonably satisfactory to the other party.

10.08 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10.09 Interpretation. The Article and Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties hereto and shall not in any way affect the meaning or interpretation of this Agreement.

10.10 Legal Enforceability. Each party agrees that it shall not, directly or indirectly, challenge the enforceability of this Agreement on any grounds or under any circumstances. Without limiting the effect of the immediately preceding sentence, if any provision of this Agreement is determined by a Governmental Authority or the arbitrators selected under Section 6.04 to be prohibited or unenforceable in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Each party acknowledges that money damages would be an inadequate remedy for any breach of the provisions of this Agreement and agrees that the obligations of the parties hereunder shall be specifically enforceable.

10.11 Performance Standard. Each of RemainCo and SpinCo agrees to at all times exercise good faith and fair dealing in the performance of its rights and obligations under this Agreement and the Other Agreements and to cause the members of its respective Group to do likewise.

10.12 Authority. Each of the parties hereto represents to the others that: (a) it has, or its Group member shall have, the corporate or other requisite power and authority to execute, deliver and perform this Agreement and the Other Agreements; (b) the execution, delivery and performance of this Agreement and the Other Agreements by it or by its Group member will be duly authorized by all necessary corporate or other actions; (c) it or its

Group member shall have duly and validly executed and delivered this Agreement and the Other Agreements to be executed and delivered prior to the Effective Time; and (d) this Agreement and such Other Agreements will be legal, valid and binding obligations, enforceable against it or its Group member in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equity principles.

10.13 Joint Authorship. This Agreement shall be treated as though it were jointly drafted by RemainCo and SpinCo, and any ambiguities shall not be construed for or against any party hereto on the basis of attributed authorship.

10.14 References; Construction. Any reference to an "Article," "Exhibit," "Schedule" or "Section," without more, is to an Article, Exhibit, Schedule and Section to or of this Agreement. Unless otherwise expressly stated, clauses beginning with the term "including" set forth examples only and in no way limit the generality of the matters thus exemplified. References to "and" and "or" in this Agreement shall in each instance include both the conjunctive and the disjunctive.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

HILLENBRAND INDUSTRIES, INC.

By: /s/ Patrick D. de Maynadier
Name: Patrick D. de Maynadier
Title: Senior Vice President

BATESVILLE HOLDINGS, INC.

By: /s/ Kenneth A. Camp
Name: Kenneth A. Camp
Title: President and Chief Executive Officer

EXHIBIT 3.1

Articles of Restatement and Amendment
of the
Articles of Incorporation
of
Batesville Holdings, Inc.

The undersigned officer of Batesville Holdings, Inc. (hereinafter referred to as the "**Corporation**"), existing pursuant to the provisions of the Indiana Business Corporation Law as amended (hereinafter referred to as the "**Act**"), desiring to give notice of corporate action restating and amending its Articles of Incorporation of the Corporation, certifies the following facts:

Section 1. **Information**. The name of the Corporation is Batesville Holdings, Inc. After the effectiveness of this amendment, the name of the Corporation will be Hillenbrand, Inc. The date of incorporation of the Corporation is November 1, 2007.

Section 2. **Amendments**. The Restated and Amended Articles of Incorporation of Hillenbrand attached hereto asExhibit A, is hereby adopted as the Articles of Incorporation of the Corporation

Section 3. **Manner of Adoption and Vote**.

(1) **Action by Shareholders**. The Shareholders of the Corporation entitled to vote in respect of the Restatement and Amendment adopted and approved the Restatement and Amendment by a unanimous written consent dated March 31, 2008.

Total number of shares entitled to vote with respect to the Amendment:	100
Total number of shares voted in favor	100
Total number of shares voted against	0

(2) **Compliance with Legal Requirements**. The manner of the adoption of these Articles of Restatement and Amendment and the manner in which they were proposed and approved, constitute full legal compliance with the provisions of the Act, the Articles of Incorporation as previously amended, and the By-Laws of the Corporation.

Section 4. **Effective Date**. This amendment shall become effective 5:01 P.M., Eastern Daylight Time, on March 31, 2008. I hereby affirm, under the penalties for perjury, that all the facts stated above are true.

Batesville Holdings, Inc.
To be known as Hillenbrand, Inc. after the
Effectiveness of this Amendment

By: /s/ John R. Zerkle
John R. Zerkle,
its Senior Vice-President, General Counsel and Secretary

Exhibit A

RESTATED AND AMENDED
ARTICLES OF INCORPORATION
OF
HILLENBRAND, INC.

ARTICLE 1

Identification

The name of the Corporation is HILLENBRAND, INC.

ARTICLE 2

Purpose and Powers

Section 2.1 Purposes. The purposes for which the Corporation is formed are the transaction of any or all lawful business for which corporations may be incorporated under the Indiana Business Corporation Law, (the "Act") as the same may, from time to time, be amended.

Section 2.2 Powers. The Corporation, subject to any limitations or restrictions imposed by the Act, other law or these Articles of Incorporation (the "Articles"), shall have all powers now or hereafter vested in corporations duly organized and existing under and pursuant to the Act including without limitation any and all powers necessary or convenient to carry out its business and affairs.

ARTICLE 3

Registered Office and Registered Agent

The street address of the registered office of the corporation is:

One Batesville Boulevard
Batesville, Indiana 47006

and the name and business office address of its registered agent are:

John R. Zerkle
One Batesville Boulevard
Batesville, Indiana 47006

ARTICLE 4

Number of Shares

Section 4.1 Authorized Shares. The Corporation shall have authority to issue a total of Two Hundred Million (200,000,000) Shares.

Section 4.2 Forward Stock Split. Without regard to any other provision of these Articles of Incorporation, each share of the capital stock of the Corporation issued and outstanding immediately prior to the time these Amended and Restated Articles becomes effective (the "Forward Split Effective Time") shall be automatically changed and reclassified (without any further act), as of the Forward Split Effective Time, into 622,545.59 fully paid and non-assessable shares of the Corporation's capital stock.

ARTICLE 5

General Provisions Regarding Shares of the Corporation

Section 5.1 Preferred Stock. One Million (1,000,000) of the Shares that the Corporation has authority to issue constitute a separate and single class of Shares known as "Preferred Stock," which may be issued in one or more series. The Board of Directors of the Corporation (the "Board") is vested with authority to determine and state the distinguishing designations and the relative preferences, limitations, voting rights, if any, and other rights of each such series by the adoption and filing in accordance with the Act, before the issuance of any Shares of such series, of an amendment or amendments to these Articles determining the terms

of such series (a "Section 5.1 Amendment"). All Shares of Preferred Stock of the same series shall be identical with each other in all respects.

Section 5.2 Common Stock. All of the remaining Shares that the Corporation has authority to issue constitute a separate and single class of Shares known as "Common Stock," which shall be without par value and shall not be issued in series. All Shares of Common Stock shall be identical with each other in all respects.

Section 5.3 Issuance of Shares. The Board has authority to authorize and direct the issuance by the Corporation of Shares of Preferred Stock and Common Stock at such times, in such amounts, to such persons, for such consideration as it shall determine to be adequate, and upon such terms and conditions as it may, from time to time, determine, subject only to the restriction, limitations, conditions and requirements imposed by the Act, other applicable laws and these Articles, as the same may, from time to time, be amended. Upon the receipt by the Corporation of the consideration for which the Board authorized the issuance of Shares of Preferred or Common Stock, such Shares shall be deemed fully paid and nonassessable.

Section 5.4 Distributions Upon Shares. This Board has authority to authorize and direct in respect of the issued and outstanding Shares of Preferred Stock and Common Stock (i) the payment of dividends and the making of other distributions by the Corporation at such times, in such amounts and forms, from such sources and upon such terms and conditions as it may, from time to time, determine upon, subject only to the restrictions, limitations conditions and requirements imposed by the Act, other applicable laws and these Articles, as the same may, from time to time, be amended, and (ii) the making by the Corporation of Share dividends and Share splits, pro rata and without consideration, in Shares of the same class of series or in Shares

of any other class or series without obtaining the affirmative vote or the written consent of the holders of the Shares of the class or series in which the payment or distribution is to be made.

Section 5.5 Acquisition of Shares. The Board has authority to authorize and direct the acquisition by the Corporation of the issued and outstanding Shares of Preferred Stock and Common Stock at such times, in such amounts, from such persons, for such considerations, from such sources and upon such terms and conditions as it may, from time to time, determine upon, subject only to the restrictions, limitations, conditions and requirements imposed by the Act, other applicable laws and these Articles, as the same may, from time to time, be amended. Such reacquired shares of the Corporation shall be designated "Treasury Shares" unless specifically cancelled and withdrawn by action of the Board.

ARTICLE 6

Voting Rights of Shares of the Corporation

Section 6.1 Preferred Stock. The holders of a series of shares of Preferred Stock shall have such voting rights, if any, as may have been provided for such class or series in a Section 5.1 Amendment.

Section 6.2 Common Stock. The holders of the Common Stock shall be entitled to one vote per share of Common Stock in the election of Directors of the Corporation and upon each other matter coming before any vote of the holders of the Common Stock. The holders of the Common Stock shall be entitled to exercise all voting rights of the Corporation and to receive the net assets of the Corporation upon dissolution except as otherwise provided in a Section 5.1 Amendment.

ARTICLE 7

Directors

Section 7.1 Number. The number of Directors of the Corporation shall not be less than seven (7), as may be specified in the Code of By-Laws of the Corporation or by amendment to the Code of By-Laws of the Corporation adopted by a majority vote of the Directors then in office. The Directors elected by the Shareholders shall be divided into three (3) classes, each having one-third, or as near to one-third as may be, the total number of Directors, with the term of the office of the first class to expire at the 2009 annual meeting of Shareholders, the term of the office of the second class to expire at the 2010 annual meeting of Shareholders and the term of office of the third class to expire at the 2011 annual meeting of Shareholders. At each annual meeting of Shareholders, Directors elected by the Shareholders to succeed those Directors whose terms expire shall be elected for a term of office to expire at the third succeeding annual meeting of Shareholders after their election. Each Director shall hold office until his successor is elected and qualified.

Section 7.2 Vacancies. Except as may be expressly provided by law, newly created directorships resulting from any increase in the authorized number of Directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause shall be filled by a majority vote of the Directors then in office, and Directors so chosen shall hold office for a term expiring at the next Annual Meeting of Shareholders.

Section 7.3 Removal. Any Director, or the entire Board of Directors, may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at

least two-thirds (2/3) of the voting power of all of the shares of the Corporation entitled to vote generally in the election of Directors, voting together as a single class.

Section 7.4 Quorum. Unless otherwise established by a provision of these Articles of Incorporation or by the Board of Directors by appropriate provisions in the Code of By-Laws, at any meeting of the Board of Directors one-third (1/3) of the duly elected, qualified and acting members of the Board of Directors shall constitute a quorum.

Section 7.5 Amendment, Repeal. Notwithstanding anything contained in these Articles of Incorporation to the contrary, the affirmative vote of the holders of at least two-thirds (2/3) of the voting power of all of the shares of the corporation entitled to vote generally in the election of Directors, voting together as a single class, shall be required to alter, amend or repeal this Article 7.

ARTICLE 8

Provisions for Regulation of Business and Conduct of Affairs of Corporation

Section 8.1 Action by Shareholders. Meetings of the Shareholders shall be held at such place, within or without the State of Indiana, as may be specified in or fixed in accordance with the By-Laws or in the respective notices, or waivers of notice, thereof. Any action required or permitted to be taken at any meeting of the Shareholders may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all the Shareholders entitled to vote with respect thereto, and such written consent is filed with the minutes of the proceedings of the Shareholders.

Section 8.2 Action by Directors. Meetings of the Board or any committees thereof (collectively, “Committees,” and individually, a “Committee”) shall be held at such place, within

or without the State of Indiana, as may be specified in or fixed in accordance with the By-Laws or in the respective notices, or waivers of notice, thereof and shall be conducted in such manner as may be specified in the By-Laws or permitted by the Act. Any action required or permitted to be taken at any meeting of the Board or a Committee may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all members of the Board or such Committee, and such written consent is filed with the minutes of the proceedings of the Board or such Committee.

Section 8.3 Code of By-Laws. The Board shall have power, without the assent or vote of the Shareholders, to make, alter, amend or repeal the By-Laws, by the affirmative vote of a number of Directors equal to a majority of the number who would constitute a full Board at the time of such action.

Section 8.4 Provisions for Working Capital. The Board shall have the power, from time to time, to fix and determine and to vary the amount to be reserved as working capital of the Corporation and, before the payment of any dividends, it may set aside out of the net profits of the Corporation such sum or sums as it may from time to time in its absolute discretion determine to be proper, whether as a reserve fund to meet contingencies or for the equalizing of dividends, or for repairing or maintaining any property of the Corporation, or for any corporate purposes that the Board shall think conducive to the best interest of the Corporation, subject only to such limitations the By-Laws may from time to time impose.

Section 8.5 Interest of Directors in Contracts. Any contract or other transaction between the Corporation and (i) any Director, or (ii) any Legal Entity (A) in which any Director has a material financial interest or is a general partner, or (B) of which any Director is a director, officer or trustee (collectively, a "Conflict Transaction"), shall be valid for all purposes, if the

material facts of the Conflict Transaction and the Director's interest were disclosed or known to the Board, a Committee with authority to act thereon, or the Shareholders entitled to vote thereon, and the Board, such Committee or such Shareholders authorized, approved or ratified the Conflict Transaction. A Conflict Transaction is authorized, approved or ratified:

(1) By the Board or such Committee, if it receives the affirmative vote of a majority of the Directors who have no interest in the Conflict Transaction, notwithstanding the fact that such majority may not constitute a quorum or a majority of the Board or such Committee or a majority of the Directors present at the meeting, and notwithstanding the presence or vote of any Director who does have such an interest; provided, however, that no Conflict Transaction may be authorized, approved or ratified by a single Director; and

(2) By such Shareholders, if it receives the vote of a majority of the Shares entitled to be counted, in which vote Shares owned or voted under the control of any Director who, or of any Legal Entity that, has an interest in the Conflict Transaction may be counted.

This Section shall not be construed to require authorization, ratification or approval by the Shareholders of any Conflict Transaction, or to invalidate any Conflict Transaction that would otherwise be valid under the common and statutory law applicable thereto.

Section 8.6 Indemnification of Directors, Officers and Employees. The Board of Directors may indemnify any person who is or was a director, officer or employee of the Corporation against all liability and reasonable expense incurred by such person on account of or arising out of that person's relationship to the Corporation, provided that such person is determined in the manner specified in Indiana Code Section 23-1-37-12 to have met the standards of conduct specified in Indiana Code Section 23-1-37-8. Upon demand for such indemnification, the Corporation shall proceed as provided in Indiana Code Section 23-1-37-12

to determine whether such person is eligible for indemnification. Nothing contained in this Section shall limit or preclude the exercise of any right relating to the indemnification of or advance of expenses to any director, officer, employee or agent of the Corporation, or the ability of the Corporation to otherwise indemnify or advance expenses to any director, officer, employee or agent.

Section 8.7 Amendments of Articles of Incorporation. Except as otherwise expressly provided in Articles 6 and 8 hereof, and subject to the terms of any outstanding series of Preferred Stock, the Corporation reserves the right to increase or decrease the number of its authorized Shares, or any class or series thereof, and to reclassify the same, and to amend, alter, change or repeal any provision contained in these Articles, or in any amendment hereto, or to add any provision to these Articles or to any amendment hereto, in any manner now or hereafter prescribed or permitted by the Act or by any other applicable laws; and all rights conferred upon the Shareholders in these Articles or any amendment hereto are granted subject to this reservation. No Shareholder has a vested property right resulting from any provision in these Articles, or authorized to be in the By-Laws by the Act or these Articles, including without limitation provisions relating to management, control, capital structure, dividend entitlement, or purpose or duration of the Corporation.

EXHIBIT 10.1

CREDIT AGREEMENT

Dated as of March 28, 2008

This Credit Agreement (this "Agreement") is entered into as of the date first written above among BATESVILLE HOLDINGS, INC. (to be renamed Hillenbrand, Inc. after the Spin Transaction referenced below), an Indiana corporation (the "Borrower"), the banks, financial institutions and other institutional lenders (the "Initial Lenders") and issuers of letters of credit ("Initial Issuing Banks") listed on Schedule I hereto, and CITIBANK, N.A. ("Citibank"), as agent (the "Agent") for the Lenders (as hereinafter defined). In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01. Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Advance" means an advance by a Lender to the Borrower as part of a Borrowing and refers to a Base Rate Advance or a Eurodollar Rate Advance (each of which shall be a "Type" of Advance).

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term "control" (including the terms "controlling", "controlled by" and "under common control with") of a Person means the possession, direct or indirect, of the power to vote 10% or more of the Voting Stock of such Person or to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by contract or otherwise.

"Agent's Account" means the account of the Agent maintained by the Agent at Citibank at its office at Two Penns Way, New Castle, Delaware 19720, Account No. 36852248, Attention: Bank Loan Syndications, or such other account of the Agent as is designated in writing from time to time by the Agent to the Borrower and the Lenders for such purpose.

"Airport Access and Use Agreement" means that certain Airport Access and Use Agreement dated on or about March 21, 2008 by and between Hill-Rom and Batesville Services.

"Applicable Lending Office" means, with respect to each Lender, such Lender's Domestic Lending Office in the case of a Base Rate Advance and such Lender's Eurodollar Lending Office in the case of a Eurodollar Rate Advance.

"Applicable Margin" means as of any date, for Base Rate Advances, 0.00% per annum and, for Eurodollar Rate Advances, a percentage per annum determined by reference to the Public Debt Rating in effect on such date as set forth below:

Public Debt Rating S&P/Moody's	Applicable Margin for Eurodollar Rate Advances
Level 1 A- or A3 or above	0.240%
Level 2 BBB+ or Baa1	0.320%
Level 3 BBB or Baa2	0.375%
Level 4 BBB- or Baa3	0.500%
Level 5 BB+ or Ba1	0.700%
Level 6 Lower than Level 5	0.875%

"Applicable Percentage" means, as of any date a percentage per annum determined by reference to the Public Debt Rating in effect on such date as set forth below:

Public Debt Rating S&P/Moody's	Applicable Percentage
Level 1 A- or A3 or above	0.060%
Level 2 BBB+ or Baa1	0.080%
Level 3 BBB or Baa2	0.125%
Level 4 BBB- or Baa3	0.150%
Level 5 BB+ or Ba1	0.200%
Level 6 Lower than Level 5	0.250%

"Applicable Utilization Fee" means, as of any date that the aggregate principal amount of the Advances plus the aggregate Available Amount of the Letters of Credit outstanding exceed 50% of the aggregate Revolving Credit Commitments, a percentage per annum determined by reference to the Public Debt Rating in effect on such date as set forth below:

Public Debt Rating S&P/Moody's	Applicable Utilization Fee
Level 1 A- or A3 or above	0.050%
Level 2 BBB+ or Baa1	0.050%
Level 3 BBB or Baa2	0.050%
Level 4 BBB- or Baa3	0.050%
Level 5 BB+ or Ba1	0.050%

Public Debt Rating S&P/Moody's	Applicable Utilization Fee
Level 6 Lower than Level 5	0.075%

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an Eligible Assignee, and accepted by the Agent, in substantially the form of Exhibit C hereto.

"Assuming Lender" has the meaning specified in Section 2.18(d).

"Assumption Agreement" has the meaning specified in Section 2.18(d)(ii).

"Attributable Indebtedness" means, on any date, in respect of any capital lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP.

"Audited Financial Statements" means the audited consolidated balance sheet of the Borrower and its Subsidiaries as filed in the Form 10 filing with the SEC for the year ended September 30, 2007, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year of the Borrower and its Subsidiaries, including the notes thereto.

"Available Amount" of any Letter of Credit means, at any time, the maximum amount available to be drawn under such Letter of Credit at such time (assuming compliance at such time with all conditions to drawing).

"Bankruptcy Law" means any proceeding of the type referred to in Section 6.01(e) or Title 11, U.S. Code, or any similar foreign, federal or state law for the relief of debtors.

"Base Rate" means a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the higher of:

(a) the rate of interest announced publicly by Citibank in New York, New York, from time to time, as Citibank's base rate; and

(b) 1/2 of one percent per annum above the Federal Funds Rate.

"Base Rate Advance" means an Advance that bears interest as provided in Section 2.07(a)(i).

"Batesville Services" means Batesville Services, Inc., an Indiana corporation.

"Borrowing" means a borrowing consisting of simultaneous Advances of the same Type made by each of the Lenders.

"Borrowing Minimum" means $10,000,000.

"Borrowing Multiple" means $1,000,000.

"Business Day" means a day of the year on which banks are not required or authorized by law to close in New York City and, if the applicable Business Day relates to any Eurodollar Rate Advances, on which dealings are carried on in the London interbank market.

"Change of Control" means, with respect to any Person, an event or series of events by which:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any such Person and its subsidiaries, any employee benefit plan of such Person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) other than any member or members of the Hillenbrand Family Group becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire (such right, an "option right"), whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of 35% or more of the equity securities of such Person entitled to vote for members of the board of directors or equivalent governing body of such Person on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right); or

(b) during any period of 12 consecutive months, a majority of the members of the board of directors or other equivalent governing body of such Person cease (other than by reason of death or disability) to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body (excluding, in the case of both clause (ii) and clause (iii), any individual whose initial nomination for, or assumption of office as, a member of that board or equivalent governing body occurs as a result of an actual or threatened solicitation of proxies or consents for the election or removal of one or more directors by any person or group other than a solicitation for the election of one or more directors by or on behalf of the board of directors). For purposes of determining whether a Change of Control has occurred under this clause (b) for any period beginning on the Effective Date and ending on the one year anniversary of the Effective Date, the members of the Borrower's Board of Directors on the first day of such period shall be deemed to be the members of such board after giving effect to the Spin Transaction on the Effective Date .

"Commitment" means a Revolving Credit Commitment or a Letter of Credit Commitment.

"Commitment Date" has the meaning specified in Section 2.18(b).

"Commitment Increase" has the meaning specified in Section 2.18(a).

"Compliance Certificate" means a certificate substantially in the form of Exhibit D.

"Consenting Lender" has the meaning specified in Section 2.19(b).

"Consolidated" refers to the consolidation of accounts in accordance with GAAP.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Convert", "Conversion" and "Converted" each refers to a conversion of Advances of one Type into Advances of the other Type pursuant to Section 2.08 or 2.09.

"Default" means any Event of Default or any event that would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

"Disclosed Litigation" has the meaning specified in Section 3.01(b).

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction) of any property by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

"Distribution Agreement" means that certain Distribution Agreement dated as of March 14, 2008 between HII and the Borrower pursuant to which the Spin Transaction will be consummated.

"Dollars" and the "$" sign each means lawful currency of the United States of America.

"Domestic Lending Office" means, with respect to any Lender, the office of such Lender specified as its "Domestic Lending Office" opposite its name on Schedule I hereto or in the Assumption Agreement or the Assignment and Acceptance pursuant to which it became a Lender, or such other office of such Lender as such Lender may from time to time specify to the Borrower and the Agent.

"EBITDA" means, for any period, net income (or net loss)plus the sum of (a) interest expense, (b) income tax expense, (c) depreciation expense and (d) amortization expense, in each case determined in accordance with GAAP for such period.

"Effective Date" has the meaning specified in Section 3.01.

"Eligible Assignee" means (i) a Lender; (ii) an Affiliate of a Lender; and (iii) any other Person approved by the Agent, each Issuing Bank and, unless an Event of Default has occurred and is continuing at the time any assignment is effected in accordance with Section 9.07, the Borrower, such approval not to be unreasonably withheld or delayed; provided, however, that neither the Borrower nor an Affiliate of the Borrower shall qualify as an Eligible Assignee.

"Environmental Law" means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any of its Subsidiaries directly or indirectly resulting from or based upon

(a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Internal Revenue Code (and Sections 414(m) and (o) of the Internal Revenue Code for purposes of provisions relating to Section 412 of the Internal Revenue Code).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by the Borrower or any ERISA Affiliate 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 the Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Sections 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer 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 Multiemployer Plan; (f) the existence of an Unfunded Pension Liability or (g) the conditions for imposition of a lien under Section 303(k) of ERISA shall have been met with respect to any Plan or a determination that any Plan is in "at risk" status (within the meaning of Section 303 of ERISA).

"Eurocurrency Liabilities" has the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Eurodollar Lending Office" means, with respect to any Lender, the office of such Lender specified as its "Eurodollar Lending Office" opposite its name on Schedule I hereto or in the Assumption Agreement or the Assignment and Acceptance pursuant to which it became a Lender (or, if no such office is specified, its Domestic Lending Office), or such other office of such Lender as such Lender may from time to time specify to the Borrower and the Agent.

"Eurodollar Rate" means, for any Interest Period for each Eurodollar Rate Advance comprising part of the same Borrowing, an interest rate per annum (rounded upward to the nearest whole multiple of 1/16 of 1% per annum) appearing on Reuters LIBOR01 Page (or any successor page) as the London interbank offered rate for deposits in Dollars at approximately 11:00 A.M. (London time) two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period or, if for any reason such rate is not available, the average (rounded upward to the nearest whole multiple of 1/16 of 1% per annum, if such average is not such a multiple) of the rate per annum at which deposits in Dollars are offered by the principal office of each of the Reference Banks in London, England to prime banks in the London interbank market at 11:00 A.M. (London time) two Business Days before the first day of such Interest Period in an amount substantially equal to such Reference Bank's Eurodollar Rate Advance comprising part of such Borrowing to be outstanding during such Interest Period and for a period equal to such Interest Period. If the Reuters LIBOR01 Page (or any successor page) is

unavailable, the Eurodollar Rate for any Interest Period for each Eurodollar Rate Advance comprising part of the same Borrowing shall be determined by the Agent on the basis of applicable rates furnished to and received by the Agent from one or more Reference Banks two Business Days before the first day of such Interest Period, subject, however, to the provisions of Section 2.08.

"Eurodollar Rate Advance" means a Advance that bears interest as provided in Section 2.07(a)(ii).

"Eurodollar Rate Reserve Percentage" for any Interest Period for all Eurodollar Rate Advances comprising part of the same Borrowing means the reserve percentage applicable two Business Days before the first day of such Interest Period under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for a member bank of the Federal Reserve System in New York City with respect to liabilities or assets consisting of or including Eurocurrency Liabilities (or with respect to any other category of liabilities that includes deposits by reference to which the interest rate on Eurodollar Rate Advances is determined) having a term equal to such Interest Period.

"Events of Default" has the meaning specified in Section 6.01.

"Extension Date" has the meaning specified in Section 2.19(b).

"Farm Agreement" means that certain Tenants in Common Agreement dated on or about March 21, 2008 between Hill-Rom Company, Inc., an Indiana corporation, and BCC JAWACDAH Holdings, LLC, an Indiana limited liability company.

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

"Fee Letters" means (a) the fee letter between the Borrower and Citigroup Global Markets Inc. dated February 15, 2008 and (b) the fee letter among the Borrower and JPMorgan Chase Bank, N.A. and J.P. Morgan Securities Inc. dated February 15, 2008.

"GAAP" has the meaning specified in Section 1.03.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, administrative tribunal, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner,

whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person. The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Guaranteed Obligations" has the meaning specified in Section 7.01.

"Guarantors" means the Subsidiaries of the Borrower listed on Schedule II hereto and each other Subsidiary of the Borrower that shall be required to execute and deliver a guaranty pursuant to Section 5.01(k).

"Guaranty" means the guaranty of the Guarantors set forth in Article VII, together with each other guaranty and guaranty supplement delivered pursuant to Section 5.01(k), in each case as amended, amended and restated, modified or otherwise supplemented.

"Guaranty Supplement" has the meaning specified in Section 7.05.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"HII" means Hillenbrand Industries, Inc., an Indiana corporation (to be renamed Hill-Rom Holdings, Inc. in connection with the Spin Transaction).

"Hillenbrand Family Group" means the descendants of John A. Hillenbrand and members of such descendants' families and trusts for the benefit of such Persons.

"Hill-Rom" means Hill-Rom Inc., an Indiana corporation.

"Increase Date" has the meaning specified in Section 2.18(a).

"Increasing Lender" has the meaning specified in Section 2.18(b).

"Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, but only to the extent included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all direct or contingent obligations of such Person arising under unreimbursed payments made under letters of credit (including standby and commercial), bankers' acceptances and bank guaranties;

(c) net obligations of such Person under any Swap Contract pertaining to interest rates;

(d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable incurred in the ordinary course of business);

(e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) capital leases; and

(g) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation, limited liability company or other limited liability entity) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of any capital lease as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date.

"Information" has the meaning specified in Section 9.08.

"Information Memorandum" means the information memorandum dated February 20, 2008 used by the Agent in connection with the syndication of the Commitments.

"Interest Period" means, for each Eurodollar Rate Advance comprising part of the same Borrowing, the period commencing on the date of such Eurodollar Rate Advance or the date of the Conversion of any Base Rate Advance into such Eurodollar Rate Advance and ending on the last day of the period selected by the Borrower pursuant to the provisions below and, thereafter, each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the last day of the period selected by the Borrower pursuant to the provisions below. The duration of each such Interest Period shall be one, two, three or six months, and subject to clause (c) of this definition, nine or twelve months or such other period as may be acceptable to the Agent and all Lenders, as the Borrower may, upon notice received by the Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the first day of such Interest Period, select; provided, however, that:

(a) the Borrower may not select any Interest Period that ends after the Termination Date;

(b) Interest Periods commencing on the same date for Eurodollar Rate Advances comprising part of the same Borrowing shall be of the same duration;

(c) in the case of any such Borrowing, the Borrower shall not be entitled to select an Interest Period having duration of nine or twelve months or such other period as may be acceptable to the Agent and all Lenders unless, by 2:00 P.M. (New York City time) on the third Business Day prior to the first day of such Interest Period, each Lender notifies the Agent that such Lender will be providing funding for such Borrowing with such Interest Period (the failure of any Lender to so respond by such time being deemed for all purposes of this Agreement as an objection by such Lender to the requested duration of such Interest Period); provided that, if any or all of the Lenders object to the requested duration of such Interest Period, the duration of the Interest Period for such Borrowing shall be one, two, three or six months, as specified by the Borrower in the applicable Notice of Borrowing as the desired alternative to an Interest Period of nine or twelve months or such other requested period;

(d) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided, however, that, if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day; and

(e) whenever the first day of any Interest Period occurs on a day of an initial calendar month for which there is no numerically corresponding day in the calendar month that succeeds such initial calendar month by the number of months equal to the number of months in such Interest Period, such Interest Period shall end on the last Business Day of such succeeding calendar month.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"Issuance" with respect to any Letter of Credit means the issuance, amendment, renewal or extension of such Letter of Credit.

"Issuing Bank" means an Initial Issuing Bank or any Eligible Assignee to which a portion of the Letter of Credit Commitment hereunder has been assigned pursuant to Section 9.07 or any other Lender so long as such Eligible Assignee or Lender expressly agrees to perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as an Issuing Bank and notifies the Agent of its Applicable Lending Office (which information shall be recorded by the Agent in the Register), for so long as such Initial Issuing Bank, Eligible Assignee or Lender, as the case may be, shall have a Letter of Credit Commitment.

"Joint Ownership Agreements" means the four (4) Joint Ownership Agreements with respect to the joint ownership of the aircraft described therein, dated on or about March 21, 2008 by and among Hill-Rom and Batesville Services.

"Laws" means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental

Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"L/C Cash Deposit Account" means an interest bearing cash deposit account to be established and maintained by the Agent, over which the Agent shall have sole dominion and control, upon terms as may be satisfactory to the Agent.

"L/C Related Documents" has the meaning specified in Section 2.06(b)(i).

"Lenders" means each Initial Lender, each Issuing Bank, each Assuming Lender that shall become a party hereto pursuant to Section 2.18 or 2.19 and each Person that shall become a party hereto pursuant to Section 9.07.

"Letter of Credit" has the meaning specified in Section 2.01(b).

"Letter of Credit Agreement" has the meaning specified in Section 2.03(a).

"Letter of Credit Commitment" means, with respect to each Issuing Bank, the obligation of such Issuing Bank to issue Letters of Credit for the account of the Borrower and its specified Subsidiaries in (a) the Dollar amount set forth opposite the Issuing Bank's name on Schedule I hereto under the caption "Letter of Credit Commitment" or (b) if such Issuing Bank has entered into one or more Assignment and Acceptances, the Dollar amount set forth for such Issuing Bank in the Register maintained by the Agent pursuant to Section 9.07(d) as such Issuing Bank's "Letter of Credit Commitment", in each case as such amount may be reduced prior to such time pursuant to Section 2.05.

"Letter of Credit Facility" means, at any time, an amount equal to the least of (a) the aggregate amount of the Issuing Banks' Letter of Credit Commitments at such time, (b) $50,000,000 and (c) the aggregate amount of the Revolving Credit Commitments, as such amount may be reduced at or prior to such time pursuant to Section 2.05.

"Lien" means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor.

"Loan Documents" means this Agreement, each Note, each Letter of Credit Agreement and the Fee Letters.

"Loan Party" means the Borrower and each Guarantor.

"Material Adverse Change" means any material adverse change in the operations, business or condition (financial or otherwise) of the Borrower and its Subsidiaries taken as a whole.

"Material Adverse Effect" means a material adverse effect on (a) the operations, business or condition (financial or otherwise) of the Borrower and its Subsidiaries taken as a whole, (b) the rights and remedies of the Agent or any Lender under this Agreement or any Note or (c) the ability of any Loan Party to perform its obligations under this Agreement or any Note.

"Material Subsidiary" means each directly owned Subsidiary of the Borrower either (a) having (together with its Subsidiaries) assets that constitute 5% or more of the Consolidated assets of the Borrower and its Subsidiaries or (b) having (together with its Subsidiaries) revenues that constitute 5% or more of the Consolidated revenues of the Borrower and its Subsidiaries, in each case during any of the three most recently completed fiscal years of the Borrower.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

"Non-Consenting Lender" has the meaning specified in Section 2.19(b).

"Note" means a promissory note of the Borrower payable to the order of any Lender, delivered pursuant to a request made under Section 2.16 in substantially the form of Exhibit A hereto, evidencing the aggregate indebtedness of the Borrower to such Lender resulting from the Advances made by such Lender to the Borrower.

"Notice of Borrowing" has the meaning specified in Section 2.02(a).

"Notice of Issuance" has the meaning specified in Section 2.03(a).

"Organization Documents" means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56, signed into law October 26, 2001.

"PBGC" means the Pension Benefit Guaranty Corporation (or any successor).

"Pension Plan" means any "employee pension benefit plan" (as such term is defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by the Borrower or any ERISA Affiliate or to which the Borrower or any ERISA Affiliate contributes or has an obligation to contribute, 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" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.

"Plan" means any "employee benefit plan" (as such term is defined in Section 3(3) of ERISA) established by the Borrower or, with respect to any such plan that is subject to Section 412 of the Internal Revenue Code or Title IV of ERISA, any ERISA Affiliate.

"Post-Petition Interest" has the meaning specified in Section 7.06.

"Public Debt Rating" means, as of any date, the rating that has been most recently announced by either S&P or Moody's, as the case may be, for any class of non-credit enhanced long-term senior unsecured debt issued by the Borrower or, if any such rating agency shall have issued more than one such rating, the lowest such rating issued by such rating agency. For purposes of the foregoing, (a) if only one of S&P and Moody's shall have in effect a Public Debt Rating, the Applicable Margin, the Applicable Percentage and the Applicable Utilization Fee shall be determined by reference to the available rating; (b) if neither S&P nor Moody's shall have in effect a Public Debt Rating, the Applicable Margin, the Applicable Percentage and the Applicable Utilization Fee will be set in accordance with Level 6 under the definition of "Applicable Margin", "Applicable Percentage" or "Applicable Utilization Fee", as the case may be; (c) if the ratings established by S&P and Moody's shall fall within different levels, the Applicable Margin, the Applicable Percentage and the Applicable Utilization Fee shall be based upon the higher rating unless such ratings differ by two or more levels, in which case the applicable level will be deemed to be one level above the lower of such levels; (d) if any rating established by S&P or Moody's shall be changed, such change shall be effective as of the date on which such change is first announced publicly by the rating agency making such change; and (e) if S&P or Moody's shall change the basis on which ratings are established, each reference to the Public Debt Rating announced by S&P or Moody's, as the case may be, shall refer to the then equivalent rating by S&P or Moody's, as the case may be.

"Ratable Share" of any amount means, with respect to any Lender at any time, the product of such amounttimes a fraction the numerator of which is the amount of such Lender's Revolving Credit Commitment at such time (or, if the Revolving Credit Commitments shall have been terminated pursuant to Section 2.05 or 6.01, such Lender's Revolving Credit Commitment as in effect immediately prior to such termination) and the denominator of which is the aggregate amount of all Revolving Credit Commitments at such time (or, if the Revolving Credit Commitments shall have been terminated pursuant to Section 2.05 or 6.01, the aggregate amount of all Revolving Credit Commitments as in effect immediately prior to such termination).

"Reference Banks" means Citibank, JPMorgan Chase Bank, N.A. and Bank of America, N.A.

"Register" has the meaning specified in Section 9.07(d).

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates.

"Reportable Event" means any "reportable event", as defined in Section 4043 of ERISA, other than an event for which the 30-day notice period has been waived.

"Required Lenders" means at any time Lenders owed at least a majority in interest of the then aggregate unpaid principal amount of the Advances owing to Lenders, or, if no such principal amount is then outstanding, Lenders having at least a majority in interest of the Revolving Credit Commitments.

"Responsible Officer" means the chief financial officer, treasurer, assistant treasurer or any authorized Senior Vice President or Vice President of the Borrower. Any document delivered hereunder that is signed by a Responsible Officer of the Borrower shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of the Borrower and such Responsible Officer shall be conclusively presumed to have acted on behalf of the Borrower.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any capital stock or other equity interest of the Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such capital stock or other equity interest or of any option, warrant or other right to acquire any such capital stock or other equity interest, or on account of any return of capital to the Borrower's stockholders, partners or members (or the equivalent Persons thereof).

"Revolving Credit Commitment" means as to any Lender (a) the Dollar amount set forth opposite such Lender's name on Schedule I hereto as such Lender's "Revolving Credit Commitment", (b) if such Lender has become a Lender hereunder pursuant to an Assumption Agreement, the Dollar amount set forth in such Assumption Agreement or (c) if such Lender has entered into an Assignment and Acceptance, the Dollar amount set forth for such Lender in the Register maintained by the Agent pursuant to Section 9.07(d), as such amount may be reduced pursuant to Section 2.05 or increased pursuant to Section 2.18.

"S&P" means Standard & Poor's, a division of The McGraw-Hill Companies, Inc.

"Single Employer Plan" means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that (a) is maintained for employees of the Borrower or any ERISA Affiliate and no Person other than the Borrower and the ERISA Affiliates or (b) was so maintained and in respect of which the Borrower or any ERISA Affiliate could have liability under Section 4069 of ERISA in the event such plan has been or were to be terminated.

"Spin Transaction" means (i) the distribution of HII's entire ownership interest in the Borrower through a pro-rata distribution of all of the outstanding shares of the Borrower owned by HII on or about the Effective Date to the holders of HII's common stock, pursuant to the terms and subject to the conditions set forth in the Distribution Agreement, (ii) the execution, delivery and performance of the Distribution Agreement and the agreements related thereto, including but not limited to the Farm Agreement, the Airport Access and Use Agreement, the employee matters agreement, the judgment sharing agreement, the tax sharing agreement, the shared services agreements and the transitional services agreements and (iii) the payment of a dividend in the amount of $250,000,000 to HII by the Borrower on or about the Effective Date.

"Subordinated Obligations" has the meaning specified in Section 7.06.

"Subsidiary" of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of the shares of securities or other interests having ordinary voting power to elect a majority of the Board of Directors or other governing body (irrespective of whether at the time capital stock, securities or other interests of any other class or classes of such entity shall or might have voting power upon the occurrence of any contingency) are at the time beneficially owned, or the management of which

is otherwise controlled, directly or indirectly, by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries.

"Substantially-Owned Subsidiary" means any Person at least 90% of the capital stock or other equity interests of which are directly or indirectly owned by the Borrower.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions 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., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Swap Termination Value" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in subsection (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

"Termination Date" means the earlier of (a) March 28, 2013, subject to the extension thereof pursuant to Section 2.19 and (b) the date of termination in whole of the Commitments pursuant to Section 2.05 or 6.01; provided, however, that the Termination Date of any Lender that is a Non-Consenting Lender to any requested extension pursuant to Section 2.19 shall be the Termination Date in effect immediately prior to the applicable Extension Date for all purposes of this Agreement.

"Unaudited Financial Statements" means the unaudited consolidated balance sheet of the Borrower and its Subsidiaries as filed in the Form 10 filing with the SEC for the quarter ended December 31, 2007, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal quarter of the Borrower and its Subsidiaries, including the notes thereto.

"Unfunded Pension Liability" means the excess of a Pension Plan's benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Pension Plan's assets, determined in accordance with the assumptions used for funding the Pension Plan pursuant to Section 412 of the Internal Revenue Code for the applicable plan year.

"Unissued Letter of Credit Commitment" means, with respect to any Issuing Bank, the obligation of such Issuing Bank to issue Letters of Credit for the account of the Borrower or its specified Subsidiaries in an amount equal to the excess of (a) the amount of its Letter of Credit

Commitment over (b) the aggregate Available Amount of all Letters of Credit issued by such Issuing Bank.

"Unused Commitment" means, with respect to each Lender at any time, (a) such Lender's Revolving Credit Commitment at such time minus (b) the sum of (i) the aggregate principal amount of all Advances made by such Lender (in its capacity as a Lender) and outstanding at such time, plus (ii) such Lender's Ratable Share of (A) the aggregate Available Amount of all the Letters of Credit outstanding at such time and (B) the aggregate principal amount of all Advances made by each Issuing Bank pursuant to Section 2.03(c) that have not been ratably funded by such Lender and outstanding at such time.

"Voting Stock" means capital stock issued by a corporation, or equivalent interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.

SECTION 1.02. Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

SECTION 1.03. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles consistent with those applied in the preparation of the financial statements referred to in Section 4.01(e) ("GAAP").

ARTICLE II

AMOUNTS AND TERMS OF THE ADVANCES AND LETTERS OF CREDIT

SECTION 2.01. The Advances and Letters of Credit. (a) The Advances. Each Lender severally agrees, on the terms and conditions hereinafter set forth, to make Advances to the Borrower from time to time on any Business Day during the period from the Effective Date until the Termination Date applicable to such Lender in an amount not to exceed such Lender's Unused Commitment. Each Borrowing shall be in an amount not less than the Borrowing Minimum or the Borrowing Multiple in excess thereof and shall consist of Advances of the same Type and in the same currency made on the same day by the Lenders ratably according to their respective Revolving Credit Commitments. Within the limits of each Lender's Revolving Credit Commitment, the Borrower may borrow under this Section 2.01(a), prepay pursuant to Section 2.10 and reborrow under this Section 2.01(a).

(b) Letters of Credit. Each Issuing Bank agrees, on the terms and conditions hereinafter set forth, in reliance upon the agreements of the other Lenders set forth in this Agreement, to issue letters of credit (each, a "Letter of Credit") for the account of the Borrower and its specified Subsidiaries from time to time on any Business Day during the period from the Effective Date until 30 days before the Termination Date applicable to such Issuing Bank in an aggregate Available Amount (i) for all Letters of Credit issued by each Issuing Bank not to exceed at any time the lesser of (x) the Letter of Credit Facility at such time and (y) such Issuing Bank's Letter of Credit Commitment at such time and (ii) for each such Letter of Credit not to exceed an amount equal to the Unused Commitments of the Lenders at such time. No Letter of Credit shall have an expiration date (including all rights of the Borrower or the beneficiary to require renewal) later than 10 Business Days before the final Termination Date, provided that no Letter of Credit may expire after the Termination Date of any Non-Consenting Lender if, after giving effect to such issuance, the aggregate Revolving Credit Commitments of the Consenting Lenders (including any replacement Lenders) for the period following such Termination Date

would be less than the Available Amount of the Letters of Credit expiring after such Termination Date. Within the limits referred to above, the Borrower may from time to time request the issuance of Letters of Credit under this Section 2.01(b). Each letter of credit listed on Schedule 2.01(b) shall be deemed to constitute a Letter of Credit issued hereunder, and each Lender that is an issuer of such a Letter of Credit shall, for purposes of Section 2.03, be deemed to be an Issuing Bank for each such letter of credit, provided than any renewal or replacement of any such letter of credit shall be issued by an Issuing Bank pursuant to the terms of this Agreement.

SECTION 2.02. Making the Advances. (a) Except as otherwise provided in Section 2.03(c), each Borrowing shall be made on notice, given not later than (x) 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Borrowing in the case of a Borrowing consisting of Eurodollar Rate Advances or (y) 11:00 A.M. (New York City time) on the date of the proposed Borrowing in the case of a Borrowing consisting of Base Rate Advances, by the Borrower to the Agent, which shall give to each Lender prompt notice thereof by telecopier. Each such notice of a Borrowing (a "Notice of Borrowing") shall be by telephone, confirmed immediately in writing, or telecopier in substantially the form of Exhibit B hereto, specifying therein the requested (i) date of such Borrowing, (ii) Type of Advances comprising such Borrowing, (iii) aggregate amount of such Borrowing, and (iv) in the case of a Borrowing consisting of Eurodollar Rate Advances, initial Interest Period for each such Advance. Each Lender shall, before 1:00 P.M. (New York City time) on the date of such Borrowing, make available for the account of its Applicable Lending Office to the Agent at the applicable Agent's Account, in same day funds, such Lender's ratable portion of such Borrowing. After the Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III, the Agent will make such funds available to the Borrower at the Agent's address referred to in Section 9.02 or at the applicable Payment Office, as the case may be.

(b) Anything in subsection (a) above to the contrary notwithstanding, (i) the Borrower may not select Eurodollar Rate Advances for any Borrowing if the aggregate amount of such Borrowing is less than the Borrowing Minimum or if the obligation of the Lenders to make Eurodollar Rate Advances shall then be suspended pursuant to Section 2.08 or 2.12 and (ii) the Eurodollar Rate Advances may not be outstanding as part of more than six separate Borrowings.

(c) Each Notice of Borrowing shall be irrevocable and binding on the Borrower. In the case of any Borrowing that the related Notice of Borrowing specifies is to be comprised of Eurodollar Rate Advances, the Borrower shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the date specified in such Notice of Borrowing for such Borrowing the applicable conditions set forth in Article III, including, without limitation, any loss (including loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Advance to be made by such Lender as part of such Borrowing when such Advance, as a result of such failure, is not made on such date.

(d) Unless the Agent shall have received notice from a Lender prior to the time of any Borrowing that such Lender will not make available to the Agent such Lender's ratable portion of such Borrowing, the Agent may assume that such Lender has made such portion available to the Agent on the date of such Borrowing in accordance with subsection (a) of this Section 2.02, as applicable, and the Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such ratable portion available to the Agent, such Lender and the Borrower severally agree to repay to the Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Agent, at (i) in the case of the Borrower, the interest rate applicable at the time to the Advances comprising such Borrowing

and (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall repay to the Agent such corresponding amount, such amount so repaid shall constitute such Lender's Advance as part of such Borrowing for purposes of this Agreement.

(e) The failure of any Lender to make the Revolving Credit to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation hereunder to make its Advance on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

SECTION 2.03. Issuance of and Drawings and Reimbursement Under Letters of Credit (a) Request for Issuance. (i) Each Letter of Credit shall be issued upon notice, given not later than 11:00 A.M. (New York City time) on the fifth Business Day prior to the date of the proposed Issuance of such Letter of Credit (or on such shorter notice as the applicable Issuing Bank may agree), by the Borrower to any Issuing Bank, and such Issuing Bank shall give the Agent prompt notice thereof. Each such notice by the Borrower of Issuance of a Letter of Credit (a "Notice of Issuance") shall be by telecopier or telephone, confirmed immediately in writing, specifying therein the requested (A) date of such Issuance (which shall be a Business Day), (B) Available Amount of such Letter of Credit, (C) expiration date of such Letter of Credit, (D) name and address of the beneficiary of such Letter of Credit and (E) form of such Letter of Credit, and such Letter of Credit shall be issued pursuant to such application and agreement for letter of credit as such Issuing Bank and the Borrower shall agree for use in connection with such requested Letter of Credit (a "Letter of Credit Agreement"). If the requested form of such Letter of Credit is acceptable to such Issuing Bank in its reasonable discretion (it being understood that any such form shall have only explicit documentary conditions to draw and shall not include discretionary conditions), such Issuing Bank will, upon fulfillment of the applicable conditions set forth in Section 3.02, make such Letter of Credit available to the Borrower at its office referred to in Section 9.02 or as otherwise agreed with the Borrower in connection with such Issuance. In the event and to the extent that the provisions of any Letter of Credit Agreement shall conflict with this Agreement, the provisions of this Agreement shall govern.

(b) Participations. By the Issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing or decreasing the amount thereof) and without any further action on the part of the applicable Issuing Bank or the Lenders, such Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from such Issuing Bank, a participation in such Letter of Credit equal to such Lender's Ratable Share of the Available Amount of such Letter of Credit. The Borrower hereby agrees to each such participation. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Agent, for the account of such Issuing Bank, such Lender's Ratable Share of each drawing made under a Letter of Credit funded by such Issuing Bank and not reimbursed by the Borrower on the date made, or of any reimbursement payment required to be refunded to the Borrower for any reason, which amount will be advanced, and deemed to be an Advance to the Borrower hereunder, regardless of the satisfaction of the conditions set forth in Section 3.03. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Revolving Credit Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Lender further acknowledges and agrees that its participation in each Letter of Credit will be automatically adjusted to reflect such Lender's Ratable Share of the Available Amount of such Letter of Credit at each time such Lender's Revolving Credit Commitment is amended pursuant to a Commitment Increase in accordance with Section 2.18, an assignment in accordance with Section 9.07 or otherwise pursuant to this Agreement.

(c) Drawing and Reimbursement. The payment by an Issuing Bank of a draft drawn under any Letter of Credit which is not reimbursed by the Borrower on the date made shall constitute for all purposes of this Agreement the making by any such Issuing Bank of an Advance, which shall be a Base Rate Advance, in the amount of such draft, without regard to whether the making of such an Advance would exceed such Issuing Bank's Unused Commitment. Each Issuing Bank shall give prompt notice of each drawing under any Letter of Credit issued by it to the Borrower and the Agent. Upon written demand by such Issuing Bank made to the Agent, with a copy of such demand to the Borrower, which the Agent shall promptly forward to each Lender, each Lender shall pay to the Agent such Lender's Ratable Share of such outstanding Advance pursuant to Section 2.03(b). Each Lender acknowledges and agrees that its obligation to make Advances pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Revolving Credit Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Promptly after receipt thereof, the Agent shall transfer such funds to such Issuing Bank. Each Lender agrees to fund its Ratable Share of an outstanding Advance on (i) the Business Day on which demand therefor is made by such Issuing Bank, provided that notice of such demand is given not later than 11:00 A.M. (New York City time) on such Business Day, or (ii) the first Business Day next succeeding such demand if notice of such demand is given after such time. If and to the extent that any Lender shall not have so made the amount of such Advance available to the Agent, such Lender agrees to pay to the Agent forthwith on demand such amount together with interest thereon, for each day from the date of demand by any such Issuing Bank until the date such amount is paid to the Agent, at the Federal Funds Rate for its account or the account of such Issuing Bank, as applicable. If such Lender shall pay to the Agent such amount for the account of any such Issuing Bank on any Business Day, such amount so paid in respect of principal shall constitute an Advance made by such Lender on such Business Day for purposes of this Agreement, and the outstanding principal amount of the Advance made by such Issuing Bank shall be reduced by such amount on such Business Day.

(d) Letter of Credit Reports. Each Issuing Bank shall furnish (A) to the Agent (with a copy to the Borrower) on the first Business Day of each month a written report summarizing the Issuance and expiration dates of Letters of Credit issued by such Issuing Bank during the preceding month and drawings during such month under all Letters of Credit issued by such Issuing Bank and (B) to the Agent (with a copy to the Borrower) on the first Business Day of each calendar quarter a written report setting forth the average daily aggregate Available Amount during the preceding calendar quarter of all Letters of Credit issued by such Issuing Bank. The Agent shall promptly forward to each Lender each report delivered to it in accordance with this Section 2.03(d).

(e) Failure to Make Advances. The failure of any Lender to make the Advance to be made by it on the date specified in Section 2.03(c) shall not relieve any other Lender of its obligation hereunder to make its Advance on such date, but no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on such date.

SECTION 2.04. Fees. (a) Facility Fee. The Borrower agrees to pay to the Agent for the account of each Lender a facility fee on the aggregate amount of such Lender's Revolving Credit Commitment from the earlier of (x) the date that is 60 days after the date hereof and (y) the Effective Date, in the case of each Initial Lender and from the effective date specified in the Assumption Agreement or in the Assignment and Acceptance pursuant to which it became a Lender (but no sooner than the date upon which such fee becomes payable to the Initial Lenders) in the case of each other Lender until the Termination Date applicable to such Lender at a rate per annum equal to the Applicable Percentage in effect from time to time, payable in arrears quarterly on the last day of each March, June, September and December, commencing June 30, 2008, and on the final Termination Date.

(b) Letter of Credit Fees. (i) The Borrower shall pay to the Agent for the account of each Lender a commission on such Lender's Ratable Share of the average daily aggregate Available Amount of all Letters of Credit issued for the account of the Borrower and outstanding from time to time at a rate per annum equal to the sum of (x) the Applicable Margin for Eurodollar Rate Advances in effect from time to time during such calendar quarter plus (y) the Applicable Utilization Fee in effect from time to time, payable in arrears quarterly on the last day of each March, June, September and December, commencing with the quarter ended June 30, 2008, and on the final Termination Date; provided that the Applicable Margin shall be 2% above the Applicable Margin in effect upon the occurrence and during the continuation of an Event of Default if the Borrower is required to pay Default Interest pursuant to Section 2.07(b).

(ii) The Borrower shall pay to each Issuing Bank, for its own account, a fronting fee equal to 0.125% per annum, payable in arrears quarterly five days after the last day of each March, June, September and December, commencing with the quarter ended June 30, 2008, and such other commissions, issuance fees, transfer fees and other fees and charges in connection with the Issuance or administration of each Letter of Credit as the Borrower and such Issuing Bank shall agree.

(c) Agent's Fees. The Borrower shall pay to the Agent for its own account such fees as may from time to time be agreed between the Borrower and the Agent.

SECTION 2.05. Termination or Reduction of the Commitments. The Borrower shall have the right, upon at least three Business Days' notice to the Agent, to terminate in whole or permanently reduce ratably in part the Unused Commitments or the Unissued Letter of Credit Commitments of the Lenders, provided that each partial reduction shall be in the aggregate amount of $10,000,000 or an integral multiple of $1,000,000 in excess thereof.

SECTION 2.06. Repayment of Advances and Letter of Credit Drawings. (a) Advances. The Borrower shall repay to the Agent for the ratable account of each Lender on the Termination Date applicable to such Lender the aggregate principal amount of the Advances made to it by such Lender and then outstanding.

(b) Letter of Credit Drawings. The obligations of the Borrower under any Letter of Credit Agreement and any other agreement or instrument relating to any Letter of Credit issued for the account of the Borrower shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement, such Letter of Credit Agreement and such other agreement or instrument under all circumstances, including, without limitation, the following circumstances (it being understood that any such payment by the Borrower is without prejudice to, and does not constitute a waiver of, any rights the Borrower might have or might acquire as a result of the payment by any Lender of any draft or the reimbursement by the Borrower thereof):

(i) any lack of validity or enforceability of this Agreement, any Note, any Letter of Credit Agreement, any Letter of Credit or any other agreement or instrument relating thereto (all of the foregoing being, collectively, the "L/C Related Documents");

(ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the obligations of the Borrower in respect of any L/C Related Document or any other amendment or waiver of or any consent to departure from all or any of the L/C Related Documents;

(iii) the existence of any claim, set-off, defense or other right that the Borrower may have at any time against any beneficiary or any transferee of a Letter of Credit (or any Persons for which any such beneficiary or any such transferee may be acting), any Issuing Bank, the Agent, any Lender or any other Person, whether in connection with the transactions contemplated by the L/C Related Documents or any unrelated transaction;

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

(v) payment by any Issuing Bank under a Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit;

(vi) any exchange, release or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any guarantee, for all or any of the obligations of the Borrower in respect of the L/C Related Documents; or

(vii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including, without limitation, any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower or a guarantor.

SECTION 2.07. Interest on Advances. (a) Scheduled Interest. The Borrower shall pay interest on the unpaid principal amount of each Advance made to it and owing to each Lender from the date of such Advance until such principal amount shall be paid in full, at the following rates per annum:

(i) Base Rate Advances. During such periods as such Advance is a Base Rate Advance, a rate per annum equal at all times to the sum of (x) the Base Rate in effect from time to time plus (y) the Applicable Margin in effect from time to timeplus (z) the Applicable Utilization Fee in effect from time to time, payable in arrears quarterly on the last day of each March, June, September and December during such periods and on the date such Base Rate Advance shall be Converted or paid in full.

(ii) Eurodollar Rate Advances. During such periods as such Advance is a Eurodollar Rate Advance, a rate per annum equal at all times during each Interest Period for such Advance to the sum of (x) the Eurodollar Rate for such Interest Period for such Advance plus (y) the Applicable Margin in effect from time to timeplus (z) the Applicable Utilization Fee in effect from time to time, payable in arrears on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on each day that occurs during such Interest Period every three months from the first day of such Interest Period and on the date such Eurodollar Rate Advance shall be Converted or paid in full.

(b) Default Interest. Upon the occurrence and during the continuance of an Event of Default under Section 6.01(a), the Agent may, and upon the request of the Required Lenders shall, require the Borrower to pay interest ("Default Interest") on (i) the unpaid overdue principal amount of each Advance owing to each Lender, payable in arrears on the dates referred to in clause (a)(i) or (a)(ii) above, at a rate per annum equal at all times to 2% per annum above the rate per annum required to be paid on such Advance pursuant to clause (a)(i) or (a)(ii) above and (ii) to the fullest extent permitted by law, the amount of any interest, fee or other amount payable hereunder that is not paid when due, from the date such amount shall be due until such amount shall be paid in full, payable in arrears on the date such amount shall be paid in full and on demand, at a rate per annum equal at all times to 2% per annum above the rate per annum required to be paid on Base Rate Advances pursuant to clause (a)(i) above; provided,

however, that following acceleration of the Advances pursuant to Section 6.01, Default Interest shall accrue and be payable hereunder whether or not previously required by the Agent.

(c) Regulation D Compensation. Each Lender who is required under regulations of the Board of Governors of the Federal Reserve System of the United States of America to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency Liabilities, may require the Borrower to pay, contemporaneously with each payment of interest on the Eurodollar Advances, additional interest on the related Eurodollar Advance of such Lender at a rate per annum determined by such Lender up to but not exceeding the excess of (i)(A) the applicable Eurodollar Rate divided by (B) one minus the Eurodollar Rate Reserve Percentage over (ii) the applicable Eurodollar Rate. Any Lender wishing to require payment of such additional interest (x) shall so notify the Borrower and the Agent, in which case such additional interest on the Eurodollar Advances of such Lender shall be payable to such Lender at the place indicated in such notice with respect to each Interest Period commencing at least three Business Days after the giving of such notice and (y) shall notify the Borrower at least five Business Days prior to each date on which interest is payable on the Eurodollar Advances of the amount then due it under this Section.

SECTION 2.08. Interest Rate Determination. (a) Each Reference Bank agrees, if requested by the Agent, to furnish to the Agent timely information for the purpose of determining each Eurodollar Rate. If any one or more of the Reference Banks shall not furnish such timely information to the Agent for the purpose of determining any such interest rate, the Agent shall determine such interest rate on the basis of timely information furnished by the remaining Reference Banks. The Agent shall give prompt notice to the Borrower and the Lenders of the applicable interest rate determined by the Agent for purposes of Section 2.07(a)(i) or (ii), and the rate, if any, furnished by each Reference Bank for the purpose of determining the interest rate under Section 2.07(a)(ii).

(b) If, with respect to any Eurodollar Rate Advances, the Required Lenders notify the Agent that (i) they are unable to obtain matching deposits in the London inter-bank market at or about 11:00 A.M. (London time) on the second Business Day before the making of a Borrowing in sufficient amounts to fund their respective Advances as a part of such Borrowing during its Interest Period or (ii) the Eurodollar Rate for any Interest Period for such Advances will not adequately reflect the cost to such Required Lenders of making, funding or maintaining their respective Eurodollar Rate Advances for such Interest Period, the Agent shall forthwith so notify the Borrower and the Lenders, whereupon (A) the Borrower will, on the last day of the then existing Interest Period therefor, either (x) prepay such Advances or (y) Convert such Advances into Base Rate Advances and (B) the obligation of the Lenders to make, or to Convert Advances into, Eurodollar Rate Advances shall be suspended until the Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

(c) If the Borrower shall fail to select the duration of any Interest Period for any Eurodollar Rate Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01, the Agent will forthwith so notify the Borrower and the Lenders and such Advances will automatically, on the last day of the then existing Interest Period therefor, Convert into Base Rate Advances.

(d) On the date on which the aggregate unpaid principal amount of Eurodollar Rate Advances comprising any Borrowing shall be reduced, by payment or prepayment or otherwise, to less than the Borrowing Minimum, such Advances shall automatically Convert into Base Rate Advances.

(e) Upon the occurrence and during the continuance of any Event of Default, (i) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor,

be Converted into a Base Rate Advance and (ii) the obligation of the Lenders to make, or to Convert Advances into, Eurodollar Rate Advances shall be suspended.

(f) If Reuters LIBOR01 Page (and any successor page) is unavailable and no Reference Bank has furnished timely information to the Agent for determining the Eurodollar Rate for any Eurodollar Rate Advances after the Agent has requested such information,

(i) the Agent shall forthwith notify the Borrower and the Lenders that the interest rate cannot be determined for such Eurodollar Rate Advances,

(ii) each such Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance (or if such Advance is then a Base Rate Advance, will continue as a Base Rate Advance), and

(iii) the obligation of the Lenders to make Eurodollar Rate Advances or to Convert Advances into Eurodollar Rate Advances shall be suspended until the Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

SECTION 2.09. Optional Conversion of Advances. The Borrower may on any Business Day, upon notice given to the Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Conversion and subject to the provisions of Sections 2.08 and 2.12, Convert all Advances of one Type comprising the same Borrowing into Advances of the other Type; provided, however, that any Conversion of Eurodollar Rate Advances into Base Rate Advances shall be made only on the last day of an Interest Period for such Eurodollar Rate Advances, any Conversion of Base Rate Advances into Eurodollar Rate Advances shall be in an amount not less than the minimum amount specified in Section 2.02(b) and no Conversion of any Advances shall result in more separate Borrowings than permitted under Section 2.02(b). Each such notice of a Conversion shall, within the restrictions specified above, specify (i) the date of such Conversion, (ii) the Advances to be Converted, and (iii) if such Conversion is into Eurodollar Rate Advances, the duration of the initial Interest Period for each such Advance. Each notice of Conversion shall be irrevocable and binding on the Borrower.

SECTION 2.10. Optional Prepayments of Advances. The Borrower may, upon notice at least two Business Days' prior to the date of such prepayment, in the case of Eurodollar Rate Advances, and not later than 11:00 A.M. (New York City time) on the date of such prepayment, in the case of Base Rate Advances, to the Agent stating the proposed date and aggregate principal amount of the prepayment, and if such notice is given the Borrower shall, prepay the outstanding principal amount of the Advances comprising part of the same Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid; provided, however, that (x) each partial prepayment of Advances shall be in an aggregate principal amount of not less than the Borrowing Minimum or a Borrowing Multiple in excess thereof and (y) in the event of any such prepayment of a Eurodollar Rate Advance, the Borrower shall be obligated to reimburse the Lenders in respect thereof pursuant to Section 9.04(c).

SECTION 2.11. Increased Costs. (a) If, due to either (i) the introduction of or any change in or in the interpretation of any law or regulation or (ii) the compliance with any guideline or request from any central bank or other governmental authority including, without limitation, any agency of the European Union or similar monetary or multinational authority (whether or not having the force of law), there shall be any increase in the cost to any Lender of agreeing to make or making, funding or maintaining Eurodollar Rate Advances or of agreeing to issue or of issuing or maintaining or participating in Letters of Credit (excluding for purposes of this Section 2.11 any such increased costs resulting from

(i) Taxes or Other Taxes (as to which Section 2.14 shall govern) and (ii) changes in the basis of taxation of overall net income or overall gross income by the United States or by the foreign jurisdiction or state under the laws of which such Lender is organized or has its Applicable Lending Office or any political subdivision thereof), then the Borrower shall from time to time, upon demand by such Lender (with a copy of such demand to the Agent), pay to the Agent for the account of such Lender additional amounts sufficient to compensate such Lender for such increased cost; provided, however, that before making any such demand, each Lender agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to designate a different Applicable Lending Office if the making of such designation would avoid the need for, or reduce the amount of, such increased cost and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender. A certificate as to the amount of such increased cost, submitted to the Borrower and the Agent by such Lender, shall be conclusive and binding for all purposes, absent manifest error.

(b) If any Lender determines that compliance with any law or regulation or any guideline or request from any central bank or other governmental authority (whether or not having the force of law) affects or would affect the amount of capital required or expected to be maintained by such Lender or any corporation controlling such Lender and that the amount of such capital is increased by or based upon the existence of such Lender's commitment to lend or to issue or participate in Letters of Credit hereunder and other commitments of such type or the issuance or maintenance of or participation in the Letters of Credit (or similar contingent obligations), then, upon demand by such Lender (with a copy of such demand to the Agent), the Borrower shall pay to the Agent for the account of such Lender, from time to time as specified by such Lender, additional amounts sufficient to compensate such Lender or such corporation in the light of such circumstances, to the extent that such Lender reasonably determines such increase in capital to be allocable to the existence of such Lender's commitment to lend or to issue or participate in Letters of Credit hereunder or to the issuance or maintenance of or participation in any Letters of Credit. A certificate as to such amounts submitted to the Borrower and the Agent by such Lender shall be conclusive and binding for all purposes, absent manifest error.

(c) Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate such Lender pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender notifies the Borrower of the change in law or circumstance giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; provided further that, if the change in law or circumstance giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.12. Illegality. Notwithstanding any other provision of this Agreement, if any Lender shall notify the Agent that the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or any central bank or other governmental authority asserts that it is unlawful, for such Lender or its Eurodollar Lending Office to perform its obligations hereunder to make Eurodollar Rate Advances or to fund or maintain Eurodollar Rate Advances hereunder, the obligation of such Lender to make Eurodollar Rate Advances or to Convert Advances into Eurodollar Rate Advances shall be suspended until the Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist. Upon receipt of such notice, the Borrower shall, upon demand from such Lender (with a copy to the Agent), prepay or, if applicable, convert all Eurodollar Rate Loans of such Lender to Base Rate Loans, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Rate Loans. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted. Each Lender agrees to designate a different Applicable Lending Office if such designation will avoid the need

for such notice and will not, in the good faith judgment of such Lender, otherwise be materially disadvantageous to such Lender. As to any such affected Lender, any Eurodollar Rate Loan will be funded as a Base Rate Loan.

SECTION 2.13. Payments and Computations. (a) The Borrower shall make each payment hereunder, irrespective of any right of counterclaim or set-off, not later than 11:00 A.M. (New York City time) on the day when due in Dollars to the Agent at the applicable Agent's Account in same day funds. The Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest, fees or commissions ratably (other than amounts payable pursuant to Section 2.04(b), 2.11, 2.14 or 9.04(c)) to the Lenders for the account of their respective Applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon any Assuming Lender becoming a Lender hereunder as a result of a Commitment Increase pursuant to Section 2.18 or an extension of the Termination Date pursuant to Section 2.19, and upon the Agent's receipt of such Lender's Assumption Agreement and recording of the information contained therein in the Register, from and after the applicable Increase Date or Extension Date, as the case may be, the Agent shall make all payments hereunder and under any Notes issued in connection therewith in respect of the interest assumed thereby to the Assuming Lender. Upon its acceptance of an Assignment and Acceptance and recording of the information contained therein in the Register pursuant to Section 9.07(c), from and after the effective date specified in such Assignment and Acceptance, the Agent shall make all payments hereunder and under the Notes in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Acceptance shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) The Borrower hereby authorizes each Lender, if and to the extent payment owed to such Lender is not made when due hereunder or under the Note held by such Lender, to charge from time to time against any or all of the Borrower's accounts with such Lender any amount so due.

(c) All computations of interest based on the Base Rate shall be made by the Agent on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on the Eurodollar Rate or the Federal Funds Rate and of fees and Letter of Credit commissions shall be made by the Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest, fees or commissions are payable. Each determination by the Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(d) Whenever any payment hereunder or under the Notes shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest, fee or commission, as the case may be; provided, however, that, if such extension would cause payment of interest on or principal of Eurodollar Rate Advances to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(e) Unless the Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Lenders hereunder that the Borrower will not make such payment in full, the Agent may assume that the Borrower has made such payment in full to the Agent on such date and the Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent the Borrower shall not have so made such payment in full to the Agent, each Lender shall repay to the Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date

such amount is distributed to such Lender until the date such Lender repays such amount to the Agent, at the Federal Funds Rate.

SECTION 2.14. Taxes. (a) Any and all payments by the Borrower to or for the account of any Lender or the Agent hereunder or under the Notes or any other documents to be delivered hereunder shall be made, in accordance with Section 2.13 or the applicable provisions of such other documents, free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of each Lender and the Agent, taxes imposed on its overall net income, and franchise taxes imposed on it in lieu of net income taxes, by the jurisdiction under the laws of which such Lender or the Agent (as the case may be) is organized or any political subdivision thereof and, in the case of each Lender, taxes imposed on its overall net income, and franchise taxes imposed on it in lieu of net income taxes, by the jurisdiction of such Lender's Applicable Lending Office or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities in respect of payments hereunder or under the Notes being hereinafter referred to as "Taxes"). If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder or under any Note or any other documents to be delivered hereunder to any Lender or the Agent, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.14) such Lender or the Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies that arise from any payment made hereunder or under the Notes or any other documents to be delivered hereunder or from the execution, delivery or registration of, performing under, or otherwise with respect to, this Agreement or the Notes or any other documents to be delivered hereunder (hereinafter referred to as "Other Taxes").

(c) The Borrower shall indemnify each Lender and the Agent for and hold it harmless against the full amount of Taxes or Other Taxes (including, without limitation, taxes of any kind imposed or asserted by any jurisdiction on amounts payable under this Section 2.14) imposed on or paid by such Lender or the Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. This indemnification shall be made within 30 days from the date such Lender or the Agent (as the case may be) makes written demand thereof.

(d) Within 30 days after the date of any payment of Taxes, the Borrower shall furnish to the Agent, at its address referred to in Section 9.02, the original or a certified copy of a receipt evidencing such payment to the extent such a receipt is issued therefor, or other written proof of payment thereof that is reasonably satisfactory to the Agent. In the case of any payment hereunder or under the Notes or any other documents to be delivered hereunder by or on behalf of the Borrower through an account or branch outside the United States or by or on behalf of the Borrower by a payor that is not a United States person, if the Borrower determines that no Taxes are payable in respect thereof, the Borrower shall furnish, or shall cause such payor to furnish, to the Agent, at such address, an opinion of counsel acceptable to the Agent stating that such payment is exempt from Taxes. For purposes of this subsection (d) and subsection (e), the terms "United States" and "United States person" shall have the meanings specified in Section 7701 of the Internal Revenue Code.

(e) Each Lender organized under the laws of a jurisdiction outside the United States, on or prior to the date of its execution and delivery of this Agreement in the case of each Initial Lender and on the date of the Assumption Agreement or the Assignment and Acceptance pursuant to which it

becomes a Lender in the case of each other Lender, and from time to time thereafter as reasonably requested in writing by the Borrower (but only so long as such Lender remains lawfully able to do so), shall provide each of the Agent and the Borrower with two original Internal Revenue Service Forms W-8BEN or W-8ECI, as appropriate, or any successor or other form prescribed by the Internal Revenue Service, certifying that such Lender is exempt from or entitled to a reduced rate of United States withholding tax on payments pursuant to this Agreement or the Notes. If the form provided by a Lender at the time such Lender first becomes a party to this Agreement indicates a United States interest withholding tax rate in excess of zero, withholding tax at such rate shall be considered excluded from Taxes unless and until such Lender provides the appropriate forms certifying that a lesser rate applies, whereupon withholding tax at such lesser rate only shall be considered excluded from Taxes for periods governed by such form; provided, however, that, if at the date of the Assignment and Acceptance pursuant to which a Lender assignee becomes a party to this Agreement, the Lender assignor was entitled to payments under subsection (a) in respect of United States withholding tax with respect to interest paid at such date, then, to such extent, the term Taxes shall include (in addition to withholding taxes that may be imposed in the future or other amounts otherwise includable in Taxes) United States withholding tax, if any, applicable with respect to the Lender assignee on such date. If any form or document referred to in this subsection (e) requires the disclosure of information, other than information necessary to compute the tax payable and information required on the date hereof by Internal Revenue Service Form W-8BEN or W-8ECI, that the Lender reasonably considers to be confidential, the Lender shall give notice thereof to the Borrower and shall not be obligated to include in such form or document such confidential information.

(f) For any period with respect to which a Lender has failed to provide the Borrower with the appropriate form, certificate or other document described in Section 2.14(e) (other than if such failure is due to a change in law, or in the interpretation or application thereof, occurring subsequent to the date on which a form, certificate or other document originally was required to be provided, or if such form, certificate or other document otherwise is not required under subsection (e) above), such Lender shall not be entitled to indemnification under Section 2.14(a) or (c) with respect to Taxes imposed by the United States by reason of such failure; provided, however, that should a Lender become subject to Taxes because of its failure to deliver a form, certificate or other document required hereunder, the Borrower shall take such steps as the Lender shall reasonably request to assist the Lender to recover such Taxes.

(g) If any Lender determines, in its sole discretion, that it has actually and finally realized, by reason of a refund of any Taxes paid or reimbursed by the Borrower pursuant to subjection (a) or (c) above in respect of payments under the Credit Agreement or the Notes, a current monetary benefit that it would otherwise not have obtained, and that would result in the total payments under this Section 2.14 exceeding the amount needed to make such Lender whole, such Lender shall pay to the Borrower, with reasonable promptness following the date on which it actually realizes such benefit, an amount equal to the lesser of the amount of such benefit or the amount of such excess, in each case net of all out-of-pocket expenses in securing such refund.

SECTION 2.15. Sharing of Payments, Etc. If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Advances owing to it (other than (x) as payment of an Advance made by an Issuing Bank pursuant to the first sentence of Section 2.03(c) or (y) pursuant to Section 2.11, 2.14 or 9.04(c)) in excess of its Ratable Share of payments on account of the Advances obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in the Advances owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to

such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.15 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

SECTION 2.16. Evidence of Debt. (a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Advance owing to such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder in respect of Advances. The Borrower agrees that upon notice by any Lender to the Borrower (with a copy of such notice to the Agent) to the effect that a Note is required or appropriate in order for such Lender to evidence (whether for purposes of pledge, enforcement or otherwise) the Advances owing to, or to be made by, such Lender, the Borrower shall promptly execute and deliver to such Lender a Note payable to the order of such Lender in a principal amount up to the Revolving Credit Commitment of such Lender.

(b) The Register maintained by the Agent pursuant to Section 9.07(d) shall include a control account, and a subsidiary account for each Lender, in which accounts (taken together) shall be recorded (i) the date and amount of each Borrowing made hereunder, the Type of Advances comprising such Borrowing and, if appropriate, the Interest Period applicable thereto, (ii) the terms of each Assumption Agreement and each Assignment and Acceptance delivered to and accepted by it, (iii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iv) the amount of any sum received by the Agent from the Borrower hereunder and each Lender's share thereof.

(c) Entries made in good faith by the Agent in the Register pursuant to subsection (b) above, and by each Lender in its account or accounts pursuant to subsection (a) above, shall be prima facie evidence of the amount of principal and interest due and payable or to become due and payable from the Borrower to, in the case of the Register, each Lender and, in the case of such account or accounts, such Lender, under this Agreement, absent manifest error; provided, however, that the failure of the Agent or such Lender to make an entry, or any finding that an entry is incorrect, in the Register or such account or accounts shall not limit or otherwise affect the obligations of the Borrower under this Agreement.

SECTION 2.17. Use of Proceeds. The proceeds of the Advances shall be available (and the Borrower agrees that it shall use such proceeds) solely for the purposes set forth in Section 5.01(j) hereof.

SECTION 2.18. Increase in the Aggregate Commitments. (a) The Borrower may, at any time but in any event not more than once in any calendar year prior to the final Termination Date, by notice to the Agent, request that the aggregate amount of the Commitment be increased by an amount of $10,000,000 or an integral multiple thereof (each a "Commitment Increase") to be effective as of a date that is at least 90 days prior to the scheduled final Termination Date then in effect (the "Increase Date") as specified in the related notice to the Agent; provided, however that (i) in no event shall the aggregate amount of the Commitments at any time exceed $600,000,000 and (ii) on the date of any request by the Borrower for a Commitment Increase and on the related Increase Date the applicable conditions set forth in Section 3.02 shall be satisfied.

(b) The Agent shall promptly notify the Lenders of a request by the Borrower for a Commitment Increase, which notice shall include (i) the proposed amount of such requested Commitment Increase, (ii) the proposed Increase Date and (iii) the date by which Lenders wishing to participate in the Commitment Increase must commit to an increase in the amount of their respective Commitments (the "Commitment Date"). Each Lender that is willing to participate in such requested Commitment Increase (each an "Increasing Lender") shall, in its sole discretion, give written notice to the Agent on or prior to the Commitment Date of the amount by which it is willing to increase its Commitment. If the Lenders notify the Agent that they are willing to increase the amount of their respective Commitments by an aggregate amount that exceeds the amount of the requested Commitment Increase, the requested Commitment Increase shall be allocated among the Lenders willing to participate therein in such amounts as are agreed between the Borrower and the Agent.

(c) Promptly following each Commitment Date, the Agent shall notify the Borrower as to the amount, if any, by which the Lenders are willing to participate in the requested Commitment Increase. If the aggregate amount by which the Lenders are willing to participate in any requested Commitment Increase on any such Commitment Date is less than the requested Commitment Increase, then the Borrower may extend offers to one or more Eligible Assignees to participate in any portion of the requested Commitment Increase that has not been committed to by the Lenders as of the applicable Commitment Date; provided, however, that the Commitment of each such Eligible Assignee shall be in an amount of $5,000,000 or an integral multiple of $1,000,000 in excess thereof.

(d) On each Increase Date, each Eligible Assignee that accepts an offer to participate in a requested Commitment Increase in accordance with Section 2.18(b) (each such Eligible Assignee and each Eligible Assignee that agrees to an extension of the Termination Date in accordance with Section 2.19(c), an "Assuming Lender") shall become a Lender party to this Agreement as of such Increase Date with a Commitment equal to the portion of the Commitment Increase it has accepted, and the Commitment of each Increasing Lender for such requested Commitment Increase shall be so increased by such amount (or by the amount allocated to such Lender pursuant to the last sentence of Section 2.18(b)) as of such Increase Date; provided, however, that the Agent shall have received on or before such Increase Date the following, each dated such date:

(i) (A) certified copies of resolutions of the Board of Directors of the Borrower or the Executive Committee of such Board approving the Commitment Increase and the corresponding modifications to this Agreement and (B) an opinion of counsel for the Borrower (which may be in-house counsel), in substantially the form of Exhibit E hereto;

(ii) an assumption agreement from each Assuming Lender, if any, in form and substance satisfactory to the Borrower and the Agent (each an "Assumption Agreement"), duly executed by such Eligible Assignee, the Agent and the Borrower; and

(iii) confirmation from each Increasing Lender of the increase in the amount of its Commitment in a writing satisfactory to the Borrower and the Agent.

On each Increase Date, upon fulfillment of the conditions set forth in the immediately preceding sentence of this Section 2.18(d), the Agent shall notify the Lenders (including, without limitation, each Assuming Lender) and the Borrower, on or before 1:00 P.M. (New York City time), by telecopier, of the occurrence of the Commitment Increase to be effected on such Increase Date and shall record in the Register the relevant information with respect to each Increasing Lender and each Assuming Lender on such date. Each Increasing Lender and each Assuming Lender shall, before 2:00 P.M. (New York City time) on the Increase Date, make available for the account of its Applicable Lending Office to the Agent at the Agent's Account, in same day funds, in the case of such Assuming Lender, an amount equal to such

Assuming Lender's ratable portion of the Borrowings then outstanding (calculated based on its Revolving Credit Commitment as a percentage of the aggregate Revolving Credit Commitments outstanding after giving effect to the relevant Commitment Increase) and, in the case of such Increasing Lender, an amount equal to the excess of (i) such Increasing Lender's ratable portion of the Borrowings then outstanding (calculated based on its Revolving Credit Commitment as a percentage of the aggregate Revolving Credit Commitments outstanding after giving effect to the relevant Commitment Increase) over (ii) such Increasing Lender's ratable portion of the Borrowings then outstanding (calculated based on its Revolving Credit Commitment (without giving effect to the relevant Commitment Increase) as a percentage of the aggregate Revolving Credit Commitments (without giving effect to the relevant Commitment Increase). After the Agent's receipt of such funds from each such Increasing Lender and each such Assuming Lender, the Agent will promptly thereafter cause to be distributed like funds to the other Lenders for the account of their respective Applicable Lending Offices in an amount to each other Lender such that the aggregate amount of the outstanding Advances owing to each Lender after giving effect to such distribution equals such Lender's ratable portion of the Borrowings then outstanding (calculated based on its Revolving Credit Commitment as a percentage of the aggregate Revolving Credit Commitments outstanding after giving effect to the relevant Commitment Increase).

SECTION 2.19. Extension of Termination Date. (a) At least 45 days but not more than 60 days prior to the first and/or second anniversary of the Effective Date, the Borrower, by written notice to the Agent, may request an extension of the Termination Date in effect at such time by one year from its then scheduled expiration. The Agent shall promptly notify each Lender of such request, and each Lender shall in turn, in its sole discretion, not later than 20 days prior to the applicable anniversary date, notify the Borrower and the Agent in writing as to whether such Lender will consent to such extension. If any Lender shall fail to notify the Agent and the Borrower in writing of its consent to any such request for extension of the Termination Date at least 20 days prior to the applicable anniversary date, such Lender shall be deemed to be a Non-Consenting Lender with respect to such request. The Agent shall notify the Borrower not later than 15 days prior to the applicable anniversary date of the decision of the Lenders regarding the Borrower's request for an extension of the Termination Date.

(b) If all the Lenders consent in writing to any such request in accordance with subsection (a) of this Section 2.19, the Termination Date in effect at such time shall, effective as at the applicable anniversary date (the "Extension Date"), be extended for one year; provided that on each Extension Date the applicable conditions set forth in Article III shall be satisfied. If less than all of the Lenders consent in writing to any such request in accordance with subsection (a) of this Section 2.19, the Termination Date in effect at such time shall, effective as at the applicable Extension Date and subject to subsection (d) of this Section 2.19, be extended as to those Lenders that so consented (each a "Consenting Lender") but shall not be extended as to any other Lender (each a "Non-Consenting Lender"). To the extent that the Termination Date is not extended as to any Lender pursuant to this Section 2.19 and the Commitment of such Lender is not assumed in accordance with subsection (c) of this Section 2.19 on or prior to the applicable Extension Date, the Commitment of such Non-Consenting Lender shall automatically terminate in whole on such unextended Termination Date without any further notice or other action by the Borrower, such Lender or any other Person; provided that such Non-Consenting Lender's rights under Sections 2.11, 2.14 and 9.04, and its obligations under Section 9.04, shall survive the Termination Date for such Lender as to matters occurring prior to such date. It is understood and agreed that no Lender shall have any obligation whatsoever to agree to any request made by the Borrower for any requested extension of the Termination Date.

(c) If less than all of the Lenders consent to any such request pursuant to subsection (a) of this Section 2.19, the Agent shall promptly so notify the Consenting Lenders, and each Consenting Lender may, in its sole discretion, give written notice to the Agent not later than 10 days prior to the Termination Date of the amount of the Non-Consenting Lenders' Commitments for which it is willing to

accept an assignment. If the Consenting Lenders notify the Agent that they are willing to accept assignments of Commitments in an aggregate amount that exceeds the amount of the Commitments of the Non-Consenting Lenders, such Commitments shall be allocated among the Consenting Lenders willing to accept such assignments in such amounts as are agreed between the Borrower and the Agent. If after giving effect to the assignments of Commitments described above there remains any Commitments of Non-Consenting Lenders, the Borrower may arrange for one or more Consenting Lenders or other Eligible Assignees as Assuming Lenders to assume, effective as of the Extension Date, any Non-Consenting Lender's Commitment and all of the obligations of such Non-Consenting Lender under this Agreement thereafter arising, without recourse to or warranty by, or expense to, such Non-Consenting Lender; provided, however, that the amount of the Commitment of any such Assuming Lender as a result of such substitution shall in no event be less than $5,000,000 unless the amount of the Commitment of such Non-Consenting Lender is less than $5,000,000, in which case such Assuming Lender shall assume all of such lesser amount; and provided further that:

(i) any such Consenting Lender or Assuming Lender shall have paid to such Non-Consenting Lender (A) the aggregate principal amount of, and any interest accrued and unpaid to the effective date of the assignment on, the outstanding Advances, if any, of such Non-Consenting Lender plus (B) any accrued but unpaid facility fees owing to such Non-Consenting Lender as of the effective date of such assignment;

(ii) all additional costs reimbursements, expense reimbursements and indemnities payable to such Non-Consenting Lender, and all other accrued and unpaid amounts owing to such Non-Consenting Lender hereunder, as of the effective date of such assignment shall have been paid to such Non-Consenting Lender; and

(iii) with respect to any such Assuming Lender, the applicable processing and recordation fee required under Section 9.07(a) for such assignment shall have been paid;

provided further that such Non-Consenting Lender's rights under Sections 2.11, 2.14 and 9.04, and its obligations under Section 9.04, shall survive such substitution as to matters occurring prior to the date of substitution. At least three Business Days prior to any Extension Date, (A) each such Assuming Lender, if any, shall have delivered to the Borrower and the Agent an Assumption Agreement, duly executed by such Assuming Lender, such Non-Consenting Lender, the Borrower and the Agent, (B) any such Consenting Lender shall have delivered confirmation in writing satisfactory to the Borrower and the Agent as to the increase in the amount of its Commitment and (C) each Non-Consenting Lender being replaced pursuant to this Section 2.19 shall have delivered to the Agent any Note or Notes held by such Non-Consenting Lender. Upon the payment or prepayment of all amounts referred to in clauses (i), (ii) and (iii) of this Section 2.19(c), each such Consenting Lender or Assuming Lender, as of the Extension Date, will be substituted for such Non-Consenting Lender under this Agreement and shall be a Lender for all purposes of this Agreement, without any further acknowledgment by or the consent of the other Lenders, and the obligations of each such Non-Consenting Lender hereunder shall, by the provisions hereof, be released and discharged.

(d) If (after giving effect to any assignments or assumptions pursuant to subsection (c) of this Section 2.19) Lenders having Commitments equal to at least 50% of the Commitments in effect immediately prior to the Extension Date consent in writing to a requested extension (whether by execution or delivery of an Assumption Agreement or otherwise) not later than one Business Day prior to such Extension Date, the Agent shall so notify the Borrower, and, subject to the satisfaction of the applicable conditions in Article III, the Termination Date then in effect shall be extended for the additional one-year period as described in subsection (a) of this Section 2.19, and all references in this Agreement, and in the Notes, if any, to the "Termination Date" shall, with respect to each Consenting

Lender and each Assuming Lender for such Extension Date, refer to the Termination Date as so extended. Promptly following each Extension Date, the Agent shall notify the Lenders (including, without limitation, each Assuming Lender) of the extension of the scheduled Termination Date in effect immediately prior thereto and shall thereupon record in the Register the relevant information with respect to each such Consenting Lender and each such Assuming Lender.

ARTICLE III

CONDITIONS TO EFFECTIVENESS AND LENDING

SECTION 3.01. Conditions Precedent to Effectiveness of Section 2.01. Section 2.01 of this Agreement shall become effective on and as of the first date on or before March 31, 2008 (the "Effective Date") on which the following conditions precedent have been satisfied:

(a) There shall have occurred no Material Adverse Change since September 30, 2007.

(b) There shall exist no action, suit, investigation, litigation or proceeding affecting the Borrower or any of its Subsidiaries pending or threatened before any court, governmental agency or arbitrator that (i) could be reasonably likely to have a Material Adverse Effect other than the matters described on Schedule 3.01(b) hereto (the "Disclosed Litigation") or (ii) purports to affect the legality, validity or enforceability of this Agreement or any Note or the consummation of the transactions contemplated hereby, and there shall have been no material adverse change in the status, or financial effect on the Borrower or any of its Subsidiaries, of the Disclosed Litigation from that described on Schedule 3.01(b) hereto.

(c) Nothing shall have come to the attention of the Lenders during the course of their due diligence investigation to lead them to believe that the Information Memorandum was or has become misleading, incorrect or incomplete in any material respect; without limiting the generality of the foregoing, the Lenders shall have been given such access to the management, records, books of account, contracts and properties of the Borrower and its Subsidiaries as they shall have requested.

(d) All governmental and third party consents and approvals necessary in connection with the transactions contemplated hereby shall have been obtained (without the imposition of any conditions that are not acceptable to the Lenders) and shall remain in effect, and no law or regulation shall be applicable in the reasonable judgment of the Lenders that restrains, prevents or imposes materially adverse conditions upon the transactions contemplated hereby.

(e) The Borrower shall have notified the Agent in writing as to the proposed Effective Date.

(f) The Borrower shall have paid all accrued fees and expenses of the Agent (including the accrued fees and expenses of counsel to the Agent).

(g) On the Effective Date, the following statements shall be true and the Agent shall have received for the account of each Lender a certificate signed by a duly authorized officer of the Borrower, dated the Effective Date, stating that:

(i) The representations and warranties contained in Section 4.01 are correct on and as of the Effective Date, and

(ii) No event has occurred and is continuing that constitutes a Default.

(h) The Agent shall have received on or before the Effective Date the following, each dated such day, in form and substance satisfactory to the Agent and (except for the Notes) in sufficient copies for each Lender:

(i) The Notes to the order of the Lenders to the extent requested by any Lender pursuant to Section 2.16.

(ii) Certified copies of the resolutions of the Board of Directors of each Loan Party approving this Agreement each other Loan Document to which it is or is to become a party, and of all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to this Agreement and the Notes.

(iii) A certificate of the Secretary or an Assistant Secretary of each Loan Party certifying the names and true signatures of the officers of such Loan Party authorized to sign this Agreement each other Loan Document to which it is or is to become a party, and the other documents to be delivered hereunder.

(iv) A favorable opinion of Bracewell & Giuliani, LLP, counsel for the Loan Parties, substantially in the form of Exhibit E hereto and as to such other matters as any Lender through the Agent may reasonably request.

(v) A favorable opinion of Shearman & Sterling LLP, counsel for the Agent, in form and substance satisfactory to the Agent.

(i) The commitments of the lenders shall have been terminated, and all of the obligations shall have been repaid or prepaid under, the Multi-Year Credit Agreement dated as of July 28, 2004 among HII, the lenders parties thereto and Bank of America, N.A., as administrative agent, and each of the Lenders that is a party to such credit facility hereby waives, upon execution of this Agreement, any notice required by said Credit Agreement relating to the termination of commitments or payments thereunder.

(i) The Agent shall be satisfied that the Spin Transaction shall be consummated substantially contemporaneously with the Effective Date.

SECTION 3.02. Conditions Precedent to Each Borrowing, Issuance, Commitment Increase and Extension Date. The obligation of each Lender to make an Advance (other than an Advance made by any Issuing Bank or any Lender pursuant to Section 2.03(c)) on the occasion of each Borrowing, the obligation of each Issuing Bank to issue a Letter of Credit, each Commitment Increase and each extension of Commitments pursuant to Section 2.19 shall be subject to the conditions precedent that the Effective Date shall have occurred and on the date of such Borrowing, such issuance, the applicable Increase Date or the applicable Extension Date (as the case may be) the following statements shall be true (and each of the giving of the applicable Notice of Borrowing, Notice of Issuance, request for Commitment Increase, request for Commitment extension and the acceptance by the Borrower of the proceeds of such Borrowing, such issuance, such increase or such extension, shall constitute a representation and warranty by the Borrower that on the date of such Borrowing, such issuance, request for Commitment Increase or request for Commitment extension, that such statements are true):

(a) the representations and warranties contained in Section 4.01 are correct on and as of such date, before and after giving effect to such Borrowing, such issuance, such Commitment

Increase or such Extension Date and to the application of the proceeds therefrom, as though made on and as of such date, except for the purposes of this Section 3.02(a), (i) to the extent that such representations and warranties specifically refer to an earlier date, such representations and warranties shall be true and correct as of such earlier date, (ii) the representations and warranties contained in subsections (i) and (ii) of Section 4.01(e) shall be deemed to refer to the most recent financial statements furnished pursuant to subsections (i) and (ii), respectively, of Section 5.01(a), and (iii) the representations and warranties set forth in subsection 4.01(e)(iii) and in subsection 4.01(f)(i) need to be true and correct only as of the Effective Date, each Increase Date and each Extension Date, and

(b) no event has occurred and is continuing, or would result from such Borrowing, such issuance, such Commitment Increase or such Extension Date or from the application of the proceeds therefrom, that constitutes a Default.

SECTION 3.03. Determinations Under Section 3.01. For purposes of determining compliance with the conditions specified in Section 3.01, each Lender shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lenders unless an officer of the Agent responsible for the transactions contemplated by this Agreement shall have received notice from such Lender prior to the date that the Borrower, by notice to the Lenders, designates as the proposed Effective Date, specifying its objection thereto. The Agent shall promptly notify the Lenders of the occurrence of the Effective Date.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Borrower. The Borrower represents and warrants as follows:

(a) Each Loan Party (i) is a corporation or limited liability company duly organized or formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization, (ii) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (A) own its assets and carry on its business and (B) execute, deliver and perform its obligations under the Loan Documents to which it is a party, (iii) is duly qualified and is licensed and in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license, and (iv) is in compliance with all Laws; except in each case referred to in subsection (ii)(A), (iii) or (iv), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

(b) The execution, delivery and performance by each Loan Party of each Loan Document to which it is party, have been duly authorized by all necessary corporate or other organizational action, and do not (i) contravene the terms of any of such Person's Organization Documents; (ii) conflict with or result in any breach or contravention of, or the creation of any Lien under, (A) any Contractual Obligation to which the Borrower is a party, except to the extent that such breach, contravention or creation of any such Lien could not reasonably be expected to have a Material Adverse Effect or (B) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which the Borrower or its property is subject; or (iii) violate any material Law. No Subsidiary of the Borrower is in violation of any Law or in breach of any

Contractual Obligation, the violation of which could be reasonably likely to have a Material Adverse Effect.

(c) No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document to which it is a party.

(d) This Agreement has been, and each other Loan Document to which each Loan Party is a party, when delivered hereunder, will have been, duly executed and delivered by such Loan Party. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against such Loan Party in accordance with its terms, subject in the case of enforceability to the effects of bankruptcy and general principles of equity.

(e) (i) The Audited Financial Statements (A) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (B) fairly present the consolidated financial condition of the Borrower as of the date thereof and its consolidated results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (C) show all material indebtedness and other liabilities, direct or contingent, of the Borrower and its Subsidiaries as of the date thereof to the extent required by GAAP, including liabilities for taxes, material commitments and Indebtedness to the extent required by GAAP.

(ii) The Unaudited Financial Statements (A) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, (B) fairly present the consolidated financial condition of the Borrower as of the date thereof and its consolidated results of operations for the period covered thereby, except as expressly noted therein, and subject, in the case of clauses (A) and (B), to year-end audit adjustments, and (C) show all material indebtedness and other liabilities, direct or contingent, of the Borrower and its consolidated Subsidiaries as of the date thereof to the extent required by GAAP, including liabilities for taxes, material commitments and Indebtedness to the extent required by GAAP.

(iii) Since the date of the Audited Financial Statements, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

(f) There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Borrower after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against the Borrower or any of its Subsidiaries or against any of their properties or revenues that (i) except the Disclosed Litigation, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect and there has been no material adverse development in any Disclosed Litigation or (ii) purports to affect the legality, validity or enforceability of this Agreement or any other Loan Document or the consummation of the transactions contemplated hereby.

(g) Neither the Borrower nor any Subsidiary is in default under or with respect to any Indebtedness or Guarantee that could, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No Default has occurred and is continuing or would

result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

(h) The Borrower and its Subsidiaries conduct in the ordinary course of business a review of the effect of existing Environmental Laws and claims alleging potential liability or responsibility for violation of any Environmental Law on their respective businesses, operations and properties, and as a result thereof the Borrower has reasonably concluded that such Environmental Laws and claims could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(i) The properties of the Borrower and its Subsidiaries are insured with insurance companies or with a captive insurance company that is an Affiliate of the Borrower as to which the Agent may request reasonable evidence of financial responsibility, in such amounts, with such deductibles and covering such risks as are customarily carried by companies with similar financial capacity and engaged in similar businesses and owning similar properties in localities where the Borrower or the applicable Subsidiary operates.

(j) The Borrower and its Subsidiaries have filed all tax returns and reports required to be filed, and have paid all taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP and except for those tax returns, reports, taxes, assessments, fees and other governmental charges, which in the aggregate, could not reasonably be expected to have a Material Adverse Effect. The Borrower is not aware of any proposed tax assessment against the Borrower or any Subsidiary that would, if made, have a Material Adverse Effect.

(k) (i) Except as could not reasonably be expected to have a Material Adverse Effect, each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Internal Revenue Code and other Federal or state Laws. Except as could not reasonably be expected to have a Material Adverse Effect, no application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Internal Revenue Code has been made with respect to any Plan.

(ii) There are no pending or, to the best knowledge of the Borrower, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could be reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(iii) Except as could not be reasonably expected to have a Material Adverse Effect, (A) no ERISA Event has occurred or is reasonably expected to occur; (B) no Pension Plan has any Unfunded Pension Liability; (C) neither the Borrower nor any ERISA Affiliate has incurred, 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 Sections 4201 or 4243 of ERISA with respect to a Multiemployer Plan; and (D) neither the Borrower nor any ERISA Affiliate has engaged in a transaction that could be subject to Sections 4069 or 4212(c) of ERISA.

(l) (i) The Borrower is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying

margin stock and no proceeds of any Advances or drawings under any Letter of Credit will be used to purchase or carry any margin stock in violation of Regulation U or to extend credit to others for the purpose of purchasing or carrying any margin stock in violation of Regulation U.

(ii) Neither the Borrower nor any of its Subsidiaries is a "registered investment company" or a company "controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940.

Neither the making of the Advances, nor the issuance of the Letters of Credit or the application of the proceeds or repayment thereof by the Borrower, nor the consummation of other transactions contemplated hereunder, will violate any provision of the Investment Company Act of 1940 or any rule, regulation or order of the SEC.

(m) At the initial Borrowing and any Increase Date, the Borrower has disclosed to the Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information furnished (whether in writing or orally) by or on behalf of the Borrower to the Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading; provided that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

(n) Each of the Borrower and each Subsidiary is in compliance in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

ARTICLE V

COVENANTS OF THE BORROWER

SECTION 5.01. Affirmative Covenants. So long as any Advance shall remain unpaid, any Letter of Credit is outstanding or any Lender shall have any Commitment hereunder, the Borrower will:

(a) Financial Statements. Deliver to the Agent (for further distribution to each Lender):

(i) as soon as available, but in any event within 100 days after the end of each fiscal year of the Borrower (or within five days of such other time required by the SEC), a consolidated balance sheet of the Borrower as at the end of such fiscal year, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, and audited and accompanied by a

report and opinion of PricewaterhouseCoopers LLP or another independent certified public accountant of nationally recognized standing reasonably acceptable to the Agent, which report and opinion shall be prepared in accordance with generally accepted auditing standards; and

(ii) as soon as available, but in any event within 55 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, beginning with the quarter ending March 31, 2008, a consolidated balance sheet of the Borrower as at the end of such fiscal quarter, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal quarter and for the portion of the Borrower's fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail and certified by a Responsible Officer of the Borrower as fairly presenting the financial condition, results of operations, shareholders' equity and cash flows of the Borrower and its Subsidiaries in accordance with GAAP, subject only to year-end audit adjustments and the absence of footnotes.

As to any information contained in materials furnished pursuant to Section 5.01(b), the Borrower shall not be separately required to furnish such information under subsection (i) or (ii) above, but the foregoing shall not be in derogation of the obligation of the Borrower to furnish the information and materials described in subsections (i) and (ii) above at the times specified therein.

(b) Certificates; Other Information. Deliver to the Agent (for further distribution to each Lender):

(i) concurrently with the delivery of the financial statements referred to in Sections 5.01(a), a duly completed Compliance Certificate signed by a Responsible Officer of the Borrower;

(ii) promptly after the same are available, copies of each annual report, proxy or financial statement or other material report or communication sent generally to the stockholders of the Borrower, and copies of all annual, regular, periodic and special reports and registration statements which the Borrower may file or be required to file with the SEC under Section 13 or 15(d) of the Securities Exchange Act of 1934, and not otherwise required to be delivered to the Agent pursuant hereto; and

(iii) promptly, such additional information regarding the business, financial or corporate affairs of the Borrower or any Subsidiary, or compliance with the terms of the Loan Documents, as the Agent or any Lender may from time to time reasonably request.

Documents required to be delivered pursuant to Sections 5.01(a) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (A) on which the Borrower posts such documents, or provides a link thereto on the Borrower's website on the Internet at the website address listed on Schedule 9.02; or (B) on which such documents are posted on the Borrower's behalf on Intralinks or a substantially similar electronic system (the "Platform"); provided that: (x) the Borrower shall deliver paper copies of such documents to the Agent or any Lender that requests the Borrower to deliver such paper copies until a written request to cease delivering paper copies is given by the Agent or such Lender and (y) the Borrower shall notify (which may be by facsimile or electronic mail) the Agent and each Lender of the posting of any such documents and provide to the Agent by electronic mail electronic

versions (i.e., soft copies) of such documents in accordance with Section 9.02(b). Notwithstanding anything contained herein, in every instance the Borrower shall be required to provide paper copies of the Compliance Certificates required by Section 5.01(b)(i) to the Agent. Except for such Compliance Certificates, the Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Borrower hereby acknowledges that (a) the Agent and/or the Joint Lead Arrangers will make available to the Lenders materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on the Platform and (b) certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Borrower or its securities) (each, a "Public Lender"). The Borrower hereby agrees that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the Agent, the Joint Lead Arrangers and the Lenders to treat such Borrower Materials as either publicly available information or not material information (although it may be sensitive and proprietary) with respect to the Borrower or its securities for purposes of United States Federal and state securities laws; (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Investor;" and (z) the Agent and the Joint Lead Arrangers shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Investor."

(c) Notices. Promptly, after knowledge thereof, notify the Agent and each Lender:

(i) of the occurrence of any Default;

(ii) of any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect, including (A) breach or non-performance of, or any default under, a Contractual Obligation of the Borrower or any Subsidiary; (B) any dispute, litigation, investigation, proceeding or suspension between the Borrower or any Subsidiary and any Governmental Authority; or (c) the commencement of, or any material development in, any litigation or proceeding affecting the Borrower or any Subsidiary, including pursuant to any applicable Environmental Laws; and

(iii) of any announcement by Moody's or S&P of any change in the Public Debt Rating.

(d) Payment of Obligations. Pay and discharge, and cause each Subsidiary to pay and discharge, as the same shall become due and payable, all its obligations and liabilities, including (i) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Borrower or such Subsidiary; (ii) all lawful claims which, if unpaid, would by law become a Lien upon its property; and (iii) all Indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness, except, in each case, to the extent that the failure to discharge such obligations and liabilities,

either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(e) Preservation of Existence, Etc. (i) Preserve, renew and maintain, and cause each Subsidiary to preserve, renew and maintain, in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 5.02(d) and except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; (ii) take, and cause each Subsidiary to take, all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (iii) preserve or renew, and cause each Subsidiary to preserve or renew, all of its registered patents, trademarks, trade names and service marks, except in a transaction permitted by Section 5.02(d) and except to the extent that the nonpreservation or non-renewal of such patents, trademarks, trade names and service marks could reasonably be expected to have a Material Adverse Effect.

(f) Maintenance of Insurance. Maintain, and cause each Subsidiary to maintain, with insurance companies or with a captive insurance company that is an Affiliate of the Borrower as to which the Agent may request reasonable evidence of financial responsibility, insurance with respect to its properties in such amounts with such deductibles and covering such risks as are customarily carried by companies with similar financial capacity and engaged in similar businesses and owning similar properties in localities where the Borrower or applicable Subsidiaries operates.

(g) Compliance with Laws. Comply, and cause each Subsidiary to comply, in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (i) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; or (ii) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

(h) Books and Records. Maintain, and cause each Subsidiary to maintain, proper books of record and account, in which entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of the Borrower or such Subsidiary, as the case may be.

(i) Inspection Rights. Permit, and cause each Subsidiary to permit, representatives and independent contractors of the Agent and each Lender to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at the expense of the Borrower and at such reasonable times during normal business hours (but not more frequently than two such inspections within a twelve month period) and upon reasonable advance notice to the Borrower; provided, however, that when an Event of Default exists the Agent or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing at the expense of the Borrower at any time during normal business hours and without advance notice.

(j) Use of Proceeds. Use the proceeds of the Advances and Letters of Credit (i) to consummate the Spin Transaction, (ii) to provide for working capital to the Borrower and its Subsidiaries, (iii) to pay fees and expenses related to this Agreement, (iv) for other general

corporate purposes not in contravention of any Law or of any Loan Document and (v) to finance acquisitions in accordance with the terms of this Agreement.

(k) Covenant to Guarantee Obligations. Upon the formation or acquisition of any new direct or indirect Material Subsidiary organized under the laws of the United States or a political subdivision thereof by the Borrower, then at the Borrower's expense:

(A) within 10 days after such formation or acquisition, cause each such Subsidiary, and cause each direct and indirect parent (other than the Borrower) of such Subsidiary (if it has not already done so), to duly execute and deliver to the Agent a guaranty or guaranty supplement, in form and substance satisfactory to the Agent, guaranteeing the Guaranteed Obligations, and

(B) upon the request of the Agent in its sole discretion, deliver to the Agent within 20 days after such request, a signed copy of a favorable opinion of counsel for the Loan Parties acceptable to the Agent (addressed to the Agent and the Lenders) as to (1) the matters contained in clause (A) above, (2) such guaranties and guaranty supplements, being legal, valid and binding obligations of each Loan Party party thereto enforceable in accordance with their terms and (3) such other matters as the Agent may reasonably request.

SECTION 5.02. Negative Covenants. So long as any Advance shall remain unpaid, any Letter of Credit is outstanding or any Lender shall have any Commitment hereunder, the Borrower will not:

(a) Liens, Etc. Create or suffer to exist, or permit any of its Subsidiaries to create or suffer to exist, any Lien on or with respect to any of its properties, whether now owned or hereafter acquired, or assign, or permit any of its Subsidiaries to assign, any right to receive income, other than:

(i) Liens pursuant to any Loan Document;

(ii) Liens existing on the date hereof (A) that do not exceed $1,000,000 or (B) are listed on Schedule 5.02(a) and any renewals or extensions thereof; provided that the property covered thereby is not increased and any renewal or extension of the obligations secured or benefited thereby is permitted by Section 5.02(c)(ii);

(iii) Liens for taxes not yet due or which are being contested in good faith and by appropriate proceedings in the circumstances, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(iv) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which are not overdue for a period of more than 60 days or which are being contested in good faith and by appropriate proceedings in the circumstances, if adequate reserves with respect thereto are maintained on the books of the applicable Person to the extent required in accordance with GAAP;

(v) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation (other than any Lien imposed by ERISA) and deposits securing liability insurance

carriers under insurance or self-insurance arrangements in the ordinary course of business;

(vi) deposits to secure the performance of bids, trade contracts and leases (other than Indebtedness), statutory obligations, surety bonds (other than bonds related to judgments or litigation), performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(vii) easements, rights-of-way, restrictions and other similar encumbrances affecting real property existing or incurred in the ordinary course of business which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property of the Borrower and its Subsidiaries taken as a whole or materially interfere with the ordinary conduct of the business of the applicable Person;

(viii) Liens securing Indebtedness permitted under Section 5.02(c)(iv); provided that (A) such Liens do not at any time encumber any property other than the property financed by such Indebtedness and (B) the Indebtedness secured thereby does not exceed the cost or fair market value, whichever is lower, of the property being acquired on the date of acquisition;

(ix) Liens securing Indebtedness permitted under Section 5.02(c)(x);

(x) statutory rights of set-off arising in the ordinary course of business;

(xi) Liens existing on property at the time of acquisition thereof by the Borrower or any Subsidiary and not created in contemplation thereof;

(xii) Liens existing on property of a Subsidiary at the time such Subsidiary is merged or consolidated with or into, or acquired by, the Borrower or any Subsidiary or becomes a Subsidiary and not created in contemplation thereof;

(xiii) Liens in favor of banks which arise under Article 4 of the Uniform Commercial Code on items in collection and documents relating thereto and the proceeds thereof; and

(xv) Other Liens securing liabilities or assignments of rights to receive income in an aggregate amount not to exceed $75,000,000 at any time outstanding.

(b) Acquisitions. Enter into any agreement, contract, binding commitment or other arrangement providing for the acquisition (in one or a series of transactions) of all of the capital stock or equity interests or all or substantially all of the assets of any Person, or permit any Subsidiary to do so, unless (i) immediately before and after giving effect thereto, no Default shall have occurred and be continuing or would result therefrom and (ii) if the aggregate amount invested (including assumed debt) is greater than $250,000,000, pro forma consolidated historical financial statements of the Borrower and its Subsidiaries as of the end of the most recent fiscal quarter for the four fiscal quarters most recently ended giving effect to the acquisition of the company or business pursuant to this Section 5.02(b) are delivered to the Agent not less than five Business Days prior to the consummation of any such acquisition or series of acquisitions, together with a Compliance Certificate of a Responsible Officer of the Borrower delivered to the

Lenders demonstrating pro forma compliance with Section 5.03 after giving effect to such acquisition or series of acquisitions.

(c) Indebtedness. Create, incur, assume or suffer to exist, or permit any Subsidiary to create, incur, assume or suffer to exist, any Indebtedness, except:

(i) Indebtedness under the Loan Documents;

(ii) Indebtedness outstanding on the date hereof that (A) is less than $2,000,000 individually or $15,000,000 in the aggregate or (B) is listed on Schedule 5.02(c) and any refinancings, refundings, renewals or extensions thereof; provided that the amount of such Indebtedness is not increased at the time of such refinancing, refunding, renewal or extension except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such refinancing and by an amount equal to any existing commitments unutilized thereunder;

(iii) obligations (contingent or otherwise) of the Borrower existing or arising under any Swap Contract; provided that such obligations are (or were) entered into in the ordinary course of business, and not for purposes of speculation;

(iv) Indebtedness in respect of capital leases and purchase money obligations for fixed or capital assets; provided that the only property subject to such capital leases and purchase money obligations is the property so acquired;

(v) Indebtedness that may be deemed to exist pursuant to surety bonds, appeal bonds, supersedeas bonds or similar obligations incurred in the ordinary course of business;

(vi) so long as no Default has occurred and is continuing or would result therefrom at the time of incurrence, unsecured Indebtedness of the Borrower or any Guarantor; provided that such Indebtedness is not senior in right of payment to the payment of the Indebtedness arising under this Agreement and the Loan Documents;

(vii) Indebtedness of a Subsidiary of the Borrower to the Borrower or any of the Borrower's other Subsidiaries or Indebtedness of the Borrower to any Subsidiary of the Borrower in connection with loans or advances; provided that each item of intercompany debt shall be unsecured and such Indebtedness shall only be permitted under this clause (vii) to the extent it will be eliminated for purposes of the Consolidated financial statements of the Borrower in accordance with GAAP;

(viii) Indebtedness arising as a result of the endorsement in the ordinary course of business of negotiable instruments in the course of collection;

(ix) Indebtedness incurred in connection with the acquisition of all or a portion of Hill-Rom Company, Inc.'s interest in the real and personal property described in the Farm Agreement; and

(x) other Indebtedness (exclusive of Indebtedness permitted under subsections (i) through (ix) above) in an aggregate principal amount not to exceed $75,000,000 at any time outstanding; provided that the aggregate principal amount of

Indebtedness of Subsidiaries of the Borrower that may be Guaranteed by the Borrower's Subsidiaries shall not exceed $10,000,000 at any time.

(d) Fundamental Changes. Merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person (any such event being a "Fundamental Change"), or permit any Subsidiary to do so, except that, so long as no Default exists or would result therefrom:

(i) any Subsidiary may merge or consolidate with or into (A) the Borrower, provided that the Borrower shall be the continuing or surviving Person, or (B) any one or more other Subsidiaries, provided that when any wholly-owned Subsidiary is merging with another Subsidiary, the wholly-owned Subsidiary shall be the continuing or surviving Person;

(ii) any Subsidiary may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to the Borrower or to another Subsidiaryprovided that if the transferor in such a transaction is a wholly-owned Subsidiary, then the transferee must either be the Borrower or a wholly-owned Subsidiary;

(iii) the Borrower or any Subsidiary may merge with any Person in a transaction that would be an acquisition that is permitted under this Agreementprovided that (A) if the Borrower is a party to such merger, it shall be the continuing or surviving Person, or (B) if any Subsidiary is a party to such merger, such Subsidiary shall be the continuing or surviving Person; and

(iv) any Subsidiary that is not a Guarantor may dispose of all or substantially all of its assets.

(e) Restricted Payments. Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, or permit any Subsidiary to do so, except that:

(i) each Subsidiary may make Restricted Payments to the Borrower and to other Subsidiaries (and, in the case of a Restricted Payment by a non-wholly-owned Subsidiary, such Restricted Payment may be made to each other owner of capital stock or other equity interests of such Subsidiary on a pro rata basis based on their relative ownership interests);

(ii) the Borrower and each Subsidiary may declare and make dividend payments or other distributions payable solely in the common stock or other common equity interests of such Person;

(iii) the Borrower and each Subsidiary may purchase, redeem or otherwise acquire shares of its common stock or other common equity interests or warrants or options to acquire any such shares with the proceeds received from the substantially concurrent issue of new shares of its common stock or other common equity interests;

(iv) the Borrower may pay a dividend of $250,000,000 to HII on or about the Effective Date; and

(v) the Borrower may declare and pay cash dividends to its stockholders and purchase, redeem or otherwise acquire shares of its capital stock or warrants, rights or options to acquire any such shares for cash; provided that immediately after giving effect to such proposed action, no Event of Default would exist.

(f) Change in Nature of Business. Enter, or permit any Subsidiary to enter, into any business, if after giving effect thereto, the business of the Borrower and its Subsidiaries, taken as a whole, would be substantially different from the business in which the Borrower and its Subsidiaries, taken as a whole, is presently engaged.

(g) Transactions with Affiliates. Enter, or permit any Subsidiary to enter, into any transaction of any kind with any Affiliate of the Borrower, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to the Borrower or such Subsidiary as would be obtainable by the Borrower or such Subsidiary at the time in a comparable arm's length transaction with a Person other than an Affiliate; provided that this Section 5.02(g) shall not prohibit the Spin Transaction or any transaction permitted by Section 5.02(c)(vii); provided, further, that this Section 5.02(g) shall not apply to reasonable compensation (including amounts paid pursuant to Plans) and indemnification paid or made available to an officer, director or employee of the Borrower or any of its Subsidiaries for services rendered in that Person's capacity as an officer, director or employee or the making of any Restricted Payment otherwise permitted by this Agreement, in each case to the extent any such payments are made in accordance with applicable Law. For purposes of this Section 5.02(g), Affiliate shall not include the Borrower or any wholly-owned Subsidiary of the Borrower or, following the distribution of all of the shares of common stock of the Borrower to the shareholders of Hillenbrand Industries, Inc., any of Hillenbrand Industries, Inc. or any of its Subsidiaries.

(h) Burdensome Agreements. Enter, or permit any Subsidiary to enter, into any Contractual Obligation (other than this Agreement and any other Loan Document) that (i) limits the ability (A) of any Subsidiary to make Restricted Payments to the Borrower or to otherwise transfer property to the Borrower; provided, however, that this clause (A) shall not prohibit (x) customary provisions restricting subletting or assignment of any leases of the Borrower or any Subsidiary or provisions in agreements restricting the assignment of such agreement or any rights thereunder or (y) any temporary encumbrance or restrictions with respect to a Subsidiary under an agreement that has been entered into for the disposition of all or substantially all of the equity interests or assets of such Subsidiary, provided that such disposition is otherwise permitted under this Agreement, (B) of any Subsidiary to Guarantee the Indebtedness of the Borrower or (C) of the Borrower or any Subsidiary to create, incur, assume or suffer to exist Liens on property of such Person; provided, however, that this clause (C) shall not prohibit any negative pledge (x) granted in connection with the property or interest described in the Farm Agreement, the Airport Access and Use Agreement or the Joint Ownership Agreements or (y) incurred or provided in favor of any holder of Indebtedness permitted under Section 5.02(c)(iv) solely to the extent any such negative pledge relates to the property financed by or the subject of such Indebtedness and shall not prohibit the grant of Liens otherwise permitted under Section 5.02(a); or (ii) requires the grant of a Lien to secure an obligation of such Person if a Lien is granted to secure another obligation of such Person; provided that this subsection (ii) shall not prohibit the grant of Liens otherwise permitted under Section 5.02(a).

(i) Use of Proceeds. Use the proceeds of any Advances or Letters of Credit, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for

the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose, in each case, in violation of Regulation U.

SECTION 5.03. Financial Covenants. So long as any Advance shall remain unpaid, any Letter of Credit is outstanding or any Lender shall have any Commitment hereunder, the Borrower will:

(a) Debt to EBITDA Ratio. Maintain a ratio of Consolidated Indebtedness to Consolidated EBITDA for the period of four fiscal quarters most recently ended of the Borrower and its Subsidiaries of not greater than 3.5:1.0.

For purposes of calculations under this Section 5.03(a), Consolidated Indebtedness shall not include 75% of the principal amount of any mandatorily convertible unsecured bonds, debentures, preferred stock or similar instruments in a principal amount not to exceed $500,000,000 in the aggregate during the term of this Agreement which are payable in no more than three years (whether by redemption, call option or otherwise) solely in common stock or other common equity interests.

(b) Interest Coverage Ratio. Maintain a ratio of Consolidated EBITDA for the period of four fiscal quarters most recently ended of the Borrower and its Subsidiaries to interest payable on, and amortization of debt discount in respect of, all Indebtedness during such period by the Borrower and its Subsidiaries of not less than 3.5:1.0.

ARTICLE VI

EVENTS OF DEFAULT

SECTION 6.01. Events of Default. If any of the following events ("Events of Default") shall occur and be continuing:

(a) The Borrower shall fail to pay any principal of any Advance when the same becomes due and payable; or the Borrower shall fail to pay any interest on any Advance or make any other payment of fees or other amounts payable under this Agreement or any Note within three Business Days after the same becomes due and payable; or

(b) Any representation or warranty made by the Borrower herein or by the Borrower (or any of its officers) in connection with this Agreement shall prove to have been incorrect in any material respect when made; or

(c) (i) The Borrower shall fail to perform or observe any term, covenant or agreement contained in Section 5.01(c), (e) or (i), 5.02 or 5.03, or (ii) the Borrower shall fail to perform or observe any other term, covenant or agreement contained in this Agreement on its part to be performed or observed if such failure shall remain unremedied for 30 days after written notice thereof shall have been given to the Borrower by the Agent or any Lender; or

(d) The Borrower or any of its Subsidiaries shall fail to pay any principal of or premium or interest on (i) any Indebtedness (other than Indebtedness with respect to Swap Contracts) that is outstanding in a principal amount of at least $75,000,000 in the aggregate (but excluding Indebtedness outstanding hereunder) or (ii) any Indebtedness with respect to Swap Contracts with a Swap Termination Value of at least $75,000,000 in the aggregate, of the Borrower or such Subsidiary (as the case may be), when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and

such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Indebtedness; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Indebtedness and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Indebtedness; or any such Indebtedness shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), purchased or defeased, or an offer to prepay, redeem, purchase or defease such Indebtedness shall be required to be made, in each case prior to the stated maturity thereof; or

(e) The Borrower or any of its Subsidiaries shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower or any of its Subsidiaries seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 30 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Borrower or any of its Subsidiaries shall take any corporate action to authorize any of the actions set forth above in this subsection (e); or

(f) Judgments or orders for the payment of money in excess of $75,000,000 in the aggregate shall be rendered against the Borrower or any of its Subsidiaries and remain undischarged and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; provided, however, that any such judgment or order shall not be an Event of Default under this Section 6.01(f) if and for so long as (i) the amount of such judgment or order is covered by a valid and binding policy of insurance between the defendant and the insurer covering payment thereof and (ii) such insurer, which shall be rated at least “A” by A.M. Best Company, has been notified of, and has not disputed the claim made for payment of, the amount of such judgment or order; or

(g) a Change of Control shall occur; or

(i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of the Borrower under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of $75,000,000, or (ii) the Borrower or any ERISA Affiliate 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 in an aggregate amount in excess of $75,000,000;

(j) any provision of Article VII shall for any reason cease to be valid and binding on or enforceable against any of the Guarantors, or any of the Guarantors shall so state in writing;

then, and in any such event, the Agent (i) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the obligation of each Lender to make Advances (other than Advances to be made by an Issuing Bank or a Lender pursuant to Section 2.03(c)) and of the Issuing Banks to issue Letters of Credit to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the Advances, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the Advances, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; provided, however, that in the event of an actual or deemed entry of an order for relief with respect to the Borrower under the Federal Bankruptcy Code, (A) the obligation of each Lender to make Advances (other than Advances to be made by an Issuing Bank or a Lender pursuant to Section 2.03(c)) and of the Issuing Banks to issue Letters of Credit shall automatically be terminated and (B) the Advances, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

SECTION 6.02. Actions in Respect of the Letters of Credit upon Default If any Event of Default shall have occurred and be continuing, the Agent may with the consent, or shall at the request, of the Required Lenders, irrespective of whether it is taking any of the actions described in Section 6.01 or otherwise, make demand upon the Borrower to, and forthwith upon such demand the Borrower will, (a) pay to the Agent on behalf of the Lenders in same day funds at the Agent's office designated in such demand, for deposit in the L/C Cash Deposit Account, an amount equal to the aggregate Available Amount of all Letters of Credit then outstanding or (b) make such other arrangements in respect of the outstanding Letters of Credit as shall be acceptable to the Required Lenders and not more disadvantageous to the Borrower than clause (a); provided, however, that in the event of an actual or deemed entry of an order for relief with respect to the Borrower under the Federal Bankruptcy Code, an amount equal to the aggregate Available Amount of all outstanding Letters of Credit shall be immediately due and payable to the Agent for the account of the Lenders without notice to or demand upon the Borrower, which are expressly waived by the Borrower, to be held in the L/C Cash Deposit Account. If at any time an Event of Default is continuing the Agent determines that any funds held in the L/C Cash Deposit Account are subject to any right or claim of any Person other than the Agent and the Lenders or that the total amount of such funds is less than the aggregate Available Amount of all Letters of Credit, the Borrower will, forthwith upon demand by the Agent, pay to the Agent, as additional funds to be deposited and held in the L/C Cash Deposit Account, an amount equal to the excess of (a) such aggregate Available Amount over (b) the total amount of funds, if any, then held in the L/C Cash Deposit Account that the Agent determines to be free and clear of any such right and claim. Upon the drawing of any Letter of Credit, to the extent funds are on deposit in the L/C Cash Deposit Account, such funds shall be applied to reimburse the Issuing Banks to the extent permitted by applicable law. After all such Letters of Credit shall have expired or been fully drawn upon and all other obligations of the Borrower hereunder and under the Notes shall have been paid in full, the balance, if any, in such L/C Cash Deposit Account shall be returned to the Borrower.

ARTICLE VII

GUARANTY

SECTION 7.01. Unconditional Guaranty; Limitation of Liability. (a) Each Guarantor, jointly and severally, hereby absolutely, unconditionally and irrevocably guarantees the punctual payment when due, whether at scheduled maturity or on any date of a required prepayment or by acceleration, demand or otherwise, of all obligations of the Borrower now or hereafter existing under or in respect of this Agreement and the other Loan Documents (including, without limitation, any extensions,

modifications, substitutions, amendments or renewals of any or all of the foregoing obligations), whether direct or indirect, absolute or contingent, and whether for principal, interest, premiums, fees, indemnities, contract causes of action, costs, expenses or otherwise (such obligations being the "Guaranteed Obligations"), and agrees to pay any and all expenses (including, without limitation, reasonable fees and expenses of counsel) incurred by the Agent or any Lender in enforcing any rights under this Agreement. Without limiting the generality of the foregoing, each Guarantor's liability shall extend to all amounts that constitute part of the Guaranteed Obligations and would be owed by the Borrower to the Agent or any Lender under or in respect of this Agreement and the other Loan Documents but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving the Borrower.

(b) Each Guarantor, and by its acceptance of this Guaranty, the Agent and each other Lender, hereby confirms that it is the intention of all such Persons that this Guaranty and the obligations of each Guarantor hereunder not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar foreign, federal or state law to the extent applicable to this Guaranty and the obligations of each Guarantor hereunder. To effectuate the foregoing intention, the Agent, the other Lender Parties and the Guarantors hereby irrevocably agree that the obligations of each Guarantor under this Guaranty at any time shall be limited to the maximum amount as will result in the obligations of such Guarantor under this Guaranty not constituting a fraudulent transfer or conveyance.

(c) Each Guarantor hereby unconditionally and irrevocably agrees that in the event any payment shall be required to be made to any Lender under this Guaranty or any other guaranty, such Guarantor will contribute, to the maximum extent permitted by law, such amounts to each other Guarantor and each other guarantor so as to maximize the aggregate amount paid to the Lenders under or in respect of the Loan Documents.

SECTION 7.02. Guaranty Absolute. Each Guarantor guarantees that the Guaranteed Obligations will be paid strictly in accordance with the terms of the Loan Documents, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Agent or any Lender with respect thereto. The obligations of each Guarantor under or in respect of this Guaranty are independent of the Guaranteed Obligations or any other obligations of any other Loan Party under or in respect of the Loan Documents, and a separate action or actions may be brought and prosecuted against each Guarantor to enforce this Guaranty, irrespective of whether any action is brought against the Borrower or any other Loan Party or whether the Borrower or any other Loan Party is joined in any such action or actions. The liability of each Guarantor under this Guaranty shall be irrevocable, absolute and unconditional irrespective of, and each Guarantor hereby irrevocably waives any defenses (other than payment in full of the Guaranteed Obligations) it may now have or hereafter acquire in any way relating to, any or all of the following:

(a) any lack of validity or enforceability of any Loan Document or any agreement or instrument relating thereto;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations or any other obligations of any other Loan Party under or in respect of the Loan Documents, or any other amendment or waiver of or any consent to departure from any Loan Document, including, without limitation, any increase in the Guaranteed Obligations resulting from the extension of additional credit to the Borrower or any of its Subsidiaries or otherwise;

(c) any taking, exchange, release or non-perfection of any collateral, or any taking, release or amendment or waiver of, or consent to departure from, any other guaranty, for all or any of the Guaranteed Obligations;

(d) any manner of application of any collateral, or proceeds thereof, to all or any of the Guaranteed Obligations, or any manner of sale or other disposition of any collateral for all or any of the Guaranteed Obligations or any other obligations of any Loan Party under the Loan Documents or any other assets of any Loan Party or any of its Subsidiaries;

(e) any change, restructuring or termination of the corporate structure or existence of any Loan Party or any of its Subsidiaries;

(f) any failure of the Agent or any Lender to disclose to any Loan Party any information relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of any other Loan Party now or hereafter known to the Agent or such Lender (each Guarantor waiving any duty on the part of the Agent and the Lenders to disclose such information);

(g) the failure of any other Person to execute or deliver this Agreement, any Guaranty Supplement or any other guaranty or agreement or the release or reduction of liability of any Guarantor or other guarantor or surety with respect to the Guaranteed Obligations; or

(h) any other circumstance (including, without limitation, any statute of limitations) or any existence of or reliance on any representation by the Agent or any Lender that might otherwise constitute a defense available to, or a discharge of, any Loan Party or any other guarantor or surety.

This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by the Agent or any Lender or any other Person upon the insolvency, bankruptcy or reorganization of the Borrower or any other Loan Party or otherwise, all as though such payment had not been made.

SECTION 7.03. Waivers and Acknowledgments. (a) Each Guarantor hereby unconditionally and irrevocably waives promptness, diligence, notice of acceptance, presentment, demand for performance, notice of nonperformance, default, acceleration, protest or dishonor and any other notice with respect to any of the Guaranteed Obligations and this Guaranty and any requirement that the Agent or any Lender protect, secure, perfect or insure any Lien or any property subject thereto or exhaust any right or take any action against the Borrower or any other Person or any collateral.

(b) Each Guarantor hereby unconditionally and irrevocably waives any right to revoke this Guaranty and acknowledges that this Guaranty is continuing in nature and applies to all Guaranteed Obligations, whether existing now or in the future.

(c) Each Guarantor hereby unconditionally and irrevocably waives (i) any defense arising by reason of any claim or defense based upon an election of remedies by the Agent or any Lender that in any manner impairs, reduces, releases or otherwise adversely affects the subrogation, reimbursement, exoneration, contribution or indemnification rights of the Borrower or other rights of the Borrower to proceed against any of the other Loan Parties, any other guarantor or any other Person or any collateral and (ii) any defense based on any right of set-off or counterclaim against or in respect of the obligations of such Guarantor hereunder.

(d) Each Guarantor hereby unconditionally and irrevocably waives any duty on the part of the Agent or any Lender to disclose to such Guarantor any matter, fact or thing relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of the Borrower or any of its Subsidiaries now or hereafter known by the Agent or such Lender.

(e) Each Guarantor acknowledges that it will receive substantial direct and indirect benefits from the financing arrangements contemplated by this Agreement and the other Loan Documents and that the waivers set forth in Section 7.02 and this Section 7.03 are knowingly made in contemplation of such benefits.

SECTION 7.04. Subrogation. Each Guarantor hereby unconditionally and irrevocably agrees not to exercise any rights that it may now have or hereafter acquire against the Borrower, any other Loan Party or any other insider guarantor that arise from the existence, payment, performance or enforcement of such Guarantor's obligations under or in respect of this Guaranty, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of the Agent or any Lender against the Borrower, any other Loan Party or any other insider guarantor or any collateral, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from the Borrower, any other Loan Party or any other insider guarantor, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right, unless and until all of the Guaranteed Obligations and all other amounts payable under this Guaranty shall have been paid in full in cash, all Letters of Credit shall have expired or been terminated and the Commitments shall have expired or been terminated. If any amount shall be paid to any Guarantor in violation of the immediately preceding sentence at any time prior to the latest of (a) the payment in full in cash of the Guaranteed Obligations and all other amounts payable under this Guaranty, (b) the final Termination Date and (c) the latest date of expiration or termination of all Letters of Credit, such amount shall be received and held in trust for the benefit of the Agent and the Lenders, shall be segregated from other property and funds of such Guarantor and shall forthwith be paid or delivered to the Agent in the same form as so received (with any necessary endorsement or assignment) to be credited and applied to the Guaranteed Obligations and all other amounts payable under this Guaranty, whether matured or unmatured, in accordance with the terms of this Agreement and the other Loan Documents, or to be held as collateral for any Guaranteed Obligations or other amounts payable under this Guaranty thereafter arising. If (i) any Guarantor shall make payment to the Agent or any Lender of all or any part of the Guaranteed Obligations, (ii) all of the Guaranteed Obligations and all other amounts payable under this Guaranty shall have been paid in full in cash, (iii) the final Termination Date shall have occurred and (iv) all Letters of Credit shall have expired or been terminated, the Agent and the Lenders will, at such Guarantor's request and expense, execute and deliver to such Guarantor appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to such Guarantor of an interest in the Guaranteed Obligations resulting from such payment made by such Guarantor pursuant to this Guaranty.

SECTION 7.05. Guaranty Supplements. Upon the execution and delivery by any Person of a guaranty supplement in substantially the form of Exhibit F hereto (each, a "Guaranty Supplement"), (a) such Person shall be referred to as an "Additional Guarantor" and shall become and be a Guarantor hereunder, and each reference in this Guaranty to a "Guarantor" shall also mean and be a reference to such Additional Guarantor, and each reference in any other Loan Document to a "Guarantor" shall also mean and be a reference to such Additional Guarantor, and (b) each reference herein to "this Guaranty," "hereunder," "hereof" or words of like import referring to this Guaranty, and each reference in any other Loan Document to the "Guaranty," "thereunder," "thereof" or words of like

import referring to this Guaranty, shall mean and be a reference to this Guaranty as supplemented by such Guaranty Supplement.

SECTION 7.06. Subordination. Each Guarantor hereby subordinates any and all debts, liabilities and other obligations owed to such Guarantor by each other Loan Party (the "Subordinated Obligations") to the Guaranteed Obligations to the extent and in the manner hereinafter set forth in this Section 7.06:

(a) Prohibited Payments, Etc. Except during the continuance of an Event of Default (including the commencement and continuation of any proceeding under any Bankruptcy Law relating to the Borrower), each Guarantor may receive payments from the Borrower on account of the Subordinated Obligations. After the occurrence and during the continuance of any Event of Default (including the commencement and continuation of any proceeding under any Bankruptcy Law relating to the Borrower), however, unless the Required Lenders otherwise agree, no Guarantor shall demand, accept or take any action to collect any payment on account of the Subordinated Obligations.

(b) Prior Payment of Guaranteed Obligations. In any proceeding under any Bankruptcy Law relating to any other Loan Party, each Guarantor agrees that the Agent and the Lenders shall be entitled to receive payment in full in cash of all Guaranteed Obligations (including all interest and expenses accruing after the commencement of a proceeding under any Bankruptcy Law, whether or not constituting an allowed claim in such proceeding ("Post Petition Interest")) before such Guarantor receives payment of any Subordinated Obligations.

(c) Turn-Over. After the occurrence and during the continuance of any Event of Default (including the commencement and continuation of any proceeding under any Bankruptcy Law relating to the Borrower), each Guarantor shall, if the Agent so requests, collect, enforce and receive payments on account of the Subordinated Obligations as trustee for the Agent and the Lenders and deliver such payments to the Agent on account of the Guaranteed Obligations (including all Post Petition Interest), together with any necessary endorsements or other instruments of transfer, but without reducing or affecting in any manner the liability of such Guarantor under the other provisions of this Guaranty.

(d) Agent Authorization. After the occurrence and during the continuance of any Event of Default (including the commencement and continuation of any proceeding under any Bankruptcy Law relating to the Borrower), the Agent is authorized and empowered (but without any obligation to so do), in its discretion, (i) in the name of each Guarantor, to collect and enforce, and to submit claims in respect of, Subordinated Obligations and to apply any amounts received thereon to the Guaranteed Obligations (including any and all Post Petition Interest), and (ii) to require each Guarantor (A) to collect and enforce, and to submit claims in respect of, Subordinated Obligations and (B) to pay any amounts received on such obligations to the Agent for application to the Guaranteed Obligations (including any and all Post Petition Interest).

SECTION 7.07. Continuing Guaranty; Assignments. This Guaranty is a continuing guaranty and shall (a) remain in full force and effect until the latest of (i) the payment in full in cash of the Guaranteed Obligations and all other amounts payable under this Guaranty, (ii) the final Termination Date and (iii) the latest date of expiration or termination of all Letters of Credit, (b) be binding upon each Guarantor, its successors and assigns and (c) inure to the benefit of and be enforceable by the Agent and the Lenders and their successors, transferees and assigns. Without limiting the generality of clause (c) of the immediately preceding sentence, the Agent or any Lender may assign or otherwise transfer all or any portion of its rights and obligations under this Agreement (including, without limitation, all or any portion

of its Commitments, the Advances owing to it and the Note or Notes held by it) to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to the Agent or such Lender herein or otherwise, in each case as and to the extent provided in Section 9.07.

ARTICLE VIII

THE AGENT

SECTION 8.01. Authorization and Authority. Each Lender hereby irrevocably appoints Citibank, N.A. to act on its behalf as the Agent hereunder and under the other Loan Documents and authorizes the Agent to take such actions on its behalf and to exercise such powers as are delegated to the Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Agent and the Lenders, and neither the Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions.

SECTION 8.02. Agent Individually. (a) The Person serving as the 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 Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Agent hereunder and without any duty to account therefor to the Lenders.

(b) Each Lender understands that the Person serving as Agent, acting in its individual capacity, and its Affiliates (collectively, the "Agent's Group") are engaged in a wide range of financial services and businesses (including investment management, financing, securities trading, corporate and investment banking and research) (such services and businesses are collectively referred to in this Section 8.02 as "Activities") and may engage in the Activities with or on behalf of one or more of the Loan Parties or their respective Affiliates. Furthermore, the Agent's Group may, in undertaking the Activities, engage in trading in financial products or undertake other investment businesses for its own account or on behalf of others (including the Loan Parties and their Affiliates and including holding, for its own account or on behalf of others, equity, debt and similar positions in the Borrower, another Loan Party or their respective Affiliates), including trading in or holding long, short or derivative positions in securities, loans or other financial products of one or more of the Loan Parties or their Affiliates. Each Lender understands and agrees that in engaging in the Activities, the Agent's Group may receive or otherwise obtain information concerning the Loan Parties or their Affiliates (including information concerning the ability of the Loan Parties to perform their respective obligations hereunder and under the other Loan Documents) which information may not be available to any of the Lenders that are not members of the Agent's Group. None of the Agent nor any member of the Agent's Group shall have any duty to disclose to any Lender or use on behalf of the Lenders, and shall not be liable for the failure to so disclose or use, any information whatsoever about or derived from the Activities or otherwise (including any information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any Loan Party or any Affiliate thereof) or to account for any revenue or profits obtained in connection with the Activities, except that the Agent shall deliver or otherwise make available to each Lender such documents as are expressly required by any Loan Document to be transmitted by the Agent to the Lenders.

(c) Each Lender further understands that there may be situations where members of the Agent's Group or their respective customers (including the Loan Parties and their Affiliates) either

now have or may in the future have interests or take actions that may conflict with the interests of any one or more of the Lenders (including the interests of the Lenders hereunder and under the other Loan Documents). Each Lender agrees that no member of the Agent's Group is or shall be required to restrict its activities as a result of the Person serving as Agent being a member of the Agent's Group, and that each member of the Agent's Group may undertake any Activities without further consultation with or notification to any Lender. None of (i) this Agreement nor any other Loan Document, (ii) the receipt by the Agent's Group of information (including Information) concerning the Loan Parties or their Affiliates (including information concerning the ability of the Loan Parties to perform their respective obligations hereunder and under the other Loan Documents) nor (iii) any other matter shall give rise to any fiduciary, equitable or contractual duties (including without limitation any duty of trust or confidence) owing by the Agent or any member of the Agent's Group to any Lender including any such duty that would prevent or restrict the Agent's Group from acting on behalf of customers (including the Loan Parties or their Affiliates) or for its own account.

SECTION 8.03. Duties of Agent; Exculpatory Provisions. (a) The Agent's duties hereunder and under the other Loan Documents are solely ministerial and administrative in nature and the Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, but shall be required to act or refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the written direction of 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 Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Agent or any of its Affiliates to liability or that is contrary to any Loan Document or applicable law.

(b) The 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 Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 9.01 or 6.01) or (ii) in the absence of its own gross negligence or willful misconduct. The Agent shall be deemed not to have knowledge of any Default or the event or events that give or may give rise to any Default unless and until the Borrower or any Lender shall have given notice to the Agent describing such Default and such event or events.

(c) Neither the Agent nor any member of the Agent's Group shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty, representation or other information made or supplied in or in connection with this Agreement, any other Loan Document or the Information Memorandum, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith or the adequacy, accuracy and/or completeness of the information contained therein, (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 Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or the perfection or priority of any Lien or security interest created or purported to be created hereby or (v) the satisfaction of any condition set forth in Article III or elsewhere herein, other than (but subject to the foregoing clause (ii)) to confirm receipt of items expressly required to be delivered to the Agent.

(d) Nothing in this Agreement or any other Loan Document shall require the Agent or any of its Related Parties to carry out any "know your customer" or other checks in relation to any person on behalf of any Lender and each Lender confirms to the Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent or any of its Related Parties.

SECTION 8.04. Reliance by Agent. The 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 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 an Advance, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender, the Agent may presume that such condition is satisfactory to such Lender unless an officer of the Agent responsible for the transactions contemplated hereby shall have received notice to the contrary from such Lender prior to the making of such Advance or the issuance of such Letter of Credit, and in the case of a Borrowing, such Lender shall not have made available to the Agent such Lender's ratable portion of such Borrowing. The Agent may consult with legal counsel (who may be counsel for the Borrower or any other Loan Party), 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.

SECTION 8.05. Delegation of Duties. The 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 Agent. The 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. Each such sub-agent and the Related Parties of the Agent and each such sub-agent shall be entitled to the benefits of all provisions of this Article VIII and Section 9.04 (as though such sub-agents were the "Agent" under the Loan Documents) as if set forth in full herein with respect thereto.

SECTION 8.06. Resignation of Agent. (a) The Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank with an office in New York, New York, or an Affiliate of any such bank with an office in New York, New York. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation (such 30-day period, the "Lender Appointment Period"), then the retiring Agent may on behalf of the Lenders, appoint a successor Agent meeting the qualifications set forth above. In addition and without any obligation on the part of the retiring Agent to appoint, on behalf of the Lenders, a successor Agent, the retiring Agent may at any time upon or after the end of the Lender Appointment Period notify the Borrower and the Lenders that no qualifying Person has accepted appointment as successor Agent and the effective date of such retiring Agent's resignation which effective date shall be no earlier than three business days after the date of such notice. Upon the resignation effective date established in such notice and regardless of whether a successor Agent has been appointed and accepted such appointment, the retiring Agent's resignation shall nonetheless become effective and (i) the retiring Agent shall be discharged from its duties and obligations as Agent hereunder and under the other Loan Documents and (ii) all payments, communications and determinations provided to be made by, to or through the Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Agent as provided for above in this paragraph. Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties as Agent of the retiring (or retired) Agent, and the retiring Agent shall be discharged from all of its duties and obligations as Agent hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this paragraph). The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 9.04 shall continue in effect for the benefit of such retiring 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 Agent was acting as Agent.

(b) Any resignation pursuant to this Section by a Person acting as Agent shall, unless such Person shall notify the Borrower and the Lenders otherwise, also act to relieve such Person and its Affiliates of any obligation to advance or issue new, or extend existing, Letters of Credit where such advance, issuance or extension is to occur on or after the effective date of such resignation. Upon the acceptance of a successor's appointment as Agent hereunder, (i) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Issuing Bank, (ii) the retiring Issuing Bank shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents and (iii) the successor Issuing Bank shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangement satisfactory to the retiring Issuing Bank to effectively assume the obligations of the retiring Issuing Bank with respect to such Letters of Credit.

SECTION 8.07. Non-Reliance on Agent and Other Lenders. (a) Each Lender confirms to the Agent, each other Lender and each of their respective Related Parties that it (i) possesses (individually or through its Related Parties) such knowledge and experience in financial and business matters that it is capable, without reliance on the Agent, any other Lender or any of their respective Related Parties, of evaluating the merits and risks (including tax, legal, regulatory, credit, accounting and other financial matters) of (x) entering into this Agreement, (y) making Advances and other extensions of credit hereunder and under the other Loan Documents and (z) in taking or not taking actions hereunder and thereunder, (ii) is financially able to bear such risks and (iii) has determined that entering into this Agreement and making Advances and other extensions of credit hereunder and under the other Loan Documents is suitable and appropriate for it.

(b) Each Lender acknowledges that (i) it is solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with this Agreement and the other Loan Documents, (ii) that it has, independently and without reliance upon the Agent, any other Lender or any of their respective Related Parties, made its own appraisal and investigation of all risks associated with, and its own credit analysis and decision to enter into, this Agreement based on such documents and information, as it has deemed appropriate and (iii) it will, independently and without reliance upon the Agent, any other Lender or any of their respective Related Parties, continue to be solely responsible for making its own appraisal and investigation of all risks arising under or in connection with, and its own credit analysis and decision to take or not take action under, this Agreement and the other Loan Documents based on such documents and information as it shall from time to time deem appropriate, which may include, in each case:

(i) the financial condition, status and capitalization of the Borrower and each other Loan Party;

(ii) the legality, validity, effectiveness, adequacy or enforceability of this Agreement and each other Loan Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Loan Document;

(iii) determining compliance or non-compliance with any condition hereunder to the making of an Advance, or the issuance of a Letter of Credit and the form and substance of all evidence delivered in connection with establishing the satisfaction of each such condition;

(iv) the adequacy, accuracy and/or completeness of the Information Memorandum and any other information delivered by the Agent, any other Lender or by any of their respective

Related Parties under or in connection with this Agreement or any other Loan Document, the transactions contemplated hereby and thereby or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Loan Document.

SECTION 8.08. No Other Duties, etc. Anything herein to the contrary notwithstanding, none of the Persons acting as Bookrunners, Arrangers or Syndication Agent 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 Agent or as a Lender hereunder.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. Amendments, Etc. No amendment or waiver of any provision of this Agreement or the Notes, nor consent to any departure by any Loan Party therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by all the Lenders, do any of the following: (a) waive any of the conditions specified in Section 3.01, (b) increase the Commitments of the Lenders other than in accordance with Section 2.18, (c) reduce the principal of, or interest on, the Advances or any fees or other amounts payable hereunder, (d) postpone any date fixed for any payment of principal of, or interest on, the Advances or any fees or other amounts payable hereunder other than in accordance with Section 2.19, (e) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Advances, or the number of Lenders, that shall be required for the Lenders or any of them to take any action hereunder, (f) release any Guarantor from any of its obligations under Article VII or (g) amend this Section 9.01; and provided further that (x) no amendment, waiver or consent shall, unless in writing and signed by the Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Agent under this Agreement or any other Loan Document and (y) no amendment, waiver or consent shall, unless in writing and signed by the Issuing Banks in addition to the Lenders required above to take such action, adversely affect the rights or obligations of the Issuing Banks in their capacities as such under this Agreement.

SECTION 9.02. Notices, Etc. (a) All notices and other communications provided for hereunder shall be either (x) in writing (including telecopier communication) and mailed, telecopied or delivered or (y) as and to the extent set forth in Section 9.02(b) and in the proviso to this Section 9.02(a), if to the Borrower or any other Loan Party, at the Borrower's address at One Batesville Boulevard, Batesville, IN 47006-7798; Attention: Mark R. Lanning, Vice President and Treasurer; Telephone: (812) 934-7256; Facsimile: (812) 934-8675; Electronic Mail: mrlanning@hillenbrand.com; if to any Initial Lender, at its Domestic Lending Office specified opposite its name on Schedule I hereto; if to any other Lender, at its Domestic Lending Office specified in the Assumption Agreement or the Assignment and Acceptance pursuant to which it became a Lender; and if to the Agent, at its address at Two Penns Way, New Castle, 19720, Attention: Bank Loan Syndications Department; or, as to the Borrower or the Agent, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Borrower and the Agent, provided that materials required to be delivered pursuant to Sections 5.01(a) or 5.01(b)(ii) shall be delivered to the Agent as specified in Section 9.02(b) or as otherwise specified to the Borrower by the Agent. All such notices and communications shall, when mailed, telecopied or e-mailed, be effective when deposited in the mails, telecopied or confirmed by e-mail, respectively, except that notices and communications to the Agent pursuant to Article II, III or VIII shall not be effective until received by the Agent. Delivery by telecopier of an executed counterpart of any amendment or waiver of

any provision of this Agreement or the Notes or of any Exhibit hereto to be executed and delivered hereunder shall be effective as delivery of a manually executed counterpart thereof.

(b) So long as Citibank or any of its Affiliates is the Agent, materials required to be delivered pursuant to Sections 5.01(a) or 5.01(b)(ii) shall be delivered to the Agent in an electronic medium in a format acceptable to the Agent and the Lenders by e-mail at oploanswebadmin@citigroup.com. The Borrower agrees that the Agent may make such materials, as well as any other written information, documents, instruments and other material relating to the Borrower, any of its Subsidiaries or any other materials or matters relating to this Agreement, the Notes or any of the transactions contemplated hereby (collectively, the "Communications") available to the Lenders by posting such notices on the Platform. The Borrower acknowledges that (i) the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution, (ii) the Platform is provided "as is" and "as available" and (iii) neither the Agent nor any of its Affiliates warrants the accuracy, adequacy or completeness of the Communications or the Platform and each expressly disclaims liability for errors or omissions in the Communications or the Platform. 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 the Agent or any of its Affiliates in connection with the Platform.

SECTION 9.03. No Waiver; Remedies. No failure on the part of any Lender or the Agent to exercise, and no delay in exercising, any right hereunder or under any Note shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 9.04. Costs and Expenses. (a) The Borrower agrees to pay on demand all reasonable costs and expenses of the Agent in connection with the preparation, execution, delivery, administration, modification and amendment of this Agreement, the Notes and the other documents to be delivered hereunder, including, without limitation, (A) all due diligence, syndication (including printing, distribution and bank meetings), transportation, computer, duplication, appraisal, consultant, and, subject to Section 5.01(i), audit expenses, (B) the reasonable fees and expenses of counsel for the Agent with respect thereto and with respect to advising the Agent as to its rights and responsibilities under this Agreement and (C) all reasonable out-of-pocket expenses incurred by any Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder. The Borrower further agrees to pay on demand all costs and expenses of the Agent and the Lenders, if any (including, without limitation, reasonable counsel fees and expenses), in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement, the Notes and the other documents to be delivered hereunder, including, without limitation, reasonable fees and expenses of counsel for the Agent and each Lender in connection with the enforcement of rights under this Section 9.04(a).

(b) The Borrower agrees to indemnify and hold harmless the Agent and each Lender and each of their Affiliates and their officers, directors, employees, agents and advisors (each, an "Indemnified Party") from and against any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and expenses of counsel) incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of (including, without limitation, in connection with any investigation, litigation or proceeding or preparation of a defense in connection therewith) (i) the Notes, this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Advances or Letters of Credit or (ii) the actual or alleged presence of Hazardous Materials on any property of the Borrower or any of its

Subsidiaries or any Environmental Action relating in any way to the Borrower or any of its Subsidiaries, except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 9.04(b) applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, its directors, equityholders or creditors or an Indemnified Party or any other Person, whether or not any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated. The Borrower also agrees not to assert any claim for special, indirect, consequential or punitive damages against the Agent, any Lender, any of their Affiliates, or any of their respective directors, officers, employees, attorneys and agents, on any theory of liability, arising out of or otherwise relating to the Notes, this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Advances.

(c) If any payment of principal of, or Conversion of, any Eurodollar Rate Advance is made by the Borrower to or for the account of a Lender (i) other than on the last day of the Interest Period for such Advance, as a result of a payment or Conversion pursuant to Section 2.08, 2.10 or 2.12, acceleration of the maturity of the Notes pursuant to Section 6.01 or for any other reason, or by an Eligible Assignee to a Lender other than on the last day of the Interest Period for such Advance upon an assignment of rights and obligations under this Agreement pursuant to Section 9.07 as a result of a demand by the Borrower pursuant to Section 9.07(a) or (ii) as a result of a payment or Conversion pursuant to Section 2.08, 2.10 or 2.12, the Borrower shall, upon demand by such Lender (with a copy of such demand to the Agent), pay to the Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that it may reasonably incur as a result of such payment or Conversion, including, without limitation, any loss (including loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Advance.

(d) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in Sections 2.11, 2.14 and 9.04 shall survive the payment in full of principal, interest and all other amounts payable hereunder and under the Notes.

(e) Each Lender severally agrees to indemnify the Agent and each Issuing Bank (in each case, to the extent not promptly reimbursed by the Borrower) from and against such Lender's Ratable Share of any and all losses, claims, damages, liabilities, obligations, penalties, actions, judgments, suits, costs, disbursements and expenses, joint or several, of any kind or nature (including the fees, charges and disbursements of any advisor or counsel for such Person that may be imposed on, incurred by, or asserted against the Agent or any Issuing Bank, as the case may be, in any way relating to or arising out of the Loan Documents or any action taken or omitted by the Agent or any Issuing Bank under the Loan Documents; provided, however, that no Lender shall be liable for any portion of such losses, claims, damages, liabilities, obligations, penalties, actions, judgments, suits, costs, disbursements or expenses resulting from the Agent's or such Issuing Bank's gross negligence or willful misconduct as found in a final, non-appealable judgment by a court of competent jurisdiction. Without limitation of the foregoing, each Lender agrees to reimburse the Agent and each Issuing Bank for its Ratable Share of any costs and expenses (including, without limitation, fees and expenses of counsel) payable by the Borrower under Section 9.04(a), to the extent that the Agent or such Issuing Bank is not promptly reimbursed for such costs and expenses by the Borrower.

SECTION 9.05. Right of Set-off. Upon either (x) the occurrence and during the continuance of any Event of Default under Section 6.01(a) or 6.01(e) or (y) (i) the occurrence and during the continuance of any other Event of Default and (ii) the making of the request or the granting of the

consent specified by Section 6.01 to authorize the Agent to declare the Advances due and payable pursuant to the provisions of Section 6.01, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender or such Affiliate to or for the credit or the account of the Borrower or any Loan Party against any and all of the obligations of the Borrower or any Loan Party now or hereafter existing under this Agreement and the Note held by such Lender, whether or not such Lender shall have made any demand under this Agreement or such Note and although such obligations may be unmatured. Each Lender agrees promptly to notify the Borrower or such Loan Party and the Agent 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. The rights of each Lender and its Affiliates under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Lender and its Affiliates may have.

SECTION 9.06. Binding Effect. This Agreement shall become effective (other than Section 2.01, which shall only become effective upon satisfaction of the conditions precedent set forth in Section 3.01) when it shall have been executed by the Borrower and the Agent and when the Agent shall have been notified by each Initial Lender that such Initial Lender has executed it and thereafter shall be binding upon and inure to the benefit of the Borrower, the Agent and each Lender and their respective successors and assigns, except that neither the Borrower nor any other Loan Party shall have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lenders.

SECTION 9.07. Assignments and Participations. (a) Each Lender may with the consent of each Issuing Bank (which consent shall not be unreasonably withheld or delayed) and, if demanded by the Borrower (so long as no Default shall have occurred and be continuing and following a demand by such Lender pursuant to Section 2.11 or 2.14) upon at least five Business Days' notice to such Lender and the Agent, will assign to one or more Persons all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Revolving Credit Commitment, its Unissued Letter of Credit Commitment, the Advances owing to it, its participations in Letters of Credit and the Note or Notes held by it); provided, however, that (i) each such assignment shall be of a constant, and not a varying, percentage of all rights and obligations under this Agreement, (ii) except in the case of an assignment to a Person that, immediately prior to such assignment, was a Lender or an assignment of all of a Lender's rights and obligations under this Agreement, the amount of (x) the Revolving Credit Commitment of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than $5,000,000 or an integral multiple of $1,000,000 in excess thereof and (y) the Unissued Letter of Credit Commitment of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than $5,000,000 or an integral multiple of $1,000,000 in excess thereof, in each case, unless the Borrower and the Agent otherwise agree (iii) each such assignment shall be to an Eligible Assignee, (iv) each such assignment made as a result of a demand by the Borrower pursuant to this Section 9.07(a) shall be arranged by the Borrower after consultation with the Agent and shall be either an assignment of all of the rights and obligations of the assigning Lender under this Agreement or an assignment of a portion of such rights and obligations made concurrently with another such assignment or other such assignments that together cover all of the rights and obligations of the assigning Lender under this Agreement, (v) no Lender shall be obligated to make any such assignment as a result of a demand by the Borrower pursuant to this Section 9.07(a) unless and until such Lender shall have received one or more payments from either the Borrower or one or more Eligible Assignees in an aggregate amount at least equal to the aggregate outstanding principal amount of the Advances owing to such Lender, together with accrued interest thereon to the date of payment of such principal amount and all other amounts payable to such Lender under this Agreement, and (vi) the parties to each such assignment shall execute and deliver to the Agent,

for its acceptance and recording in the Register, an Assignment and Acceptance, together with any Note subject to such assignment and a processing and recordation fee of $3,500 payable by the parties to each such assignment, provided, however, that (A) in the case of each assignment made as a result of a demand by the Borrower, such recordation fee shall be payable by the Borrower except that no such recordation fee shall be payable in the case of an assignment made at the request of the Borrower to an Eligible Assignee that is an existing Lender and (B) no consent shall be required for an assignment to an Affiliate of the assignor Lender. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and (y) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights (other than its rights under Sections 2.11, 2.14 and 9.04 to the extent any claim thereunder relates to an event arising prior to such assignment) and be released from its obligations (other than its obligations under Section 8.05 to the extent any claim thereunder relates to an event arising prior to such assignment) under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto).

(b) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any lien or security interest created or purported to be created under or in connection with, this Agreement or any other instrument or document furnished pursuant hereto; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or any other Loan Party or the performance or observance by the Borrower or any other Loan Party of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the Agent, such assigning Lender 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 this Agreement; (v) such assignee confirms that it is an Eligible Assignee; (vi) such assignee appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under this Agreement as are delegated to the Agent by the terms hereof, together with such powers and discretion as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as a Lender.

(c) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee representing that it is an Eligible Assignee, together with any Note or Notes subject to such assignment, the Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit C hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrower.

(d) The Agent shall maintain at its address referred to in Section 9.02 a copy of each Assumption Agreement and each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders and the Commitment of, and

principal amount of the Advances owing to, each Lender from time to time (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower and the Guarantors, the Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Each Lender may sell participations to one or more banks or other entities (other than the Borrower or any of its Affiliates) in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment, the Advances owing to it and any Note or Notes held by it); provided, however, that (i) such Lender's obligations under this Agreement (including, without limitation, its Commitment to the Borrower hereunder) shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Lender shall remain the holder of any such Note for all purposes of this Agreement, (iv) the Borrower, the Guarantors, the Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (v) no participant under any such participation shall have any right to approve any amendment or waiver of any provision of this Agreement or any Note, or any consent to any departure by the Borrower or any other Loan Party therefrom, except to the extent that such amendment, waiver or consent would reduce the principal of, or interest on, the Notes or any fees or other amounts payable hereunder, in each case to the extent subject to such participation, or postpone any date fixed for any payment of principal of, or interest on, the Notes or any fees or other amounts payable hereunder, in each case to the extent subject to such participation.

(f) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 9.07, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Borrower furnished to such Lender by or on behalf of the Borrower; provided that, prior to any such disclosure, the assignee or participant or proposed assignee or participant shall agree to preserve the confidentiality of any Information relating to the Borrower or any of its Subsidiaries received by it from such Lender.

(g) Notwithstanding any other provision set forth in this Agreement, any Lender may at any time create a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including, without limitation, any pledge or assignment to secure obligations to a Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System, and this Section shall not apply to any such pledge or assignment of a security interest; provided that, no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender party hereto.

SECTION 9.08. Confidentiality. Each of the Agent, the Lenders and the Issuing Bank agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective managers, administrators, trustees, partners, directors, officers, employees, agents, advisors and other representatives (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), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it or its Affiliates (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any Note or any action or proceeding relating to this Agreement or any Note or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any

assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under this Agreement (subject to the conditions set forth in Section 9.07(f)) or (ii) any actual or prospective party (or its managers, administrators, trustees, partners, directors, officers, employees, agents, advisors and other representatives) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, (iii) any rating agency, or (iv) the CUSIP Service Bureau or any similar organization, (g) with the consent of the Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Agent, any Lender, the Issuing Bank or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower.

For purposes of this Section, "Information" means all information received from the Borrower or any of its Subsidiaries relating to the Borrower or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Agent, any Lender or the Issuing Bank on a nonconfidential basis prior to disclosure by the Borrower or any of its Subsidiaries, provided that, in the case of information received from the Borrower or any of its Subsidiaries after the date hereof, such information is clearly identified at the time of delivery as confidential. 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.

SECTION 9.10. Governing Law. This Agreement and the Notes shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 9.11. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.13. Jurisdiction, Etc. (a) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the Notes, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such New York State court or, to the extent permitted by law, in such federal court. The Borrower hereby further irrevocably consents to the service of process in any action or proceeding in such courts by the mailing thereof by any parties hereto by registered or certified mail, postage prepaid, to the Borrower at its address specified pursuant to Section 9.02. 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 shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Agreement or the Notes in the courts of any jurisdiction.

(b) Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the Notes in any New York State or federal court. Each of the parties hereto hereby irrevocably waives, to the fullest

extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

SECTION 9.15. No Liability of the Issuing Banks. The Borrower assumes all risks of the acts or omissions of any beneficiary or transferee of any Letter of Credit with respect to its use of such Letter of Credit. Neither an Issuing Bank nor any of its officers or directors shall be liable or responsible for: (a) the use that may be made of any Letter of Credit or any acts or omissions of any beneficiary or transferee in connection therewith; (b) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged; (c) payment by such Issuing Bank against presentation of documents that do not comply with the terms of a Letter of Credit, including failure of any documents to bear any reference or adequate reference to the Letter of Credit; or (d) any other circumstances whatsoever in making or failing to make payment under any Letter of Credit, except that the Borrower shall have a claim against such Issuing Bank, and such Issuing Bank shall be liable to the Borrower, to the extent of any direct, but not consequential, damages suffered by the Borrower that the Borrower proves were caused by such Issuing Bank's willful misconduct or gross negligence when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. In furtherance and not in limitation of the foregoing, such Issuing Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary; provided that nothing herein shall be deemed to excuse such Issuing Bank if it acts with gross negligence or willful misconduct in accepting such documents.

SECTION 9.16. Patriot Act Notice. Each Lender and the Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Agent, as applicable, to identify the Borrower in accordance with the Patriot Act. The Borrower shall provide such information and take such actions as are reasonably requested by the Agent or any Lenders in order to assist the Agent and the Lenders in maintaining compliance with the Patriot Act.

SECTION 9.17. Power of Attorney. Each Subsidiary of the Borrower may from time to time authorize and appoint the Borrower as its attorney-in-fact to execute and deliver (a) any amendment, waiver or consent in accordance with Section 9.01 on behalf of and in the name of such Subsidiary and (b) any notice or other communication hereunder, on behalf of and in the name of such Subsidiary. Such authorization shall become effective as of the date on which such Subsidiary delivers to the Agent a power of attorney enforceable under applicable law and any additional information to the Agent as necessary to make such power of attorney the legal, valid and binding obligation of such Subsidiary.

SECTION 9.18. No Fiduciary Duty. Each of the Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the "Lenders"), may have economic interests that conflict with those of the Borrower. The 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 the Lenders and the Borrower, its stockholders or its Affiliates. The Borrower acknowledges and agrees that (i) the transactions contemplated by the Loan Documents are arm's-length commercial transactions between the Lenders, on the one hand, and the Borrower, on the other, (ii) in connection therewith and with the process leading to such transaction each of the Lenders is acting solely as a principal and not the agent or fiduciary of the Borrower, its management, stockholders, creditors or any other Person, (iii) no Lender has assumed an advisory or fiduciary responsibility in favor of the Borrower with respect to the transactions contemplated hereby or the process leading hereto (irrespective of whether any Lender or any of its Affiliates has advised or is currently advising the Borrower on other matters) or any other obligation to the Borrower except the obligations expressly set forth in the Loan

Documents and (iv) the Borrower has consulted its own legal and financial advisors to the extent it deemed appropriate. The Borrower further acknowledges and agrees that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. The Borrower agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Borrower, in connection with such transaction or the process leading thereto

SECTION 9.19. Waiver of Jury Trial. Each of the Borrower, the Guarantors, the Agent and the Lenders hereby irrevocably waives all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the Notes or the actions of the Agent or any Lender in the negotiation, administration, performance or enforcement thereof.

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

BATESVILLE HOLDINGS, INC., as Borrower

By _____
Title:

BATESVILLE SERVICES, INC., as Guarantor

By _____
Title:

CITIBANK, N.A., as Agent

By _____
Title:

Initial Lenders

CITIBANK, N.A.

By _____
Title:

JPMORGAN CHASE BANK, N.A.

By _____
Title:

BANK OF AMERICA, N.A.

By _____
Title:

FIFTH THIRD BANK

By _____
Title:

PNC BANK, NATIONAL ASSOCIATION

By _____
Title:

U.S. BANK NATIONAL ASSOCIATION

By _____
Title:

REGIONS BANK

By _____
Title:

THE NORTHERN TRUST COMPANY

By _____
Title:

WILLIAM STREET LLC

By _____
Title:

SCHEDULE I
BATESVILLE HOLDINGS, INC.
FIVE YEAR CREDIT AGREEMENT
APPLICABLE LENDING OFFICES

Name of Initial Lender	Revolving Credit Commitment	Letter of Credit Commitment	Domestic Lending Office	Eurodollar Lending Office
Bank of America, N.A.	$45,000,000	$10,000,000	101 N. Tryon Street, 4th Floor Charlotte, NC 28255 Attn: Manpreet Kaur T: 415-436-4777 ext. 8544 F: 214-290-9446	101 N. Tryon Street, 4th Floor Charlotte, NC 28255 Attn: Manpreet Kaur T: 415-436-4777 ext. 8544 F: 214-290-9446
Citibank, N.A.	$67,500,000	$15,000,000	2 Penn's Way Suite 110 New Castle, DE 19720 Attn: Michael Gordon T: 302-894-6047 F: 212-994-0847	2 Penn's Way Suite 110 New Castle, DE 19720 Attn: Michael Gordon T: 302-894-6047 F: 212-994-0847
Fifth Third Bank	$45,000,000		38 Fountain Square Plaza Cincinnati, OH 45263 Attn: Joyce Elam T: 513-358-7336 F: 513-358-3479	38 Fountain Square Plaza Cincinnati, OH 45263 Attn: Joyce Elam T: 513-358-7336 F: 513-358-3479
JPMorgan Chase Bank, N.A.	$67,500,000	$15,000,000	21 South Clark St. Chicago, IL 60603 Attn: Cecily A. Roland T: 312-732-2016 F: 312-385-7098	21 South Clark St. Chicago, IL 60603 Attn: Cecily A. Roland T: 312-732-2016 F: 312-385-7098
The Northern Trust Company	$25,000,000		50 S. LaSalle Street Chicago, IL 60675 Attn: Ms. Sharon Jackson T: 312-630-1609 F: 312-630-1566	50 S. LaSalle Street Chicago, IL 60675 Attn: Ms. Sharon Jackson T: 312-630-1609 F: 312-630-1566
PNC Bank, National Association	$45,000,000	$10,000,000	201 East Fifth Street Cincinnati, OH 45202 Attn: Marc Accamando T: 412-768-6214 F: 412-768-4586	201 East Fifth Street Cincinnati, OH 45202 Attn: Marc Accamando T: 412-768-6214 F: 412-768-4586
Regions Bank	$35,000,000		417 North 20th Street Birmingham, AL 35203 Attn: Ashley Lewis T: 205-420-5574 F: 205-801-5250	417 North 20th Street Birmingham, AL 35203 Attn: Ashley Lewis T: 205-420-5574 F: 205-801-5250

Name of Initial Lender	Revolving Credit Commitment	Letter of Credit Commitment	Domestic Lending Office	Eurodollar Lending Office
U.S. Bank National Association	$ 45,000,000		One U.S. Bank Plaza SL-MO-T12M St. Louis, MO 63101 Attn: Barbara Campbell T: 920-237-7370 F: 920-237-7993	One U.S. Bank Plaza SL-MO-T12M St. Louis, MO 63101 Attn: Barbara Campbell T: 920-237-7370 F: 920-237-7993
William Street LLC	$ 25,000,000		1 New York Plaza, 40th Floor New York, NY 10004 Attn: Pedro Ramirez T: 917-343-8319 F: 212-428-1243	1 New York Plaza, 40th Floor New York, NY 10004 Attn: Pedro Ramirez T: 917-343-8319 F: 212-428-1243
Total:	$400,000,000	$50,000,000		

SCHEDULE II

GUARANTORS

Batesville Services, Inc.

SCHEDULE 2.01(b)

EXISTING LETTERS OF CREDIT

None.

SCHEDULE 3.01(b)

DISCLOSED LITIGATION

1. Funeral Consumers Alliance, Inc. vs. Service Corporation International, et al. filed on May 2, 2005 in the United States District Court for the Northern District of California (the "FCA Matter"), and purported copycat class action lawsuits filed after the FCA Matter on behalf of consumers based on essentially the same factual allegations alleged in the FCA Matter. The FCA Matter has been transferred to the United States District Court for the Southern District of Texas.

2. Pioneer Valley Casket Co., Inc., et al. vs. Service Corporation International, et al. filed July 8, 2005 in the United States District Court for the Northern District of California. This matter has been transferred to the United States District Court for the Southern District of Texas

3. Civil Investigative Demands by the Attorney General of Maryland and certain other state attorneys general with respect to purported anticompetitive practices in the death care industry.

4. Vertie Staples v. Batesville Casket Company, Inc. filed on August 17, 2007 in the United States District Court for the Eastern District of Arkansas.

SCHEDULE 5.02(a)

EXISTING LIENS

None

SCHEDULE 5.02(c)

EXISTING INDEBTEDNESS

1. Deferred compensation obligations owed to Designated Individuals (as defined in Schedule 2.03(e) of the Distribution Agreement).
2. Purchase price adjustments that may be due to HII and/or certain of its subsidiaries for asset acquisitions in connection with consummation of the Spin Transaction.

EXHIBIT A — FORM OF
REVOLVING CREDIT
PROMISSORY NOTE

U.S.$_____ Dated: _____, 200_

FOR VALUE RECEIVED, the undersigned, BATESVILLE HOLDINGS, INC., an Indiana corporation (the "Borrower"), HEREBY PROMISES TO PAY to the order of _____ (the "Lender") for the account of its Applicable Lending Office on the Termination Date applicable to the Lender (each as defined in the Credit Agreement referred to below) the principal sum of U.S.$[amount of the Lender's Commitment in figures] or, if less, the aggregate principal amount of the Advances made by the Lender to the Borrower pursuant to the Credit Agreement dated as of March 28, 2008 among the Borrower, the Lender and certain other lenders parties thereto, and Citibank, N.A. as Agent for the Lender and such other lenders (as amended or modified from time to time, the "Credit Agreement"; the terms defined therein being used herein as therein defined) outstanding on such Termination Date.

The Borrower promises to pay interest on the unpaid principal amount of each Advance from the date of such Advance until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Credit Agreement.

Both principal and interest in respect of each Advance in Dollars are payable in lawful money of the United States of America to the Agent at its account maintained at 388 Greenwich Street, New York, New York 10013, in same day funds. Each Advance owing to the Lender by the Borrower pursuant to the Credit Agreement, and all payments made on account of principal thereof, shall be recorded by the Lender and, prior to any transfer hereof, endorsed on the grid attached hereto which is part of this Promissory Note.

This Promissory Note is one of the Notes referred to in, and is entitled to the benefits of, the Credit Agreement. The Credit Agreement, among other things, (i) provides for the making of Advances by the Lender to the Borrower from time to time in an aggregate amount not to exceed at any time outstanding the U.S. dollar amount first above mentioned, the indebtedness of the Borrower resulting from each such Advance being evidenced by this Promissory Note and (ii) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

BATESVILLE HOLDINGS, INC.

By _____
Title:

ADVANCES AND PAYMENTS OF PRINCIPAL

Date	Amount of Advance	Amount of Principal Paid or Prepaid	Unpaid Principal Balance	Notation Made By

EXHIBIT B — FORM OF NOTICE OF BORROWING

Citibank, N.A., as Agent
for the Lenders parties
to the Credit Agreement
referred to below
Two Penns Way
New Castle, Delaware 19720

[Date]

Attention: Bank Loan Syndications Department

Ladies and Gentlemen:

The undersigned, Batesville Holdings, Inc., refers to the Credit Agreement, dated as of March 28, 2008 (as amended or modified from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among the undersigned, certain Lenders parties thereto and Citibank, N.A., as Agent for said Lenders, and hereby gives you notice, irrevocably, pursuant to Section 2.02 of the Credit Agreement that the undersigned hereby requests a Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing (the "Proposed Borrowing") as required by Section 2.02(a) of the Credit Agreement:

(i) The Business Day of the Proposed Borrowing is _____, 200_.

(ii) The Type of Advances comprising the Proposed Borrowing is [Base Rate Advances] [Eurodollar Rate Advances].

(iii) The aggregate amount of the Proposed Borrowing is $_____.

[(iv) The initial Interest Period for each Eurodollar Rate Advance made as part of the Proposed Borrowing is___ month[s].]

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

(A) the representations and warranties contained in Section 4.01 of the Credit Agreement (except the representations set forth in subsection (e)(iii) thereof and in subsection (f) thereof (other than clause (ii) thereof)) are correct, before and after giving effect to the Proposed Borrowing and to the application of the proceeds therefrom, as though made on and as of such date, except (x) to the extent that such representations and warranties specifically refer to an earlier date, such representations and warranties shall be true and correct as of such earlier date and (y) the representations and warranties contained in subsections (i) and (ii) of Section 4.01(e) shall be deemed to refer to the most recent financial statements furnished pursuant to subsections (i) and (ii), respectively, of Section 5.01(a); and

(B) no event has occurred and is continuing, or would result from such Proposed Borrowing or from the application of the proceeds therefrom, that constitutes a Default.

Very truly yours,

BATESVILLE HOLDINGS, INC.

By _____
Title:

EXHIBIT C — FORM OF
ASSIGNMENT AND ACCEPTANCE

Reference is made to the Credit Agreement dated as of March 28, 2008 (as amended or modified from time to time, the "Credit Agreement") among Batesville Holdings, Inc., an Indiana corporation (the "Company"), the Lenders (as defined in the Credit Agreement) and Citibank, N.A., as agent for the Lenders (the "Agent"). Terms defined in the Credit Agreement are used herein with the same meaning.

The "Assignor" and the "Assignee" referred to on Schedule I hereto agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, an interest in and to the Assignor's rights and obligations under the [Credit Agreement as of the date hereof] [the Letter of Credit Facility] equal to the percentage interest specified on Schedule 1 hereto of [all outstanding rights and obligations under the Credit Agreement together with participations in Letters of Credit held by the Assignor on the date hereof] [such Assignor's Unissued Letter of Credit Commitment]. After giving effect to such sale and assignment, the Assignee's [Revolving Credit Commitment and the amount of the Advances owing to the Assignee] [Letter of Credit Commitment] will be as set forth on Schedule 1 hereto.

2. The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any lien or security interest created or purported to be created under or in connection with, the Credit Agreement or any other instrument or document furnished pursuant thereto; (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or any other Loan Party or the performance or observance by the Borrower or any other Loan Party of any of its obligations under the Credit Agreement or any other instrument or document furnished pursuant thereto; and (iv) attaches the Note[, if any,] held by the Assignor [and requests that the Agent exchange such Note for a new Note payable to the order of [the Assignee in an amount equal to the Revolving Credit Commitment assumed by the Assignee pursuant hereto or new Notes payable to the order of the Assignee in an amount equal to the Revolving Credit Commitment assumed by the Assignee pursuant hereto and] the Assignor in an amount equal to the Revolving Credit Commitment retained by the Assignor under the Credit Agreement[, respectively,] as specified on Schedule 1 hereto].

3. The Assignee (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 4.01 thereof 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 Acceptance; (ii) agrees that it will, independently and without reliance upon the 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 Credit Agreement; (iii) confirms that it is an Eligible Assignee; (iv) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement as are delegated to the Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto; (v) agrees that it will perform in accordance with their terms all of the obligations that by the terms of the Credit Agreement are required to be performed by it as a Lender; and (vi) attaches any U.S. Internal Revenue Service forms required under Section 2.14 of the Credit Agreement.

4. Following the execution of this Assignment and Acceptance, it will be delivered to the Agent for acceptance and recording by the Agent. The effective date for this Assignment and Acceptance (the "Effective Date") shall be the date of acceptance hereof by the Agent, unless otherwise specified on Schedule 1 hereto.

5. Upon such acceptance and recording by the Agent, as of the Effective Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

6. Upon such acceptance and recording by the Agent, from and after the Effective Date, the Agent shall make all payments under the Credit Agreement and the Notes in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest and facility fees with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Credit Agreement and the Notes for periods prior to the Effective Date directly between themselves.

7. This Assignment and Acceptance shall be governed by, and construed in accordance with, the laws of the State of New York.

8. This Assignment and Acceptance may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of Schedule 1 to this Assignment and Acceptance by telecopier shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance.

IN WITNESS WHEREOF, the Assignor and the Assignee have caused Schedule 1 to this Assignment and Acceptance to be executed by their officers thereunto duly authorized as of the date specified thereon.

Schedule 1
to
Assignment and Acceptance

Percentage interest assigned: _____%

[Assignee's Revolving Credit Commitment: $_____

Aggregate outstanding principal amount of Advances assigned: $_____

Principal amount of Note payable to Assignee: $_____

Principal amount of Note payable to Assignor: $_____]

[Assignee's Letter of Credit Commitment: $_____]

Effective Date*: _____, 200___

[NAME OF ASSIGNOR], as Assignor

By _____
Title:

Dated: _____, 200___

[NAME OF ASSIGNEE], as Assignee

By _____
Title:

Dated: _____, 200___

Domestic Lending Office:
[Address]

Eurodollar Lending Office:
[Address]

* This date should be no earlier than five Business Days after the delivery of this Assignment and Acceptance to the Agent.

Accepted [and Approved]** this
_____ day of _____, 200___

CITIBANK, N.A., as Agent

By _____
Title:

[Approved this _____ day
of _____, 200___

BATESVILLE HOLDINGS, INC.

By _____]*
Title:

[Approved this _____ day
of _____, 200___

[ISSUING BANK]

By _____]***
Title:

** Required if the Assignee is an Eligible Assignee solely by reason of clause (iii) of the definition of "Eligible Assignee".

* Required if the Assignee is an Eligible Assignee solely by reason of clause (iii) of the definition of "Eligible Assignee".

*** Required unless the Assignee is an Affiliate of the Assignor.

EXHIBIT D — FORM OF
COMPLIANCE CERTIFICATE

Financial Statement Date: _____,

To: Citibank, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement, dated as of March 28, 2008 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement;" the terms defined therein being used herein as therein defined), among Batesville Holdings, Inc., an Indiana corporation (the "Borrower"), the Lenders from time to time party thereto, Citibank, N.A., as Agent, and certain other Persons party thereto.

The undersigned Responsible Officer hereby certifies as of the date hereof that he/she is the _____ of the Borrower, and that, as such, he/she is authorized to execute and deliver this Certificate to the Agent on the behalf of the Borrower, and that:

*[Use following paragraph 1 for fiscal **year-end** financial statements]*

1. Attached hereto as Schedule 1 are the year-end audited financial statements required by Section 5.01(a)(i) of the Agreement for the fiscal year of the Borrower ended as of the above date, together with the report and opinion of an independent certified public accountant required by such section.

*[Use following paragraph 1 for fiscal **quarter-end** financial statements]*

1. Attached hereto as Schedule 1 are the unaudited financial statements required by Section 5.01(a)(ii) of the Agreement for the fiscal quarter of the Borrower ended as of the above date. Such financial statements fairly present the financial condition, results of operations and cash flows of the Borrower and its Subsidiaries in accordance with GAAP as at such date and for such period, subject only to normal year-end audit adjustments and the absence of footnotes.

[select one:]

2. [To the best knowledge of the undersigned during such fiscal period, the Borrower performed and observed each covenant and condition of the Loan Documents applicable to it.]

—or—

[The following covenants or conditions have not been performed or observed and the following is a list of each such Default and its nature and status:]

3. The representations and warranties of the Borrower contained in Section 4.01 of the Agreement are true and correct on and as of the date hereof, except (i) to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that for purposes of this Compliance Certificate, (ii) the representations and warranties contained in subsections (i) and (ii) of Section 4.01(e) shall be deemed to refer to the most recent financial statements furnished pursuant to subsections (i) and (ii), respectively, of Section 5.01(a)

of the Agreement, including the statements in connection with which this Compliance Certificate is delivered and (iii) the representations and warranties contained in subsection 4.01(e)(iii) and in subsection 4.01(f)(i) shall be true and correct only as of the date of the Effective Date, each Increase Date and each Extension Date.

4. The financial covenant analyses and information set forth onSchedule 2 attached hereto are true and correct in all material respects on and as of the date of this Certificate.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of _____, _____.

BATESVILLE HOLDINGS, INC.

By: _____
Name: _____
Title: _____

For the Quarter/Year ended _____ ("Statement Date")

SCHEDULE 2
to the Compliance Certificate
($ in 000's)

I.	Consolidated Indebtedness.		
	A.	For the Borrower and its Subsidiaries, calculated on a consolidated basis, all Indebtedness at Statement Date calculated before giving consideration to the second paragraph of Section 5.03(a).	$_____
	B.	For the Borrower and its Subsidiaries calculated on a consolidated basis, 25% of the principal amount of any mandatorily convertible unsecured bonds, debentures, preferred stock or similar instruments in a principal amount not to exceed $500,000,000 in the aggregate during the term of the Agreement which are payable in no more than three years (whether by redemption, call option or otherwise) solely in common stock or other common equity interests of the Borrower or its Subsidiaries (the "Convertibles")	$_____
	C.	Actual Consolidated Indebtedness at Statement Date (Lines 1A. + 1.B.):	$_____
II.	Consolidated EBITDA.		
	A.	Net income (or loss)	$_____
	B.	Interest expense.	$_____
	C.	Income tax expense	$_____
	D.	Depreciation expense	$_____
	E.	Amortization expense	$_____
	F.	Actual Consolidated EBITDA for the period of four fiscal quarters ended at Statement Date (Lines II.A. + II.B. + II.C. + II.D. + II.E):	$_____
III.	Actual Consolidated Indebtedness to Consolidated EBITDA Ratio at Statement Date (Line I.C. ¸ Line II.F.):		_____ to 1
	Maximum permitted by Section 5.03(a):		3.50 to 1
IV.	Consolidated interest payable on, and amortization of debt discount in respect of, all Indebtedness during the period of		

four fiscal quarters ended at Statement Date $_____

V. Actual Consolidated EBITDA to Consolidated Interest Ratio at Statement Date (Line II.F. ¸ Line IV): _____ to 1

Maximum permitted by Section 5.03(b): 3.50 to 1

EXHIBIT E — FORM OF
OPINION OF COUNSEL
FOR THE BORROWER

March 28, 2008

To each of the Lenders and the
Agents party to the Credit Agreement
described herein

Ladies and Gentlemen:

We have acted as counsel to Batesville Holdings, Inc., an Indiana corporation (the "Borrower") and Batesville Services, Inc., an Indiana corporation (the "Guarantor") in connection with the Credit Agreement dated as of March 28, 2008 (the "Credit Agreement") among the Borrower, the financial institutions party thereto as lenders (the "Lenders"), and Citibank, N.A., as administrative agent for such Lenders (in such capacity, the "Administrative Agent"). The Administrative Agent and the syndication agent referred to in the Credit Agreement are herein collectively referred to as the "Agents" and the Borrower and the Guarantor are each individually referred to as an "Opinion Party" and collectively as the "Opinion Parties"). This opinion letter is delivered to you pursuant to Section 3.01(h)(iv) of the Credit Agreement.

In connection with this opinion, we have examined originals or counterparts of the following documents (collectively, the "Opinion Documents"):

(i) a counterpart of the Credit Agreement executed by each Opinion Party, and

(ii) the Notes executed by the Borrower on the date hereof.

We have also examined originals or counterparts of such records and documents as we have deemed necessary and relevant for purposes of this opinion. In addition, we have examined the originals, or copies certified to our satisfaction, of such other corporate records of the Opinion Parties, certificates of public officials and of an officer of the Borrower (including the certificate dated the date hereof and attached hereto as Exhibit A), and agreements, instruments and other documents, as we have deemed necessary as a basis for the opinions expressed below. In addition, we have relied on the opinion letter with respect to the Opinion Parties issued by John Zerkle on even date herewith and certificates or comparable documents of an officer of the Borrower as to certain matters of fact relating to this opinion. We have also made such investigations of law as we have deemed necessary and relevant as a basis for this opinion.

In making our examinations, we have assumed: (i) the genuineness of all signatures on all documents furnished to us (including, without limitation, those of each Opinion Party); (ii) the

authenticity of all documents and records submitted to us as originals; (iii) the conformity to original documents of documents and records submitted to us as copies; (iv) the truthfulness of all statements of fact made in documents and records submitted to us; and (v) the accuracy of all written statements made to us as to issues of fact.

Capitalized terms used herein and not otherwise defined herein have the meanings assigned to such terms in the Credit Agreement. For purposes of this opinion letter:

"Applicable Law" means those laws, rules and regulations of the State of New York and the United States of America which in our experience are normally applicable to the transactions of the type provided for in the Opinion Documents, except that the term "Applicable Law" does not include, and we express no opinion with regard to (i) any law, rule or regulation relating to (A) any federal or state securities, commodities, insurance, or investment company laws and regulations; (B) any federal or state labor, pension, or other employee benefit laws and regulations; (C) any federal or state antitrust, trade or unfair competition laws and regulations; (D) any federal or state laws and regulations relating to the environment, safety, health, or other similar matters; (E) any laws, rules, and regulations of any county, municipality, subdivision or similar local authority of any jurisdiction or any agency or instrumentality thereof; (F) any federal or state tax laws or regulations; or (G) any federal or state laws or regulations relating to copyrights, patents, trademarks, or other intellectual property.

"Government Approvals" means any order, consent, approval, license, permit, authorization of, or filing, recording, registration or qualification with, or exemption by, or notice to any governmental body or authority of the State of New York or of the United States of America, pursuant to any Applicable Law.

Based upon the foregoing and subject to the limitations, qualifications and assumptions set forth in this opinion, and having due regard for such legal considerations as we deem relevant in respect of Applicable Law, we are of the opinion that:

1. No Governmental Approval is necessary or required in connection with the execution, delivery or performance by, or enforcement against (i) each Opinion Party of the Credit Agreement and (ii) the Borrower of the Notes.

2. (a) The Credit Agreement is, and after giving effect to the initial Borrowing, the Notes will be, legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms.

(b) The obligations of the Guarantor set forth in the Credit Agreement are legal, valid and binding obligations of the Guarantor, enforceable against the Guarantor in accordance with its terms.

3. The execution, delivery and performance by each Opinion Party of the Credit Agreement and of the Notes by the Borrower, and the consummation of the transactions contemplated by the Opinion Documents, does not and will not violate any Applicable Law.

The foregoing opinions are, with your concurrence, predicated on and qualified in their entirety by the following:

(a) The foregoing opinions are based on and are limited to Applicable Law. We render no opinion with respect to the law of any other jurisdiction, and we have assumed the validity, binding effect and enforceability of the Opinion Documents under the law of each such other jurisdiction relevant thereto.

(b) Our opinions are (i) subject to the effect of applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, preference, liquidation, conservatorship or other similar law affecting creditor's rights generally, and such duties and standards as are or may be imposed on creditors (including, without limitation, good faith, materiality, reasonableness and fair dealing) under any applicable law or judicial decision, and (ii) subject to general principles of equity and public policy, and we express no opinion as to the availability of specific performance, injunctive relief or any other equitable remedy.

(c) We express no opinion as to the legality, validity, binding effect or enforceability of any provision in the Opinion Documents (i) purporting to restrict access to courts or to legal or equitable remedies; (ii) purporting to establish evidentiary standards; (iii) purporting to grant a right of set-off of moneys, securities and other properties of any Person other than the Person granting such right; (iv) providing for rights of contribution; (v) purporting to irrevocably appoint any Person as attorney-in-fact; (vi) purporting to indemnify, defend or hold harmless any Person (A) in conflict with principles of public policy, or (B) to the extent precluded by federal or state securities laws, (vii) purporting to indemnify or exculpate any Person from the consequences of its own negligence or strict liability or for illegality or violation of laws; (viii) purporting to affect any right to trial by jury, venue or jurisdiction; or (ix) pertaining to subrogation rights, delay or omission of enforcement of rights or remedies, severability or marshaling of assets.

(d) We express no opinion as to any provision of the Opinion Documents insofar as it provides that any Person purchasing a participation from a Lender pursuant thereto may exercise set-off or similar rights with respect to such participation.

(e) We have assumed, as to each Person (other than the Opinion Parties) shown as being a party to any of the Loan Documents, (i) that such Person is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized, (ii) that such Loan Documents have been duly authorized, executed and delivered by such Person, (iii) that such Person has the requisite power and authority to execute, deliver and perform its obligations under the Loan Documents to which it is a party and will perform such obligations in compliance with all laws and regulations applicable to it, (iv) that there are no suits, actions or proceedings pending against such Person or judicial or administrative orders, judgments, or decrees binding on such Person that affect the legality, validity, binding effect or enforceability of the Loan Documents to which it is a party, (v) that no consent, license, approval or authorization of, or filing or registration with, any governmental authority is required for the valid execution, delivery and performance of the Loan Documents to which such Person is a party, and (vi) that the execution, delivery and performance of such Loan Documents by such Person does not violate (1) any provision of any law or regulation, (2) any order, judgment, writ,

injunction, award or decree of any court, arbitrator, or governmental authority, (3) the charter of bylaws of such Person, or (4) any indenture, lease or other agreement to which such Person is a party or by which such Person or any of its assets is bound. Furthermore, we have assumed as to each Person party to the Loan Documents (other than the Opinion Parties) that such Loan Documents constitute the legal, valid and binding obligation of such Person enforceable against such Person in accordance with their terms, subject to the type of qualifications regarding enforceability as are set forth in this opinion. We have also assumed that each Lender will make each extension of credit under the Loan Documents for its own account in the ordinary course of its commercial lending business and not with a view to, or for sale in connection with, any distribution of its Note or extensions of credit and that no Lender is participating in any such distribution other than assignments and participations made in accordance with the terms of the Loan Documents and not in violation of any securities laws.

(f) We express no opinion as to the effect on the opinions herein stated of (i) the compliance or non-compliance of any party (other than the Opinion Parties to the extent expressly set forth in our opinions above) to the Loan Documents with any state, federal or other laws or regulations applicable to it, and (ii) the legal or regulatory status or the nature of the business of any such party (other than the Opinion Parties to the extent expressly set forth in our opinions above).

(g) We express no opinion as to the effect of the law of any jurisdiction other than the State of New York wherein any Lender or Agent may be located or wherein enforcement of the Loan Documents may be sought which limits the interest, fees or other charges legally chargeable or collectible.

(h) We have assumed that the factual matters included in the representations and warranties made by the Opinion Parties in the Opinion Documents are true and accurate as of the date hereof.

(i) Requirements in the Opinion Documents specifying that provisions thereof may only be waived in writing may not be legal, valid, binding and enforceable to the extent that an oral agreement or an implied agreement by trade practice or course of conduct has been created modifying any provision of such documents.

(j) We express no opinion as to any provision in the Opinion Documents (i) with respect to consent to jurisdiction, (ii) with respect to a waiver of inconvenient forum with respect to proceedings in any court, (iii) purporting to waive rights to notice, or (iv) providing that remedies are cumulative or that decisions by a party are conclusive.

(k) This opinion is given only as of the date hereof, and we have no obligation to report to you or any other Person any fact or circumstance that may hereafter come to our attention or any change in law.

This opinion (i) is delivered in connection with the Opinion Documents only to counsel for the Administrative Agent, you and your assignees permitted under the Credit Agreement, solely in your capacities identified as addressees of this opinion, and only in connection with the transactions described above, (ii) does not extend to counsel for the Administrative Agent, you or

your assignees when acting in any other capacity or to any other Person without our prior express written consent, and (iii) may not be quoted, circulated, or published, in whole or in part, or furnished to any other Person (other than to independent auditors and attorneys, participants or transferees, regulators or government agencies, or pursuant to a court order, subpoena or other legal process) without our prior express written consent. This opinion is strictly limited to the matters stated herein, and no other or more extensive opinion is intended, implied or to be inferred beyond the matters expressly stated herein.

Very truly yours,

Bracewell & Giuliani LLP

Exhibit A

Certificate from the Borrower's Vice President

(See Attached)

OFFICERS' CERTIFICATE

This certificate is delivered in connection with the opinion of Bracewell & Giuliani LLP dated as of March 28, 2008 and issued in connection with the Credit Agreement (the "Credit Agreement") dated as of the same date between Batesville Holdings, Inc., an Indiana corporation (the 'Borrower"), the financial institutions party thereto as lenders (the "Lenders"), and Citibank, N.A., as administrative agent for such Lenders. Capitalized terms used in this Certificate and not otherwise defined herein have the meanings assigned to such terms in the Credit Agreement.

The undersigned hereby certifies, solely in his capacity as an officer of the Borrower, and not in his personal capacity, that he is the duly elected and acting Vice President of the Borrower and that there are no indentures, loan or credit agreements, leases, guarantees, mortgages, security agreements, bonds, notes, orders, writs, judgments, awards, injunctions, decrees or any other agreements or instruments that affect or purport to affect the Borrower's right to borrow money or the Borrower's obligations under the Credit Agreement or the Notes.

Dated as of March 28, 2008.

Batesville Holdings, Inc.

By: _____
Mark R. Lanning
Vice President

[On Company Letterhead]

March 28, 2008

To each of the Lenders and the
Agents party to the Credit Agreement
described herein

Re: The Credit Agreement dated as of March 28, 2008 (the "Credit Agreement") among Batesville Holdings, Inc., an Indiana corporation (the "Company"), each lender from time to time party thereto, Citibank, N.A., as Administrative Agent, and certain other Persons party thereto.

Ladies and Gentlemen:

I am Sr. Vice President and Secretary of the Company, and have represented the Company and Batesville Services, Inc. (the "Guarantor") in connection with the Credit Agreement. Capitalized terms used herein and defined in the Credit Agreement but not defined herein are used herein as therein defined. The Administrative Agent and the syndication agent referred to in the Credit Agreement are herein collectively referred to as the "Agents" and the Company and the Guarantor are each individually referred to as an "Opinion Party" and collectively as the "Opinion Parties").

In connection with the rendering of this opinion, I have reviewed (i) the Credit Agreement executed by the Opinion Parties and the Notes executed by the Company on the date hereof (collectively, the "Opinion Documents"); (ii) Organization Documents and resolutions of the Opinion Parties; and (iii) such other matters of fact and law which I deemed necessary in order to render this opinion.

I have also discussed the matters addressed in this opinion with officers of one or more Opinion Parties to the extent I deemed appropriate to enable me to render this opinion.

In connection with this opinion, I have assumed (i) the genuineness of all signatures (other than the signatures of the Opinion Parties); (ii) the authenticity of all documents submitted to me as originals; and (iii) the conformity to original documents of all documents submitted to me as photostatic or certified copies and the authenticity of the originals of such copies.

Based upon the foregoing, and subject to the qualifications and exceptions hereinafter set forth, I am of the opinion that:

1. Each Opinion Party is a corporation duly organized and validly existing under the laws of the jurisdiction of its organization.

2. The execution, delivery and performance by each Opinion Party of the Opinion Documents to which it is a party, and the consummation of the transactions contemplated

thereby, are within such Opinion Party's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene the Organization Documents of such Opinion Party. The Opinion Documents have been duly executed and delivered by an authorized officer of each Opinion Party that is a party thereto.

3. To the best of my knowledge, there are no pending or overtly threatened actions or proceedings against the Company or any of its Subsidiaries before any court, governmental agency or arbitrator that purport to affect the legality, validity, binding effect or enforceability of any Opinion Document or the consummation of the transactions contemplated thereby or, except as described in Schedule 3.01(b) to the Credit Agreement, that are likely to have a materially adverse effect upon the financial condition or operations of the Company or any of its Subsidiaries.

The opinions set forth above are expressly subject to the following limitations and assumptions, in addition to those above:

a) In the foregoing opinions, the phrase "to my knowledge" refers to my conscious awareness of information.

b) I am licensed to practice law in the State of Indiana and do not hold myself out as an expert on the law of any state other than the State of Indiana. Consequently, the foregoing opinions are limited in all respects to the federal laws of the United States of America and the law of the State of Indiana (without consideration of judicial or administrative interpretations or announcements). I express no opinion as to the laws of any other state or jurisdiction other than as set forth in the immediately preceding sentence.

c) I have, with respect to factual matters, to the extent I have deemed appropriate, assumed that the statements, recitals, representations and warranties contained in the Loan Documents are accurate and complete.

d) This opinion is rendered as of the date of this letter, and I undertake no obligation, and hereby disclaim any obligation, to update or supplement such opinions to reflect any fact or circumstance that may hereafter come to my attention or any changes in law that may hereafter occur or become effective.

This opinion (i) is delivered in connection with the Opinion Documents only to counsel for the Administrative Agent, you and your assignees permitted under the Credit Agreement, solely in your capacities identified as addressees of this opinion, and only in connection with the transactions described above, (ii) does not extend to counsel for the Administrative Agent, you or your assignees when acting in any other capacity or to any other Person without my prior express written consent, and (iii) may not be quoted, circulated, or published, in whole or in part, or furnished to any other Person (other than to independent auditors and attorneys, participants or transferees, regulators or government agencies, or pursuant to a court order, subpoena or other legal process) without my prior express written consent. This opinion is strictly limited to the matters stated herein, and no other or more extensive opinion is intended, implied or to be inferred beyond the matters expressly stated herein.

Yours truly,

John R. Zerkle
Sr. Vice President and Secretary of Batesville Holdings, Inc.

EXHIBIT F — FORM OF
GUARANTY SUPPLEMENT

_____ ____, 20____

Citibank, N.A., as Agent
for the Lenders parties
to the Credit Agreement
referred to below
Two Penns Way
New Castle, Delaware 19720

Attention: Bank Loan Syndications Department

Credit Agreement dated as of March 28, 2008 among
Batesville Holdings, Inc., an Indiana corporation (the "Borrower"), the Lenders
party to the Credit Agreement, and Citibank, N.A., as Agent

Ladies and Gentlemen:

Reference is made to the above-captioned Credit Agreement and to the Guaranty referred to therein. The capitalized terms defined in the Credit Agreement and not otherwise defined herein are used herein as therein defined.

Section 1. Guaranty; Limitation of Liability. (a) The undersigned hereby absolutely, unconditionally and irrevocably guarantees the punctual payment when due, whether at scheduled maturity or on any date of a required prepayment or by acceleration, demand or otherwise, of all obligations of the Borrower now or hereafter existing under or in respect of the Loan Documents (including, without limitation, any extensions, modifications, substitutions, amendments or renewals of any or all of the foregoing obligations), whether direct or indirect, absolute or contingent, and whether for principal, interest, premium, fees, indemnities, contract causes of action, costs, expenses or otherwise (such obligations being the "Guaranteed Obligations"), and agrees to pay any and all expenses (including, without limitation, reasonable fees and expenses of counsel) incurred by the Agent or any Lender in enforcing any rights under this Guaranty Supplement, the Guaranty or any other Loan Document. Without limiting the generality of the foregoing, the undersigned's liability shall extend to all amounts that constitute part of the Guaranteed Obligations and would be owed by the Borrower to the Agent or any Lender under or in respect of the Loan Documents but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving the Borrower.

(b) The undersigned, and by its acceptance of this Guaranty Supplement, the Agent and each Lender, hereby confirms that it is the intention of all such Persons that this Guaranty Supplement, the Guaranty and the obligations of the undersigned hereunder and thereunder not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar foreign, federal or state law to the extent applicable to this Guaranty Supplement, the Guaranty and the obligations of the undersigned hereunder and thereunder. To effectuate the foregoing intention, the Agent, the Lenders and the

undersigned hereby irrevocably agree that the obligations of the undersigned under this Guaranty Supplement and the Guaranty at any time shall be limited to the maximum amount as will result in the obligations of the undersigned under this Guaranty Supplement and the Guaranty not constituting a fraudulent transfer or conveyance.

(c) The undersigned hereby unconditionally and irrevocably agrees that in the event any payment shall be required to be made to the Agent or any Lender under this Guaranty Supplement, the Guaranty or any other guaranty, the undersigned will contribute, to the maximum extent permitted by applicable law, such amounts to each other Guarantor and each other guarantor so as to maximize the aggregate amount paid to the Agent and the Lenders under or in respect of the Loan Documents.

Section 2. Obligations Under the Guaranty. The undersigned hereby agrees, as of the date first above written, to be bound as a Guarantor by all of the terms and conditions of the Guaranty to the same extent as each of the other Guarantors thereunder. The undersigned further agrees, as of the date first above written, that each reference in the Guaranty to an "Additional Guarantor" or a "Guarantor" shall also mean and be a reference to the undersigned, and each reference in any other Loan Document to a "Guarantor" or a "Loan Party" shall also mean and be a reference to the undersigned.

Section 3. Representations and Warranties. The undersigned hereby makes each representation and warranty set forth in Article IV of the Credit Agreement to the same extent as each other Guarantor.

Section 4. Delivery by Telecopier. Delivery of an executed counterpart of a signature page to this Guaranty Supplement by telecopier or other electronic communication shall be effective as delivery of an original executed counterpart of this Guaranty Supplement.

Section 5. Governing Law; Jurisdiction; Waiver of Jury Trial, Etc. (a) This Guaranty Supplement shall be governed by, and construed in accordance with, the laws of the State of New York.

(b) The undersigned hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or any federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Guaranty Supplement, the Guaranty or any of the other Loan Documents to which it is or is to be a party, or for recognition or enforcement of any judgment, and the undersigned hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such New York State court or, to the extent permitted by law, in such federal court. The undersigned 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 Guaranty Supplement or the Guaranty or any other Loan Document shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Guaranty Supplement, the Guaranty or any of the other Loan Documents to which it is or is to be a party in the courts of any other jurisdiction.

(c) The undersigned irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Guaranty Supplement, the Guaranty or any of the other Loan Documents to which it is or is to be a party in any New York State or federal court. The undersigned hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such suit, action or proceeding in any such court.

(d) THE UNDERSIGNED HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO ANY OF THE LOAN DOCUMENTS, THE ADVANCES OR THE ACTIONS OF THE AGENT OR ANY LENDER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.

Very truly yours,

[NAME OF ADDITIONAL GUARANTOR]

By _____
Title:

EXECUTION COPY

U.S. $400,000,000

CREDIT AGREEMENT

Dated as of March 28, 2008

Among

BATESVILLE HOLDINGS, INC.
as Borrower

and

THE INITIAL LENDERS NAMED HEREIN
as Initial Lenders

and

CITIBANK, N.A.
as Administrative Agent

and

JPMORGAN CHASE BANK, N.A.
as Syndication Agent

and

CITIGROUP GLOBAL MARKETS INC.
and
J.P. MORGAN SECURITIES INC.
as Joint Lead Arrangers and Joint Bookrunners

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Exhibit 10.2

JUDGMENT SHARING AGREEMENT

BY AND AMONG

HILLENBRAND INDUSTRIES, INC.

BATESVILLE HOLDINGS, INC.

AND

BATESVILLE CASKET COMPANY, INC.

Dated as of March 14, 2008

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JUDGMENT SHARING AGREEMENT

THIS JUDGMENT SHARING AGREEMENT, dated as of March 14, 2008 (this "Agreement"), is entered into by and among Hillenbrand Industries, Inc., an Indiana corporation ("HI"), Batesville Holdings, Inc., an Indiana corporation ("BSI Parent"), and Batesville Casket Company, Inc., an Indiana corporation ("BSI"). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in Article I.

WITNESSETH:

WHEREAS, HI currently owns all the issued and outstanding capital stock of BSI Parent, and BSI is an indirect wholly owned subsidiary of BSI Parent;

WHEREAS, the Board of Directors of HI is currently considering (a) the spin-off of its entire ownership interest in BSI Parent through a distribution of all the outstanding shares of capital stock of BSI Parent to the shareholders of HI (the "Distribution") and (b) the change of the names of HI and BSI Parent to Hill-Rom Holdings, Inc. and Hillenbrand, Inc., respectively, prior to the consummation of the Distribution; and

WHEREAS, HI and BSI are each named as codefendants in the BSI Litigation Matters and as such, may become jointly and severally liable for the payment of damages assessed in that litigation;

NOW, THEREFORE, in consideration of the mutual promises, covenants and obligations herein contained and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I.

DEFINITIONS

1.01 General. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

AAA: as defined in Section 3.04(a).

Action: any claim, suit, action, mediation, arbitration, inquiry, investigation or other proceeding of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) by or before any mediator, arbitrator or Governmental Authority.

affiliate: with respect to any specified Person, a Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person; provided, however, that for purposes of this Agreement, no member of either Group and no officer or director of any member of either Group shall be deemed to be an affiliate of any member of the other Group.

Agreement: as defined in the preamble to this Agreement.

Applicable Deadline: as defined in Section 3.03(b).

Applicable Rate: the rate of interest applicable from time to time to the indebtedness outstanding under a Person's senior bank credit facility or, if no such indebtedness is outstanding, the Base Rate.

Arbitration Act: the United States Arbitration Act, 9 U.S.C. ss.ss 1-16, as the same may be amended from time to time.

Arbitration Demand Date: as defined in Section 3.03(a).

Arbitration Demand Notice: as defined in Section 3.03(a).

Base Rate: the rate which Citibank, N.A. (or any successor thereto or other major money center commercial bank agreed to by the parties hereto) announces from time to time as its base lending rate, as in effect from time to time.

best efforts: a Person's good faith best efforts to achieve a goal as expeditiously as possible, which may require the incurrence of expense or hardship in order to achieve the reasonable expectations of another party as agreed hereunder.

BSI: as defined in the preamble of this Agreement, including its successors and permitted assigns.

BSI Funding Component: with respect to each BSI Litigation Matter, the sum of the Initial BSI Funding Tranche and the Second BSI Funding Tranche, if any.

BSI Group: BSI Parent and the BSI Subsidiaries.

BSI Litigation Funding Obligation: with respect to each BSI Litigation Matter, the aggregate amount that HI and/or BSI are required to pay or post in cash (a) to satisfy in whole a claim (including, if any, interest, penalties, attorneys fees and court costs) arising from such BSI Litigation Matter if and only upon such claim being Finally Determined, or (b) to post a supersedeas bond (including the cost of the bond, cash collateral or letter of credit that must be provided or posted, fees and other costs), in the event HI or BSI elects to do so, to defer the execution of any judgment which may be entered in connection with such BSI Litigation Matter pending its Final Determination.

BSI Litigation Matter: To the extent not covered by collectible insurance: (a) each Action listed on Schedule 2.01; (b) each additional Action hereafter asserted prior to the consummation of the Distribution against both a member of the HI Group and a member of the BSI Group seeking damages for alleged violations of state and federal antitrust laws based upon the BSI Group's method of distributing caskets exclusively through licensed funeral directors; and (c) any other Action consolidated for purposes of trial with any Action referred to in clause (a) or (b) above.

BSI Parent: as defined in the preamble of this Agreement, including its successors and permitted assigns.

BSI Subsidiaries: all of the corporations, limited liability companies or other entities listed on Exhibit A as members of the BSI Group, and any other Subsidiaries of BSI Parent, in each case including their successors and permitted assigns.

Business Day: any day other than a Saturday, a Sunday or a day on which banking institutions located in the State of Indiana are authorized or obligated by law or executive order to close.

Deposit Date: as defined in Section 2.01(b).

Distribution: as defined in the second "Whereas" clause of this Agreement.

Escalation Notice: as defined in Section 3.02(a).

Final Determination or Finally Determined: with respect to any Action, threatened Action or other matter, that the outcome or resolution of that Action, threatened Action or matter has either (a) been decided by an arbitrator or Governmental Authority of competent jurisdiction by judgment, order, award or other ruling or (b) has been settled or voluntarily dismissed and, in the case of each of clauses (a) and (b), the claimants' rights to maintain that Action, threatened Action or other matter have been finally adjudicated, waived, discharged, settled, or extinguished as to all members of the HI Group and the BSI Group, and that judgment, order, ruling, award, settlement or dismissal (whether mandatory or voluntary, but if voluntary that dismissal must be final, binding and with prejudice as to all claims specifically pleaded in that Action) is subject to no further appeal, vacatur proceeding or discretionary review.

Funding Bank Account: a demand deposit account with a financial institution located in the continental United States designated mutually by HI and BSI for the deposit of their respective Funding Components and from which account the parties may withdraw funds based only upon their joint instructions.

Funding Components: the BSI Funding Component and the HI Funding Component applicable to any BSI Litigation Matter.

Governmental Authority: any federal, state, local, foreign or international court, government, department, commission, board, bureau or agency, authority (including, but not limited to, any central bank or taxing authority) or instrumentality (including, but not limited to, any court, tribunal or grand jury) exercising executive, prosecutorial, legislative, judicial, regulatory or administrative functions of or pertaining to government or any other regulatory, administrative or governmental authority.

Group: the HI Group or the BSI Group, as the context requires.

HI: as defined in the preamble to this Agreement, including its successors and permitted assigns.

HI Funding Component: with respect to each BSI Litigation Matter, the HI Funding Tranche.

HI Funding Tranche: as defined in Section 2.01(c).

HI Group: HI and the HI Subsidiaries.

HI Subsidiaries: all of the corporations, limited liability companies or other entities listed on Exhibit A as members of the HI Group, and any other Subsidiaries of HI, in each case including their successors and permitted assigns.

Initial BSI Funding Tranche: as defined in Section 2.01(c).

Maximum Funding Obligation: with respect to each BSI Litigation Matter, the aggregate maximum amount that either HI or BSI is obligated to contribute to the satisfaction of a BSI Litigation Funding Obligation determined in accordance with the provisions of Section 2.01(c).

Maximum Funding Proceeds: the maximum amount of cash and cash proceeds that a Person and its Subsidiaries have on hand and/or have raised, using their best efforts (without any requirement to sell assets other than cash equivalents), to satisfy a BSI Litigation Funding Obligation, including all cash on hand, all cash equivalents that can be converted to cash, all available internally generated funds, the drawing of all undrawn capacity under existing credit facilities, the creation of and drawdown under new secured and unsecured credit facilities and term loans to the maximum extent practicable under the circumstances and the aggregate net proceeds from the issuance and sale of additional equity, debt and hybrid securities; provided, however, that (a) for a Person and its Subsidiaries this definition of Maximum Funding Proceeds shall exclude a Normal Operating Cash Balance and (b) for purposes of calculating the amount of Maximum Funding Proceeds, a Person and its Subsidiaries shall not be required to issue and sell more equity securities than can be underwritten on a firm commitment basis by one or more Qualified Investment Bankers at normal discount rates. For this purpose, such Person and its Subsidiaries shall be required to use their best efforts to raise the maximum amount of cash and net proceeds from such transactions, borrowings and debt securities sales as expeditiously as possible. In negotiating the terms of such transactions, borrowings and debt securities sales, the maximization of cash and net proceeds shall be given priority over the minimization of the costs of raising such proceeds, the minimization of restrictive covenants, the avoidance of the creation of liens on assets or the preservation of a debt rating.

Normal Operating Cash Balance: the amount of operating cash required to sustain the business of a Person and its Subsidiaries after the date of the Distribution, including amounts required to service all indebtedness incurred by such Person and its Subsidiaries after that date, currently estimated to be $40 million in the case of the HI Group and $30 million in the case of the BSI Group, in each case as determined by a Qualified Solvency Expert with reference to the levels of operating cash required by each Group from and after the date of this Agreement.

Person: an individual, a limited or general partnership, a joint venture, a corporation, a trust, a limited liability company, an unincorporated organization, or a Governmental Authority.

Qualified Investment Banker: Citigroup Global Markets Inc. or Goldman, Sachs & Co., including in each case its successors and assigns, or any other investment banking firm of national stature in the United States mutually approved by HI and BSI.

Qualified Solvency Expert: Duff & Phelps, Inc. or its successor or any other firm of solvency experts of national reputation in the United States mutually approved by HI and BSI.

Rules: as defined in Section 3.05.

representative: with respect to any Person, any of such Person's directors, officers, employees, agents, consultants, advisors, accountants, attorneys and representatives.

Required Funding Obligation: the lesser of the aggregate amount of a Person's Maximum Funding Proceeds or such smaller amount that such Person is required to contribute to the satisfaction of a BSI Litigation Funding Obligation pursuant to Section 2.01.

Second BSI Funding Tranche: as defined in Section 2.01(c).

Settlement Agreement: as defined in Section 2.04.

Solvency Threshold: one dollar short of the level at which an additional liability or obligation of a Person incurred for less than equivalent value would become subject to avoidance under Section 548 of the United States Bankruptcy Code or any comparable provision of applicable state law, all as determined by a Qualified Solvency Expert.

Subsidiary: with respect to any specified Person, any corporation or other legal entity of which such Person or any of its Subsidiaries controls or owns, directly or indirectly, more than 50% of the stock or other equity interest entitled to vote on the election of members to the board of directors or similar governing body, in each case including its successors or permitted assigns; provided, however, that for purposes of this Agreement, no member of the BSI Group shall be deemed to be a Subsidiary of any member of the HI Group.

1.02 References to Time. All references in this Agreement to times of the day shall be to Batesville, Indiana time, except as otherwise specifically provided herein.

ARTICLE II.

BSI LITIGATION FUNDING OBLIGATIONS

2.01 Funding Methodology.

(a) Expenses. BSI and the BSI Subsidiaries shall bear, at their sole expense, all joint attorneys', accountants', consultants', expert witnesses' and other professionals' fees and expenses and all other out-of-pocket costs incurred on behalf of themselves and HI and the HI Subsidiaries in the investigation, defense and/or evaluation of each BSI Litigation Matter.

(b) Deposit of Funds. At least fifteen days prior to the date that funds representing a BSI Funding Component and an HI Funding Component are required to be available to pay a claim or post a supersedeas bond in connection with a BSI Litigation Matter (a "Deposit Date"), BSI and HI shall specify in writing (i) their good faith best estimates of the amounts of the Initial BSI Funding Tranche, the HI Funding Tranche and the Second BSI Funding Tranche, if any, and the key assumptions used in calculating each such estimate, in each

case as determined as of such date, (ii) the clause of the definition of BSI Litigation Funding Obligation to which the foregoing Funding Components relate and (iii) the relevant Deposit Date. Both the HI Group and the BSI Group are committed to generate additional Maximum Funding Proceeds pursuant to Section 2.01(d) between the date of such specification and the relevant Deposit Date. Therefore, on the Business Day prior to each Deposit Date, if the amount of Maximum Funding Proceeds generated by either the HI Group or the BSI Group has increased since the date of the foregoing specification, HI and BSI shall further specify in writing the different amounts, if any, of the two components of the BSI Funding Component and the HI Funding Component and the reasons for each increase therein, and such different amounts shall, for all purposes, be the two components of the BSI Funding Component and the HI Funding Component with respect to such BSI Litigation Matter. On each Deposit Date, BSI and HI shall deposit immediately available funds in the Funding Bank Account in the amounts of the BSI Funding Component and the HI Funding Component, as the case may be, applicable to the BSI Litigation Matter to which such Deposit Date relates. Notwithstanding any other provision in this Agreement, (x) in the event that the Maximum Funding Proceeds that could be generated by the HI Group and the BSI Group would not be adequate in the aggregate to satisfy a BSI Litigation Funding Obligation, no party to this Agreement shall be obligated to engage in activities to generate Maximum Funding Proceeds, (y) if the Maximum Funding Proceeds that have been generated by BSI and HI in connection with a BSI Litigation Matter are not adequate to satisfy in full a BSI Litigation Funding Obligation, no party to this Agreement shall be obligated to deposit funds so generated in the Funding Bank Account on the related Deposit Date and (z) neither HI nor BSI shall be obligated to raise more funds than are required to satisfy in full its Required Funding Obligation with respect to any BSI Litigation Matter.

(c) Sources of Funding for BSI Litigation Funding Obligation Notwithstanding any other provision of this Agreement to the contrary, HI and BSI agree that between themselves the following allocation principles shall be used in determining the sources of the funding of each BSI Litigation Funding Obligation, if any, depending on the amount of that obligation: (i) first, the BSI Group shall contribute an amount equal to its Maximum Funding Proceeds minus the difference between $50 million and the Normal Operating Cash Balance of the BSI Group to the extent that the BSI Group's Normal Operating Cash Balance is less than $50 million (the "Initial BSI Funding Tranche"); (ii) second, the HI Group shall contribute an amount equal to its Maximum Funding Proceeds (the "HI Funding Tranche"); and (iii) third, the BSI Group shall contribute the balance of its Maximum Funding Proceeds (the "Second BSI Funding Tranche"); provided, however, that HI and BSI agree between themselves that (x) the respective funding obligations of each member of each Group under this Section 2.01(c) shall never exceed its respective Solvency Threshold, (y) neither Group shall be required to apply any portion of its Normal Operating Cash Balance to the satisfaction of a BSI Litigation Funding Obligation and (z) neither Group shall be required to issue and sell a percentage of its total outstanding equity securities that is greater than the percentage of outstanding total equity securities that the other Group is obligated to issue and sell under the definition of Maximum Funding Proceeds.

(d) Obligations to Maximize Funding Proceeds. Between the date on which a judgment is entered with respect to any BSI Litigation Matter and the related Deposit Date, each member of the HI Group and the BSI Group shall use its best efforts to raise the Maximum Funding Proceeds. Prior to using any funds deposited by HI to satisfy a BSI Litigation Funding

Obligation, BSI shall first use all of the Maximum Funding Proceeds from the Initial BSI Funding Tranche for such purpose. Prior to using any funds deposited by BSI with respect to the Second BSI Funding Tranche, HI shall use all funds deposited by HI with respect to the HI Funding Tranche.

(e) Repayment of Excess Funds. As soon as it can be determined, HI and BSI shall promptly ascertain the portions, if any, of the amounts deposited by HI and BSI in satisfaction of a Finally Determined BSI Litigation Funding Obligation that exceed their respective Funding Components. Any portion of the amount deposited by either HI or BSI that exceeds its respective Funding Component shall be remitted promptly to HI or BSI, as the case may be.

2.02 Rights of Contribution. In the event that the allocation provisions of Section 2.01 are held to be unenforceable in accordance with their terms by a Governmental Authority, HI and BSI Parent agree between themselves to contribute to the satisfaction of any BSI Litigation Funding Obligation based upon principles of general common law contribution determined with reference to the respective fault of HI and BSI, if any, as reflected in the trial record of the BSI Litigation Matter, or failing to reach such an agreement, pursuant to an arbitration initiated and conducted in accordance with Article III.

2.03 Termination of Agreement. If either HI or BSI shall be dismissed as a defendant in any BSI Litigation Matter (except where a party is dismissed or otherwise released, whether by release, covenant not to sue or otherwise, as a result of its entry into a Settlement Agreement) or shall be found upon conclusion of trial not to be responsible for the payment of any damages to the plaintiffs in such lawsuit, all obligations under this Article II of the party so dismissed or found not to be responsible for the payment of any damages with respect to such BSI Litigation Matter shall terminate once such dismissal or finding of no liability for the payment of damages has been Finally Determined.

2.04 Settlement. Either HI or BSI may settle alone, the claims against it in any BSI Litigation Matter or enter into a judgment sharing or similar agreement with one or more codefendants in any BSI Litigation Matter (collectively a "Settlement Agreement"), but no such Settlement Agreement shall release the signatory thereto from its obligations under this Article II to the other party to this Agreement unless such Settlement Agreement results in a Final Determination.

2.05 Exclusive Remedy. The terms of this Article II are in lieu of any other rights of contribution, indemnity, reimbursement or sharing, or any other claims, suits or causes of action by or on behalf of the parties to this Agreement relating to all BSI Litigation Matters.

2.06 Further Assurances. Unless otherwise expressly provided in this Agreement, each of the parties hereto shall use its commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things reasonably necessary, proper or advisable under applicable laws, regulations and agreements to consummate and make effective the transactions contemplated by this Agreement.

ARTICLE III.

ARBITRATION; DISPUTE RESOLUTION

3.01 Agreement to Arbitrate. The procedures for discussion, negotiation and arbitration set forth in this Article III shall be the final, binding and exclusive means to resolve, and shall apply to all disputes, controversies or claims (whether in contract, tort or otherwise) that may arise out of or relate to, or arise under or in connection with this Agreement. Each party agrees on behalf of itself and each member of its respective Group that the procedures set forth in this Article III shall be the final, binding and exclusive remedy in connection with any dispute, controversy or claim relating to any of the foregoing matters and irrevocably waives any right to commence any Action in or before any Governmental Authority, except to the extent provided under the Arbitration Act in the case of judicial review of arbitration results or awards. Each party on behalf of itself and each member of its respective Group irrevocably waives any right to any trial by jury with respect to any dispute, controversy or claim covered by this Section 3.01.

3.02 Escalation.

(a) Expeditious Resolution. It is the intent of the two Groups to use their respective commercially reasonable efforts to resolve expeditiously any dispute, controversy or claim between them with respect to the matters covered by this Agreement that may arise from time to time on a mutually acceptable negotiated basis. In furtherance of the foregoing, any party involved in a dispute, controversy or claim may deliver a notice (an "Escalation Notice") demanding an in-person meeting involving representatives of the two Groups at a senior level of management (or if the parties agree, of the appropriate business function or division within such entity). A copy of any such Escalation Notice shall be delivered addressed to the General Counsel, or like chief legal officer or official, of each party involved in the dispute, controversy or claim (which copy shall state that it is an Escalation Notice pursuant to this Agreement). Any agenda, location or procedure for such discussions or negotiations between the parties may be established by agreement of the parties from time to time; provided, however, that the parties shall use their reasonable best efforts to meet within three days of the Escalation Notice.

(b) Good Faith Negotiations. Following delivery of an Escalation Notice, the parties shall undertake good faith, diligent efforts to negotiate a commercially reasonable resolution of the dispute, controversy or claim. The parties may, by mutual consent, retain a mediator to aid the parties in their discussions and negotiations. Any opinion expressed by the mediator shall be strictly advisory and shall not be binding on the parties, nor shall any opinion expressed by the mediator be admissible in any arbitration proceedings. The mediator may be chosen from a list of mediators selected by the parties or by other agreement of the parties. All third-party costs of the mediation shall be borne equally by the parties involved in the matter, and each party shall be responsible for its own expenses. Mediation is not a prerequisite to an Arbitration Demand Notice under Section 3.03.

3.03 Demand for Arbitration.

(a) Initiation of Process. At any time following three days after the date of an Escalation Notice (the "Arbitration Demand Date"), any party involved in the dispute, controversy or claim (regardless of whether such party delivered the Escalation Notice) may deliver a notice demanding arbitration of such dispute, controversy or claim (an "Arbitration Demand Notice"). Delivery of an Escalation Notice by a party shall be a prerequisite to delivery of an Arbitration Demand Notice by that party or the other party, provided, however, that in the event that any party shall deliver an Arbitration Demand Notice to another party, such other party may itself deliver an Arbitration Demand Notice to such first party with respect to any related dispute, controversy or claim with respect to which the Applicable Deadline has not passed without the requirement of delivering an Escalation Notice. No party may assert that the failure to resolve any matter during any prior discussions or negotiations, the course of conduct during such prior discussions or negotiations, or the failure to agree on a mutually acceptable time, agenda, location or procedure for a meeting is a prerequisite to an Arbitration Demand Notice under Section 3.03. In the event that any party delivers an Arbitration Demand Notice with respect to any dispute, controversy or claim that is the subject of any then pending arbitration proceeding or of a previously delivered Arbitration Demand Notice, all such disputes, controversies and claims shall be resolved in the arbitration proceeding for which an Arbitration Demand Notice was first delivered unless the arbitrators in their sole discretion determine that it is impracticable or otherwise inadvisable to do so.

(b) Limitation Periods. Any Arbitration Demand Notice may be given until the date that is two years after the later of the occurrence of the act or event giving rise to the underlying claim or the date on which such act or event was, or should have been, in the exercise of reasonable due diligence, discovered by the party asserting the claim (as applicable and as it may in a particular case be specifically extended by the parties in writing, the "Applicable Deadline"). Any discussions, negotiations or mediations between the parties pursuant to this Agreement or otherwise will not toll the Applicable Deadline unless expressly agreed in writing by the parties. Each of the parties agrees on behalf of itself and each member of its Group that if an Arbitration Demand Notice with respect to a dispute, controversy or claim is not given prior to the occurrence of the Applicable Deadline, as between or among the parties and the members of their Groups, such dispute, controversy or claim will be barred. Subject to Section 3.08, upon delivery of an Arbitration Demand Notice pursuant to Section 3.03(a) prior to the Applicable Deadline, the dispute, controversy or claim, and all substantive and procedural issues related thereto, shall be decided by a three member panel of arbitrators in accordance with this Article III.

3.04 Arbitrators.

(a) Selection. The party delivering the Arbitration Demand Notice shall notify the American Arbitration Association ("AAA") and the other parties in writing describing in reasonable detail the nature of the dispute. Within five days of the date of the Arbitration Demand Notice, the members of each Group shall select one arbitrator from the members of a panel of arbitrators of the AAA. The selected arbitrators shall then jointly select a third arbitrator from the members of a panel of arbitrators of the AAA, and such third arbitrator shall be disinterested with respect to each of the parties and shall be experienced in complex commercial arbitration. In the event that the parties' selected arbitrators are unable to agree on the selection of the third arbitrator, the AAA shall select the third arbitrator, within ten days of the date of the

Arbitration Demand Notice. In the event that any arbitrator is unable to serve, his replacement will be selected in the same manner as the arbitrator to be replaced. The vote of two of the three arbitrators shall be required for any decision under this Article III.

(b) Time. The arbitrators will set a time for the hearing of the matter which will commence no later than ten days after the date of appointment of the third arbitrator and which hearing will be no longer than three days (unless in the judgment of the arbitrators the matter is unusually complex and sophisticated and thereby requires a longer time, in which event such hearing shall be no longer than five days). The final decision of such arbitrators will be rendered in writing to the parties not later than five days after the last day of the hearing, unless otherwise agreed by the parties in writing.

(c) Place. The place of any arbitration hereunder will be Indianapolis, Indiana, and the language of any arbitration hereunder will be English. Unless otherwise agreed by the parties, the arbitration hearing shall be conducted on consecutive days.

3.05 Hearings. Within the time period specified in Section 3.04(b), the matter shall be presented to the arbitrators at a hearing by means of written submissions of memoranda and verified witness statements, filed simultaneously, and responses, if necessary in the judgment of the arbitrators or both of the Groups. If the arbitrators deem it to be essential to a fair resolution of the dispute, live cross-examination or direct examination may be permitted, but is not generally contemplated to be necessary. The arbitrators shall actively manage the arbitration with a view to achieving a just, speedy and cost-effective resolution of the dispute, claim or controversy. The arbitrators may, in their discretion, set time and other limits on the presentation of each Group's case, its memoranda or other submissions, and may refuse to receive any proffered evidence, which the arbitrators, in their discretion, find to be cumulative, unnecessary, irrelevant or of low probative nature. Any arbitration hereunder shall be conducted in accordance with the Commercial Arbitration Rules of the AAA ("Rules") in effect on the date the Arbitration Demand Notice is served. The decision of the arbitrators will be final and binding on the parties, and judgment thereon may be had and will be enforceable in any court having jurisdiction over the parties. Arbitration awards will bear interest at the Applicable Rate plus 2% per annum, subject to any maximum amount permitted by applicable law. To the extent that the provisions of this Agreement and the prevailing Rules conflict, the provisions of this Agreement shall govern.

3.06 Discovery and Certain Other Matters.

(a) Production of Documents. Any party involved in a dispute, controversy or claim subject to this Article III may request document production from the other party or parties of specific and expressly relevant documents, with the reasonable expenses of the producing party incurred in such production paid by the requesting party. Any such discovery shall be conducted in accordance with the Rules, subject to the discretion of the arbitrators. Any such discovery shall be conducted expeditiously and shall not cause the hearing to be adjourned except upon consent of all parties involved in the applicable dispute or upon an extraordinary showing of cause demonstrating that such adjournment is necessary to permit discovery essential to a party to the proceeding. Disputes concerning the scope of document production and enforcement of the document production requests will be determined by written agreement of the

parties involved in the applicable dispute or, failing such agreement, will be referred to the arbitrators for resolution. Subject to the terms of this Agreement, all discovery requests will be subject to the parties' rights to claim any applicable privilege, and no joint privilege may be waived without the prior written consent of all parties to this Agreement. The arbitrators will adopt procedures to protect the proprietary rights of the parties and to maintain the confidential treatment of the arbitration proceedings (except as may be required by law). Subject to the foregoing, the arbitrators shall have the power to issue subpoenas to compel the production of documents relevant to the dispute, controversy or claim.

(b) Authority of Arbitrators. The arbitrators shall have full power and authority to determine issues of arbitrability but shall otherwise be limited to interpreting or construing the applicable provisions of this Agreement, and will have no authority or power to limit, expand, alter, amend, modify, revoke or suspend any condition or provision of this Agreement; it being understood, however, that the arbitrators will have full authority to implement the provisions of this Agreement, and to fashion appropriate remedies for breaches of this Agreement (including interim or permanent injunctive relief); provided that the arbitrators shall not have (i) any authority in excess of the authority a court having jurisdiction over the parties and the controversy or dispute would have absent these arbitration provisions or (ii) any right or power to award punitive damages. It is the intention of the parties that in rendering a decision the arbitrators give effect to the applicable provisions of this Agreement and follow applicable law (it being understood and agreed that this sentence shall not give rise to a right of judicial review of the arbitrators' award). In resolving any arbitration initiated pursuant to Section 2.02, the arbitrators shall resolve the matter solely with reference to the respective fault, if any, of HI and BSI as reflected in the trial record of the BSI Litigation Matter to which such arbitration relates.

(c) Effect of Failure to Participate. If a party fails or refuses to appear at and participate in an arbitration hearing after due notice, the arbitrators may hear and determine the controversy upon evidence produced by the appearing party.

(d) Costs. Arbitration costs will be borne equally by each party involved in the matter, and each party will be responsible for its own attorneys' fees and other costs and expenses, including the costs of any expert witnesses selected by such party.

3.07 Certain Additional Matters.

(a) Nature of Award. Any arbitration award shall be a bare award limited to a holding for or against a party and shall be without findings as to facts, issues or conclusions of law and shall be without a statement of the reasoning on which the award rests, but must be in adequate form so that a judgment of a court may be entered thereupon. Judgment upon any arbitration award hereunder may be entered in any court having jurisdiction thereof.

(b) Confidentiality of Proceedings. Except as required by law, the parties shall hold, and shall cause their respective officers, directors, employees, agents and other representatives to hold, the existence, content and result of mediation or arbitration in confidence in accordance with the provisions of this Section 3.07(b) and except as may be required in order

to enforce any award. Each of the parties shall request that any mediator or arbitrator comply with such confidentiality requirement.

3.08 Law Governing Arbitration Procedures. The interpretation of the provisions of this Article III, only insofar as they relate to the agreement to arbitrate and any procedures pursuant thereto, shall be governed by the Arbitration Act, as amended, and other applicable federal law. In all other respects, the interpretation of this Agreement shall be governed as set forth in Section 4.02.

ARTICLE IV.

MISCELLANEOUS

4.01 Complete Agreement. This Agreement, the Exhibit and the Schedule hereto shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof and shall supersede all previous negotiations, commitments and writings with respect to such subject matter.

4.02 Governing Law. The validity and enforceability of the judgment sharing provisions of this Agreement shall be governed by and construed in accordance with federal law relating to judgment sharing agreements in antitrust matters, such as *In re Brand Name Prescriptions Drugs Antitrust Litig*, Nos. 94 C 897, MDL 997, 1995 WL 221853, (N.D. Ill. April 11, 1995); *Cimarron Pipeline Const., Inc. v. National Council on Compensation Ins.*,No. Civ-89-822-T, 1992 WL 350612 (W.D. Okl. April 10, 1992); and *California v. Infineon Technologies* AG, No C 06-4333 PJH, (N.D. Cal. November 29, 2007) (Slip Copy, Docket No. 296). This Agreement shall otherwise be governed by and construed in accordance with the laws of the State of Indiana (other than the laws regarding choice of laws and conflicts of laws) as to all matters, including matters of validity, construction, effect, performance and remedies; provided, however, that the Arbitration Act shall govern the matters described in Article III.

4.03 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person (including a nationally recognized delivery service) by facsimile, electronic mail or other standard form of telecommunications (provided confirmation is delivered to the recipient the next Business Day in the case of facsimile, electronic mail or other standard form of telecommunications) or by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to HI:
Hillenbrand Industries, Inc.
1069 State Route 46 East
Batesville, IN 47006-8835
c/o Corporate Secretary

If to BSI:
Batesville Casket Company, Inc.
One Batesville Boulevard
Batesville, IN 47006-8835
c/o General Counsel

If to BSI Parent: Batesville Holdings, Inc.
One Batesville Boulevard
Batesville, IN 47006-8835
c/o General Counsel

or to such other address as any party hereto may have furnished to the other parties by a notice in writing in accordance with this Section 4.03.

4.04 Amendment and Modification. This Agreement may be amended, modified or supplemented only by a written agreement signed by each of the parties hereto.

4.05 Successors and Assigns: No Third Party Beneficiaries This Agreement is made and shall be binding on and inure solely to the benefit of HI, BSI and BSI Parent and their respective successors or permitted assigns and does not otherwise confer any rights or defenses upon any other Person including any other codefendants in the BSI Litigation. Neither HI nor BSI nor BSI Parent may assign any of its rights or obligations under this Agreement to another Person without the consent of the other parties to this Agreement, which consents may be withheld for any reason or no reason. Subject to the foregoing: (a) this Agreement and all the terms and provisions hereof shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and permitted assigns; and (b) each party to this Agreement shall require any Person or Persons that, as a result of any merger, purchase of assets, reorganization or other transaction, acquires or succeeds to all or substantially all of its business or assets to assume its obligations under this Agreement pursuant to a written assumption agreement in form and substance reasonably satisfactory to the other parties.

4.06 Counterparts. This Agreement may be executed in three or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

4.07 Interpretation. The Article and Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties hereto and shall not in any way affect the meaning or interpretation of this Agreement.

4.08 Legal Enforceability. Each party agrees that it shall not, directly or indirectly, challenge the enforceability of this Agreement on any grounds or under any circumstances. Without limiting the effect of the immediately preceding sentence, if any provision of this Agreement is determined by a Governmental Authority or the arbitrators selected under Section 3.04 to be prohibited or unenforceable in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Each party acknowledges that money damages would be an inadequate remedy for any breach of the provisions of this Agreement and agrees that the obligations of the parties hereunder shall be specifically enforceable.

4.09 Performance Standard. Each of HI, BSI Parent and BSI agrees to at all times exercise good faith and fair dealing in the performance of its rights and obligations under this Agreement and to cause the members of its respective Group to do likewise.

4.10 Authority. Each of the parties hereto represents to the others that: (a) it has the corporate or other requisite power and authority to execute, deliver and perform this Agreement; (b) the execution, delivery and performance of this Agreement by it have been, duly authorized by all necessary corporate or other actions; (c) it has duly and validly executed and delivered this Agreement; and (d) this Agreement is a legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equity principles.

4.11 No Admission of Liability. Nothing contained in this Agreement is intended to be, nor shall it be deemed to be, an admission of liability to anyone or an admission of the existence of facts upon which liability could be based other than to HI, BSI and BSI Parent pursuant to the terms of this Agreement.

4.12 Limitation on Damages. Neither the BSI Group nor the HI Group (or any member thereof) shall be obligated to pay damages (when aggregated with all damages paid by each other member of such Group, and all amounts paid which reduce a BSI Litigation Funding Obligation) to the other for any breach of this Agreement in an amount that exceeds its aggregate Funding Component hereunder (plus applicable costs and accrued interest) with respect to all BSI Litigation Matters. In addition, no party shall be liable to any other party to this Agreement for the payment of punitive, indirect, incidental or consequential damages, including (without limitation) lost profits or lost opportunity damages with respect to any breach of this Agreement.

4.13 Joint Authorship. This Agreement shall be treated as though it were jointly drafted by HI, on the one hand, and BSI and BSI Parent, on the other hand, and any ambiguities shall not be construed for or against any party hereto on the basis of attributed authorship.

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4.14 References; Construction. Any reference to an "Article," "Exhibit," "Schedule" or "Section," without more, is to an Article, Exhibit, Schedule and Section to or of this Agreement. Unless otherwise expressly stated, clauses beginning with the term "including" set forth examples only and in no way limit the generality of the matters thus exemplified. References to "and" and "or" in this Agreement shall in each instance include both the conjunctive and the disjunctive.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

HILLENBRAND INDUSTRIES, INC.

By: /s/ Patrick D. de Maynadier
Name: Patrick D. de Maynadier
Title: Senior Vice President

BATESVILLE HOLDINGS, INC.

By: /s/ Kenneth A. Camp
Name: Kenneth A. Camp
Title: President and Chief Executive Officer

BATESVILLE CASKET COMPANY, INC.

By: /s/ Kenneth A. Camp
Name: Kenneth A. Camp
Title: President and Chief Executive Officer

Exhibit 10.3

EMPLOYEE MATTERS AGREEMENT

BY AND BETWEEN

HILLENBRAND INDUSTRIES, INC.,

AND

BATESVILLE HOLDINGS, INC.

DATED AS OF MARCH 14, 2008

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EMPLOYEE MATTERS AGREEMENT

This EMPLOYEE MATTERS AGREEMENT (the "Agreement") is entered into by and between Hillenbrand Industries, Inc., an Indiana corporation ("RemainCo"), and Batesville Holdings, Inc., an Indiana corporation ("SpinCo"), each a "Party" and together, the "Parties."

WITNESSETH:

WHEREAS, the Board of Directors of RemainCo has determined that it is in the best interests of RemainCo to distribute its entire ownership interest in SpinCo through a pro-rata distribution of all of the outstanding shares of SpinCo common stock then owned by RemainCo to the holders of RemainCo common stock (the "Distribution"); and

WHEREAS, to effect the Distribution the Parties entered into that certain Distribution Agreement dated as of March 14, 2008 (as amended or otherwise modified from time to time, the "Distribution Agreement"); and

WHEREAS, RemainCo and SpinCo desire to enter into this Agreement for the purpose of allocating assets, liabilities and responsibilities with respect to certain employee compensation and benefit plans and programs between them.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual promises and covenants hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

ARTICLE 1.

DEFINITIONS

1.1 General. Capitalized terms used, but not defined herein shall have the meanings assigned to such terms in the Distribution Agreement and the following terms shall have the following meanings:

"Agreement" shall have the meaning ascribed thereto in the preamble to this Agreement.

"Benefit Plan" shall mean, with respect to an entity, each plan, program, arrangement, agreement or commitment that is an employment, consulting, non-competition or deferred compensation agreement, or an executive compensation, incentive bonus or other bonus, employee pension, profit-sharing, savings, retirement, supplemental retirement, stock option, stock purchase, stock appreciation rights, restricted stock, other equity-based compensation, severance pay, salary continuation, life, health, hospitalization, sick leave, vacation pay, disability or accident insurance plan, workers compensation, corporate-owned or key-man life insurance or other employee benefit plan, program, arrangement, agreement or commitment, including any "employee benefit plan" (as defined in Section 3(3) of ERISA), sponsored or maintained by such entity (or to which such entity contributes or is required to contribute).

"COBRA" shall mean the continuation coverage requirements for "group health plans" under Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and as codified in Code Section 4980B and Sections 601 through 608 of ERISA, together with all regulations and proposed regulations promulgated thereunder.

"Distribution Agreement" shall have the meaning ascribed thereto in the preamble to this Agreement.

"Distribution Date" shall have the meaning ascribed thereto in the Distribution Agreement.

"DOL" shall mean the U.S. Department of Labor.

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

"ERISA Affiliate" shall mean with respect to any Person, each business or entity which is a member of a "controlled group of corporations," under "common control" or a member of an "affiliated service group" with such Person within the meaning of Sections 414(b), (c) or (m) of the Code, or required to be aggregated with such Person under Section 414(o) of the Code, or under "common control" with such Person within the meaning of Section 4001(a)(14) of ERISA.

"Estimated Pension Plan Transfer Amount" shall have the meaning ascribed thereto in Section 3.2(b)(ii) of this Agreement.

"Final Pension Plan Transfer Amount" shall have the meaning ascribed thereto in Section 3.2(b)(iv) of this Agreement.

"Final Transfer Date" shall have the meaning ascribed thereto in Section 3.2(b)(v) of this Agreement.

"Force Majeure" shall mean an act of God, civil or military authority, an act of public enemy, war, accident, explosion, earthquake, flood, failure of transportation, strike or other work interruption by either party's employees, or any other similar cause beyond the reasonable control of either party.

"Former RemainCo Director" shall mean, as of the Distribution Date, any former director of RemainCo.

"Former RemainCo Employee" shall mean, as of the Distribution Date, any former employee of RemainCo or a Subsidiary of RemainCo, including individuals to whom long-term disability benefits are being paid under a RemainCo Benefit Plan and retired, deferred vested, nonvested and other terminated individuals, whose active employment with RemainCo or a Subsidiary of RemainCo has ended on or before the Distribution Date, and whose most recent active employment with RemainCo or a Subsidiary of RemainCo was employment by Hill-Rom, Inc., a Subsidiary of Hill-Rom, Inc. or another Subsidiary or former Subsidiary of RemainCo engaged in the RemainCo Core Business (as defined in the Distribution Agreement).

"Former SpinCo Employee" shall mean, as of the Distribution Date, any former employee of RemainCo or a Subsidiary of RemainCo, including individuals to whom long-term disability benefits are being paid under a RemainCo Benefit Plan and retired, deferred vested, nonvested and other terminated individuals, whose active employment with RemainCo or a Subsidiary of RemainCo has ended on or before the Distribution Date, other than a Former RemainCo Employee.

"HIPAA" shall mean the Health Insurance Portability and Accountability Act of 1996, as amended.

"Initial Cash Transfer" shall have the meaning ascribed thereto in Section 3.2(b)(iii) of this Agreement.

"Initial Cash Transfer Date" shall have the meaning ascribed thereto in Section 3.2(b)(iii) of this Agreement.

"Initial Transfer Amount" shall have the meaning ascribed thereto in Section 3.2(b)(iii) of this Agreement.

"IRS" shall mean the U.S. Internal Revenue Service.

"NYSE" shall mean the New York Stock Exchange, Inc.

"Participating Company" shall mean RemainCo or any Person (other than an individual) participating in a RemainCo Benefit Plan.

"Parties" shall have the meaning ascribed thereto in the preamble to this Agreement.

"Person" shall mean an individual, a limited or general partnership, a joint venture, a corporation, a trust, a limited liability company, an unincorporated organization, or a Governmental Authority.

"Plan Assets" shall mean the assets of the RemainCo Pension Plan allocable to pay the benefits accrued by SpinCo Pension Plan Participants as of the Distribution Date.

"Post-Distribution RemainCo Option" shall have the meaning ascribed thereto in Section 7.1(c) of this Agreement.

"RemainCo" shall have the meaning ascribed thereto in the preamble to this Agreement.

"RemainCo 1996 Stock Plan" shall mean the Hillenbrand Industries, Inc. 1996 Stock Option Plan.

"RemainCo Actuary" shall mean an independent actuary selected by RemainCo.

"RemainCo Benefit Plan" shall mean any Benefit Plan sponsored, maintained or contributed to by any member of the RemainCo Group or any ERISA Affiliate thereof immediately following the Distribution Date.

"RemainCo Board of Directors' Deferred Compensation Plan" shall mean the Hillenbrand Industries, Inc. Board of Directors' Deferred Compensation Plan.

"RemainCo Deferred Share Account" shall mean the account established for an individual in connection with RemainCo Deferred Shares.

"RemainCo Deferred Shares" shall mean a general unsecured promise by RemainCo to deliver shares of RemainCo common stock, other than a RemainCo Deferred Stock Award, as described in Sections 6.2(c) and 6.3(b)(ii) of this Agreement.

"RemainCo Deferred Stock" shall mean the number of shares in an individual's RemainCo Deferred Stock Account, representing the RemainCo common stock the individual would have a right to receive in accordance with the terms of a RemainCo Deferred Stock Award.

"RemainCo Deferred Stock Account" shall mean the account established for an individual in connection with a RemainCo Deferred Stock Award.

"RemainCo Deferred Stock Award" shall mean a deferred stock award (commonly referred to as a restricted stock unit) granted by RemainCo pursuant to the RemainCo Stock Plan, representing a general unsecured promise by RemainCo to deliver shares of RemainCo common stock.

"RemainCo Employee" shall mean any individual who, immediately following the Distribution Date, remains employed by or will be employed by RemainCo or any member of the RemainCo Group, including active employees and employees on vacation and approved leave of absence (including maternity, paternity, family, sick leave, qualified military service under the Uniformed Services Employment and Reemployment Rights Act of 1994, and leave under the Family Medical Leave Act and other approved leaves).

"RemainCo Executive Deferred Compensation Program" shall mean the Hillenbrand Industries, Inc. Executive Deferred Compensation Program.

"RemainCo Group" shall mean RemainCo and the Subsidiaries of RemainCo other than members of the SpinCo Group.

"RemainCo Option" shall mean an option to purchase shares of RemainCo common stock granted pursuant to the RemainCo Stock Plan or the RemainCo 1996 Stock Plan.

"RemainCo Participant" shall mean any individual who, immediately following the Distribution Date, is a RemainCo Employee, a Former RemainCo Employee, or a beneficiary, dependent or alternate payee of a RemainCo Employee or Former RemainCo Employee.

"RemainCo Pension Plan" shall mean the Hillenbrand Industries Pension Plan.

"RemainCo Pension Trust" shall mean the trust which is part of the RemainCo Pension Plan.

"RemainCo Post-Distribution Stock Value" shall mean the official NYSE closing price per share of RemainCo common stock on the Distribution Date, if the Distribution is completed at the end of the day, or the day preceding the Distribution Date, if the Distribution is completed at the beginning of the day, with such common stock trading on an "ex-distribution" basis.

"RemainCo Pre-Distribution Stock Value" shall mean the sum of the RemainCo Post-Distribution Stock Value and the SpinCo Stock Value.

"RemainCo Price Ratio" shall mean the quotient obtained by dividing the RemainCo Post-Distribution Stock Value by the RemainCo Pre-Distribution Stock Value.

"RemainCo Reimbursement Account Plan" shall have the meaning ascribed thereto in Section 5.2 of this Agreement.

"RemainCo Retained Claim" shall have the meaning ascribed thereto in Section 8.4(a) of this Agreement.

"RemainCo Retiree Medical Plan" shall have the meaning ascribed thereto in Section 5.3 of this Agreement.

"RemainCo Sales Executives Plan" shall mean the Hillenbrand Industries, Inc. Sales Executives' Pension Plan.

"RemainCo Sales Executives Trust" shall mean the trust which is part of the RemainCo Sales Executives Plan.

"RemainCo Savings Plan" shall mean the Hillenbrand Industries Savings Plan.

"RemainCo Savings Trust" shall mean the trust which is part of the RemainCo Savings Plan.

"RemainCo SERP" shall mean the Hillenbrand Industries, Inc. Supplemental Executive Retirement Plan.

"RemainCo Severance Plan" shall mean the plan maintained by a member of the RemainCo Group to provide severance benefits.

"RemainCo Share Ratio" shall mean the quotient obtained by dividing the RemainCo Pre-Distribution Stock Value by the RemainCo Post-Distribution Stock Value.

"RemainCo Stock Plan" shall mean the Hillenbrand Industries, Inc. Stock Incentive Plan.

"RemainCo Welfare Plans" shall have the meaning ascribed thereto in Section 5.1(a) of this Agreement.

"Remaining RemainCo Option" shall have the meaning ascribed thereto in Section 7.1(a) of this Agreement.

"Revised Pension Plan Transfer Amount" shall have the meaning ascribed thereto in Section 3.2(b)(iv) hereof.

"SpinCo" shall have the meaning ascribed thereto in the preamble to this Agreement.

"SpinCo Actuary" shall mean an independent actuary selected by SpinCo.

"SpinCo Benefit Plan" shall mean any Benefit Plan sponsored, maintained or contributed to by any member of the SpinCo Group or any ERISA Affiliate thereof immediately following the Distribution Date.

"SpinCo Board of Directors' Deferred Compensation Plan" shall have the meaning ascribed thereto in Section 6.2(a) of this Agreement.

"SpinCo Committee" shall mean the committee or committees established by the board of directors of SpinCo to administer its compensation plans.

"SpinCo Deferred Shares" shall mean a general unsecured promise by SpinCo to deliver shares of SpinCo common stock, which arises as part of the adjustment to RemainCo Deferred Shares in connection with the Distribution as set forth in Sections 6.2(c) and 6.3(b)(ii) of this Agreement.

"SpinCo Deferred Stock Award" shall mean a deferred stock award (commonly referred to as a restricted stock unit) granted by SpinCo pursuant to the SpinCo Stock Plan representing a general unsecured promise by SpinCo to deliver shares of SpinCo common stock, which award is issued as part of the adjustment to RemainCo Deferred Stock Awards in connection with the Distribution.

"SpinCo Directors" shall have the meaning ascribed thereto in Section 6.2(a) of this Agreement.

"SpinCo Employee" shall mean any individual who, immediately following the Distribution Date, is employed by or will be employed by SpinCo or any member of the SpinCo Group, including active employees and employees on vacation and approved leave of absence (including maternity, paternity, family, sick leave, qualified military service under the Uniformed Services Employment and Reemployment Rights Act of 1994, and leave under the Family Medical Leave Act and other approved leaves).

"SpinCo Executive Deferred Compensation Program" shall have the meaning ascribed thereto in Section 6.3(a) of this Agreement.

"SpinCo Group" shall mean SpinCo and the Subsidiaries of SpinCo.

"SpinCo Option" shall have the meaning ascribed thereto in Section 7.1(b) of this Agreement.

"SpinCo Participant" shall mean an individual who, immediately following the Distribution Date, is a SpinCo Employee, a Former SpinCo Employee, or a beneficiary, dependent or alternate payee of a SpinCo Employee or a Former SpinCo Employee.

"SpinCo Pension Plan" shall have the meaning ascribed thereto in Section 3.1 of this Agreement.

"SpinCo Pension Plan Participants" shall have the meaning ascribed thereto in Section 3.1 of this Agreement.

"SpinCo Pension Trust" shall mean the trust which is part of the SpinCo Pension Plan.

"SpinCo Price Ratio" shall mean the quotient obtained by dividing the SpinCo Stock Value by the RemainCo Pre-Distribution Stock Value.

"SpinCo Reimbursement Account Plan" shall have the meaning ascribed thereto in Section 5.2 of this Agreement.

"SpinCo Retiree Medical Plan" shall have the meaning ascribed thereto in Section 5.3 of this Agreement.

"SpinCo Retiree Medical Plan Participants" shall have the meaning ascribed thereto in Section 5.3 of this Agreement.

"SpinCo Sales Executives Plan" shall have the meaning ascribed thereto in Section 4.2(a) of this Agreement.

"SpinCo Sales Executives Plan Assets" shall have the meaning ascribed thereto in Section 4.2(b) of this Agreement.

"SpinCo Sales Executives Plan Participants" shall have the meaning ascribed thereto in Section 4.2(a) of this Agreement.

"SpinCo Sales Executives Trust" shall mean the trust which is part of the SpinCo Sales Executives Plan.

"SpinCo Savings Plan" shall have the meaning ascribed thereto in Section 4.1(a) of this Agreement.

"SpinCo Savings Plan Assets" shall have the meaning ascribed thereto in Section 4.1(b) of this Agreement.

"SpinCo Savings Plan Participants" shall have the meaning ascribed thereto in Section 4.1(a) of this Agreement.

"SpinCo Savings Trust" shall mean the trust which is part of the SpinCo Savings Plan.

"SpinCo SERP" shall have the meaning ascribed thereto in Section 6.1(a) of this Agreement.

"SpinCo Severance Plan" shall have the meaning ascribed thereto in Section 8.3(a) of this Agreement.

"SpinCo Share Ratio" shall mean the quotient obtained by dividing the RemainCo Pre-Distribution Stock Value by the SpinCo Stock Value.

"SpinCo Stock Plan" shall have the meaning ascribed thereto in Section 2.5 of this Agreement.

"SpinCo Stock Value" shall mean the official NYSE closing price per share of SpinCo common stock on the Distribution Date, if the Distribution is completed at the end of the day, or the day preceding the Distribution Date, if the Distribution is completed at the beginning of the day, with such common stock trading on a "when issued" basis.

"SpinCo Welfare Plans" shall have the meaning ascribed thereto in Section 5.1(a) of this Agreement.

"Subsidiary" shall mean, with respect to any specified Person, any corporation or other legal entity of which such Person or any of its Subsidiaries controls or owns, directly or indirectly, more than 50% of the stock or other equity interest entitled to vote on the election of members to the board of directors or similar governing body, in each case including its successors or assigns; provided, however, that for purposes of this Agreement, no member of the SpinCo Group shall be deemed to be a Subsidiary of any member of the RemainCo Group.

"Transferred RemainCo Participant" shall have the meaning ascribed thereto in Section 5.1(b)(i) of this Agreement.

"Transferred SpinCo Participant" shall have the meaning ascribed thereto in Section 5.1(b)(ii) of this Agreement.

"True-Up Amount" shall have the meaning ascribed thereto in Section 3.2(b)(v) of this Agreement.

"U.S." shall mean the United States of America.

1.2 References; Interpretation. References in this Agreement to any gender include references to all genders, and references to the singular include references to the plural and vice versa. Unless the context otherwise requires, the words "include," "includes" and "including" when used in this Agreement shall be deemed to be followed by the phrase "without limitation." Unless the context otherwise requires, references in this Agreement to Articles, Sections and Exhibits shall be deemed references to Articles and Sections of, and Exhibits to, this Agreement. Unless the context otherwise requires, the words "hereof," "hereby" and "herein" and words of similar meaning when used in this Agreement refer to this Agreement in its entirety and not to any particular Article, Section or provision of this Agreement.

ARTICLE 2.

GENERAL PRINCIPLES

2.1 Assumption and Retention of Liabilities; Related Assets.

(a) As of the Distribution Date, except as otherwise expressly provided for in this Agreement, RemainCo shall, or shall cause one or more members of the RemainCo Group to, assume or retain and RemainCo hereby agrees to pay, perform, fulfill and discharge, in due course in full (i) all liabilities under all RemainCo Benefit Plans, (ii) all liabilities (excluding liabilities incurred under a Benefit Plan except as otherwise provided in this Agreement) with respect to the employment, service, termination of employment or termination of service of all RemainCo Employees and Former RemainCo Employees and their dependents and beneficiaries (and any alternate payees in respect thereof) and other service providers (including any individual who is, or was, an independent contractor, temporary employee, temporary service worker, consultant, freelancer, agency employee, leased employee, on-call worker, incidental worker, or non-payroll worker of any member of the RemainCo Group or in any other employment, non-employment, or retainer arrangement, or relationship with any member of the RemainCo Group or whose employment or service is or was otherwise primarily associated with the RemainCo Core Business (as defined in the Distribution Agreement)), in each case to the extent arising in connection with or as a result of employment with or the performance of services for any member of the RemainCo Group or SpinCo Group, and (iii) any other liabilities or obligations expressly assigned to RemainCo or any of its affiliates under this Agreement.

(b) As of the Distribution Date, except as otherwise expressly provided for in this Agreement, SpinCo shall, or shall cause one or more members of the SpinCo Group to, assume or retain and SpinCo hereby agrees to pay, perform, fulfill and discharge, in due course in full (i) all liabilities under all SpinCo Benefit Plans, (ii) all liabilities (excluding liabilities incurred under a Benefit Plan except as otherwise provided in this Agreement) with respect to the employment, service, termination of employment or termination of service of all SpinCo Employees and Former SpinCo Employees and their dependents and beneficiaries (and any alternate payees in respect thereof) and other service providers (including any individual who is, or was, an independent contractor, temporary employee, temporary service worker, consultant, freelancer, agency employee, leased employee, on-call worker, incidental worker, or non-payroll worker of any member of the SpinCo Group or in any other employment, non-employment, or retainer arrangement, or relationship with any member of the SpinCo Group or whose employment or service is or was otherwise primarily associated with the SpinCo Core Business (as defined in the Distribution Agreement)), in each case to the extent arising in connection with or as a result of employment with or the performance of services for any member of the RemainCo Group or SpinCo Group, and (iii) any other liabilities or obligations expressly assigned to SpinCo or any of its affiliates under this Agreement.

(c) From time to time after the Distribution, SpinCo shall promptly reimburse RemainCo, upon RemainCo's reasonable request and the presentation by RemainCo of such substantiating documentation as SpinCo shall reasonably request, for the cost of any obligations or liabilities satisfied or assumed by RemainCo or its affiliates that are, or that have been made pursuant to this Agreement, the responsibility of SpinCo or any of its affiliates.

(d) From time to time after the Distribution, RemainCo shall promptly reimburse SpinCo, upon SpinCo's reasonable request and the presentation by SpinCo of such substantiating documentation as RemainCo shall reasonably request, for the cost of any obligations or liabilities satisfied or assumed by SpinCo or its affiliates that are, or that have been made pursuant to this Agreement, the responsibility of RemainCo or its affiliates.

2.2 SpinCo Participation in RemainCo Benefit Plans. Except as otherwise expressly provided for in this Agreement or as otherwise expressly agreed to in writing between the Parties, (i) effective as of the Distribution Date, SpinCo and each member of the SpinCo Group shall cease to be a Participating Company in any RemainCo Benefit Plan, and (ii) each SpinCo Participant and any other service providers of SpinCo or any member of the SpinCo Group (including any individual who is, or was, an independent contractor, temporary employee, temporary service worker, consultant, freelancer, agency employee, leased employee, on-call worker, incidental worker, or nonpayroll worker of any member of the SpinCo Group or in any other employment, non-employment, or retainer arrangement, or relationship with any member of the SpinCo Group), effective as of the Distribution Date, shall cease to participate in, be covered by, accrue benefits under, be eligible to contribute to or have any rights under any RemainCo Benefit Plan, and RemainCo and SpinCo shall take all necessary action to effectuate each such cessation.

2.3 Comparable Compensation and Benefits. Except as otherwise expressly provided for in this Agreement or as agreed to by RemainCo, and subject to Section 10.4, SpinCo (acting directly or through its affiliates) initially intends to provide SpinCo Employees with compensation opportunities (including salary, wages, commissions and bonus opportunities) and employee benefits that are generally comparable, in the aggregate, to the compensation opportunities and employee benefits to which such SpinCo Employees were entitled to immediately prior to the Distribution Date.

2.4 Service Recognition. Except as provided below, (a) SpinCo shall give each SpinCo Participant full credit for purposes of eligibility, vesting, determination of level of benefits, and, to the extent applicable, benefit accruals under any SpinCo Benefit Plan for such SpinCo Participant's service prior to the Distribution Date to the same extent such service was recognized by the applicable RemainCo Benefit Plans immediately prior to the Distribution Date, and (b) RemainCo shall give each RemainCo Participant full credit for purposes of eligibility, vesting, determination of level of benefits, and, to the extent applicable, benefit accruals under any RemainCo Benefit Plan for such RemainCo Participant's service prior to the Distribution Date to the same extent such service was recognized by the applicable SpinCo Benefit Plans immediately prior to the Distribution Date; provided, however, that such service shall not be recognized to the extent that such recognition would result in the duplication of benefits under a RemainCo Benefit Plan and a SpinCo Benefit Plan. Notwithstanding the foregoing, unless the Parties otherwise agree in writing, (a) if a RemainCo Participant becomes employed by a member of the SpinCo Group after the Distribution Date, then, except to the extent required by applicable law, such individual's service with the RemainCo Group will not be recognized for any purpose under any SpinCo Benefit Plan, and (b) if a SpinCo Participant becomes employed by a member of the RemainCo Group after the Distribution Date, then, except to the extent required by applicable law, such individual's service with the SpinCo Group will not be recognized for any purpose under any RemainCo Benefit Plan. Nothing herein shall

limit RemainCo or SpinCo or their respective affiliates from recognizing service in addition to the recognition of service required hereunder, but any such additional service shall not be recognized for purposes of Section 2.6 of this Agreement.

2.5 Approval by RemainCo As Sole Stockholder. Effective as of the Distribution Date, SpinCo shall have (a) adopted (i) the Hillenbrand, Inc. Stock Incentive Plan (the "SpinCo Stock Plan") which shall permit the issuance of long-term equity-based incentive awards that have material terms and conditions substantially similar to those long-term incentive awards issued under the RemainCo Stock Plan that are to be substituted with SpinCo long-term incentive awards in connection with the Distribution, (ii) the SpinCo Board of Directors' Deferred Compensation Plan, and (iii) the SpinCo Executive Deferred Compensation Program, and (b) filed and caused to be effective any and all registration statements and other reports or filings required to register shares for issuance under such plans, including, without limitation, by way of conversion or substitution pursuant to Articles VI or VII of this Agreement. The SpinCo Stock Plan, the SpinCo Board of Directors' Deferred Compensation Plan, and the SpinCo Executive Deferred Compensation Program shall be approved prior to the Distribution by RemainCo as SpinCo's sole shareholder.

2.6 Transfer of Assets. Assets, if any, attributable to the liabilities referenced in the preceding provisions of this Article II shall be allocated (if applicable) as provided in the remaining provisions of this Agreement.

ARTICLE 3.

QUALIFIED DEFINED BENEFIT PLANS

3.1 Establishment of SpinCo Pension Plan. Effective as of the Distribution Date, SpinCo shall, or shall have caused one or more members of the SpinCo Group to, establish a defined benefit pension plan and related trust to provide retirement benefits to SpinCo Participants who immediately prior to the Distribution Date were participants in, or entitled to present or future benefits (except as provided in Section 3.2(d) of this Agreement, whether or not vested) under, the RemainCo Pension Plan (such defined benefit pension plan, the "SpinCo Pension Plan" and such SpinCo Participants, the "SpinCo Pension Plan Participants"). SpinCo shall be responsible for taking all necessary, reasonable, and appropriate action to establish, maintain and administer the SpinCo Pension Plan so that it is qualified under Section 401(a) of the Code and that the related trust thereunder is exempt under Section 501(a) of the Code. Notwithstanding the foregoing, until the Initial Cash Transfer Date, all benefits payable to SpinCo Pension Plan Participants (including benefits that have accrued under the SpinCo Pension Plan following the Distribution Date) shall be paid on behalf of the SpinCo Pension Plan from the RemainCo Pension Trust, and following the Initial Cash Transfer Date, all benefits payable to SpinCo Pension Plan Participants (including benefits that have accrued under the RemainCo Pension Plan) shall be paid from the SpinCo Pension Trust. SpinCo (acting directly or through one or more members of the SpinCo Group) shall be responsible for any and all liabilities (including liability for funding) and other obligations with respect to the SpinCo Pension Plan.

3.2 SpinCo Pension Plan Participants.

(a) Assumption of RemainCo Pension Plan Liabilities. Subject to the Plan Asset transfer described in Section 3.2(b), SpinCo (acting directly or through a member of the SpinCo Group) hereby agrees to cause the SpinCo Pension Plan effective as of the Distribution Date to assume, fully perform, pay and discharge, all liabilities under the RemainCo Pension Plan relating to all SpinCo Pension Plan Participants as of the Distribution Date (inclusive of benefits paid by the RemainCo Pension Plan to SpinCo Pension Plan Participants following the Distribution Date, but prior to the date of the Initial Cash Transfer in accordance with Section 3.1).

(b) Transfer of RemainCo Pension Plan Assets.

(i) The Parties agree that the Plan Assets and any related earnings or losses shall be determined and transferred to the SpinCo Pension Trust in accordance with Section 414(l) of the Code, Treasury Regulation Section 1.414(l)-1, Section 208 of ERISA and the assumptions and valuation methodology which the Pension Benefit Guaranty Corporation would have used under Section 4044 of ERISA as of the Distribution Date as set forth in Exhibit A to this Agreement. Any surplus assets under the RemainCo Pension Plan (i.e., any assets held under the RemainCo Pension Plan that are in excess of the assets required to be allocated to the RemainCo Pension Plan and the SpinCo Pension Plan in accordance with the preceding sentence) shall be transferred to the SpinCo Pension Trust in the same proportion as the other assets of the RemainCo Pension Trust are transferred to the SpinCo Pension Trust in accordance with the succeeding provisions of this subsection (b)). No later than thirty (30) days prior to the Initial Cash Transfer Date, RemainCo and SpinCo (acting directly or through their respective affiliates) shall, to the extent necessary, file an IRS Form 5310-A regarding the transfer of assets and liabilities from the RemainCo Pension Plan to the SpinCo Pension Plan.

(ii) Prior to the Distribution Date (or such later time as mutually agreed by the Parties), RemainCo shall cause the RemainCo Actuary to determine the estimated value, as of the Distribution Date, of the Plan Assets to be transferred pursuant to Section 3.2(b)(i) of this Agreement to the SpinCo Pension Trust (the "Estimated Pension Plan Transfer Amount").

(iii) Not later than ninety (90) Business Days following the Distribution Date (or such later time as mutually agreed by the Parties), RemainCo and SpinCo (each acting directly or through their respective affiliates) shall cooperate in good faith to cause an initial transfer of Plan Assets (the date of such transfer, the "Initial Cash Transfer Date") from the RemainCo Pension Trust to the SpinCo Pension Trust in an amount equal to ninety percent (90%) of the Estimated Pension Plan Transfer Amount (the "Initial Cash Transfer," and such amount, the "Initial Transfer Amount"). RemainCo shall satisfy its obligation pursuant to this Section 3.2(b)(iii) by causing the RemainCo Pension Trust to transfer Plan Assets in kind to the extent practicable equal to the Initial Transfer Amount consisting of a pro rata percentage of all investments under the

RemainCo Pension Plan and to transfer the balance of the Initial Transfer Amount in cash.

(iv) Within one hundred eighty (180) days (or such later time as mutually agreed by the Parties) following the Distribution Date, RemainCo shall cause the RemainCo Actuary to provide SpinCo with a revised calculation of the value, as of the Distribution Date, of the Plan Assets to be transferred to the SpinCo Pension Trust determined in accordance with the assumptions and valuation methodology set forth on Exhibit A attached hereto (the "Revised Pension Plan Transfer Amount"). Upon written notice to RemainCo, which must be given within thirty (30) days after SpinCo receives the Revised Pension Plan Transfer Amount from the RemainCo Actuary, SpinCo may submit, at its sole cost and expense, the Revised Pension Plan Transfer Amount to the SpinCo Actuary for verification; provided, that such verification process and any calculation performed by the SpinCo Actuary in connection therewith shall be performed solely on the basis of the assumptions and valuation methodology set forth on Exhibit A to this Agreement. In order to perform such verification, upon request from SpinCo, the SpinCo Actuary will receive the data and additional detailed methodology used to calculate the Initial Transfer Amount and the Revised Pension Plan Transfer Amount (if reasonably needed) from the RemainCo Actuary. SpinCo will be responsible for the cost and expense of the SpinCo Actuary and RemainCo will be responsible for the cost and expense for the RemainCo Actuary for such data transfer. In the event the SpinCo Actuary determines that the value, as of the Distribution Date, of the Plan Assets to be transferred to the SpinCo Pension Plan differs from the Revised Pension Plan Transfer Amount, the SpinCo Actuary shall identify in writing to the RemainCo Actuary all objections to the determination within sixty (60) days (or such longer period as mutually agreed by the Parties) following provision of the calculation of the Revised Pension Plan Transfer Amount to SpinCo pursuant to the first sentence of this paragraph (iv), and the SpinCo Actuary and RemainCo Actuary shall use good faith efforts to reconcile any such difference. If the SpinCo Actuary and the RemainCo Actuary fail to reconcile such difference, the SpinCo Actuary and the RemainCo Actuary shall jointly designate a third, independent actuary whose calculation of the value, as of the Distribution Date, of the Plan Assets to be transferred to the SpinCo Pension Trust shall be final and binding; provided, that such calculation must be performed within sixty (60) days (or such longer period as mutually agreed by the Parties) following designation of such third actuary and in accordance with the assumptions and valuation methodology set forth on Exhibit A to this Agreement; and provided, further, that such value shall be between the value determined by the SpinCo Actuary and the Revised Pension Plan Transfer Amount or equal to either such value. RemainCo and SpinCo shall each pay one-half of the costs incurred in connection with the retention of such independent actuary. If (i) within thirty (30) days after SpinCo receives the Revised Pension Plan Transfer Amount from the RemainCo Actuary, SpinCo has not given RemainCo written notice that SpinCo is submitting the Revised Pension Plan Transfer Amount to the SpinCo Actuary for verification, or (ii) the SpinCo Actuary does not identify in writing to the RemainCo Actuary any objections to the determination of the Revised Pension Plan Transfer Amount within the time period described above, the Revised Pension Plan Transfer Amount shall be deemed to have been approved by SpinCo, and such amount shall be deemed to be the Final Pension Plan Transfer Amount (as defined below) and to have

been determined as of the last day of the period during which the condition set forth in (i) or (ii) above that has not been satisfied could have been satisfied. The final, verified value, as of the Distribution Date, of the Plan Assets to be transferred to the SpinCo Pension Trust as determined in accordance with this Section 3.2(b)(iv) shall be referred to herein as the "Final Pension Plan Transfer Amount."

(v) Within forty-five (45) days (or such later time as mutually agreed by the Parties) following the determination of the Final Pension Plan Transfer Amount, RemainCo shall cause the RemainCo Pension Trust to transfer to the SpinCo Pension Trust (the date of such transfer, the "Final Transfer Date") an amount equal to (A) the Final Pension Plan Transfer Amount minus (B) the Initial Transfer Amount minus (C) any amounts that the RemainCo plan paid with respect to SpinCo participants after the Distribution Date and prior to the Initial Cash Transfer as described in Article 3.1 (such difference, as adjusted to reflect earnings or losses as described below, the "True-Up Amount"); provided, that, in the event the True-Up Amount is negative, RemainCo shall not be required to cause any such additional transfer and instead SpinCo shall be required to cause a transfer of cash, cash-like securities or other cash equivalents (or, if determined by RemainCo in its discretion, assets in kind) from the SpinCo Pension Trust to the RemainCo Pension Trust in amount equal to the True-Up Amount. The Parties acknowledge that the RemainCo Pension Trust's transfer of the True-Up Amount to the SpinCo Pension Trust shall be in full settlement and satisfaction of the obligations of RemainCo to cause the transfer of, and the RemainCo Pension Trust to transfer, Plan Assets to the SpinCo Pension Plan pursuant to this Section 3.2(b)(v). The True-Up Amount shall be paid from the RemainCo Pension Trust to the SpinCo Pension Trust, as determined by RemainCo in its discretion in kind, in cash, cash-like securities or other cash equivalents, and shall be adjusted to reflect earnings or losses during the period from the Distribution Date to the Final Transfer Date. Such earnings or losses shall be determined based on the actual rate of return of the RemainCo Pension Plan for the period commencing on the Distribution Date and ending on the last calendar day of the month ending immediately prior to the Final Transfer Date. Earnings or losses for the period from such last day of the month to the Final Transfer Date shall be based on the actual rate of return of the RemainCo Pension Plan during the last calendar month ending immediately prior to the Final Transfer Date determined as of the date that is as close as administratively practicable to the Final Transfer Date. In the event that SpinCo is obligated to cause the SpinCo Pension Trust to reimburse the RemainCo Pension Trust pursuant to this Section 3.2(b)(v), such reimbursement shall be performed in accordance with the same principles set forth herein with respect to the payment of the True-Up Amount. The Parties acknowledge that the SpinCo Pension Trust's transfer of such reimbursement amount to the RemainCo Pension Trust shall be in full settlement and satisfaction of the obligations of SpinCo to cause the transfer of, and the SpinCo Pension Trust to transfer, assets to the RemainCo Pension Trust pursuant to this Section 3.2(b)(v).

(c) Continuation of Elections. Effective as of the Distribution Date, SpinCo (acting directly or through a member of the SpinCo Group) shall cause the SpinCo Pension Plan to recognize and maintain all existing elections, including, but not limited to, beneficiary designations, payment form elections and rights of alternate payees under qualified domestic

relations orders with respect to SpinCo Pension Plan Participants under the RemainCo Pension Plan.

(d) Terminated Non-Vested Employees. Notwithstanding anything herein to the contrary, the RemainCo Pension Plan will retain all liabilities (if any) earned under the RemainCo Pension Plan in respect of any Former RemainCo Employee, and the SpinCo Pension plan will assume and retain all liabilities (if any) earned under the RemainCo Pension Plan in respect of any Former SpinCo Employee.

ARTICLE 4.

QUALIFIED DEFINED CONTRIBUTION PLANS

4.1 RemainCo Savings Plan; SpinCo Savings Plan.

(a) Establishment of the SpinCo Savings Plan. Effective as of the Distribution Date, SpinCo shall, or shall have caused one or more members of the SpinCo Group to, establish a defined contribution plan and related trust for the benefit of SpinCo Participants who immediately prior to the Distribution Date were participants in, or entitled to present or future benefits under, the RemainCo Savings Plan (such defined contribution plan, the "SpinCo Savings Plan" and such SpinCo Participants, the "SpinCo Savings Plan Participants"). SpinCo shall be responsible for taking all necessary, reasonable and appropriate action to establish, maintain and administer the SpinCo Savings Plan so that it is qualified under Section 401(a) of the Code and that the related trust thereunder is exempt under Section 501(a) of the Code. SpinCo (acting directly or through one or more members of the SpinCo Group) shall be responsible for any and all liabilities and other obligations with respect to the SpinCo Savings Plan.

(b) Transfer of RemainCo Savings Plan Assets. Not later than thirty (30) days following the Distribution Date (or such later time as mutually agreed by the Parties), RemainCo shall cause the trustee for the RemainCo Savings Trust to transfer in-kind the assets underlying the account balances (including any unvested balances, outstanding loan balances and forfeitures) held in the RemainCo Savings Trust for the SpinCo Savings Plan Participants (the "SpinCo Savings Plan Assets") to the SpinCo Savings Trust, and SpinCo shall cause the SpinCo Savings Trust to accept the transfer of the SpinCo Savings Plan Assets. Effective as of the date of such transfer, SpinCo shall assume and fully perform, pay and discharge, all obligations of the RemainCo Savings Plan relating to the accounts of SpinCo Savings Plan Participants (to the extent the assets related to those accounts are actually transferred from the RemainCo Savings Trust to the SpinCo Savings Trust). The transfer of assets shall be conducted in accordance with Section 414(l) of the Code, Treasury Regulation Section 1.414(1)-1, and Section 208 of ERISA.

(c) Continuation of Elections. Effective as of the Distribution Date, SpinCo (acting directly or through one or more members of the SpinCo Group) shall cause the SpinCo Savings Plan to recognize and maintain all existing elections, including, but not limited to, deferral, investment, and payment form elections, beneficiary designations, and the rights of alternate payees under qualified domestic relations orders with respect to SpinCo Savings Plan

Participants under the RemainCo Savings Plan, to the extent such election or designation is available under the SpinCo Savings Plan.

(d) Form 5310-A. No later than thirty (30) days prior to the date of the transfer of assets as contemplated under Section 4.1(b), RemainCo and SpinCo (each acting directly or through their respective affiliates) shall, to the extent necessary, file IRS Form 5310-A regarding the transfer of assets and liabilities from the RemainCo Savings Plan to the SpinCo Savings Plan as discussed in this Article IV.

(e) Contributions as of the Distribution Date. All contributions payable to the RemainCo Savings Plan with respect to employee and employer contributions for SpinCo Savings Plan Participants through the Distribution Date, determined in accordance with the terms and provisions of the RemainCo Savings Plan, ERISA and the Code, shall be paid to the RemainCo Savings Plan prior to the date of the asset transfer described in Section 4.1(b) of this Agreement.

4.2 RemainCo Sales Executives Plan; SpinCo Sales Executives Plan

(a) Establishment of the SpinCo Sales Executives Plan. Effective as of the Distribution Date, SpinCo shall, or shall have caused one or more members of the SpinCo Group to, establish a defined contribution plan and related trust for the benefit of SpinCo Participants who immediately prior to the Distribution Date were participants in, or entitled to present or future benefits under, the RemainCo Sales Executives Plan (such defined contribution plan, the "SpinCo Sales Executives Plan" and such SpinCo Participants, the "SpinCo Sales Executives Plan Participants"). SpinCo shall be responsible for taking all necessary, reasonable and appropriate action to establish, maintain and administer the SpinCo Sales Executives Plan so that it is qualified under Section 401(a) of the Code and that the related trust thereunder is exempt under Section 501(a) of the Code. SpinCo (acting directly or through one or more members of the SpinCo Group) shall be responsible for any and all liabilities and other obligations with respect to the SpinCo Sales Executives Plan.

(b) Transfer of RemainCo Sales Executives Plan Assets. Not later than thirty (30) days following the Distribution Date (or such later time as mutually agreed by the Parties), RemainCo shall cause the trustee for the RemainCo Sales Executives Trust to transfer in-kind the assets underlying the account balances (including any unvested balances, outstanding loan balances and forfeitures) held in the RemainCo Sales Executives Trust for the SpinCo Sales Executives Plan Participants (the "SpinCo Sales Executives Plan Assets") to the SpinCo Sales Executives Trust, and SpinCo shall cause the SpinCo Sales Executives Trust to accept the transfer of the SpinCo Sales Executives Plan Assets. Effective as of the date of such transfer, SpinCo shall assume and fully perform, pay and discharge, all obligations of the RemainCo Sales Executives Plan relating to the accounts of SpinCo Sales Executives Plan Participants (to the extent the assets related to those accounts are actually transferred from the RemainCo Sales Executives Trust to the SpinCo Sales Executives Trust). The transfer of assets shall be conducted in accordance with Section 414(l) of the Code, Treasury Regulation Section 1.414(1)-1, and Section 208 of ERISA.

(c) Continuation of Elections. Effective as of the Distribution Date, SpinCo (acting directly or through one or more members of the SpinCo Group) shall cause the SpinCo Sales Executives Plan to recognize and maintain all existing elections, including, but not limited to, investment and payment form elections, beneficiary designations, and the rights of alternate payees under qualified domestic relations orders with respect to SpinCo Sales Executives Plan Participants under the RemainCo Sales Executives Plan, to the extent such election or designation is available under the SpinCo Sales Executives Plan.

(d) Form 5310-A. No later than thirty (30) days prior to the date of the transfer of assets as contemplated under Section 4.2(b), RemainCo and SpinCo (each acting directly or through their respective affiliates) shall, to the extent necessary, file IRS Form 5310-A regarding the transfer of assets and liabilities from the RemainCo Sales Executives Plan to the SpinCo Sales Executives Plan as discussed in this Article IV.

ARTICLE 5.

HEALTH AND WELFARE PLANS

5.1 Health And Welfare Plans.

(a) Establishment of the SpinCo Welfare Plans. Prior to January 1, 2008, RemainCo maintained each of the health and welfare plans set forth onExhibit B attached hereto (collectively, the "RemainCo Welfare Plans" and individually, a "RemainCo Welfare Plan") for the benefit of eligible RemainCo Participants and SpinCo Participants. Effective as of January 1, 2008, SpinCo adopted, for the benefit of individuals who would have been SpinCo Participants on such date if such date were the Distribution Date, health and welfare plans, the terms of which are substantially comparable, in the aggregate, to the applicable terms of the RemainCo Welfare Plans as in effect immediately prior to January 1, 2008 (collectively, the "SpinCo Welfare Plans" and individually, a "SpinCo Welfare Plan").

(b) Terms of Participation in RemainCo Welfare Plans and SpinCo Welfare Plans

(i) RemainCo Welfare Plans. With respect to any individual who, on or after January 1, 2008 and prior to the Distribution Date, transfers employment from the SpinCo Group to the RemainCo Group and who is listed on Exhibit C, (each such individual a "Transferred RemainCo Participant"), RemainCo (acting directly or through one or more members of the RemainCo Group) shall cause all RemainCo Welfare Plans to (i) waive all limitations as to preexisting conditions, exclusions, and service conditions with respect to participation and coverage requirements applicable to such individuals, other than limitations that were in effect with respect to such individuals as of the date of each such individual's transfer to the RemainCo Group under the analogous SpinCo Welfare Plans, (ii) honor any deductibles, out-of-pocket maximums, and co-payments incurred by such individuals under the SpinCo Welfare Plans in satisfying any applicable deductibles, out-of-pocket maximums or co-payments under a RemainCo Welfare Plan during the same plan year in which such deductibles, out-of-pocket maximums and co-payments were made, and (iii) waive any waiting period limitation or evidence of

insurability requirement that would otherwise be applicable to such individuals following the date of each such individual's transfer to the RemainCo Group to the extent such individual had satisfied any similar limitation under the analogous SpinCo Welfare Plan.

(ii) SpinCo Welfare Plans. With respect to any individual who, on or after January 1, 2008 and prior to the Distribution Date, transfers employment from the RemainCo Group to the SpinCo Group and who is listed on Exhibit D (each such individual a "Transferred SpinCo Participant"), SpinCo (acting directly or through one or more members of the SpinCo Group) shall cause all SpinCo Welfare Plans to (i) waive all limitations as to preexisting conditions, exclusions, and service conditions with respect to participation and coverage requirements applicable to such Transferred SpinCo Participants, other than limitations that were in effect with respect to such Transferred SpinCo Participants as of the date of each such Transferred SpinCo Participant's transfer to the SpinCo Group under the analogous RemainCo Welfare Plans, (ii) honor any deductibles, out-of-pocket maximums, and co-payments incurred by such Transferred SpinCo Participants under the RemainCo Welfare Plans in satisfying any applicable deductibles, out-of-pocket maximums or co-payments under a SpinCo Welfare Plan during the same plan year in which such deductibles, out-of-pocket maximums and co-payments were made, and (iii) waive any waiting period limitation or evidence of insurability requirement that would otherwise be applicable to such Transferred SpinCo Participants following the date of each such Transferred SpinCo Participant's transfer to the SpinCo Group to the extent such Transferred SpinCo Participant had satisfied any similar limitation under the analogous RemainCo Welfare Plan.

(c) Continuation of Elections.

(i) Transferred RemainCo Participants. As of the date of each Transferred RemainCo Participant's transfer to the RemainCo Group, RemainCo (acting directly or through a member of the RemainCo Group) shall cause the RemainCo Welfare Plans to recognize and maintain all elections and designations (including all coverage and contribution elections and beneficiary designations) made by such Transferred RemainCo Participant under, or with respect to, the SpinCo Welfare Plans and apply such elections and designations under the RemainCo Welfare Plans for the remainder of the period or periods for which such elections or designations are by their original terms applicable, to the extent such election or designation is available under the corresponding RemainCo Welfare Plan.

(ii) Transferred SpinCo Participants. As of the date of each Transferred SpinCo Participant's transfer to the SpinCo Group, SpinCo (acting directly or through a member of the SpinCo Group) shall cause the SpinCo Welfare Plans to recognize and maintain all elections and designations (including all coverage and contribution elections and beneficiary designations) made by such Transferred SpinCo Participant under, or with respect to, the RemainCo Welfare Plans and apply such elections and designations under the SpinCo Welfare Plans for the remainder of the period or periods for which such elections or designations are by their original terms applicable, to the extent such election or designation is available under the corresponding SpinCo Welfare Plan.

(d) COBRA and HIPAA. Effective as of January 1, 2008, the SpinCo Welfare Plans assumed responsibility for compliance with the health care continuation coverage requirements of COBRA with respect to SpinCo Participants who, as of December 31, 2007, were covered under a RemainCo Welfare Plan pursuant to COBRA or who had a COBRA qualifying event (as defined in Code Section 4980B) prior to December 31, 2007. The Parties hereto agree that neither the Distribution nor any transfers of employment that occur as of the Distribution Date or otherwise in connection with the Distribution shall constitute a COBRA qualifying event for purposes of COBRA; provided, that, in all events, (i) SpinCo (acting directly or through a member of the SpinCo Group) shall assume, or shall have caused the SpinCo Welfare Plans to assume, responsibility for compliance with the health care continuation coverage requirements of COBRA with respect to the Transferred SpinCo Participants to the extent each such individual was, as of the day prior to his or her transfer of employment, covered under a RemainCo Welfare Plan pursuant to COBRA or who had a COBRA qualifying event (as defined in Code Section 4980B) prior to his or her transfer of employment, and (ii) RemainCo (acting directly or through a member of the RemainCo Group) shall assume, or shall have caused the RemainCo Welfare Plans to assume, responsibility for compliance with the health care continuation coverage requirements of COBRA with respect to the Transferred RemainCo Participants to the extent each such individual was, as of the day prior to his or her transfer of employment, covered under a SpinCo Welfare Plan pursuant to COBRA or who had a COBRA qualifying event (as defined in Code Section 4980B) prior to his or her transfer of employment. RemainCo (acting directly or through a member of the RemainCo Group) shall be responsible for administering compliance with any certificate of creditable coverage requirements of HIPAA or Medicare applicable to the RemainCo Welfare Plans with respect to SpinCo Participants.

(e) Liabilities.

(i) Insured Benefits. With respect to employee welfare and fringe benefits that are provided through the purchase of insurance, (A) RemainCo shall cause the RemainCo Welfare Plans to fully perform, pay and discharge all claims of RemainCo Participants and SpinCo Participants that are incurred prior to January 1, 2008; (B) RemainCo shall cause the RemainCo Welfare Plans to fully perform, pay and discharge all claims that are incurred on or after January 1, 2008 by RemainCo Participants; and (C) SpinCo shall cause the SpinCo Welfare Plans to fully perform, pay and discharge all claims that are incurred on or after January 1, 2008 by SpinCo Participants. Notwithstanding the foregoing, (i) with respect to Transferred RemainCo Participants and their beneficiaries, dependents and alternate payees, SpinCo shall cause the SpinCo Welfare Plans to fully perform, pay and discharge all claims that are incurred on or after January 1, 2008 by such individuals to the extent that, at the time a claim is incurred, the Transferred RemainCo Participant is an employee of a member of the SpinCo Group, and (ii) with respect to Transferred SpinCo Participants and their beneficiaries, dependents and alternate payees, RemainCo shall cause the RemainCo Welfare Plans to fully perform, pay and discharge all claims that are incurred on or after January 1, 2008 by such individuals to the extent that, at the time a claim is incurred, the Transferred SpinCo Participant is an employee of a member of the RemainCo Group.

(ii) Self-Insured Benefits. With respect to employee welfare and fringe benefits that are provided on a self-insured basis (other than short-term disability

benefits), (A) RemainCo shall cause the RemainCo Welfare Plans to fully perform, pay and discharge all claims of RemainCo Participants and SpinCo Participants that are incurred (but not reported) prior to January 1, 2008, provided, however, that SpinCo shall reimburse RemainCo for all such claims paid by RemainCo with respect to an individual who, at the time the claim was incurred, was an employee (or a beneficiary, dependent or alternate payee of an employee) of a member of the SpinCo Group; (B) RemainCo shall cause the RemainCo Welfare Plans to fully perform, pay and discharge all claims that are incurred on or after January 1, 2008 by RemainCo Participants; and (C) SpinCo shall cause the SpinCo Welfare Plans to fully perform, pay and discharge all claims that are incurred on or after January 1, 2008 by SpinCo Participants. Notwithstanding the foregoing, (i) with respect to Transferred RemainCo Participants and their beneficiaries, dependents and alternate payees, SpinCo shall cause the SpinCo Welfare Plans to fully perform, pay and discharge all claims that are incurred on or after January 1, 2008 by such individuals to the extent that, at the time a claim is incurred, the Transferred RemainCo Participant is an employee of a member of the SpinCo Group, and (ii) with respect to Transferred SpinCo Participants and their beneficiaries, dependents and alternate payees, RemainCo shall cause the RemainCo Welfare Plans to fully perform, pay and discharge all claims that are incurred on or after January 1, 2008 by such individuals to the extent that, at the time a claim is incurred, the Transferred SpinCo Participant is an employee of a member of the RemainCo Group. Notwithstanding anything herein to the contrary, with respect to short-term disability benefits, RemainCo shall cause the appropriate RemainCo Welfare Plan to fully perform, pay and discharge all claims for benefits for RemainCo Participants who are eligible for such benefits as of the Distribution Date, and SpinCo shall cause the appropriate SpinCo Welfare Plan to fully perform, pay and discharge all claims for benefits for SpinCo Participants who are eligible for such benefits as of the Distribution Date.

(iii) Incurred Claim Definition. For purposes of this Section 5.1(e), a claim or liability is deemed to be incurred (A) with respect to medical, dental, vision and/or prescription drug benefits, upon the rendering of health services giving rise to such claim or liability; (B) with respect to life insurance, accidental death and dismemberment and business travel accident insurance, upon the occurrence of the event giving rise to such claim or liability; (C) with respect to long-term disability benefits, upon the date of an individual's disability, as determined by the disability benefit insurance carrier or claim administrator, giving rise to such claim or liability; and (D) with respect to a period of continuous hospitalization, upon the date of admission to the hospital.

5.2 Reimbursement Account Plan. Effective as of January 1, 2008, SpinCo established a health, dependent care, and adoption reimbursement account plan (the "SpinCo Reimbursement Account Plan") with features that are comparable to those contained in the health, dependent care, and adoption reimbursement account plan maintained by RemainCo immediately prior to January 1, 2008 (the "RemainCo Reimbursement Account Plan"). RemainCo shall cause the RemainCo Reimbursement Account Plan to fully perform, pay and discharge all claims of RemainCo Participants and SpinCo Participants that are incurred (but not reported) prior to January 1, 2008. Except as provided below with respect to Transferred RemainCo Participants and Transferred SpinCo Participants, RemainCo shall cause the RemainCo Reimbursement Account Plan to fully perform, pay and discharge all claims that are

incurred on or after January 1, 2008 by each individual who, at the time the claim is incurred, is an employee (or a beneficiary, dependent or alternate payee of an employee) of a member of the RemainCo Group. Except as provided below with respect to Transferred RemainCo Participants and Transferred SpinCo Participants, SpinCo shall cause the SpinCo Reimbursement Account Plan to fully perform, pay and discharge all claims that are incurred on or after January 1, 2008 by each individual who, at the time the claim is incurred, is an employee (or a beneficiary, dependent or alternate payee of an employee) of a member of the SpinCo Group. No more than 45 days following the Distribution Date, RemainCo shall cause to be transferred to SpinCo an amount in cash equal to (i) the sum of all contributions to the RemainCo Reimbursement Account Plan made with respect to calendar year 2008 by or on behalf of all Transferred SpinCo Participants for periods before the date of each such Transferred SpinCo Participant's transfer to the SpinCo Group, reduced by (ii) the sum of all claims incurred in calendar year 2008 and paid by the RemainCo Reimbursement Account Plan with respect to all such Transferred SpinCo Participants, and the SpinCo Reimbursement Account Plan shall fully perform, pay and discharge all claims submitted by Transferred SpinCo Participants on or after the date of the cash transfer; provided, however, that if the amount described in (ii) above is greater than the amount described in (i) above, SpinCo shall cause to be transferred to RemainCo an amount in cash equal to the excess of (ii) over (i). No more than 45 days following the Distribution Date, SpinCo shall cause to be transferred to RemainCo an amount in cash equal to (i) the sum of all contributions to the SpinCo Reimbursement Account Plan made with respect to calendar year 2008 by or on behalf of all Transferred RemainCo Participants for periods before the date of each such Transferred RemainCo Participant's transfer to the RemainCo Group, reduced by (ii) the sum of all claims incurred in calendar year 2008 and paid by the SpinCo Reimbursement Account Plan with respect to all such Transferred RemainCo Participants, and the RemainCo Reimbursement Account Plan shall fully perform, pay and discharge all claims submitted by Transferred RemainCo Participants on or after the date of the cash transfer; provided, however, that if the amount described in (ii) above is greater than the amount described in (i) above, RemainCo shall cause to be transferred to SpinCo an amount in cash equal to the excess of (ii) over (i). All assets or obligations relating to all participants in the RemainCo Reimbursement Account Plan with respect to periods ending on or before December 31, 2007 will be retained by RemainCo.

5.3 Retiree Medical Coverage. Effective as of January 1, 2008, SpinCo adopted a retiree medical plan to provide retiree medical benefits substantially equivalent to those provided under the RemainCo Welfare Plan providing retiree medical benefits (the "RemainCo Retiree Medical Plan") to SpinCo Participants who immediately prior to January 1, 2008 (or, with respect to a Transferred SpinCo Participant, the date of such Transferred SpinCo Participant's transfer to the SpinCo Group) were participants in the RemainCo Retiree Medical Plan (such retiree medical plan, the "SpinCo Retiree Medical Plan" and such SpinCo Participants, the "SpinCo Retiree Medical Plan Participants"). The SpinCo Retiree Medical Plan shall provide retiree medical benefits to (i) SpinCo Participants who terminate employment on or after January 1, 2008 under conditions entitling them to benefits under such plan, and (ii) other individuals who terminate employment on or after January 1, 2008 under conditions entitling them to benefits under such plan who would have been SpinCo Participants on their date of termination if such date were the Distribution Date. SpinCo (acting directly or through a member of the SpinCo Group) shall be responsible for any and all liabilities (including liabilities for funding) with respect to the SpinCo Retiree Medical Plan. Effective as of January 1, 2008, SpinCo has

caused the SpinCo Retiree Medical Plan to assume, and to fully perform, pay and discharge, all accrued but unpaid benefits as of January 1, 2008, including incurred but unreported claims for benefits, and any credits under the RemainCo Retiree Medical Plan relating to all SpinCo Retiree Medical Plan Participants as of January 1, 2008 (or, with respect to a Transferred SpinCo Participant, the date of such Transferred SpinCo Participant's transfer to the SpinCo Group).

5.4 Time-Off Benefits. SpinCo shall credit each SpinCo Participant with the amount of accrued but unused vacation time, sick time and other time-off benefits as such SpinCo Participant had with the RemainCo Group as of the Distribution Date (or, with respect to a Transferred SpinCo Participant, the date of such Transferred SpinCo Participant's transfer to the SpinCo Group). Notwithstanding the above, SpinCo shall not be required to credit any SpinCo Participant with any accrual to the extent that a benefit attributable to such accrual is provided by the RemainCo Group. RemainCo shall credit each Transferred RemainCo Participant with the amount of accrued but unused vacation time, sick time and other time-off benefits as such Transferred RemainCo Participant had with the SpinCo Group as of the date of such Transferred RemainCo Participant's transfer to the RemainCo Group. Notwithstanding the above, RemainCo shall not be required to credit any Transferred RemainCo Participant with any accrual to the extent that a benefit attributable to such accrual is provided by the SpinCo Group.

ARTICLE 6.

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

6.1 SpinCo Supplemental Pension Plan.

(a) Establishment of SpinCo SERP. Effective as of the Distribution Date, SpinCo shall, or shall cause a member of the SpinCo Group to, establish a non-qualified deferred compensation plan to benefit SpinCo Participants who have accrued, or were eligible to accrue, benefits under the RemainCo SERP immediately prior to the Distribution Date, the terms of which are substantially comparable, in the aggregate, to the terms of the RemainCo SERP as in effect immediately prior to the Distribution Date (the "SpinCo SERP"). Effective as of the Distribution Date, SpinCo hereby agrees to cause the SpinCo SERP to assume responsibility for all liabilities and fully perform, pay and discharge all obligations, when such obligations become due, of the RemainCo SERP with respect to all SpinCo Participants therein. SpinCo (acting directly or through a member of the SpinCo Group) shall be responsible for any and all liabilities (including liability for funding) and other obligations with respect to the SpinCo SERP.

(b) Continuation of Elections. As of the Distribution Date, SpinCo (acting directly or through a member of the SpinCo Group) shall cause the SpinCo SERP to recognize and maintain all elections (including deferral, distribution and investment elections) and beneficiary designations with respect to SpinCo Participants under the RemainCo SERP to the extent such elections or designations are available under the SpinCo SERP until a new election that by its terms supersedes such original election is made by the SpinCo Participant in accordance with applicable law and the terms and conditions of the SpinCo SERP.

6.2 SpinCo Board of Directors' Deferred Compensation Plan.

(a) Establishment of SpinCo Board of Directors' Deferred Compensation Plan. Effective as of the Distribution Date, SpinCo shall, or shall cause a member of the SpinCo Group to, establish a non-qualified deferred compensation plan, the terms of which are substantially comparable, in the aggregate, to the terms of the RemainCo Board of Directors' Deferred Compensation Plan as in effect immediately prior to the Distribution Date (the "SpinCo Board of Directors' Deferred Compensation Plan"). Effective as of the Distribution Date, except as provided in paragraphs (b) and (c) below, SpinCo hereby agrees to cause the SpinCo Board of Directors' Deferred Compensation Plan to assume responsibility for all liabilities and fully perform, pay and discharge all obligations, when such obligations become due, of the RemainCo Board of Directors' Deferred Compensation Plan with respect to all individuals who immediately prior to the Distribution were directors of RemainCo and who, after the Distribution Date, will serve as directors of SpinCo but not RemainCo ("SpinCo Directors") who have accrued, or were eligible to accrue, benefits under the RemainCo Board of Directors' Deferred Compensation Plan immediately prior to the Distribution Date. SpinCo (acting directly or through a member of the SpinCo Group) shall be responsible for any and all liabilities (including liability for funding) and other obligations with respect to the SpinCo Board of Directors' Deferred Compensation Plan.

(b) RemainCo/SpinCo Directors. With respect to each individual who immediately prior to the Distribution was a director of RemainCo and who, after the Distribution Date, will serve as a director of both RemainCo and SpinCo, SpinCo hereby agrees to cause the SpinCo Board of Directors' Deferred Compensation Plan to assume responsibility for all liabilities and fully perform, pay and discharge all obligations, when such obligations become due, of the RemainCo Board of Directors' Deferred Compensation Plan with respect to the benefits accrued by such director under the RemainCo Board of Directors' Deferred Compensation Plan immediately prior to the Distribution Date. For periods on and after the Distribution Date, (i) each such director shall be eligible to accrue benefits under the RemainCo Board of Directors' Deferred Compensation Plan and the SpinCo Board of Directors' Deferred Compensation Plan under the terms of each such plan, (ii) SpinCo (acting directly or through a member of the SpinCo Group) shall be responsible for any and all liabilities (including liability for funding) and other obligations with respect to the SpinCo Board of Directors' Deferred Compensation Plan accrued thereunder by each such director on and after the Distribution Date, and (iii) RemainCo (acting directly or through a member of the RemainCo Group) shall be responsible for any and all liabilities (including liability for funding) and other obligations with respect to the RemainCo Board of Directors' Deferred Compensation Plan accrued thereunder by each such director on and after the Distribution Date.

(c) Benefits Payable in Stock. Notwithstanding anything herein to the contrary, effective as of the Distribution Date, with respect to any benefits accrued by a RemainCo director immediately prior to the Distribution Date under the RemainCo Board of Directors' Deferred Compensation Plan that represent RemainCo Deferred Shares, the shares in each such individual's RemainCo Deferred Share Account shall be replaced with adjusted RemainCo Deferred Shares and substitute SpinCo Deferred Shares. Immediately following the Distribution, (i) the number of RemainCo Deferred Shares in such individual's RemainCo Deferred Share Account shall equal the number of RemainCo Deferred Shares in such RemainCo Deferred Share Account immediately prior to the Distribution, and (ii) the substitute

SpinCo Deferred Shares shall represent the number of shares of SpinCo common stock that such individual would have received in the Distribution had he held the number of shares in his RemainCo Deferred Share Account immediately prior to the Distribution, with the intention that such adjustment and substitution preserve the intrinsic value of the original RemainCo Deferred Shares. Effective as of the Distribution Date, SpinCo hereby agrees to cause the SpinCo Board of Directors' Deferred Compensation Plan to assume responsibility for all liabilities and fully perform, pay and discharge all obligations, when such obligations become due, with respect to the SpinCo Deferred Shares, and RemainCo hereby agrees to cause the RemainCo Board of Directors' Deferred Compensation Plan to assume responsibility for all liabilities and fully perform, pay and discharge all obligations, when such obligations become due, with respect to the RemainCo Deferred Shares as adjusted in accordance with this paragraph.

(d) Continuation of Elections. As of the Distribution Date, SpinCo (acting directly or through a member of the SpinCo Group) shall cause the SpinCo Board of Directors' Deferred Compensation Plan to recognize and maintain all elections (including deferral, distribution and investment elections) and beneficiary designations with respect to SpinCo Directors and directors described in paragraph (b) above under the RemainCo Board of Directors' Deferred Compensation Plan to the extent such elections or designations are available under the SpinCo Board of Directors' Deferred Compensation Plan until a new election that by its terms supersedes such original election is made by such a director in accordance with applicable law and the terms and conditions of the SpinCo Board of Directors' Deferred Compensation Plan.

6.3 SpinCo Executive Deferred Compensation Program.

(a) Establishment of SpinCo Executive Deferred Compensation Program. Effective as of the Distribution Date, SpinCo shall, or shall cause a member of the SpinCo Group to, establish a non-qualified deferred compensation plan, the terms of which are substantially comparable, in the aggregate, to the terms of the RemainCo Executive Deferred Compensation Program as in effect immediately prior to the Distribution Date (the "SpinCo Executive Deferred Compensation Program"). SpinCo (acting directly or through a member of the SpinCo Group) shall be responsible for any and all liabilities (including liability for funding) and other obligations with respect to the SpinCo Executive Deferred Compensation Program.

(b) Allocation of Liabilities.

(i) Cash Benefits. Effective as of the Distribution Date, SpinCo hereby agrees to cause the SpinCo Executive Deferred Compensation Program to assume responsibility for all liabilities and fully perform, pay and discharge all obligations, when such obligations become due, of the RemainCo Executive Deferred Compensation Program with respect to benefits accrued thereunder by SpinCo Participants immediately prior to the Distribution Date that are payable in cash. Effective as of the Distribution Date, RemainCo hereby agrees to cause the RemainCo Executive Deferred Compensation Program to retain responsibility for all liabilities and fully perform, pay and discharge all obligations, when such obligations become due, of the RemainCo Executive Deferred Compensation Program with respect to benefits accrued thereunder

by RemainCo Participants immediately prior to the Distribution Date that are payable in cash.

(ii) Stock Benefits. Effective as of the Distribution Date, with respect to any benefits accrued by a RemainCo Participant or a SpinCo Participant immediately prior to the Distribution Date under the RemainCo Executive Deferred Compensation Program, the Hillenbrand Industries Stock Award Program, the Hillenbrand Industries Senior Executive Compensation Program, or any other similar program maintained by RemainCo that represent RemainCo Deferred Shares, the shares in each such individual's RemainCo Deferred Share Account shall be replaced with adjusted RemainCo Deferred Shares and substitute SpinCo Deferred Shares. Immediately following the Distribution, the number of RemainCo Deferred Shares in such individual's RemainCo Deferred Share Account shall equal the number of RemainCo Deferred Shares in such RemainCo Deferred Share Account immediately prior to the Distribution, and (ii) the substitute SpinCo Deferred Shares shall represent the number of shares of SpinCo common stock that such individual would have received in the Distribution had he held the number of shares in his RemainCo Deferred Share Account immediately prior to the Distribution, with the intention that such adjustment and substitution preserve the intrinsic value of the original RemainCo Deferred Shares. Effective as of the Distribution Date, SpinCo hereby agrees to cause the SpinCo Executive Deferred Compensation Program to assume responsibility for all liabilities and fully perform, pay and discharge all obligations, when such obligations become due, with respect to the SpinCo Deferred Shares, and RemainCo hereby agrees to cause the RemainCo Executive Deferred Compensation Program to assume responsibility for all liabilities and fully perform, pay and discharge all obligations, when such obligations become due, with respect to the RemainCo Deferred Shares as adjusted in accordance with this paragraph.

(c) Continuation of Elections. As of the Distribution Date, SpinCo (acting directly or through a member of the SpinCo Group) shall cause the SpinCo Executive Deferred Compensation Program to recognize and maintain all elections (including deferral, distribution and investment elections) and beneficiary designations with respect to SpinCo Participants under the RemainCo Executive Deferred Compensation Program to the extent such elections or designations are available under the SpinCo Executive Deferred Compensation Program until a new election that by its terms supersedes such original election is made by the SpinCo Participant in accordance with applicable law and the terms and conditions of the SpinCo Executive Deferred Compensation Program.

ARTICLE 7.

LONG-TERM INCENTIVE AWARDS

7.1 Treatment of Outstanding RemainCo Options.

(a) RemainCo Directors and Employees. RemainCo shall take any and all action as shall be necessary or appropriate, including without limitation approval of the provisions of this Agreement, so that each RemainCo Option held on the Distribution Date by (1) an individual who immediately prior to the Distribution was a director of RemainCo and who,

after the Distribution Date, will serve as a director of RemainCo but not SpinCo, or (2) a RemainCo Participant (other than a Former RemainCo Employee) shall remain an option to purchase RemainCo common stock issued under the RemainCo Stock Plan or the RemainCo 1996 Stock Plan (each such option, a "Remaining RemainCo Option"). Each Remaining RemainCo Option shall be subject to the same terms and conditions after the Distribution as the terms and conditions applicable to the corresponding RemainCo Option immediately prior to the Distribution, including the terms and conditions relating to vesting and the post-termination exercise period, with the intention that such adjustment satisfy the requirements of Section 424 of the Code and avoid treatment as nonqualified deferred compensation subject to Section 409A of the Code. The exercise price and number of shares subject to each Remaining RemainCo Option shall be adjusted as follows: (i) the number of shares of RemainCo common stock subject to each such Remaining RemainCo Option shall be equal to the product of (x) the number of shares of RemainCo common stock subject to the corresponding RemainCo Option immediately prior to the Distribution Date and (y) the RemainCo Share Ratio, with fractional shares rounded to the nearest whole share and (ii) the per-share exercise price of each such Remaining RemainCo Option shall be equal to the product, rounded to the nearest cent, of (x) the per-share exercise price of the corresponding RemainCo Option immediately prior to the Distribution Date and (y) the RemainCo Price Ratio.

(b) SpinCo Directors and Employees. RemainCo and SpinCo shall take any and all action as shall be necessary or appropriate, including without limitation approval of the provisions of this Agreement, so that each RemainCo Option held on the Distribution Date by (1) an individual who immediately prior to the Distribution was a director of RemainCo and who, after the Distribution Date, will serve as a director of SpinCo but not RemainCo, or (2) a SpinCo Participant (other than a Former SpinCo Employee) shall be replaced with a substitute SpinCo Option (each such option, an "SpinCo Option") issued under the SpinCo Stock Plan, subject to terms and conditions after the Distribution that are substantially similar (to the extent practicable) to the terms and conditions applicable to the corresponding RemainCo Option immediately prior to the Distribution, including the terms and conditions relating to vesting and the post-termination exercise period, with the intention that such substitution satisfy the requirements of Section 424 of the Code and avoid treatment as nonqualified deferred compensation subject to Section 409A of the Code. The exercise price and number of shares subject to such SpinCo Option shall be determined as follows: (i) the number of shares of SpinCo common stock subject to each such SpinCo Option shall be equal to the product of (x) the number of shares of RemainCo common stock subject to the corresponding RemainCo Option immediately prior to the Distribution Date and (y) the SpinCo Share Ratio, with fractional shares rounded to the nearest whole share and (ii) the per-share exercise price of each such SpinCo Option shall be equal to the product, rounded to the nearest cent, of (x) the per-share exercise price of the corresponding RemainCo Option immediately prior to the Distribution Date and (y) the SpinCo Price Ratio. Such substitute SpinCo Option will take into account all employment with both RemainCo and SpinCo, and their respective subsidiaries and affiliates, for purposes of determining when the SpinCo Option becomes exercisable.

(c) RemainCo/SpinCo Directors, Former RemainCo Directors and Former Employees. RemainCo and SpinCo shall take any and all action as shall be necessary or appropriate, including without limitation approval of the provisions of this Agreement, so that each RemainCo Option held on the Distribution Date by (1) an individual who immediately prior

to the Distribution was a director of RemainCo and who, after the Distribution Date, will serve as a director of both RemainCo and SpinCo, (2) a Former RemainCo Director, (3) a Former RemainCo Employee, or (4) a Former SpinCo Employee shall be replaced with an adjusted RemainCo Option with an adjusted exercise price (a "Post-Distribution RemainCo Option") and a substitute SpinCo Option issued under the SpinCo Stock Plan, subject to terms and conditions after the Distribution that are substantially similar (to the extent practicable) to the terms and conditions applicable to the corresponding RemainCo Option immediately prior to the Distribution, including the terms and conditions relating to vesting and the post-termination exercise period, with the intention that such adjustment and substitution satisfy the requirements of Section 424 of the Code and avoid treatment as nonqualified deferred compensation subject to Section 409A of the Code. Such replacement will be implemented in a manner such that immediately following the Distribution (i) the number of shares relating to the Post-Distribution RemainCo Option will be equal to the number of shares of RemainCo common stock subject to the RemainCo Option immediately prior to the Distribution, (ii) the number of shares subject to the substitute SpinCo Option will be equal to the number of shares of SpinCo common stock that the option holder would have received in the Distribution had the RemainCo common stock subject to the RemainCo Option represented outstanding shares of RemainCo common stock, and (iii) the per share option exercise price of the original RemainCo Option will be proportionally allocated between the Post-Distribution RemainCo Option and the substitute SpinCo Option based upon the RemainCo Post-Distribution Stock Value and the SpinCo Stock Value and rounded to the nearest cent. Each Post-Distribution RemainCo Option and substituted SpinCo Option adjusted from or substituted for an original RemainCo Option described in this Section 7.1(c), when combined, will preserve the intrinsic value of such original RemainCo Option, and each will preserve the ratio from the original option of the exercise price to the fair market value of the stock subject to the option. Such options will take into account all employment with both RemainCo and SpinCo, and their respective subsidiaries and affiliates, for purposes of determining when the options become exercisable.

(d) Non-U.S. Employees. RemainCo Options held by non-U.S. RemainCo Participants and non-U.S. SpinCo Participants shall be treated in the same manner as set forth in paragraphs (a)-(c) above, as applicable, unless it is determined that such treatment would result in adverse tax consequences under applicable non-U.S. tax laws, in which case such RemainCo Options shall be adjusted in an alternative manner that will, to the extent possible, avoid such adverse tax consequences.

(e) Amendments and Waivers. Prior to the Distribution Date, RemainCo shall amend the RemainCo Stock Plan and/or outstanding RemainCo Options, as necessary, to provide that neither the Distribution nor a transfer of employment in connection with the Distribution (i) between members of the RemainCo Group, (ii) between members of the SpinCo Group, (iii) from a member of the RemainCo Group to a member of the SpinCo Group, or (iv) from a member of the SpinCo Group to a member of the RemainCo Group shall constitute a termination of employment for purposes of such RemainCo Options. Prior to the Distribution Date, RemainCo shall waive any applicable exercise or forfeiture restrictions with respect to outstanding RemainCo Options under the RemainCo 1996 Stock Plan held by SpinCo Participants that would otherwise apply as a result of the Distribution or a transfer of employment from a member of the RemainCo Group to a member of the SpinCo Group in

connection with the Distribution so that neither the Distribution nor any such transfer shall cause such RemainCo Options to expire.

(f) Exercise of Options. Upon the exercise of a SpinCo Option, regardless of the holder thereof, the exercise price shall be paid to (or otherwise satisfied to the satisfaction of) SpinCo in accordance with the terms of the SpinCo Option, and SpinCo shall be solely responsible for the issuance of SpinCo common stock, for ensuring the withholding of all applicable tax on behalf of the employing entity of such holder, and for ensuring the remittance of such withholding taxes to the employing entity of such holder. Upon the exercise of a Remaining RemainCo Option or a Post-Distribution RemainCo Option, regardless of the holder thereof, the exercise price shall be paid to (or otherwise satisfied to the satisfaction of) RemainCo in accordance with the terms of the Remaining RemainCo Option or Post-Distribution RemainCo Option, and RemainCo shall be solely responsible for the issuance of RemainCo common stock, for ensuring the withholding of all applicable tax on behalf of the employing entity of such holder and for ensuring the remittance of such withholding taxes to the employing entity of such holder.

(g) Restriction on Exercisability of Options. The Parties acknowledge and agree that blackout periods may be implemented with respect to the Remaining RemainCo Options, Post-Distribution RemainCo Options and the SpinCo Options for administrative reasons in accordance with the terms of the RemainCo Stock Plan or the SpinCo Stock Plan, as applicable.

7.2 Treatment of Outstanding RemainCo Deferred Stock Awards

(a) RemainCo Directors and Employees. Subject to Section 7.2(d), RemainCo and SpinCo shall take any and all action as shall be necessary or appropriate, including without limitation approval of the provisions of this Agreement, so that, as of the Distribution Date, the number of shares of RemainCo Deferred Stock in the RemainCo Deferred Stock Account of (1) an individual who immediately prior to the Distribution was a director of RemainCo and who, after the Distribution Date, will serve as a director of RemainCo but not SpinCo, and (2) a RemainCo Participant (other than a Former RemainCo Employee) shall be adjusted such that the number of shares of RemainCo Deferred Stock in such RemainCo Deferred Stock Account shall equal the product of (x) the number of shares of RemainCo Deferred Stock in the RemainCo Deferred Stock Account immediately prior to the Distribution, multiplied by (y) the RemainCo Share Ratio. Such adjustment shall be intended to preserve the intrinsic value of the original RemainCo Deferred Stock Award and to avoid treatment as nonqualified deferred compensation subject to Section 409A of the Code.

(b) SpinCo Directors and Employees. Subject to Section 7.2(d), RemainCo and SpinCo shall take any and all action as shall be necessary or appropriate, including without limitation approval of the provisions of this Agreement, so that each RemainCo Deferred Stock Award held by (1) an individual who immediately prior to the Distribution was a director of RemainCo and who, after the Distribution Date, will serve as a director of SpinCo but not RemainCo, and (2) a SpinCo Participant (other than a Former SpinCo Employee) will be replaced with a substitute SpinCo Deferred Stock Award issued under the SpinCo Stock Plan, subject to terms and conditions after the Distribution that are substantially similar (to the extent

practicable) to the terms and conditions applicable to the corresponding RemainCo Deferred Stock Award immediately prior to the Distribution, with the intention that such substitution avoid treatment as nonqualified deferred compensation subject to Section 409A of the Code. It is intended that each substitute SpinCo Deferred Stock Award will preserve the intrinsic value of the original RemainCo Deferred Stock Award for which it was substituted by representing a number of shares of SpinCo common stock equal to the product of (x) the number of shares of RemainCo Deferred Stock in the RemainCo Deferred Stock Account immediately prior to the Distribution, multiplied by (y) the SpinCo Share Ratio. The Parties agree that unvested RemainCo Deferred Stock Awards (other than performance-based RemainCo Deferred Stock Awards) granted prior to December 2007 and held by individuals who immediately prior to the Distribution are employees of a member of the SpinCo Group shall become fully vested as of the Distribution Date and shall be paid according to their terms as adjusted in accordance with this paragraph.

(c) RemainCo/SpinCo Directors and Former RemainCo Directors. RemainCo and SpinCo shall take any and all action as shall be necessary or appropriate, including without limitation approval of the provisions of this Agreement, so that (1) each individual who immediately prior to the Distribution was a director of RemainCo and who, after the Distribution Date, will serve as a director of both RemainCo and SpinCo, and (2) each Former RemainCo Director will have each of his RemainCo Deferred Stock Awards replaced with an adjusted RemainCo Deferred Stock Award and a substitute SpinCo Deferred Stock Award issued under the SpinCo Stock Plan, subject to terms and conditions after the Distribution that are substantially similar (to the extent practicable) to the terms and conditions applicable to the corresponding RemainCo Deferred Stock Award immediately prior to the Distribution, with the intention that such adjustment and substitution avoid treatment as nonqualified deferred compensation subject to Section 409A of the Code. Immediately following the Distribution (i) the number of shares of RemainCo Deferred Stock in such individual's RemainCo Deferred Stock Account shall equal the number of shares of RemainCo Deferred Stock in such RemainCo Deferred Stock Account immediately prior to the Distribution, and (ii) the substitute SpinCo Deferred Stock Award shall represent the number of shares of SpinCo common stock that such individual would have received in the Distribution had he held the number of shares in his RemainCo Deferred Stock Account immediately prior to the Distribution, with the intention that such adjustment and substitution avoid treatment as nonqualified deferred compensation subject to Section 409A of the Code.

(d) Deferred Stock Awards with Deferred Payment. Notwithstanding Sections 7.2(a) and (b), RemainCo and SpinCo shall take any and all action as shall be necessary or appropriate, including without limitation approval of the provisions of this Agreement, so that each RemainCo Participant and each SpinCo Participant who has made an election to defer payment of a RemainCo Deferred Stock Award will have the portion of their RemainCo Deferred Stock Awards to which such election applies replaced with an adjusted RemainCo Deferred Stock Award and a substitute SpinCo Deferred Stock Award issued under the SpinCo Stock Plan. Immediately following the Distribution, with respect to the portion of the RemainCo Deferred Stock Awards to which the deferral election applies, (i) the number of shares of RemainCo Deferred Stock in such individual's RemainCo Deferred Stock Account shall equal the number of shares of RemainCo Deferred Stock in such RemainCo Deferred Stock Account immediately prior to the Distribution, and (ii) the substitute SpinCo Deferred Stock Award shall

represent the number of shares of SpinCo common stock that such individual would have received in the Distribution had he held the number of shares in his RemainCo Deferred Stock Account immediately prior to the Distribution, with the intention that such adjustment and substitution preserve the intrinsic value of the original RemainCo Deferred Stock Award and avoid treatment as nonqualified deferred compensation subject to Section 409A of the Code.

(e) Non-U.S. Employees. RemainCo Deferred Stock Awards held by non-U.S. RemainCo Participants and non-U.S. SpinCo Participants shall be treated in the same manner as set forth in paragraphs (a)-(d) above, as applicable, unless it is determined that such treatment would result in adverse tax consequences under applicable non-U.S. tax laws, in which case such RemainCo Deferred Stock Awards shall be adjusted in an alternative manner that will, to the extent possible, avoid such adverse tax consequences.

(f) Amendments. Prior to the Distribution Date, RemainCo shall amend the RemainCo Stock Plan and/or outstanding RemainCo Deferred Stock Awards, as necessary, to provide that (i) neither the Distribution nor a transfer of employment in connection with the Distribution (A) between members of the RemainCo Group, (B) between members of the SpinCo Group, (C) from a member of the RemainCo Group to a member of the SpinCo Group, or (D) from a member of the SpinCo Group to a member of the RemainCo Group shall constitute a termination of employment for purposes of such RemainCo Deferred Stock Awards, and (ii) awards that were granted on April 5, 2007 that are subject to vesting based on certain performance goals shall vest based solely on the achievement of the performance goals of each holder's post-Distribution employer (i.e., RemainCo or SpinCo). Prior to the Distribution Date, RemainCo shall amend the RemainCo Stock Plan and RemainCo Deferred Stock Awards held by RemainCo directors who, after the Distribution, will serve as directors of SpinCo, as necessary, to allow such directors to make new elections providing that the underlying common stock will be delivered on the six month anniversary of the date the director ceases to be a director of SpinCo, provided that any such election to defer shall be conditioned on the occurrence of the Distribution.

(g) Vesting and Distribution of Deferred Stock Awards. Except with respect to the RemainCo Deferred Stock Awards that vest as described in Section 7.2(b), upon the vesting of the RemainCo Deferred Stock Awards, RemainCo shall be solely responsible for the settlement of all RemainCo Deferred Stock Awards, regardless of the holder thereof, and for ensuring the satisfaction of all applicable tax withholding requirements on behalf of the employing entity of such holder and for ensuring the remittance of such withholding taxes to the employing entity of such holder. Upon the vesting of the RemainCo Deferred Stock Awards that vest as described in Section 7.2(b) and the SpinCo Deferred Stock Awards, SpinCo shall be solely responsible for the settlement of all such awards, regardless of the holder thereof, and for ensuring the satisfaction of all applicable tax withholding requirements on behalf of the employing entity of such holder and for ensuring the remittance of such withholding taxes to the employing entity of such holder.

7.3 Cooperation. Each of the Parties shall establish an appropriate administration system in order to handle, in an orderly manner, exercises of RemainCo Options and SpinCo Options and the settlement of RemainCo Deferred Stock Awards and SpinCo Deferred Stock Awards. Each of the Parties will work together to unify and consolidate all indicative data and

payroll and employment information on regular timetables and make certain that each applicable entity's data and records in respect of such awards are correct and updated on a timely basis. The foregoing shall include employment status and information required for tax withholding/remittance, compliance with trading windows and compliance with the requirements of the Securities Exchange Act and other applicable laws.

7.4 SEC Registration. The Parties mutually agree to use commercially reasonable efforts to maintain effective registration statements with the SEC with respect to the long-term incentive awards described in this Article VII, to the extent any such registration statement is required by applicable law.

7.5 Savings Clause. The Parties hereby acknowledge that the provisions of this Article VII are intended to achieve certain tax, legal and accounting objectives and, in the event such objectives are not achieved, the Parties agree to negotiate in good faith regarding such other actions that may be necessary or appropriate to achieve such objectives.

ARTICLE 8.

ADDITIONAL COMPENSATION MATTERS; SEVERANCE

8.1 Annual Incentive Awards.

(a) SpinCo Assumption of Annual Incentive Liability. Effective as of the Distribution Date, SpinCo shall assume or retain, as applicable, responsibility for all liabilities and fully perform, pay and discharge all obligations, when such obligations become due, relating to any annual incentive awards that any SpinCo Participant is eligible to receive with respect to fiscal year 2008 and, effective as of the Distribution Date, RemainCo shall have no obligation with respect to any such annual incentive award.

(b) RemainCo Assumption of Annual Incentive Liability. Effective as of the Distribution Date, RemainCo shall assume or retain, as applicable, responsibility for all liabilities and fully perform, pay and discharge all obligations, when such obligations become due, relating to any annual incentive awards that any RemainCo Participant is eligible to receive with respect to fiscal year 2008 and, effective as of the Distribution Date, SpinCo shall have no obligation with respect to any such annual incentive award.

(c) Establishment of SpinCo Annual Incentive Plan. Effective as of the Distribution Date, SpinCo shall have adopted an annual incentive plan which shall permit the issuance of annual incentive awards on terms and conditions substantially comparable to those under the RemainCo Short-Term Incentive Compensation Plan (provided that the payment amounts and individual performance criteria shall be established in the discretion of the SpinCo Board of Directors or the SpinCo Committee).

(d) Adjustment of Outstanding Awards. Effective as of the Distribution Date, RemainCo and SpinCo shall adjust any outstanding annual incentive awards for RemainCo Participants and SpinCo Participants, respectively, so that such awards' payout calculations shall be based solely on the RemainCo Participants' and SpinCo Participants' post-Distribution employer's financial performance.

8.2 Individual Arrangements.

(a) RemainCo Individual Arrangements. RemainCo acknowledges and agrees that, except as otherwise provided herein, it shall have full responsibility with respect to any liabilities and the payment or performance of any obligations arising out of or relating to any employment, consulting, non-competition, retention or other compensatory arrangement previously provided by any member of the RemainCo Group or SpinCo Group to any RemainCo Participant, including life insurance policies not held in any trust and covering any RemainCo Participant.

(b) SpinCo Individual Arrangements. SpinCo acknowledges and agrees that, except as otherwise provided herein, it shall have full responsibility with respect to any liabilities and the payment or performance of any obligations arising out of or relating to any employment, consulting, non-competition, retention or other compensatory arrangement previously provided by any member of the RemainCo Group or SpinCo Group to any SpinCo Participant, including life insurance policies not held in any trust and covering any SpinCo Participant.

8.3 Severance Plans.

(a) Establishment of SpinCo Severance Plans. Effective as of the Distribution Date, SpinCo shall take all steps necessary to establish for SpinCo Employees a severance plan which provides severance benefits comparable to those provided under the RemainCo Severance Plan (such SpinCo severance plan referred to herein as the "SpinCo Severance Plan").

(b) Assumption of Severance Liabilities. Effective as of the Distribution Date, SpinCo shall assume or retain, as applicable, responsibility for all liabilities and fully perform, pay and discharge all obligations, when such obligations become due, relating to any severance benefit to which a SpinCo Participant is entitled under a RemainCo Severance Plan as of the Distribution Date. Likewise, RemainCo shall assume or retain, as applicable, responsibility for all liabilities and fully perform, pay and discharge all obligations, when such obligations become due, relating to any severance benefit to which a RemainCo Participant is entitled under a RemainCo Severance Plan as of the Distribution Date.

(c) Effect of the Separation on Severance. RemainCo and SpinCo acknowledge and agree that the transaction contemplated by the Distribution Agreement, in and of itself, will not constitute a termination of employment of any SpinCo Participant for purposes of any policy, plan, program or agreement of RemainCo or SpinCo or any member of the RemainCo Group or SpinCo Group that provides for the payment of severance, separation pay, salary continuation or similar benefits in the event of a termination of employment.

8.4 Workers' Compensation Liabilities.

(a) Pre-Distribution Date Claims. Except as set forth below, (i) all workers' compensation liabilities relating to, arising out of, or resulting from any claim by a SpinCo Employee or Former SpinCo Employee that results from an accident, incident or event occurring, or from an occupational disease which becomes manifest, before the Distribution Date shall be retained by SpinCo, and (ii) all workers' compensation liabilities relating to, arising out of, or resulting from any claim by a RemainCo Employee or Former RemainCo Employee that

results from an accident, incident or event occurring, or from an occupational disease which becomes manifest, before the Distribution Date shall be retained by RemainCo. Notwithstanding the foregoing, (i) RemainCo shall retain any workers' compensation liability relating to, arising out of, or resulting from any claim by a SpinCo Employee or Former SpinCo Employee that results from an accident, incident or event occurring, or from an occupational disease which becomes manifest, as of a date such that, had such date been the Distribution Date, the individual would have been a RemainCo Participant, and (ii) SpinCo shall retain any workers' compensation liability relating to, arising out of, or resulting from any claim by a RemainCo Employee or Former RemainCo Employee that results from an accident, incident or event occurring, or from an occupational disease which becomes manifest, as of a date such that, had such date been the Distribution Date, the individual would have been a SpinCo Participant.

(b) Post-Distribution Date Claims. All workers' compensation liabilities relating to, arising out of, or resulting from any claim by a SpinCo Employee or Former SpinCo Employee that results from an accident, incident or event occurring, or from an occupational disease which becomes manifest, on or after the Distribution Date shall be retained by SpinCo. All workers' compensation liabilities relating to, arising out of, or resulting from any claim by a RemainCo Employee or Former RemainCo Employee that results from an accident, incident or event occurring, or from an occupational disease which becomes manifest, on or after the Distribution Date shall be retained by RemainCo.

(c) General. For purposes of this Section 8.4, a compensable injury shall be deemed to be sustained upon the occurrence of the event giving rise to eligibility for workers' compensation benefits or an occupational disease becomes manifest, as the case may be. RemainCo and SpinCo shall cooperate in good faith with respect to the notification to appropriate governmental agencies of the Distribution and the issuance of new workers' compensation insurance policies or program of self-insurance and claims handling contracts.

8.5 Sections 162(m)/409A. Notwithstanding anything in this Agreement to the contrary (including the treatment of supplemental and deferred compensation plans, outstanding long-term incentive awards and annual incentive awards as described herein), the Parties agree to negotiate in good faith regarding the need for any treatment different from that otherwise provided herein to ensure that (i) a federal income tax deduction for the payment of such supplemental or deferred compensation or long-term incentive award, annual incentive award or other compensation is not limited by reason of Section 162(m) of the Code (to the extent that such result is intended under the applicable RemainCo Benefit Plan), and (ii) the treatment of such supplemental or deferred compensation or long-term incentive award, annual incentive award or other compensation does not cause the imposition of a tax under Section 409A of the Code.

8.6 Director Fees. RemainCo shall retain responsibility for the payment of any fees payable in respect of service on the RemainCo Board of Directors that are payable but not yet paid as of the Distribution Date, and SpinCo shall have no responsibility for any such payments.

ARTICLE 9.

INDEMNIFICATION

9.1 General Indemnification. Any claim for indemnification under this Agreement shall be governed by, and be subject to, the provisions of Article III of the Distribution Agreement, which provisions are hereby incorporated by reference into this Agreement and any references to "Agreement" in such Article III as incorporated herein shall be deemed to be references to this Agreement.

ARTICLE 10.

GENERAL AND ADMINISTRATIVE

10.1 Separate Plans. Each SpinCo Benefit Plan is intended to constitute a separate, "single employer" plan so that no "multiple employer" plan (as described in Code Section 413(c)) or "multiple employer welfare arrangement" (as defined in ERISA Section 3(40)) shall exist with respect to RemainCo and SpinCo. Notwithstanding the foregoing, RemainCo and SpinCo may arrange with third parties providing services with respect to RemainCo Benefit Plans immediately prior to the Distribution (including, but not limited to, administrative services, claims processing services, trustee services and stop-loss coverage) to continue such services on a shared basis for a period of time after the Distribution Date. RemainCo and SpinCo agree to share the costs of any such shared services during such period on a per-participant basis.

10.2 Sharing Of Information. RemainCo and SpinCo (acting directly or through their respective affiliates) shall provide to the other and their respective agents and vendors all information as the other may reasonably request to enable the requesting Party to administer efficiently and accurately each of its Benefit Plans and to determine the scope of, as well as fulfill, its obligations under this Agreement. Such information shall, to the extent reasonably practicable, be provided in the format and at the times and places requested, but in no event shall the Party providing such information be obligated to incur any out-of-pocket expenses not reimbursed by the Party making such request or make such information available outside of its normal business hours and premises. Any information shared or exchanged pursuant to this Agreement shall be subject to the confidentiality requirements set forth in the Distribution Agreement. The Parties also hereby agree to enter into any business associate agreements that may be required for the sharing of any information pursuant to this Agreement to comply with the requirements of HIPAA.

10.3 Reasonable Efforts/Cooperation. Each of the Parties hereto will use its commercially reasonable efforts to promptly take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate the transactions contemplated by this Agreement, including adopting plans or plan amendments. Each of the Parties hereto shall cooperate fully on any issue relating to the transactions contemplated by this Agreement for which the other Party seeks a determination letter or private letter ruling from the IRS, an advisory opinion from the DOL or any other filing, consent or approval with respect to or by a Governmental Authority.

10.4 Employer Rights. Nothing in this Agreement shall prohibit SpinCo or any SpinCo affiliate from amending, modifying or terminating any SpinCo Benefit Plan at any time within its sole discretion. In addition, nothing in this Agreement shall prohibit RemainCo or any RemainCo affiliate from amending, modifying or terminating any RemainCo Benefit Plan at any time within its sole discretion.

10.5 Effect on Employment. Nothing in this Agreement is intended to confer upon any employee or former employee of RemainCo, SpinCo or either of their respective affiliates any right to continued employment, or any recall or similar rights to an individual on layoff or any type of approved leave.

10.6 Consent Of Third Parties. If any provision of this Agreement is dependent on the consent of any third party and such consent is withheld, the Parties hereto shall use their reasonable best efforts to implement the applicable provisions of this Agreement to the fullest extent practicable. If any provision of this Agreement cannot be implemented due to the failure of such third party to consent, the Parties hereto shall negotiate in good faith to implement the provision in a mutually satisfactory manner.

10.7 Access To Employees. Following the Distribution Date, RemainCo and SpinCo shall, or shall cause each of their respective affiliates to, make available to each other those of their employees who may reasonably be needed in order to defend or prosecute any legal or administrative action (other than a legal action between RemainCo and SpinCo) to which any employee, director or Benefit Plan of the RemainCo Group or SpinCo Group is a party and which relates to their respective Benefit Plans prior to the Distribution Date. The Party to whom an employee is made available in accordance with this Section 10.7 shall pay or reimburse the other Party for all reasonable expenses which may be incurred by such employee in connection therewith, including all reasonable travel, lodging, and meal expenses, but excluding any amount for such employee's time spent in connection herewith.

10.8 Beneficiary Designation/Release Of Information/Right To Reimbursement To the extent permitted by applicable law and except as otherwise provided for in this Agreement, all beneficiary designations, authorizations for the release of information and rights to reimbursement made by or relating to SpinCo Participants under RemainCo Benefit Plans shall be transferred to and be in full force and effect under the corresponding SpinCo Benefit Plans until such beneficiary designations, authorizations or rights are replaced or revoked by, or no longer apply, to the relevant SpinCo Participant.

10.9 Not A Change In Control. The Parties hereto acknowledge and agree that the transactions contemplated by the Distribution Agreement and this Agreement do not constitute a "change in control" for purposes of any RemainCo Benefit Plan or SpinCo Benefit Plan.

ARTICLE 11.

MISCELLANEOUS

11.1 Effect If Distribution Does Not Occur. Notwithstanding anything in this Agreement to the contrary, if the Distribution Agreement is terminated prior to the Distribution

Date, then all actions and events that are, under this Agreement, to be taken or occur effective prior to, as of or following the Distribution Date, or otherwise in connection with the Distribution, shall not be taken or occur except to the extent specifically agreed to in writing by RemainCo and SpinCo and neither Party shall have any liability or further obligation to the other Party under this Agreement.

11.2 Relationship Of Parties. Nothing in this Agreement shall be deemed or construed by the Parties or any third party as creating the relationship of principal and agent, partnership or joint venture between the Parties, it being understood and agreed that no provision contained herein, and no act of the Parties, shall be deemed to create any relationship between the Parties other than the relationship set forth herein.

11.3 Affiliates. Each of RemainCo and SpinCo shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement to be performed by each of their affiliates, respectively.

11.4 Notices. All notices, requests, claims, demands and other communications under this Agreement, as between the Parties, shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt unless the day of receipt is not a Business Day, in which case it shall be deemed to have been duly given or made on the next following Business Day) by delivery in person, by overnight courier service, by facsimile with receipt confirmed (followed by delivery of an original via overnight courier service) or by registered or certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 11.4):

To RemainCo:

Hillenbrand Industries, Inc. (to be renamed Hill-Rom Holdings, Inc.)
700 State Route 46 East
Batesville, IN 47006-8835
c/o Corporate Secretary

To SpinCo:

Batesville Holdings, Inc. (to be renamed Hillenbrand, Inc.)
One Batesville Boulevard
Batesville, IN 47006-8835
c/o Corporate Secretary

11.5 Entire Agreement. This Agreement, the Distribution Agreement, and each other related agreement, including any annexes, schedules and exhibits hereto and thereto, as well as any other agreements and documents referred to herein and therein, shall constitute the entire agreement between the Parties with respect to the subject matter hereof and shall supersede all previous negotiations, commitments and writings with respect to such subject matter. In the event of any inconsistency between this Agreement and any Exhibit hereto, the Exhibit shall prevail.

11.6 Waivers. The failure of any Party to require strict performance by any other Party of any provision in this Agreement will not waive or diminish that Party's right to demand strict performance thereafter of that or any other provision hereof.

11.7 Amendments. Subject to the terms of Section 11.8 of this Agreement, this Agreement may not be modified or amended except by an agreement in writing signed by each of the Parties.

11.8 Termination, Etc. This Agreement (including Article IX hereof (Indemnification)) may be terminated and abandoned at any time prior to the Distribution Date by and in the sole discretion of RemainCo without the approval of SpinCo or the stockholders of RemainCo and it shall be deemed terminated if and when the Distribution Agreement is terminated. In the event of such termination, no Party shall have any liability of any kind to any other Party or any other Person. After the Distribution Date, this Agreement may not be terminated except by an agreement in writing signed by each of the Parties.

11.9 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana (other than the laws regarding choice of laws and conflicts of laws) as to all matters, including matters of validity, construction, effect, performance and remedies.

11.10 Dispute Resolution. Any controversy, dispute or claim arising out of, in connection with, or in relation to the interpretation, performance, nonperformance, validity, termination or breach of this Agreement or otherwise arising out of, or in any way related to this Agreement or the transactions contemplated hereby, including any claim based on contract, tort, statute or constitution (but excluding any controversy, dispute or claim arising out of any contract relating to the use or lease of real property if any third party is a necessary party to such controversy, dispute or claim) (collectively, "Agreement Dispute"), shall be governed by, and be subject to, the provisions of Article VI of the Distribution Agreement, which provisions (and related defined terms) are hereby incorporated by reference into this Agreement and any references to "Agreement" in such Article VI as incorporated herein shall be deemed to be references to this Agreement; provided, however, any references to "Agreement" or "Agreement Disputes" in such Article VI as incorporated herein shall be deemed to be references to this Agreement and Agreement Disputes as defined in this Agreement. Notwithstanding the foregoing provisions of this Section 11.10, (i) disputes regarding the amount of the Final Pension Plan Transfer Amount or True-Up Amount shall be determined exclusively pursuant to the dispute resolution procedures set out in Section 3.2 of this Agreement, (ii) no notice of dispute relating to the characterization of an individual as a RemainCo Employee, SpinCo Employee, Former RemainCo Employee or Former SpinCo Employee may be provided under this Section 11.10 more than one hundred eighty (180) days after the Distribution, and (iii) no notice of dispute may be provided under this Section 11.10 after the second anniversary of the Distribution Date.

11.11 Titles and Headings. Titles and headings to sections herein are inserted for the convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

11.12 Counterparts. This Agreement may be executed in more than one counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the Parties and delivered to the other Parties.

11.13 Assignment. Except as otherwise provided for in this Agreement, this Agreement shall not be assignable, in whole or in part, directly or indirectly, by any Party without the prior written consent of the other Party, and any attempt to assign any rights or obligations arising under this Agreement without such consent shall be void; provided, that, a Party may assign this Agreement in connection with a merger transaction in which such Party is not the surviving entity or the sale by such Party of all or substantially all of its assets; and provided, further, that the surviving entity of such merger or the transferee of such assets shall agree in writing, reasonably satisfactory to the other Parties, to be bound by the terms of this Agreement as if named as a "Party" hereto.

11.14 Severability. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby. The Parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

11.15 Successors and Assigns. The provisions of this Agreement and the obligations and rights hereunder shall be binding upon, inure to the benefit of and be enforceable by (and against) the Parties and their respective successors and permitted transferees and assigns.

11.16 Exhibits. The Exhibits shall be construed with and as an integral part of this Agreement to the same extent as if the same had been set forth verbatim herein.

11.17 Specific Performance. The Parties agree that irreparable damage would occur in the event that the provisions of this Agreement were not performed in accordance with their specific terms. Accordingly, it is hereby agreed that the Parties shall be entitled to (i) an injunction or injunctions to enforce specifically the terms and provisions hereof in any arbitration in accordance with Section 11.10 of this Agreement, (ii) provisional or temporary injunctive relief in accordance therewith in any Indiana Court, and (iii) enforcement of any such award of an arbitral tribunal or an Indiana Court in any court of the United States, or any other any court or tribunal sitting in any state of the United States or in any foreign country that has jurisdiction, this being in addition to any other remedy or relief to which they may be entitled.

11.18 Waiver of Jury Trial. SUBJECT TO SECTIONS 11.10 AND 11.17 OF THIS AGREEMENT, EACH OF THE PARTIES HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY COURT PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF AND PERMITTED UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH OF THE PARTIES HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR

OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11.18.

11.19 Force Majeure. No Party (or any Person acting on its behalf) shall have any liability or responsibility for failure to fulfill any obligation (other than a payment obligation) under this Agreement so long as and to the extent to which the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event: (a) notify the other Party of the nature and extent of any such Force Majeure condition and (b) use due diligence to remove any such causes and resume performance under this Agreement as soon as reasonably practicable.

11.20 Authorization. Each of the Parties hereby represents and warrants that it has the power and authority to execute, deliver and perform this Agreement, that this Agreement has been duly authorized by all necessary corporate action on the part of such Party, that this Agreement constitutes a legal, valid and binding obligation of each such Party and that the execution, delivery and performance of this Agreement by such Party does not contravene or conflict with any provision of law or of its charter or bylaws or any material agreement, instrument or order binding on such Party.

11.21 No Third-Party Beneficiaries. Except as otherwise expressly provided in this Agreement, this Agreement is solely for the benefit of the Parties and should not be deemed to confer upon third parties any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement.

11.22 Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the day and year first above written.

HILLENBRAND INDUSTRIES, INC.

By: /s/ Patrick D. de Maynadier
Name: Patrick D. de Maynadier
Title: Vice President, General Counsel and Secretary

BATESVILLE HOLDINGS, INC.

By: /s/ John R. Zerkle
Name: John R. Zerkle
Title: Vice President, General Counsel and Secretrary

EXHIBIT A

Assumptions And Valuation Methodology for Purposes of Section 3.2(b)

Mortality Rates — Per PBGC Regulation Section 4044.53.

Interest Rates — Per PBGC Regulation Section 4044.52 and Appendix B thereto.

Expected Retirement Age — Per Regulation Section 4044.55 and assuming beginning-of-year decrement. Early retirement subsidies will be taken into account in the value of accrued benefits by reflecting a grow-in of early retirement eligibility by including projected future eligibility service.

Preretirement Withdrawal/Disability Rates — None assumed.

Expense Loading — None assumed.

EXHIBIT B

RemainCo Welfare Plans

Medical Plan

Dental Plan

Vision Plan

Basic Employee Life Insurance

Supplemental Life and Dependent Life Insurance

Basic Employee AD&D

Voluntary AD&D and Dependent AD&D

Long Term Disability

Voluntary Long Term Disability

Short Term Disability

Employee Assistance Program

Health Care Flexible Spending Account

Dependent Care Flexible Spending Account

Adoption Assistance Flexible Spending Account

Limited Scope Flexible Spending Account

Business Travel Accident

Tuition Reimbursement

Vacation and Holiday Policies

EXHIBIT C

Transferred RemainCo Participants

Back, Brigid
Betz, Mike K.
Bibee, Nicole
Breheim, Ken A.
Briggs, Steven R.
Clayton, David D.
Crawford, Barbara L.
Fletcher, Jerry
Harris, Jermaine W.
McClanahan, Shawn P.
Merkel, Laura
Newman, Heather R.
Patterson, Marci M.
Schneider, Frank T.
Seagren, Lynne M.
Shaw, Anna
Todd, Michael A.
Wolter, Adam J.

EXHIBIT D

Transferred SpinCo Participants

Barnhorst, Scott
Bischoff, Mary
Bowers, Sue
Brack, Robert
Branstetter, Gayle
Clarke, Dan
Faust, Richard
Goins, Glenn
Heinlein, Merrilee
Kinker, Michael
Kuntz, Eric
Lake, Barry
Lanning, Mark
Mehlon, Gerald
Russell, Kay
Vankirk, James

EXHIBIT 10.4

TAX SHARING AGREEMENT
BY AND BETWEEN
HILLENBRAND INDUSTRIES, INC.
AND
BATESVILLE HOLDINGS, INC.
DATED AS OF MARCH 31, 2008

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Schedule 9.1	Listing and Allocation of Tax Attributes

TAX SHARING AGREEMENT

THIS TAX SHARING AGREEMENT (this "Agreement") is made and entered into as of the 31st day of March, 2008, by and between Hillenbrand Industries, Inc., an Indiana corporation ("RemainCo"), and Batesville Holdings, Inc., an Indiana corporation ("SpinCo"). Each of RemainCo and SpinCo is sometimes referred to herein as a "Party" and collectively, as the "Parties".

WITNESSETH:

WHEREAS, as of the date of this Agreement, RemainCo and its direct and indirect domestic corporate Subsidiaries (including SpinCo and its Subsidiaries) are members of RemainCo Consolidated Return Group;

WHEREAS, RemainCo, acting through its direct and indirect Subsidiaries, currently conducts two major businesses: (i) the Medical Technology Business and (ii) the Death Care Business;

WHEREAS, the Board of Directors of RemainCo has determined that it is appropriate, desirable and in the best interests of RemainCo and its shareholders to separate the Medical Technology Business from the Death Care Business;

WHEREAS, in order to effect such separation, the Board of Directors of RemainCo has determined that it is appropriate, and desirable and in the best interest of RemainCo and its shareholders for RemainCo and certain of its Subsidiaries to enter into a series of transactions whereby, among other things, (i) RemainCo will cause the Medical Technology Subgroup to restructure through a series of internal spin-offs so that various entities within the Medical Technology Subgroup will be owned directly by RemainCo prior to the Distribution, (ii) RemainCo will cause the separation of the Canadian medical technology and death care operations (collectively, (i) and (ii) are referred to as the "Restructuring"), (iii) RemainCo will contribute the Death Care Business and other assets to SpinCo, (iv) RemainCo will distribute its entire ownership interest in SpinCo through a pro-rata distribution of all of the outstanding shares of SpinCo Common Stock then owned by RemainCo to the holders of RemainCo Common Stock (the "Spin") (collectively, (iii) and the Spin are referred to as the "Distribution") pursuant to the terms and subject to the conditions of the Distribution Agreement dated as of March 14, 2008 (the "Distribution Agreement") (the Restructuring and the Distribution may be referred to collectively as the "Plan of Separation"); and (v) the shareholders of RemainCo and SpinCo will vote to change the name of SpinCo to Hillenbrand, Inc. and the name of RemainCo to Hill-Rom Holdings, Inc.;

WHEREAS, the Restructuring is intended to qualify as tax-free under Sections 351, 355 and 368 of the Internal Revenue Code of 1986, as amended (the "Code");

WHEREAS, the Distribution is intended to qualify as tax-free under Sections 355 and 368 of the Code;

WHEREAS, subject to Section 8.2, it is the intention of the Parties that all pre-separation U.S. federal, state, and local audits will be managed, controlled and conducted by RemainCo's, U.S. Federal and State Audit Groups currently located in Batesville, Indiana (the "RemainCo Audit Team") except as otherwise provided in this Agreement;

WHEREAS, as a result of and upon the Restructuring and the Distribution, SpinCo and the Subsidiaries of SpinCo will cease to be members of RemainCo affiliated group after the Restructuring and Distribution; and

WHEREAS, in connection with the Plan of Separation, the Parties desire to set forth their agreement on the rights and obligations with respect to handling and allocating Taxes and related matters.

NOW, THEREFORE, in consideration of the foregoing and the terms, conditions, covenants and provisions of this Agreement, each of the Parties mutually covenant and agree as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

(a) "AAA" has the meaning set forth in Section 11.4.

(b) "Action" means any claim, suit, action, mediation, arbitration, inquiry, investigation or other proceeding of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) by or before any mediator, arbitrator or Governmental Authority.

(c) "Adjusted Allocation Method" shall mean the method used to allocate, as between RemainCo and SpinCo, each Party's share of a Federal Income Tax Liability with respect to the RemainCo Consolidated Return Group, which shall be determined by allocating to SpinCo the Tax that would result had SpinCo and its Affiliates computed their Taxes on a separate return basis, while the liability of RemainCo and its Affiliates shall be the total Tax liability less what is allocated to SpinCo and its Affiliates. For purposes of this definition, the following shall apply: (i) eliminations for the Consolidated Return Group shall be handled in a manner consistent with past practices, which include the following practices: (A) topside/corporate overhead eliminations of SpinCo and its Affiliates are not included in SpinCo (by way of example, and not limitation, corporate overhead that is eliminated as part of the consolidated return and consolidated financial statements of RemainCo shall be charged to SpinCo and its Affiliates and taken into account in computing the Taxes of SpinCo and its Affiliates on a separate return basis), (B) domestic eliminations of SpinCo and its Affiliates are included as part of SpinCo, and (C) foreign eliminations of SpinCo and its Affiliates are included as part of SpinCo; and (ii) in addition to the adjustments that are applied normally in computing tax liability as if a separate return for the year had been prepared, the additional adjustments set forth on Schedule 1.1(c)(1) shall apply. Attached hereto as Schedule 1.1(c)(2) is an example of

how the parties intend for SpinCo to calculate its Tax liability in accordance with the Adjusted Allocation Method.

(d) "Affiliate" means with respect to any specified Person, a Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person; provided, however, that for purposes of this Agreement, no member of either Group and no officer or director of any member of either Group shall be deemed to be an affiliate of any member of the other Group. Batesville Casket UK Limited is an affiliate of SpinCo. The Batesville Casket Canada division of Hillenbrand Industries Canada Limited is an affiliate of SpinCo. The Hill-Rom Canada division of Hillenbrand Industries Canada Limited is an affiliate of RemainCo.

(e) "Agreement" has the meaning set forth in the preamble to this Agreement.

(f) "Applicable Deadline" has the meaning set forth in Section 11.3(b).

(g) "Arbitration Act" means the United States Arbitration Act, 9 U.S.C. §§1-16, as the same may be amended from time to time.

(h) "Arbitration Demand Date" has the meaning set forth in Section 11.3(a).

(i) "Arbitration Demand Notice" has the meaning set forth in Section 11.3(a).

(j) "Audit" means any audit (including a determination of the status of qualified and non-qualified employee benefit plans), assessment of Taxes, other examination by or on behalf of any Taxing Authority (including notices), proceeding, or appeal of such a proceeding relating to Taxes, whether administrative or judicial, including proceedings relating to competent authority determinations initiated by a Party or any of its Subsidiaries.

(k) "Audit External Advisor" has the meaning set forth in Section 8.2(c)(iii).

(l) "Audit Control Party" means the Party responsible for administering and controlling an Audit pursuant to Section 8.2(a), as may be changed from time to time in accordance with Section 8.2(d).

(m) "Audit Representative" means the Chief Tax Officer of each Party (or such other officer of a Party that may be designated by that Party's Chief Financial Officer from time to time).

(n) "Bankruptcy" means, with respect to a Person:

(i) the filing of an application by the Person for, or a consent to, the appointment of a trustee of the Person's assets;

(ii) the filing by the Person of a voluntary petition in bankruptcy or the filing of a pleading in any court of record admitting in writing the Person's inability to pay debts as they come due;

(iii) a general assignment by such Person for the benefit of creditors;

(iv) the filing by the Person of an answer admitting the material allegations of, or the Person's consenting to, or defaulting in answering a bankruptcy petition filed against the Person in any bankruptcy proceeding; or

(v) the entry of an order, judgment or decree by any court of competent jurisdiction adjudicating the Person bankrupt or appointing a trustee, custodian, receiver or liquidator of such Person's assets, which order, judgment or decree continues unstayed and in effect for any period of sixty (60) days.

(o) "Base Rate" means the rate which Citibank, N.A. (or any successor thereto or other major money center commercial bank agreed to by the Parties) announces from time to time as its base lending rate, as in effect from time to time.

(p) "Bracewell" means Bracewell & Giuliani LLP.

(q) "Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions located in the State of Indiana are authorized or obligated by law or executive order to close.

(r) "Canadian Restructuring Taxes" shall mean the Taxes that are incurred in Canada and ultimately paid to the Canadian Taxing Authorities with respect to the reorganization and transfer of the Death Care Business that is conducted in Canada and with such reorganization and transfer generally described in steps 10 to 20 on pages 6 to 7 and steps 25, 26 and 31 on page 8 of the IRS Ruling.

(s) "Cash Acquisition Merger" means a merger of a newly-formed Subsidiary of SpinCo with a corporation, limited liability company, limited partnership, general partnership or joint venture (in each case, not previously owned, directly or indirectly, by SpinCo) solely for cash pursuant to which SpinCo acquires such corporation, limited liability company, limited partnership, general partnership or joint venture and no Equity Security of SpinCo or any SpinCo Affiliates are issued, sold, redeemed or acquired, directly or indirectly.

(t) "Code" has the meaning referred to in the recitals to this Agreement.

(u) "Combined Jurisdiction" means, for any taxable period, any jurisdiction in which SpinCo or a SpinCo Affiliate is included in a consolidated, combined, unitary return with RemainCo or a RemainCo Affiliate for state Income Tax or Other Tax purposes.

(v) "Combined Return" means any combined, unitary, or consolidated return or report used in the determination of a state Income Tax or Other Tax liability.

(w) "Combined State Taxes" means the Income Taxes or Other Taxes shown on a Combined Return that is filed in a Combined Jurisdiction for any Pre-Distribution Tax Period or for any Straddle Period, as the case may be.

(x) "Correlative Adjustment" means a disallowance of an item of deduction, loss or credit which cannot be carried forward (or an increase of an item of income or gain) that is related or attributable to the Assets of a Party or that Party's Affiliates, that is included in a Tax Return for a Pre-Distribution Tax Period or the portion of a Straddle Period ending on the Distribution Date, and that results in a correlative increase of an item of deduction, loss or credit (or reduction of an item of income or gain) with respect to another Party or that Party's Affiliates with respect to such period or periods.

(y) "Correlative Detriment" has the meaning set forth in Section 4.1(b).

(z) "Death Care Business" means the manufacture and/or sale of funeral service products, including burial caskets, cremation caskets, containers and urns, selection room display fixturing, and other personalization and memorialization products, including the SpinCo Business.

(aa) "Distribution" or "Distributions" has the meaning set forth in the recitals to this Agreement and includes the distributions described in the IRS Ruling and the Tax Representation Letters.

(bb) "Distribution Agreement" has the meaning set forth in the recitals to this Agreement.

(cc) "Distribution Date" means the date on which the Spin is effectuated pursuant to the Distribution Agreement.

(dd) "Distribution Taxes" mean any and all Taxes (a) required to be paid by or imposed on a Party or any of its Affiliates resulting from, or directly arising in connection with, the failure of the Distributions to qualify under Section 355(a) or (c) of the Code or, if applicable, Section 361(c) of the Code, or the application of Section 355(e) of the Code to the Distributions (or the failure to qualify under or the application of corresponding provisions of the Laws of other jurisdictions); or (b) required to be paid by or imposed on a Party or any of its Affiliates resulting from, or directly arising in connection with, the failure of any transaction undertaken in connection with or pursuant to the Plan of Separation to qualify for tax-free treatment, in whole or in part, but, with respect to both (a) and (b) above, only to the extent that such qualification or tax-free treatment was claimed by one or more of the Parties on a Tax Return for a Pre-Distribution Tax Period or a Straddle Period.

(ee) "Due Date" means the date (taking into account all valid extensions) upon which a Tax Return is required to be filed with or Taxes are required to be paid to a Taxing Authority, whichever is applicable.

(ff) "Effective Time" in lieu means 12:01 a.m. on the date next following the Distribution Date.

(gg) "Employee Matters Agreement" means the Employee Matters Agreement dated as of March 31, 2008 among RemainCo and SpinCo.

(hh) "Equity Security" means stock or other equity securities treated as stock for Tax purposes, or option, warrants, rights, convertible debts, or any other instruments or security that affords any Person the right, whether conditional or otherwise, to acquire stock or to be paid an amount determined by reference to the value of the stock.

(ii) "Escalation Notice" has the meaning set forth in Section 11.2(a).

(jj) "Fault" has the meaning set forth in Section 5.4(c).

(kk) "Federal Income Tax Liability" means any liability imposed under Subtitle A of the Code and any related interest and any penalties, additions to such Tax, or additional amounts imposed with respect thereto.

(ll) "Final Determination" means the final resolution of liability for any Tax for any taxable period, by or as a result of:

(i) a Final Determination as defined in the Judgment Sharing Agreement;

(ii) a final settlement with the IRS, a closing agreement or accepted offer in compromise under Sections 7121 or 7122 of the Code, or a comparable agreement under the Laws of other jurisdictions, which resolves the liability for the Taxes addressed in such agreement for any taxable period;

(iii) any allowance of a refund or credit in respect of an overpayment of Tax, but only after the expiration of all periods during which such refund may be recovered by the jurisdiction imposing the Tax; or

(iv) any other final disposition, including by reason of the expiration of the applicable statute of limitations.

(mm) "Governmental Authority" means any federal, state, local, foreign or international court, government, department, commission, board, bureau or agency, authority (including, but not limited to, any central bank or taxing authority) or instrumentality (including, but not limited to, any court, tribunal or grand jury) exercising executive, prosecutorial, legislative, judicial, regulatory or administrative functions of or pertaining to government or any other regulatory, administrative or governmental authority

(nn) "Group" means RemainCo Group or SpinCo Group, as the context requires.

(oo) "Income Taxes" mean:

(i) all Taxes based upon, measured by, or calculated with respect to (i) net income or profits (including, but not limited to, any capital gains, minimum tax or any Tax on items of tax preference, but not including sales, use, real, or personal property, gross or net receipts, value added, excise, leasing, transfer or similar Taxes), or (ii) multiple bases (including,

but not limited to, corporate franchise, doing business and occupation Taxes) if one or more bases upon which such Tax is determined is described in clause (oo)(i) above;

(ii) all U.S., state, local or non-U.S. franchise Taxes;

(iii) all U.S. state and local Taxes or non-U.S. Taxes not otherwise included in (a) or (b) above that are listed on Schedule 1.1(oo); and

(iv) including in the case of each of (i), (ii), and (iii) above, any related interest and any penalties, additions to such Tax or additional amounts imposed with respect thereto by any Taxing Authority.

(pp) "Income Tax Returns" mean all Tax Returns that relate to Income Taxes.

(qq) "Indemnified Party" means the Party which is or may be entitled pursuant to this Agreement to receive any payments (including reimbursement for Taxes or costs and expenses) from another Party or Parties to this Agreement.

(rr) "Indemnifying Party" means the Party which is or may be required pursuant to this Agreement to make indemnification or other payments (including reimbursement for Taxes and costs and expenses) to another Party to this Agreement.

(ss) "IRS" means the United States Internal Revenue Service or any successor thereto, including, but not limited to its agents, representatives, and attorneys.

(tt) "IRS Ruling" means the IRS PLR #131586-07 dated November 7, 2007 issued to RemainCo, and any supplemental materials submitted to the IRS relating thereto, and any other separate or supplemental IRS private letter rulings received by RemainCo with respect to the Plan of Separation and the IRS Ruling.

(uu) "Judgment Sharing Agreement" means the Judgment Sharing Agreement dated as of March 14, 2008 among RemainCo, SpinCo and Batesville Casket Company, Inc.

(vv) "Law" means any foreign, federal, state or local statute, ordinance, regulation, code, license, permit, authorization, approval, consent, common law, legal doctrine, order, judgment, decree, injunction or requirement of any Governmental Authority or any order or award of any arbitrator, now or hereafter in effect.

(ww) "LIBOR" means the British Bankers Association London Interbank Offered Rate, as it is published by Reuters, or any successor to or substitute for such service providing rate quotations of the British Bankers Association London Interbank Offered Rate, at approximately 11:00 a.m., London time. In the event that such British Bankers Association London Interbank Offered Rate is not available at such time for any reason, then LIBOR shall be the rate at which dollar deposits of $10 million and for a maturity of one (1) week are offered by the principal London office of Citibank in the London Interbank market at approximately 11:00 a.m., London time.

(xx) "Medical Technology Business" means the manufacture or sale of non-implantable devices or any other existing business line conducted by Hill-Rom, Inc. and its Subsidiaries immediately prior to the Distribution (including medical technologies and related services for the health care industry, such as, for example, patients support systems, non-invasive therapeutic products for a variety of acute and chronic medical conditions, medical equipment rentals and workflow technology solutions).

(yy) "Medical Technology Subgroup" is comprised of, inter alia, Hill-Rom, Inc., Hill-Rom Manufacturing, Inc., Hill-Rom Services, Inc., Hill-Rom Company Inc., and Allen Medical Systems, Inc.

(zz) "No-Fault Sharing Percentages" shall mean the RemainCo No Fault Percentage and the SpinCo No Fault Percentage.

(aaa) "Non-Income Tax Returns" means all Tax Returns other than Income Tax Returns.

(bbb) "Non-Preparing Party" has the meaning set forth in Section 3.3.

(ccc) "Other Agreements" has the meaning ascribed to such term in the Distribution Agreement.

(ddd) "Other Taxes" means all Taxes other than Income Taxes, including (but not limited to) transfer, sales, use, payroll, and unemployment Taxes.

(eee) "Participating Party" has the meaning set forth in Section 8.2(c)(i).

(fff) "Party" has the meaning set forth in the preamble to this Agreement.

(ggg) "Person" means an individual, a limited or general partnership, a joint venture, a corporation, a trust, a limited liability company, an unincorporated organization, or a Governmental Authority.

(hhh) "Plan of Separation" has the meaning set forth in the recitals to this Agreement.

(iii) "Post-Distribution Tax Audit" means any Audit with respect to a Tax Return or any Tax that may be owing with respect to a Post-Distribution Tax Period.

(jjj) "Post-Distribution Tax Returns" means, collectively, all Tax Returns required to be filed by a Party or its Affiliates for a Post-Distribution Tax Period.

(kkk) "Post-Distribution Tax Period" means a Tax year beginning and ending after the Distribution Date.

(lll) "Pre-Distribution Non-Income or Non-U.S. Tax Audit" means any Audit related to any (a) U.S. federal, state, or local Taxes other than Income Taxes, or (b) any non-U.S. Taxes, in each case with respect to a Tax Return filed, or allegedly required to be filed, for any

Pre-Distribution Tax Period or Straddle Period; provided, however, this term shall not include any Audit that is a Pre-Distribution Transfer Pricing Tax Audit, a Pre-Distribution Payroll Tax Audit, or a Pre-Distribution RemainCo Qualified Plan Tax Audit.

(mmm) "Pre-Distribution Payroll Tax Audit" means any Audit for a Pre-Distribution Tax Period or Straddle Period of payroll taxes.

(nnn) "Pre-Distribution Qualified Plan Tax Audit" means any Audit for a Pre-Distribution Tax Period or Straddle Period of RemainCo with respect to a qualified plan that is the subject of the Employee Matters Agreement.

(ooo) "Pre-Distribution Tax Period" means a Tax year beginning and ending on or before the Distribution Date.

(ppp) "Pre-Distribution Tax Returns" means, collectively, all Tax Returns required to be filed by a Party or its Affiliates for a Pre-Distribution Tax Period.

(qqq) "Pre-Distribution Transfer Pricing Tax Audit" means any Audit of any Income Taxes related to or arising from (a) an intercompany transfer pricing adjustment under Section 482 of the Code and the Treasury Regulations thereunder, or an analogous provision under U.S. federal, state and local or non-U.S. Law, or (b) a determination that the activities of a Party or its Affiliates give rise to a "permanent establishment," presence, or nexus in any jurisdiction that could subject it to Income Tax there, in each of (a) and (b), for any Pre-Distribution Tax Period or Straddle Period.

(rrr) "Pre-Distribution U.S. Income Tax Audit" means any Audit of any U.S. federal, state, or local Income Tax Return filed, or allegedly required to be filed, for any Pre-Distribution Tax Period or Straddle Period; provided, however this term shall not include any Audit that is a Pre-Distribution Transfer Pricing Tax Audit, a Pre-Distribution Qualified Plan Tax Audit, or a Pre-Distribution Payroll Tax Audit.

(sss) "Preparing Party" has the meaning set forth in Section 3.2(a).

(ttt) "Qualified Tax Counsel" means any of the law firms listed on Schedule 1.1(ttt).

(uuu) "Refund" means any refund of Taxes (including any overpayment of Taxes for a period ending on or prior to the Distribution Date that can be refunded or, alternatively, applied to future Taxes payable), including any interest paid on or with respect to such refund of Taxes; provided, however, the amount of the refund of Taxes shall be net of any Taxes imposed by any Taxing Authority on the receipt of the refund.

(vvv) "RemainCo" has the meaning set forth in the recitals to this Agreement.

(www) "RemainCo Audit Team" has the meaning referred to in the recitals to this Agreement.

(xxx) "RemainCo Consolidated Return Group" means the affiliated group of corporations (within the meaning of Section 1504 of the Code) of which RemainCo is the common parent prior to the Distribution Date.

(yyy) "RemainCo Group" means RemainCo and the Subsidiaries of RemainCo other than members of SpinCo Group.

(zzz) "RemainCo No Fault Percentage" shall have the meaning and the percentage set forth in Section 5.5.

(aaaa) "RemainCo Pension Plan Assets" shall have the meaning set forth in the Employee Matters Agreement.

(bbbb) "RemainCo Sharing Percentage" shall mean seventy-nine percent (79%).

(cccc) "Requesting Party" shall have the meaning set forth in Section 5.4.

(dddd) "Restriction Period" means the period beginning at the Effective Time and ending on the two-year anniversary of the day after the Distribution Date.

(eeee) "Restructuring" has the meaning set forth in the recitals to this Agreement.

(ffff) "Restructuring Taxes" shall mean any Tax, other than a Distribution Tax, that is incurred by a Party as a result of a transaction or asset transfer occurring on or before the Distribution Date that was in connection with or in contemplation of the Distribution of SpinCo and that was undertaken to accomplish the Restructuring, which for purposes of this definition shall include the transactions described and set forth as steps one (1) to thirty-three (33) on pages five to nine of the IRS Ruling.

(gggg) "Risk Affiliate" shall mean Sycamore Insurance Company, a South Carolina corporation that was merged into RemainCo effective 9/30/2007, and any other company that has existed within the RemainCo Consolidated Return Group prior to the Distribution Date and that was in the same line of business as Sycamore Insurance Company.

(hhhh) "Rules" has the meaning set forth in Section 11.5.

(iiii) "Ruling Documents" means the IRS Ruling request, the attachments and exhibits thereto, and any additional or supplemental information submitted to the IRS in connection with the IRS Ruling request.

(jjjj) "Ruling Request" means the IRS private letter ruling request filed by RemainCo with the IRS dated July 6, 2007, and the various supplements to such request pertaining to certain Tax aspects of the Restructuring and Distribution, all of which resulted in the IRS Ruling.

(kkkk) "Separate Return" means any state return or report used in the determination of a state Income Tax or Other Tax liability that is not a Combined Return.

(llll) "Separate State Taxes" means the Income Taxes or Other Taxes shown on a Separate Return.

(mmmm) "Spin" has the meaning set forth in the recitals of this Agreement.

(nnnn) "SpinCo" has the meaning set forth in the recitals in this Agreement.

(oooo) "SpinCo Business" means all business and operations (including related joint ventures and alliances) of any member of the SpinCo Group immediately prior to the Distribution.

(pppp) "SpinCo Combined State Tax Liability" means, with respect to any taxable period (or portion thereof) in the Pre-Distribution Period, an amount of Combined State Taxes that are allocated to SpinCo pursuant to Section 2.2.

(qqqq) "SpinCo Group" means SpinCo and the Subsidiaries of SpinCo after the Restructuring and the Distribution.

(rrrr) "SpinCo No Fault Percentage" shall have the meaning and percentage set forth in Section 5.5.

(ssss) "SpinCo Sharing Percentage" shall mean twenty-one percent (21%).

(tttt) "Straddle Income Tax Returns" mean, collectively, all Income Tax Returns required to be filed by a Party and its Affiliates for a Straddle Period.

(uuuu) "Straddle Period Tax Audit" means any Audit with respect to a Tax Return or any Tax that may be owing with respect to a Straddle Period.

(vvvv) "Straddle Period" means a Tax year beginning before the Distribution Date and ending after the Distribution Date.

(wwww) "Subsidiary" means with respect to any specified Person, any corporation or other legal entity of which such Person or any of its Subsidiaries controls or owns, directly or indirectly, more than 50% of the stock or other equity interest entitled to vote on the election of members to the board of directors or similar governing body, in each case including its successors or assigns; provided, however, that for purposes of this Agreement, no member of the SpinCo Group shall be deemed to be a Subsidiary of any member of the RemainCo Group.

(xxxx) "Supplemental Ruling" means any IRS private letter ruling issued in connection with the Restructuring and/or Distribution other than the IRS Ruling Request.

(yyyy) "Supplemental Ruling Documents" means the Supplemental Ruling Request, the attachments and exhibits thereto, and any additional or supplemental information submitted to the IRS in connection with the Supplemental Ruling.

(zzzz) "Tax" or "Taxes" whether used in the form of a noun or adjective, means taxes on or measured by income, franchise, gross receipts, sales, use, excise, payroll, personal

property, real property, ad-valorem, value-added, leasing, leasing use or other taxes, levies, imposts, duties, charges, or withholdings of any nature. Whenever the term "Tax" or "Taxes" is used it shall include penalties, fines, additions to tax and interest thereon.

(aaaaa) "Tax Attributes" mean for U.S. federal, state, local, and non-U.S. Income Tax purposes, earnings and profits, tax basis, net operating and capital loss carryovers or carrybacks, alternative minimum Tax credit carryovers or carrybacks, general business credit carryovers or carrybacks, income tax credits or credits against income tax, disqualified interest and excess limitation carryovers or carrybacks, overall foreign losses, research and experimentation credit base periods, and all other items that are determined or computed on an affiliated group basis (as defined in Section 1504(a) of the Code determined without regard to the exclusion contained in Section 1504(b)(3) of the Code), or similar Tax items determined under applicable Tax law, including the tax attributes listed on Schedule 9.1.

(bbbbb) "Tax Benefit Actually Realized" means with respect to a Party and its Subsidiaries the actual reduction in Taxes due and payable determined only with respect to the referenced taxable year or any prior taxable year, and is equal to the sum of:

(i) the excess (if any) of (i) the amount of Taxes that the Party and its Subsidiaries would have owed in such taxable years (excluding the effect of any carryforwards of net operating or capital losses or Tax credits to such year) had there been no payment or event giving rise to such a determination, over (ii) the amount of Taxes actually paid by the Party and its Subsidiaries in such taxable years (excluding the effect of any carryforwards of net operating losses or capital losses or Tax credits to such year) after taking into account such payment or determination; and

(ii) the excess (if any) of (i) the amount of the Refund actually received by the Party and its Subsidiaries with respect to such taxable years or any carryback year (excluding the effect of any carryforwards of net operating losses or capital losses or Tax credits to such year) as a result of the carryback of Tax items to prior taxable years after taking into account such payment or determination, over (ii) the amount of the Refund that the Party and its Subsidiaries would have been entitled to receive with respect to such taxable years or any carryback year (excluding the effect of any carryforwards of net operating losses or capital losses or Tax credits to such year) as a result of the carryback of Tax items to prior taxable years had there been no payment or event giving rise to such a determination.

The Tax Benefit Actually Realized shall be computed based on the actual U.S. or non-U.S. income tax rates applicable to the Party and its Subsidiaries during the applicable tax year; provided, however, that if the Tax Benefit Actually Realized includes a U.S. federal Income Tax benefit attributable to the deduction of interest included in Taxes, then the Parties shall assume that the applicable U.S. federal, state and local Income Tax rate is thirty-eight percent (38%) in lieu of the applicable Party's and its Subsidiaries' actual U.S. federal, state and local Income Tax rate.

(ccccc) "Tax-Free Status" means the qualification of a Distribution or any other transaction contemplated by the IRS Ruling or any Tax Opinion as a transaction in which gain or

loss is not recognized, in whole or in part, and no amount is included in income, including by reason of Distribution Taxes, for U.S. federal, state, and local income tax purposes (other than intercompany items, excess loss accounts or other items required to be taken into account pursuant to Treasury Regulations promulgated under Section 1502 of the Code).

(ddddd) "Tax Group" means any U.S federal, state, local or non-U.S. affiliated, consolidated, combined, unitary or similar group that files a Tax Return or Tax Returns.

(eeeee) "Tax Opinions" mean certain Tax opinions and supporting memoranda rendered by Bracewell to RemainCo or any of its Affiliates in connection with the Plan of Separation.

(fffff) "Tax Package" means the information and documents in the possession of a Party or its Affiliates that are reasonably necessary for the preparation of a Tax Return by the other Party or its Affiliates, assembled in all material respects consistent with past Tax reporting practices of RemainCo and its Affiliates.

(ggggg) "Tax Representation Letter" means any letter containing certain representations and covenants issued by RemainCo, any of its Affiliates or any of its shareholders to Bracewell or RemainCo in connection with the Tax Opinions.

(hhhhh) "Tax Returns" mean any return, report, certificate, form or similar statement or document (including any related or supporting information or schedule attached thereto and any information return, amended tax return, claim for refund, or declaration of estimated tax) required to be supplied to, or filed with, a Taxing Authority in connection with the determination, assessment or collection of any Tax or the administration of any Laws, regulations, or administrative requirements relating to any Taxes.

(iiiii) "Taxing Authority" means any governmental authority or any subdivision, agency, commission, or authority thereof or any quasi-governmental or private body having jurisdiction over the assessment, determination, collection, or imposition of any Tax (including the IRS).

(jjjjj) "Treasury Regulations" mean the final and temporary (but not proposed) income tax and administrative regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

(kkkkk) "Unanticipated Taxes" shall have the meaning set forth in Section 2.1(c).

(lllll) "Unqualified Tax Opinion" means an unqualified "should" level opinion of Qualified Tax Counsel, which opinion is reasonably acceptable to each of the Parties and upon which each of the Parties may rely to confirm that a transaction (or transactions) will not result in Distribution Taxes, including confirmation in accordance with Circular 230 or otherwise that may be provided for purposes of avoiding any applicable penalties or additions to Tax.

(mmmmm) "U.S." means the United States.

Section 1.2 References to Time. All references in this Agreement to times of the day shall be to Batesville, Indiana time, except as otherwise specifically provided herein.

Section 1.3 Effective Time.

(a) The Parties acknowledge that the Plan of Separation contemplates a series of interrelated and intermediate internal transactions undertaken preparatory to and in contemplation of the Distributions that must be completed prior to the Effective Time in order to align, reorganize and properly capitalize the Medical Technology Business and the Death Care Business.

(b) Notwithstanding that these interrelated and intermediate internal transactions must be given effect prior to the Spin, the agreements contained herein, including, but not limited to, the manner in which Taxes are shared amongst the Parties, shall be effective no earlier than and only upon the Effective Time.

ARTICLE II
RESPONSIBILITY FOR PAYMENT OF TAXES

Section 2.1 Income Taxes and Other Taxes

(a) SpinCo shall be responsible for the payment of all Income Taxes and Other Taxes:

(i) for any Pre-Distribution Tax Period allocated to SpinCo and its domestic Affiliates in accordance with Section 2.2, if such Tax is attributable to the Death Care Business;

(ii) for any Pre-Distribution Tax Period allocated to SpinCo and its foreign Affiliates in accordance with Section 2.2, if such Tax is attributable to the Death Care Business;

(iii) for any Pre-Distribution Tax Period allocable to SpinCo and its Affiliates in accordance with Section 2.2 in which a Combined Return is being filed in a Combined Jurisdiction that includes a SpinCo Combined State Tax Liability if such Tax is attributable to the Death Care Business;

(iv) for any Straddle Period allocated to SpinCo and its domestic Affiliates in accordance with Section 2.2 if such Tax is attributable to the Death Care Business;

(v) for any Straddle Period allocated to SpinCo and its foreign Affiliates in accordance with Section 2.2, if such tax is attributable to the Death Care Business;

(vi) for any Post-Distribution Tax Periods of SpinCo Group;

(vii) with respect to any Restructuring Taxes allocated to SpinCo under Section 2.2;

(viii) imposed under Treasury Regulation Section 1.1502-6 or under any comparable or similar provision of state, local or foreign laws or regulations on SpinCo or its Affiliates as a result of such company being a member of a consolidated combined, or unitary group with RemainCo or any RemainCo Subsidiary during any Tax period to the extent attributable to the Death Care Business; and

(ix) any Taxes that arise by Audit or a Final Determination of an Audit and which are specifically allocated to SpinCo under Section 8.3.

(b) RemainCo shall be responsible for the payment of all Income Taxes and Other Taxes which are not specifically the obligation of SpinCo under Section 2.1(a), above.

(c) In connection with the allocation of Taxes that are made under Section 2.2, or under Section 8.3 if such Tax arises from a Final Determination on Audit, it has been the intent and desire of the Parties to identify all Taxes and situations giving rise to Taxes of which they are aware and provide specific provisions in this Agreement for the allocation of the payment or liability of such Taxes. Notwithstanding the efforts of the Parties to do so, it is understood by the Parties that there may be circumstances giving rise to Tax that the Parties did not understand or contemplate in the course of preparing this Agreement (the "Unanticipated Taxes"). In the event there are Unanticipated Taxes, the Parties agree that the amount of such Unanticipated Taxes shall be calculated and each Party's share allocated in accordance with the various principles that underlie the provisions of Section 2.2 and that the Parties shall in good faith work together to mutually determine a fair allocation for the payment of such Unanticipated Taxes as between the Parties.

Section 2.2 Allocation of Taxes.

(a) SpinCo or any of its Affiliates shall, to the extent permitted by Applicable Law, treat the day after the Distribution Date as the first day of its taxable period under applicable United States Federal, state, local or foreign Tax laws and shall file any elections necessary or appropriate to such treatment; provided that this Section 2.2(a) shall not be construed to require RemainCo to change its taxable year.

(b) Unless to do so specifically conflicts with the allocations set forth after this Section 2.2(b), transactions occurring, or actions taken, on the Distribution Date but after the Distribution outside the ordinary course of business by, or with respect to, SpinCo or any of its Affiliates shall be deemed subject to the "next day rule" of Treasury Regulation Section 1.1502-76(b)(1)(ii)(B) (and under any comparable or similar provision under state, local or foreign laws or regulations, provided that if there is no comparable or similar provision under state, local or foreign laws or regulations, then the transaction will be deemed subject to the "next day rule" of Treasury Regulation Section 1.1502-76(b)(1)(ii)(B)) and as such shall for purposes of this Agreement be treated (and consistently reported by the Parties) as occurring in a Post-Distribution Tax Period of SpinCo or an SpinCo Affiliate, as appropriate.

(c) Any Income Taxes for a Straddle Period with respect to SpinCo and/or its Affiliates (or entities in which SpinCo or its Affiliates have an ownership interest) shall, for purposes of this Agreement, be determined, unless otherwise provided in this Agreement, using a

closing of the books and records of SpinCo and its Affiliates as of the close of business on the Distribution Date,provided that exemptions, allowances or deductions that are calculated on an annual basis, and not on a closing of the books method (including, but not limited to, depreciation and amortization deductions) shall be allocated between the period ending on and including the Distribution Date and the period beginning after the Distribution Date based on the number of days for the portion of the Straddle Period ending on and including the Distribution Date, on the one hand, and the number of days for the portion of the Straddle Period beginning after the Distribution date, on the other hand. To the extent possible, (a) Other Taxes shall be determined by means of a closing of the books and (b) the methodology used to allocate such Taxes for the Pre-Distribution Tax Periods shall be used to allocate Taxes for Straddle Periods

(d) The Federal Income Tax Liability for the RemainCo Consolidated Return Group for the Pre-Distribution Tax Period ending September 30, 2007 and for the Straddle Period from October 1, 2007 until the Distribution Date shall be allocated between RemainCo and SpinCo pursuant to the Adjusted Allocation Method. Any Federal Income Tax Liability for the RemainCo Consolidated Return Group for a Pre-Distribution Tax Period other than the Pre-Distribution Tax Periods or portions thereof described in the preceding sentence shall be allocated to RemainCo.

(e) The Combined State Taxes with respect to any Combined Return for any Pre-Distribution Tax Period ended September 30, 2007 or any Straddle Period shall be allocated between RemainCo and SpinCo as follows: (i) the Combined State Taxes on such Combined Return, before applying any credits, shall be allocated among the RemainCo Group and SpinCo Group based on the relative proportion of the total income of each Group, before apportionment compared to the total income of both Groups before apportionment (or, if the Combined State Taxes on such Combined Return are based on something other than income, the relative proportion of the total tax base of each Group, before apportionment, compared to the total tax base of both Groups before apportionment), less (ii) the credits applicable to each Group. For example, if the tax base for a particular Combined Return is federal taxable income, the total federal taxable income for RemainCo, SpinCo and their Affiliates included on the Combined Return, before apportionment is $100,000,000, of which $40,000,000 is attributable to the SpinCo Group, forty percent (40%) of the Combined State Taxes with respect to such Combined Return, before application of credits, shall be attributed to the SpinCo Group. If there are credits on the Combined Return attributable to the SpinCo Group, the amount of the Combined State Taxes attributed to the SpinCo Group shall be further reduced by the amount of such credits.

(f) Any Separate State Taxes with respect to any Separate Return for any Pre-Distribution Tax Period or any Straddle Period shall be allocated to the Party as to which it or its Affiliate had the legal obligation under applicable law for filing such Separate Return.

(g) Any foreign Taxes for any Pre-Distribution Tax Period or any Straddle Period shall be allocated to the Party or its Affiliate whose business operations resulted in the foreign Tax, with such determination to be made in a manner consistent with the Adjusted Allocation Approach..

(h) Each Party shall be responsible for the Income Taxes or Other Taxes attributable to it or its Affiliates for a Post-Distribution Period.

(i) For the Pre-Distribution Tax Period ending September 30, 2007 and any portion of a Straddle Period ending on the Distribution Date, Payroll and unemployment Taxes shall be allocated among the Parties based on which Party or its Affiliate, pursuant to the practices within the RemainCo Consolidated Return Group, had the obligation for the payment of the employment expense of the employees who performed the services that are the subject of the payroll and unemployment Tax as determined on a basis consistent with the Parties' past practices. Any taxes that arise as a result of an Audit shall be allocated on the same basis.

(j) Sales Taxes, use Taxes and similar Taxes shall be allocated to the Party that sold, or whose Affiliates sold, the property or rendered the services that generated the Tax.

(k) Except for any Canadian Restructuring Taxes that may be incurred and paid, any other Restructuring Taxes shall be allocated to RemainCo using the RemainCo No Fault Percentage and to SpinCo using the SpinCo No Fault Percentage. If there are Canadian Restructuring Taxes that are incurred and paid, SpinCo shall pay such Taxes to the extent that SpinCo is able to realize a current or deferred tax benefit from the income or gain realized that resulted in the payment of such Taxes. The amount of the current or deferred tax benefit shall be valued using a net present value and for purposes of this sentence, any determination of net present value shall be determined using a discount rate equal to the US Treasury rate for securities with a term in nature similar to the deferred tax benefit.. To the extent the Canadian Restructuring Taxes exceed the net present value of the current and future benefit available to SpinCo, the excess portion shall be allocated between and paid by RemainCo and SpinCo as Restructuring Taxes are otherwise allocated and paid above; Other than with respect to the treatment and payment of Canadian Restructuring Tax pursuant to the preceding sentence, to the extent that any Tax is included in the definition of Restructuring Taxes and is otherwise allocated differently under this Section 2.2, the allocation applicable to Restructuring Taxes hereunder shall control to the extent such Tax or portion thereof is included in the definition of Restructuring Taxes.

(l) Any Taxes that result from the transfer from RemainCo to SpinCo of liability loss reserves with respect to the reserves attributable and carried on the tax books of a Risk Affiliate that are being transferred to SpinCo with respect to the Distribution shall be borne and paid by SpinCo, provided that SpinCo is entitled to claim a deduction in computing its Taxes for any payments in satisfaction of liabilities attributable or related to such liability loss reserves.

(m) Taxes other than those specified above that are primarily attributable to a Party or its Affiliates shall be allocated to such Party. For example, personal property Taxes shall be allocated to the Party that owned or whose Affiliates owned the property that generated the Tax.

(n) Any other Income Taxes or Other Taxes that are not specifically allocated to either RemainCo or SpinCo pursuant to any of the provisions above shall be allocated as between RemainCo and SpinCo in a manner that is consistent with the preceding principles of allocation.

Notwithstanding the specific allocations of Taxes set forth above, the following shall control:

(i) If there is a conflict between the above provisions of this Section 2.2 with respect to a Party's responsibility for Taxes and the allocation of liability for Taxes that arise upon a Final Determination of an Audit as provided in Sections 8.3(c) through (f), the provisions of Sections 8.3 (c) through (f) shall control;

(ii) The tax deductions, tax benefits and allocation of Taxes as between RemainCo and SpinCo for the executive deferred compensation liabilities of RemainCo that are being assumed by SpinCo pursuant to the terms and provisions of the Employee Matters Agreement shall be governed by Schedule 2.03(e) to the Distribution Agreement; and

(iii) Except as expressly provided in this Section 2.2 and Article VIII, SpinCo shall have no liability for Taxes for periods ending prior to September 30, 2007.

Section 2.3 Timing of Payments of Taxes. All Taxes required to be paid or caused to be paid by a Party to a Taxing Authority pursuant to this Article II shall be paid or caused to be paid by such Party prior to the Due Date of such Taxes. All amounts required to be paid by one Party to another Party (including obligations arising under Article VII) pursuant to this Article II shall be paid or caused to be paid by such first Party to such other Party in accordance with Article VII.

Section 2.4 Credit or Refund of Estimated Payments by SpinCo. As of the Distribution Date, in accordance with the normal practices and procedures of the RemainCo Consolidated Return Group, SpinCo and its Affiliates will have made certain advances and payments with respect to Taxes for the Pre-Distribution Tax Period ending September 30, 2007 and the portion of any Straddle Period up to the Distribution Date that are attributable to SpinCo and its Affiliates and the Death Care Business. To the extent any such payments have been made, such payments shall be credited to the amounts owing pursuant to this Article II and to the extent there has been an overpayment with respect to payments under this Article II, such overpayment shall be refunded or applied with respect to the other amounts owing under this Article II.

ARTICLE III
PREPARATION AND FILING OF TAX RETURNS

Section 3.1 Preparation of Returns.

(a) RemainCo shall prepare and file:

(i) All Tax Returns for RemainCo and its Affiliates for Pre-Distribution Tax Periods for all jurisdictions;

(ii) All Tax Returns for SpinCo and its Affiliates for all Pre-Distribution Tax Periods that pertain only to SpinCo and its Affiliates;

(iii) All Tax Returns for RemainCo and its Affiliates for Post-Distribution Tax Periods;

(iv) All Tax Returns for the RemainCo Consolidated Return Group and RemainCo Group and all Combined Return in any Combined Jurisdiction;

(v) All Tax Returns for RemainCo and its Affiliates (including SpinCo and its Affiliates) for Straddle Periods;

(vi) All Separate Returns for RemainCo and its Affiliates; and

(vii) All other Tax Returns with respect to either RemainCo and its Affiliates or SpinCo and its Affiliates that are not specifically the responsibility of RemainCo or SpinCo to prepare under Sections 3.1(a) or 3.1(b), hereof.

(b) SpinCo shall prepare and file:

(i) All Tax Returns for SpinCo and its Affiliates for any Straddle Period that pertains only to SpinCo and its Affiliates;

(ii) All Separate Returns for SpinCo and its Affiliates; and

(iii) All Tax Returns for SpinCo and its Affiliates for all Post-Distribution Tax Periods.

(c) Notwithstanding anything herein to the contrary with respect to the preparation of Tax Returns under Section 3.1(a) or 3.1(b), the specifically identified Tax Returns described on Schedule 3.1(c) attached hereto, if any, shall be prepared by the Party specifically identified as having the responsibility for the preparation of such Tax Return on Schedule 3.1(c).

Section 3.2 Procedures Relating to the Preparation and Filing of Tax Returns

(a) RemainCo, with respect to those Tax Returns prepared by RemainCo described in Section 3.2(a), SpinCo, with respect to those Tax Returns prepared by SpinCo described in Sections 3.2(b) (in each case, the "Preparing Party") shall prepare and file or cause to be prepared or filed such Tax Returns in a manner consistent with past Tax reporting practices of the Parties and their Affiliates. The Preparing Party shall provide the other Party with a draft of each Income Tax Return with respect to a Pre-Distribution Tax Period or a Straddle Period at least 30 days prior to the due date for filing thereof, if such draft shows Tax for which the other Party is responsible pursuant to this Agreement. The other Party shall have the right to review and approve (which approval shall not be unreasonably withheld) each such Income Tax Return within 7 days following its receipt thereof. The Preparing Party and the other Party shall attempt in good faith mutually to resolve any disagreements regarding such Income Tax Returns prior to the due date for filing thereof; provided, that the failure to resolve all disagreements prior to such date shall not relieve the Preparing Party of its obligation to file (or caused to be filed) any such Income Tax Return.

(b) Unless otherwise required by the applicable laws, regulations, rulings or other requirements of a Taxing Authority, the Parties hereby agree to prepare and file all Tax Returns, and to take all other actions, in a manner consistent with this Agreement, Distribution Agreement, Tax Ruling, Ruling Documents, Tax Opinion, or Representation Letter. All Tax Returns shall be filed on a timely basis (taking into account applicable extensions) by the Party responsible for filing such Tax Returns under this Agreement. This provision shall not restrict the right of any Party or its Affiliates to file such disclosure statements as they deem appropriate

or necessary to comply with applicable laws or regulations with respect to required disclosures on a Tax Return.

(c) Within 30 days after the determination of any SpinCo Tax Attributes by RemainCo, RemainCo shall notify SpinCo of the Tax Attributes associated with SpinCo and each of its Affiliates, and the Tax bases of the assets and liabilities transferred to SpinCo in connection with the Restructuring and Distribution. Any changes in such Tax Attributes or Tax bases arising thereafter by reason of an Audit of which RemainCo is the Audit Control Party shall be communicated by RemainCo to SpinCo within 30 days after such change is made or there is a Final Determination of such change.

Section 3.3 Tax Information Exchange and Tax Services. In connection with each Tax Return required under this Agreement to be prepared by the Preparing Party designated to prepare the Tax Return under Section 3.1 after the date hereof, upon the Preparing Party providing written notice to the other Party who is not the Preparing Party (the "Non-Preparing Party"), the Non-Preparing Party shall provide the Preparing Party, no later than 90 days after such written request from Preparing Party, a Tax Package for the purpose of preparing such Tax Return. Non-Preparing Party shall timely furnish to Preparing Party such additional information and documents as Preparing Party may reasonably request. The Parties acknowledge that such information may include materials regarding accounting, accounting records, income and expense, costs and cost production, background, research and development, comparables, marketing, suppliers and customers, and other information regarding the business of the Non-Preparing Party related to the Tax treatment of such business. Upon request by Preparing Party, an appropriate officer of Non-Preparing Party shall provide written certification that, to such officer's best knowledge and belief, all information provided pursuant to this Section 3.3(a) is accurate and complete in all material respects. Non-Preparing Party shall also make available employees and officers of Non-Preparing Party and its Affiliates as Preparing Party may reasonably request in connection with such Tax Return preparation by Preparing Party. Non-Preparing Party shall be responsible for the internal costs (without reimbursement from Preparing Party) of furnishing to Preparing Party the Tax Package, additional information, documents and employees and officers provided for in this Section 3.3(a). Preparing Party shall provide the relevant information contained in the Tax Package in the format required by the IRS (or analogous state, local, or foreign agency) for electronic filing.

Section 3.4 Reasonable External Costs and Expenses. To the extent a Party incurs reasonable costs and expenses with a third party for purposes of complying with the provisions of this Article III, including, without limitation, the preparation of the Tax Returns to be prepared thereunder, such costs and expenses shall be borne in the same proportion as the Taxes being reported on the Tax Return to which such costs and expenses relate. In the event that the Tax Return being prepared is not for the purpose of reporting Taxes but is rather an informational Tax Return, the Party charged with the responsibility of preparing such Tax Return shall bear the cost and expense of preparing and filing such Tax Return.

ARTICLE IV
REFUNDS, CARRYBACKS AND
AMENDED TAX RETURNS

Section 4.1 Refunds.

(a) Each Party shall be entitled to Refunds that relate to Taxes for which it is responsible under Article II of this Agreement.

(b) Notwithstanding Section 4.1(a), to the extent a claim for a Refund is reasonably likely to result in a Correlative Detriment to one or more of the Parties, any such Refund that is received by one or more of the Parties shall, and only to the extent thereof, be paid proportionately to the Parties that are reasonably likely to realize such detriment. A "Correlative Detriment" is an increase in a current year Tax payment obligation by a Party or a reduction in a current year Tax benefit of a Party not otherwise entitled to a Refund under the prior sentence that occurs as a direct result of the Tax position that is the basis for the Refund or the claim therefor. By way of example, if SpinCo were to generate a net operating loss for a Post-Distribution Tax Period and such loss was carried back to a Pre-Distribution Tax Period and resulted in a Refund, but at the same time reduced the amount of a foreign tax credit available to RemainCo for such Pre-Distribution Tax Period, RemainCo would have a Correlative Detriment for which it is entitled to receive payment unless such tax credit could be carried forward by RemainCo.

(c) Any Refund or portion thereof to which a Party is entitled pursuant to this Section 4.1 that is received or deemed to have been received as described herein by another Party, shall be paid by such other Party to such first Party in immediately available funds in accordance with Article VII. To the extent a Party applies or causes to be applied an overpayment of Taxes as a credit toward or a reduction in Taxes otherwise payable (or a Taxing Authority requires such application in lieu of a Refund) and such Refund, if received, would have been payable by such Party to another Party (or Parties) pursuant to this Section 4.1, such Party shall be deemed to have actually received a Refund to the extent thereof on the date on which the overpayment is applied to reduce Taxes otherwise payable.

Section 4.2 Carrybacks. Each of the Parties shall be permitted (but not required) to carryback (or to cause its Affiliates to carryback) a Tax Attribute realized in a Post-Distribution Tax Period or a Straddle Period to a Pre-Distribution Tax Period or a Straddle Period only if such carryback cannot result in one or more other Parties (or their Affiliates) being liable for additional Taxes. If a carryback could result in one or more Parties (or their Affiliates) being liable for additional Taxes, such carryback shall be permitted only if all of such Parties consent to such carryback, which consent shall not be unreasonably withheld. Any Party that has claimed (or caused one or more of its Affiliates to claim) a Tax Attribute carryback shall be liable for any Taxes that arise as a result of the subsequent adjustment, if any, to the carryback claim unless the carryback results in a Refund that is shared pursuant to Section 4.1(a) or results in a Correlative Detriment pursuant to Section 4.1(b).

Section 4.3 Amended Tax Returns.

(a) Notwithstanding Sections 3.1 and 3.2, a Party or its Subsidiary that is entitled to file an amended Tax Return for a Pre-Distribution Tax Period or a Straddle Period for members of its Tax Group shall be permitted to prepare and file an amended Tax Return at its own cost and expense; provided, however, that (i) such amended Tax Return shall be prepared in a manner (x) consistent with the past practice of the Parties and their Affiliates unless otherwise modified by a Final Determination or required by applicable Law; and (y) consistent with (and the Parties and their Affiliates shall not take any position inconsistent with) the IRS Ruling, the Tax Representation Letters, and the Tax Opinions; and (ii) if such amended Tax Return could result in one or more other Parties becoming responsible for a payment of Taxes pursuant to Article II or a payment to a Party pursuant to Article VIII, such amended Tax Return shall be permitted only if the consent of such other Parties is obtained. The consent of such other Parties shall not be withheld unreasonably and shall be deemed to be obtained in the event that a Party or its Subsidiary is required to file an amended Tax Return as a result of an Audit adjustment.

(b) A Party or its Subsidiary that is entitled to file an amended Tax Return for a Post-Distribution Tax Period shall be permitted to do so without the consent of any Party.

(c) A Party that is permitted (or whose Subsidiary is permitted) to file an amended Tax Return shall not be relieved of any liability for payments pursuant to this Agreement notwithstanding that another Party consented thereto.

ARTICLE V
DISTRIBUTION TAXES

Section 5.1 Representations.

(a) Ruling Documents. SpinCo hereby represents and warrants that (i) it has examined the Ruling Documents (including, without limitation, the representations to the extent that they relate to the plans, proposals, intentions, and policies of SpinCo, SpinCo Affiliates, or the Death Care Business), and (ii) to the extent there are references to SpinCo, SpinCo Affiliates, or the Death Care Business, the facts presented and the representations made therein are true, correct, and complete.

(b) Tax-Free Status. SpinCo hereby represents and warrants that it has no plan or intention of taking any action, or failing or omitting to take any action, or knows of any circumstance, that could reasonably be expected to (i) cause the Restructuring and/or the Distribution not to have Tax-Free Status or (ii) cause any representation or factual statement made in this Agreement, the Distribution Agreement, the IRS Ruling, the Tax Opinion, or the Representation Letter to be untrue in a manner that would have an adverse effect on the Tax-Free Status of the Restructuring and/or the Distribution.

(c) Reciprocal Representations and Warranties as to RemainCo. With respect to the representations and warranties made in Sections 5.1(a) and (b), RemainCo makes the same representations as to RemainCo, the RemainCo Affiliates and the Medical Technology Business.

(d) Plan or Series of Related Transactions. SpinCo hereby represents and warrants that, to the knowledge of SpinCo and the management of SpinCo, neither the Restructuring nor the Distribution are part of a plan (or series of related transactions) pursuant to

which a Person will acquire stock representing a fifty-percent or greater interest (within the meaning of Sections 355(d) and (e) of the Code) in SpinCo or any successor to SpinCo.

Section 5.2 Covenants.

(a) Actions Consistent with Representations and Covenants. SpinCo shall not (and shall not permit any of its Affiliates or grant or permit any of its Affiliates to grant implicit or explicit permission to any other person to) take any action, and SpinCo shall not (and shall not permit any of its Affiliates or grant or permit any of its Affiliates to grant implicit or explicit permission to any other person to) fail to take any action, where such action or failure to act would be inconsistent with or cause to be untrue any material, information, covenant, or representation in this Agreement, the Distribution Agreement, the Other Agreements, the Tax Ruling, the Ruling Documents (including, without limitation, the representations to the extent that they relate to the plans, proposals, intentions, and policies of SpinCo, SpinCo Affiliates, or the Death Care Business), the Tax Opinion, or the Representation Letter.

(b) Preservation of Tax-Free Status. SpinCo shall not take any action (including, but not limited to, any cessation, transfer or disposition of all or any portion of the Death Care Business; payment of extraordinary dividends to shareholders; and acquisitions or issuances of stock) or permit any SpinCo Affiliate to take any such action, and SpinCo shall not fail to take any such action or permit any SpinCo Affiliate to fail to take any such action where such action or failure to act would have an adverse effect on the Tax-Free Status of the Restructuring and/or the Distribution.

(c) Reciprocal Covenants by RemainCo. With respect to the covenants contained in Sections 5.2(a) and (b), RemainCo obligates itself to the same covenants as if they pertained to RemainCo, the RemainCo Affiliates and the Medical Technology Business.

(d) Sales Issuances and Redemptions of Equity Securities. Until the first day after the Restriction Period, neither SpinCo nor any SpinCo Affiliate shall, or shall agree to, sell or otherwise issue to any Person, or redeem or otherwise acquire from any Person, any Equity Securities of SpinCo or any SpinCo Affiliate; provided, however, that (i) SpinCo may repurchase such Equity Securities to the extent that such repurchases meet the requirements of Section 4.05(1)(6) of IRS Revenue Procedure 96-30 (as in effect prior to its modification by IRS Revenue Procedure 2003-48), (ii) SpinCo may issue such Equity Securities to the extent such issuances satisfy Safe Harbor VIII (relating to acquisitions in connection with a person's performance of services) or Safe Harbor IX (relating to acquisitions by a retirement plan of an employer) of Treasury Regulation Section 1.355-7(d), and (iii) SpinCo may issue Equity Securities provided that such issuance does not, individually or when aggregated with other issuances and any transactions occurring in the four-year period beginning on the date which is two years before the Distribution Date, and with any other transaction which is part of a plan or series of related transactions (within the meaning of Section 355(e) of the Code) that includes the Distribution (other than issuances of Equity Securities described in clause (ii) above), result in one or more Persons acquiring, directly or indirectly, (as determined under Section 355(e) of the Code, taking into account applicable constructive ownership rules) stock representing a 40% or greater interest, by vote or value, in SpinCo (or any successor thereto).

(e) Tender Offers; Other Business Transactions. Until the first day after the Restriction Period, neither SpinCo nor SpinCo Affiliate shall (i) solicit any Person to make a tender offer for, or otherwise acquire or sell, the Equity Securities of SpinCo, (ii) participate in or support any unsolicited tender offer for, or other acquisition, issuance or disposition of, the Equity Securities of SpinCo, or (iii) approve or otherwise permit any proposed business combination or merger or any transaction which, in the case of clauses (i), (ii) or (iii), individually or when aggregated with any other transactions occurring within the four-year period beginning on the date which is two years before the Distribution Date, and with any other transaction which is part of a plan or series of related transactions (within the meaning of Section 355(e) of the Code) that includes the Distribution (other than issuances of Equity Securities described in Section 5.2(d)(ii) above), results in one or more Persons acquiring, directly or indirectly, (as determined under Section 355(e) of the Code, taking into account applicable constructive ownership rules) stock representing a 40% or greater interest, by vote or value, in SpinCo (or any successor thereto). In addition, neither SpinCo nor any SpinCo Affiliate shall at any time, whether before or subsequent to the expiration of the Restriction Period, engage in any action described in clauses (i), (ii) or (iii) of the preceding sentence if it is pursuant to an arrangement negotiated (in whole or in part) prior to the first anniversary of the Distribution, even if at the time of the Distribution or thereafter such action is subject to various conditions.

(f) Dispositions of Assets. Until the first day after the Restriction Period, neither SpinCo nor any SpinCo Affiliate shall, or shall agree to, sell, transfer, or otherwise dispose of or agree to dispose of assets (including, for such purpose, any shares of capital stock of a subsidiary and any transaction treated for tax purposes as a sale, transfer or disposition) that, in the aggregate, constitute more than 50% of the gross assets of SpinCo, nor shall SpinCo or any SpinCo Affiliate sell, transfer, or otherwise dispose of or agree to dispose of assets (including, for such purpose, any shares of capital stock of a subsidiary and any transaction treated for tax purposes as a sale, transfer or disposition) that, in the aggregate, constitute more than 50% of the consolidated gross assets of SpinCo Group. The foregoing sentence shall not apply to sales, transfers, or dispositions of assets in the ordinary course of business. The percentages of gross assets or consolidated gross assets of SpinCo or SpinCo Group, as the case may be, sold, transferred, or otherwise disposed of, shall be based on the fair market value of the gross assets of SpinCo and the members of SpinCo Group as of the Distribution Date. For purposes of this Section 5.2(f), a merger of SpinCo or one of its subsidiaries with and into any Person (other than SpinCo or one of its subsidiaries) shall constitute a disposition of all of the assets of SpinCo or such subsidiary.

(g) Liquidations Mergers, Reorganizations. Until the first day after the Restriction Period, neither SpinCo nor its subsidiaries shall, or shall agree to, voluntarily dissolve or liquidate or engage in any merger (except for a Cash Acquisition Merger), consolidation or other reorganization; provided, however, mergers of direct or indirect wholly-owned subsidiaries of SpinCo solely with and into SpinCo or with other direct or indirect wholly-owned subsidiaries of SpinCo, and liquidations of SpinCo's subsidiaries, are not subject to this Section 5.2(g) to the extent not inconsistent with the Tax-Free Status of the Restructuring and the Distribution; provided further that nothing in this Section 5.2(g) shall prohibit any merger involving SpinCo or an SpinCo Affiliate not otherwise prohibited by Section 5.2(e).

(h) Changes to Voting Rights. Until the first day after the Restriction Period, neither SpinCo nor any SpinCo Affiliate shall amend its certificate of incorporation (or other organizational documents), or take any other action, whether through a shareholder vote or otherwise, affecting the relative voting rights of its separate classes of stock (including, without limitation, through the conversion of one class of stock into another class of stock), but only to the extent such change, if treated as an issuance of Equity Securities, would be prohibited by Section 5.2(d).

(i) Permitted Transactions. Notwithstanding the restrictions otherwise imposed by Sections 5.2(d) through 5.2(h), during the Restriction Period, SpinCo may (i) approve, participate in, support or otherwise permit a proposed business combination or transaction that would otherwise breach the covenant set forth in Section 5.2(d), (ii) sell or otherwise dispose of the assets of SpinCo Group in a transaction that would otherwise breach the covenant set forth in Section 5.2(e), (iii) merge SpinCo or any SpinCo Affiliate with another entity without regard to which party is the surviving entity in a transaction that would otherwise breach the covenant set forth in Section 5.2(g), (iv) issue Equity Securities of SpinCo or any SpinCo Affiliate in a transaction that would otherwise breach the covenant set forth in Section 5.2(d), or (v) take any action affecting the relative voting rights of the separate classes of stock of SpinCo or any SpinCo Affiliate that would otherwise breach the covenant set forth in Section 5.2(h), if and only if such transaction or action would not violate Section 5.2(a) or Section 5.2(b) and Section 5.2(j) is satisfied.

(j) Supplemental Ruling: Tax Opinion. Prior to entering into any agreement contemplating a transaction or action during the Restriction Period described in clauses (i), (ii), (iii), (iv) or (v) of Section 5.2(i): (A) SpinCo shall request that RemainCo obtain a Supplemental Ruling in accordance with Section 5.3 of this Agreement to the effect that such transaction will not affect the Tax-Free Status of the Restructuring and the Distribution and RemainCo shall have received such a Supplemental Ruling in form and substance satisfactory to RemainCo in its sole and absolute discretion or (B) SpinCo shall provide RemainCo with an Unqualified Tax Opinion from Qualified Tax Counsel or another nationally recognized independent tax advisor in form and substance satisfactory to RemainCo in its reasonable discretion (and in determining whether an opinion is satisfactory, RemainCo may consider, among other factors, the appropriateness of any underlying assumptions and management's representations if used as a basis for the opinion) providing that such transaction or action will not affect the Tax-Free Status of the Restructuring and the Distribution.

Section 5.3 Supplemental Rulings and Restrictions on SpinCo.

(a) Supplemental Rulings at RemainCo Request. RemainCo shall have the right to obtain a Supplemental Ruling in its sole and absolute discretion. If RemainCo determines to obtain a Supplemental Ruling, SpinCo shall (and shall cause each SpinCo Affiliate to) cooperate with RemainCo and take any and all actions reasonably requested by RemainCo in connection with obtaining the Supplemental Ruling (including, without limitation, by making any representation or providing any materials or information requested by any Tax Authority; provided that SpinCo shall not be required to make (or cause any SpinCo Affiliate to make) any representation that is inconsistent with historical facts or as to future matters or events over which it has no control) or to take any action that reasonably could be expected to be adverse to its

business, its financial condition or its assets. RemainCo shall reimburse SpinCo for all reasonable costs and expenses incurred by SpinCo or its Affiliates in obtaining a Supplemental Ruling requested by RemainCo within ten (10) Business Days after receiving an invoice from SpinCo therefor. In connection with obtaining a Supplemental Ruling pursuant to this Section 5.3(a), (i) RemainCo shall keep SpinCo informed in a timely manner of all material actions taken or proposed to be taken by RemainCo in connection therewith; (ii) RemainCo shall (*a*) reasonably in advance of the submission of any Supplemental Ruling Request, provide SpinCo with a draft copy thereof, (*b*) reasonably consider SpinCo 's comments on such draft copy, and (*c*) provide SpinCo with a final copy of any Supplemental Ruling Request; and (iii) RemainCo shall provide SpinCo with notice reasonably in advance of, and SpinCo shall have the right to attend, any formally scheduled meetings with any Taxing Authority (subject to the approval of the Taxing Authority) that relate to such Supplemental Ruling.

(b) Supplemental Rulings at SpinCo's Request. RemainCo agrees that at the reasonable request of SpinCo pursuant to Section 5.2(j), RemainCo shall (and shall cause each RemainCo Affiliate to) cooperate with SpinCo and use its reasonable best efforts to seek to obtain, as expeditiously as possible, a Supplemental Ruling from the IRS for the purpose of confirming compliance on the part of SpinCo or any SpinCo Affiliate with its obligations under Section 5.2 of this Agreement. Further, in no event shall RemainCo be required to file any Supplemental Ruling Request under this Section 5.3(b) unless SpinCo represents that it has reviewed the Supplemental Ruling Documents and all information and representations, if any, relating to SpinCo or any SpinCo Affiliate, contained in the Supplemental Ruling Documents are true, correct and complete in all material respects. SpinCo shall reimburse RemainCo for all reasonable costs and expenses incurred by RemainCo or its Affiliates in obtaining a Supplemental Ruling requested by SpinCo within ten (10) Business Days after receiving an invoice from RemainCo therefor. SpinCo hereby agrees that RemainCo shall have sole and exclusive control over the process of obtaining a Supplemental Ruling, and that only RemainCo shall apply for a Supplemental Ruling. In connection with obtaining a Supplemental Ruling pursuant to this Section 5.3(b), (i) RemainCo shall keep SpinCo informed in a timely manner of all material actions taken or proposed to be taken by RemainCo in connection therewith; (ii) RemainCo shall (*a*) reasonably in advance of the submission of any Supplemental Ruling Request, provide SpinCo with a draft copy thereof, (*b*) reasonably consider SpinCo's comments on such draft copy, and (*c*) provide SpinCo with a final copy of any Supplemental Ruling Request; and (iii) RemainCo shall provide SpinCo with notice reasonably in advance of, and SpinCo shall have the right to attend, any formally scheduled meetings with any Tax Authority (subject to the approval of the Tax Authority) that relate to such Supplemental Ruling.

Section 5.4 Liability for Undertaking Certain Actions.

(a) Notwithstanding anything in this Agreement to the contrary, SpinCo shall be responsible for, and shall indemnify and hold harmless RemainCo and each of its Affiliates from and against any liability for Taxes that are attributable to or result from any act or failure to act by SpinCo or any SpinCo Affiliate, which action or failure to act breaches any of its representations or covenants contained in this Article V hereof (without regard to the exceptions or provisos set forth in such provisions but expressly excluding the representations and covenants by RemainCo in Sections 5.1(c) and 5.2(c) hereof), expressly including, for this purpose, any

Permitted Transactions and any act or failure to act that breaches Section 5.2(d) or 5.2(i) regardless of whether such act or failure to act is permitted by Section 5.2(c) through 5.2(h).

(b) Notwithstanding anything in this Agreement to the contrary, RemainCo shall be responsible for, and shall indemnify and hold harmless SpinCo and each of its Affiliates from and against any liability for Taxes that are attributable to or result from any Fault of RemainCo or any RemainCo Affiliate.

(c) "Fault" shall mean the breach of a representation, warranty or covenant under this Article V by a Party or any of its Affiliates to the extent applicable to or made by such Party or any of its Affiliates.

Section 5.5 Liability Not Attributable to Fault. If the Distribution Taxes are not attributable to the Fault of SpinCo or any SpinCo Affiliate or the Fault of RemainCo or any RemainCo Affiliate, the responsibility for such Distribution Taxes shall be shared by RemainCo and SpinCo in proportion to the relative market values of RemainCo and SpinCo derived from taking the average traded stock price for each of RemainCo and SpinCo for the five (5) trading days subsequent to the Distribution Date, with RemainCo to bear a percentage equal to its market value divided by the combined market values of both RemainCo and SpinCo (the "RemainCo No Fault Percentage") and SpinCo to bear a percentage equal to its market value divided by the combined market values of both RemainCo and SpinCo (the "SpinCo No Fault Percentage").

Section 5.6 Cooperation.

(a) Without limiting the prohibition set forth in Section 5.3(c), until the first day after the Restriction Period, SpinCo shall furnish RemainCo with a copy of any ruling request that SpinCo or any SpinCo Affiliate may file with the IRS or any other Taxing Authority and any opinion received that in any respect relates to, or otherwise reasonably could be expected to have any effect on, the Tax-Free Status of any of the Restructuring and the Distribution.

(b) RemainCo shall reasonably cooperate with SpinCo in connection with any request by SpinCo for an Unqualified Tax Opinion pursuant to Section 5.2(j) and shall use its reasonable best efforts to assist SpinCo in obtaining an Unqualified Tax Opinion pursuant to Section 5.2(j).

ARTICLE VI
INDEMNIFICATION

Section 6.1 Indemnification Obligations of RemainCo. RemainCo shall indemnify SpinCo and SpinCo's Affiliates and hold them harmless from and against (without duplication):

(a) All Taxes and other amounts for which RemainCo Group is responsible under this Agreement; and

(b) All Taxes and reasonable out-of-pocket costs for advisors and other expenses attributable to a breach of any representation, covenant, or obligation of RemainCo under this Agreement.

Section 6.2 Indemnification Obligations of SpinCo. SpinCo shall indemnify RemainCo and RemainCo's, Affiliates and hold them harmless from and against (without duplication):

(a) all Taxes and other amounts for which SpinCo Group is responsible under this Agreement; and

(b) all Taxes and reasonable out-of-pocket costs for advisors and other expenses attributable to a breach of any representation, covenant, or obligation of SpinCo under this Agreement.

ARTICLE VII
PAYMENTS

Section 7.1 Payments.

(a) General. Unless otherwise provided in this Agreement, in the event that an Indemnifying Party is required to make a payment to an Indemnified Party pursuant to this Agreement:

(i) Aggregate Payments of Less than $500,000. If such payments are in the aggregate less than $500,000 during the calendar quarter, the Indemnified Party shall deliver written notice of the payments to the Indemnifying Party in accordance with Section 12.5 during the calendar quarter in which the obligation giving rise to the indemnification payment must be satisfied, and the Indemnifying Party shall be required to make payment to the Indemnified Party within ten (10) Business Days after the end of the calendar quarter in which written notice of such payment is delivered to the Indemnifying Party (or, if later, within thirty (30) Business Days of such delivery).

(ii) Payments Equal to or Greater than $500,000. If such payments are individually or in the aggregate equal to or greater than $500,000, the Indemnified Party shall deliver written notice of the payment to the Indemnifying Party in accordance with Section 12.5 at least ten (10) Business Days in advance of the date or dates on which the obligations giving rise to the indemnification payment must be satisfied (in the case of aggregate payments in excess of $500,000, the earliest date that any such payment must be satisfied), and the Indemnifying Party shall be required to make payment to the Indemnified Party no later than the later of (A) five (5) Business Days after receipt of such notice or (B) five (5) Business Days prior to the date on which the obligations giving rise to the indemnification must be satisfied. The Indemnified Party shall, within one (1) Business Day after the date on which the obligation giving rise to the indemnification payment is satisfied, pay interest to the Indemnifying Party that accrues (at a rate equal to one (1) week LIBOR minus 25 basis points) on the amount of such payment from the date of receipt of such payment by the Indemnified Party until the date on which the obligation is satisfied.

(b) Procedural Matters. The written notice delivered to the Indemnifying Party in accordance with Section 12.5 shall show the amount due and owing together with a schedule calculating in reasonable detail such amount (and shall include any relevant Tax Return, statement, bill or invoice related to Taxes, costs, expenses or other amounts due and owing). All

payments required to be made by one Party to another Party pursuant to this Section 7.1 shall be made by electronic, same day wire transfer. Payments shall be deemed made when received. If the Indemnifying Party fails to make a payment to the Indemnified Party within the time period set forth in this Section 7.1, such Indemnifying Party shall not be considered to be in breach of its covenants and obligations established in this Section 7.1 unless and until such failure exists on the date on which the obligation giving rise to the indemnification payment must be satisfied; provided, however, that the Indemnifying Party shall pay to the Indemnified Party (i) interest that accrues (at a rate equal to the Base Rate plus 200 basis points) on the amount of such payment from the time that such payment was due to the Indemnified Party until the date that payment is actually made to the Indemnified Party; and (ii) any costs or expenses, including any breakage costs, incurred by the Indemnified Party to secure such payment or to satisfy the Indemnifying Party's portion of the obligation giving rise to the indemnification payment.

(c) Right of Setoff. It is expressly understood that an Indemnifying Party is hereby authorized to set off and apply any and all amounts required to be paid to an Indemnified Party pursuant to this Section 7.1 against any and all of the obligations of the Indemnified Party to the Indemnifying Party arising under Section 7.1 of this Agreement that are then either due and payable or past due, irrespective of whether such Indemnifying Party has made any demand for payment with respect to such obligations.

Section 7.2 Treatment of Payments made Pursuant to Tax Sharing Agreement Unless otherwise required by a Final Determination, this Agreement or a "more likely than not" tax opinion rendered by a Party's tax advisor, for U.S. federal Tax purposes, any payment made pursuant to this Agreement by:

(a) SpinCo to RemainCo shall be treated for all Tax purposes as a distribution by SpinCo to RemainCo with respect to stock of SpinCo under Section 301 of the Code occurring after SpinCo is directly owned by RemainCo and immediately before the applicable Distribution;

(b) RemainCo to SpinCo shall be treated for all Tax purposes as a tax-free contribution by RemainCo to SpinCo with respect to its stock occurring after SpinCo is directly owned by RemainCo and immediately before the applicable Distribution;

(c) Payments made by a Party for its reasonable and necessary costs and expenses with respect to either the Distribution Agreement or Judgment Sharing Agreement shall be treated as amounts deductible by such Party pursuant to Section 162 of the Code; and

(d) In each case, none of the Parties shall take any position inconsistent with such treatment, and for purposes of this Section 7.2, making any type of disclosure in a Tax Return for the purpose of avoiding penalties shall not be considered as taking a position that is inconsistent.

In the event that a Taxing Authority asserts that a Party's treatment of a payment pursuant to this Agreement should be other than as required pursuant to this Agreement (ignoring any potential inconsistent or adverse Final Determination), such Party shall use its reasonable best efforts to contest such challenge.

Section 7.3 Treatment of Payments made Pursuant to Distribution Agreement and Judgment Sharing Agreement Unless otherwise required by a Final Determination or this Article VII, for U.S. federal Income Tax purposes, payments made by one Party to another pursuant to the Distribution Agreement or Judgment Sharing Agreement shall be treated in accordance with the principles set forth in Section 7.2. Further, none of the Parties shall take any position inconsistent with such treatment, except to the extent that there is a Final Determination with respect to the paying Party that such payment is not deductible. In the event that a Taxing Authority asserts that a Party's treatment of a payment pursuant to the Distribution Agreement or Judgment Sharing Agreement should be other than as set forth in this Agreement (ignoring any potential inconsistent or adverse Final Determination), such Party shall use its reasonable best efforts to contest such challenge.

Section 7.4 Payments Net of Tax Benefit Actually Realized. All amounts required to be paid by one Party to another pursuant to this Agreement, the Distribution Agreement or the Judgment Sharing Agreement shall be reduced by the Tax Benefit Actually Realized by the Indemnified Party or its Subsidiaries with respect to such payments in the taxable year the payment is made or any prior taxable year.

ARTICLE VIII
AUDITS

Section 8.1 Notice. Within fifteen (15) Business Days after a Party or any of its Affiliates receives a written notice from a Taxing Authority (reduced to ten (10) Business Days for written notices received from a state or local Taxing Authority) of the existence of an Audit that may require indemnification pursuant to this Agreement, that Party shall notify the other Parties of such receipt and send such notice to the other Parties via overnight mail. The failure of one Party to notify the other Parties of an Audit shall not relieve such other Party of any liability and/or obligation that it may have under this Agreement, except to the extent that the Indemnifying Party's rights under this Agreement are materially prejudiced by such failure.

Section 8.2 Audits.

(a) Determination of Party to Administer and Control an Audit. Subject to Sections 8.2(b), 8.2(c), and 8.2(d):

(i) RemainCo and its Subsidiaries shall administer and control all Pre-Distribution U.S. Income Tax Audits;

(ii) Pre-Distribution Transfer Pricing Tax Audits shall be administered and controlled by the Party and its Subsidiaries that would be primarily liable under applicable Law to pay to the applicable Taxing Authority the Taxes resulting from such Audits;

(iii) Pre-Distribution Non-Income or Non-U.S. Tax Audits shall be administered and controlled by the Party and its Subsidiaries that would be primarily liable under applicable Law to pay to the applicable Taxing Authority the Taxes resulting from such Audits;

(iv) Straddle Period Tax Audits shall be administered and controlled by the Party and its Subsidiaries that had the responsibility under Section 3.1 for preparing the Tax Return for such Straddle Period that is the subject of the Audit; and

(v) Post-Distribution Tax Audits shall be administered and controlled by the Party and its Subsidiaries that had the responsibility under Section 3.1 for preparing the Tax Return for such Post-Distribution Tax Period that is the subject of the Audit.

(b) Administration and Control: Cooperation. The Party responsible for administering and controlling an Audit pursuant to the provisions of Section 8.2(a), above (the "Audit Control Party"), shall have absolute authority to make all decisions (determined in its sole discretion) with respect to the administration and control of such Audit, including the selection of all external advisors. In that regard, the Audit Control Party (i) may in its sole discretion settle or otherwise determine not to continue to contest any issue related to such Audit without the consent of the other Parties, and (ii) shall, as soon as reasonably practicable and prior to settlement of an issue that could cause the other Party to become responsible for Taxes under Section 8.3, notify the Audit Representatives of such other Party of such settlement; provided, however, that the Audit Control Party shall not settle any issue or fail to contest any issue related to an Audit if such settlement or failure to contest would cause the other Party or any of its Affiliates to be liable for any Taxes without the consent of such Party, which consent shall not be unreasonably withheld or delayed. The other Party shall (and shall cause its Affiliates to) undertake all actions and execute all documents (including an extension of the applicable statute of limitations) that are determined in the sole discretion of the Audit Control Party to be necessary to effectuate such administration and control. The Parties shall act in good faith and use their reasonable best efforts to cooperate fully with each other Party (and their Affiliates) in connection with such Audit and shall provide or cause their Affiliates to provide such information to each other as may be necessary or useful with respect to such Audit in a timely manner, identify and provide access to potential witnesses, and other persons with knowledge and other information within its control and reasonably necessary to the resolution of the Audit. Notwithstanding anything to the contrary in this Section 8.2(b), after a Change of Control or a Bankruptcy of the Audit Control Party, the Audit Control Party shall not, during the ninety (90) day period following such Change of Control or Bankruptcy, choose to litigate any issue with respect to an Audit or make any decision to change the forum or jurisdiction with respect to which an issue arising under an Audit is being litigated, without the prior written consent of all of the Parties.

(c) Participation Rights of Parties and Information Sharing with respect to Audits.

(i) Each Party that would be responsible under Section 8.3 for Taxes resulting from an Audit (other than the Audit Control Party) (a "Participating Party") shall have limited participation rights as set forth in this Section 8.2(c) with respect to such Audit. Promptly after the Distributions, the Audit Control Party shall arrange for a meeting or conference call that includes all of the Participating Parties to discuss the status of all ongoing Audits. In addition, promptly after notification of an Audit pursuant to Section 8.1, the Audit Control Party shall arrange for a meeting or conference call that includes all of the Participating Parties to plan for the management of such Audit. Thereafter, the Parties shall arrange for a meeting or conference call to be held on a monthly basis (or on such other basis as the Parties may agree) in order to

facilitate regular communication on the status of the Audits. These meetings shall be scheduled at the beginning of each fiscal year and shall not be rescheduled without the consent of all of the Parties. The Parties may determine from time to time to have a separate special meeting to discuss a significant Audit issue. Each Participating Party shall identify any personnel and external advisors who are participating in each of the meetings described above, and shall provide a list of the names of such persons to the Audit Control Party in advance of such meeting.

(ii) Upon the reasonable request of a Participating Party, the Audit Control Party shall make available relevant personnel and external advisors to meet with the Participating Party and its independent auditor in order to review the status of the Audits. The independent auditors of the Participating Parties shall have reasonable access to Audit-related information and personnel. The Participating Parties shall provide the Audit Control Party with reasonable notice of such requested meetings or information.

(iii) The Participating Parties shall have reasonable access to the external advisors retained by the Audit Control Party to advise it and its Affiliates on matters pertaining to an Audit ("Audit External Advisor") with respect to issues that may affect such Party's liability for Taxes. In the event that a meeting described in (i) or (ii) above is attended by an Audit External Advisor, all of the Parties shall have the right to participate in such meeting by telephone or in person. The Audit Control Party shall provide the other Parties with notice (including the time and location) of such meeting at least twenty-four (24) hours in advance thereof. Any Participating Party may request a meeting with an Audit External Advisor on matters that are unrelated to the Audit; provided; however, that if the matter involves evaluating Audit related issues, the requesting Participating Party must give all of the other Parties at least twenty-four (24) hours notice prior to such meeting so that such Parties can elect to participate (failure to respond to the Participating Party's notice prior to the meeting shall constitute an election to decline participation). No Party shall request an opinion on an Audit related issue from an Audit External Advisor unless the Audit Control Party affirmatively declines to obtain such opinion.

(iv) Each Participating Party shall have access to any written documentation in the possession of the Audit Control Party that pertains to the Audit (including any written summaries of issues that the Audit Control Party has developed in the context of evaluating the financial reporting of the Audit) and the Audit Control Party shall make such information available in the offices of the Audit Control Party; provided, however, that if documentation was prepared solely by or on behalf of a Party, then the documentation must relate to issues with respect to which the Participating Party may have liability for Taxes. Such access shall be provided at such times and in such manner as the Parties agree, but no less frequently than monthly. Copies of the documentation will be made available to the Participating Parties at their sole cost and expense. The Audit Control Party shall undertake to use reasonable efforts to include within the written documentation described above information that is transmitted through electronic means, such as through internet e-mail. Subject to the exceptions listed on Schedule 8.2(c)(iv-1), the Audit Control Party shall maintain an internet-based or other electronic document repository system for written documentation related to the Audit, and each of the Participating Parties shall be granted, if so requested, "read only" access to such repository system at such requesting Party's own cost and expense. Such system shall be managed and controlled by the Audit Control Party and all decisions with respect to the system (including but

not limited to the documents to be posted to such system) shall be made by the Audit Control Party in its sole discretion; provided, however, that the Audit Control Party shall at a minimum post documents related to such Audits consistent with the U.S. Audit Control Party's document posting practices immediately prior to the Distribution Date in respect to the U.S. federal Income Tax Audits of RemainCo's, and SpinCo's Subsidiaries. An illustrative, but not exclusive, list of the documents and other information to be made available by the Audit Control Party to the Participating Parties is set forth in Schedule 8.2(c)(iv-2).

(v) The Participating Parties are encouraged to provide consultation to the Audit Control Party in regard to Audit strategy and shall, upon request of the Audit Control Party, provide such consultation. The Participating Party may elect to employ separate counsel to advise the Participating Party as additional counsel in or in connection with an Audit, but in that event, the fees and expenses of the separate counsel shall be paid solely by the Participating Party. The Audit Control Party shall in good faith consider all advice and other input received from the Participating Parties in connection with their consultations with respect to an Audit. However, the Audit Control Party shall retain the authority, in its reasonable discretion, to make all Audit decisions. In that regard, the Participating Parties and their separate counsels shall not be allowed to participate in any Audit-related meetings other than those described in (i) or (ii) above (unless such a meeting is attended by the personnel of a Participating Party, in which case that Participating Party may attend the meeting but may not actively participate), respond directly to a Taxing Authority conducting the Audit, or in any manner control resolution of the Audit.

(vi) Any Participating Party shall have the right to attend all administrative meetings with and hearings involving the Governmental Authority that has initiated or is conducting the Audit and, in this connection, the Audit Control Party shall provide the Participating Parties with at least ten (10) days advance written notice of such meeting or hearing and, if the Audit Control Party has received notice of such hearing or meeting that is less than ten (10) days, the Audit Control Party shall provide as much advance written notice to the Participating Parties as is reasonable under the circumstances.

(d) Change in Audit Control Party.

(i) Notwithstanding the designation of a Party as the Audit Control Party pursuant to the provisions of Section 8.2(a), a Party may, upon thirty (30) days' written notice to the Audit Control Party, appoint itself as the Audit Control Party for an Audit if:

a. The Party will have a liability for a majority of the Taxes that may result upon a Final Determination of the Audit; or

b. There is a Bankruptcy of the Audit Control Party.

(ii) Each Party has the exclusive right to replace its respective Audit Representative provided that such Audit Representative must be an employee of such Party or any of its Affiliate, and in the event of such replacement, the applicable Party shall provide written notice of such replacement to the other Parties.

(e) External and Internal Costs and Expenses. Each Party shall bear the internal and external costs and expenses incurred by it or any of its Affiliates related to Pre-

Distribution U.S. Income Tax Audits, Qualified Plan Tax Audits, Pre-Distribution Payroll Tax Audits, and Pre-Distribution Transfer Pricing Tax Audits.

(f) Power of Attorney/Officer Signature. Each Party hereby appoints (and shall cause its Subsidiaries to appoint) the Audit Control Party (and its designated representatives) as its agent and attorney-in-fact to take the actions the Audit Control Party deems necessary or appropriate to implement the responsibilities of the Audit Control Party under this Agreement. Each Party also shall (or shall cause its Subsidiaries to) execute and deliver to the Audit Control Party a power of attorney, substantially in the form attached hereto as Schedule 8.2(g-1), and such other documents as are reasonably requested from time to time by the Audit Control Party (or its designee). Such other documents include, but are not limited to, documents signed by an authorized corporate officer of a Party (or a Subsidiary of a Party), where the Audit Control Party determines that a power of attorney is insufficient (in which case such signed documents shall not be withheld) to allow the Audit Control Party to make the necessary or appropriate filings or to take steps necessary or appropriate to the Audit Control Party's defense, prosecution, or settlement of an Audit under this Agreement; provided, that (i) such power of attorney or such other documents shall not expand the rights or powers of such Audit Control Party beyond those provided by this Agreement; (ii) activities conducted under a power of attorney or such other documents are limited to the activities authorized by that power of attorney or such other documents; (iii) a power of attorney or such other documents delivered by a Party to the Audit Control Party can be revoked only with the approval of the Audit Committee of the Board of Directors of the Party to which the power of attorney or such other documents relates; and (iv) a revocation of a power of attorney or such other documents by a Party's Audit Committee also effects the immediate revocation of all powers of attorney or such other documents granted under, or derived from, the authority of the power of attorney that is revoked by that Party's Audit Committee. Examples of activities for which the signature of a Party's authorized representative could be required are set forth on Schedule 8.2(g-2).

Section 8.3 Payment of Audit Amounts.

(a) Tax Audits. Except with regard to adjustments to carryback claims in Section 4.2, Taxes payable in connection with any Final Determination with respect to a Tax Audit, other than with respect to Taxes that arise upon Audit and the allocation of the liability for such Taxes are set forth in Sections 8.3(b), (c), (d), (e) and (f) below, shall be allocated between RemainCo and SpinCo in the same manner as specified in Section 2.2.

(b) Pre-Distribution Qualified Plan Tax Audits. In connection with any Final Determination with respect to a Pre-Distribution Qualified Plan Tax Audit, RemainCo and SpinCo each shall be liable for and shall pay or cause to be paid to the applicable Taxing Authority as a percentage of the amount of Final Determination that equals each Party's portion of the RemainCo Pension Plan Assets as finally determined and divided pursuant to Section 3.2 of the Employee Matters Agreement.

(c) Disallowance of Deductions with Respect to Certain Payments Paid to a Risk Affiliate. In connection with any Final Determination with respect to deductions that were taken on any Combined Returns or Separate Return for payments made to a Risk Affiliate, other than the payment of insurance premiums to a Risk Affiliate, the Taxes owing with respect to such

Final Determination shall be paid by RemainCo using the RemainCo Sharing Percentage and paid by SpinCo using the SpinCo Sharing Percentage.

(d) Disallowance of Risk Affiliate's Loss Reserves. In connection with any Final Determination that results in Federal Income Tax Liability for the RemainCo Consolidated Return Group that arises from the disallowance of the insurance loss reserves established by a Risk Affiliate and that were to continue subsequent to the Risk Affiliate's merger into RemainCo or the Risk Affiliate's liquidation, RemainCo shall pay its portion of such liability based on the tax deductible loss reserves of the Risk Affiliate allocated to it relative to the total tax-deductible reserves and SpinCo shall pay its portion of such liability based on the tax deductible loss reserves of the Risk Affiliate allocated to it relative to the total tax deductible reserves; provided, however, if SpinCo makes a payment or otherwise has liability for Taxes under this Section 8.3(d) and some or all of the loss reserves allocated to SpinCo ultimately are not deductible by SpinCo in respect of computing its Federal Income Tax Liability because of their disallowance upon an Audit, the RemainCo will reimburse SpinCo an amount equal to the value of the Tax detriment to SpinCo resulting from the amount of loss reserves that alternately are not deductible by SpinCo in computing its Federal Income Tax Liability.

(e) Disallowance of SpinCo's Payment of Overhead Expenses. In connection with any Final Determination with respect to deductions that were taken by SpinCo or its Affiliates on any Combined Return or Separate Returns for payments made to RemainCo with respect to reimbursements from SpinCo to RemainCo for corporate overhead and administrative expenses that are allocated to SpinCo, RemainCo shall be liable for the amount of such Final Determination, but not to exceed the amount of overhead and administrative expenses that RemainCo received and the deduction of which has been disallowed, with any amount in excess of such payments to RemainCo to be a liability of SpinCo.

(f) Foreign Tax Audit. In connection with any Audit involving a foreign entity for a Pre-Distribution Tax Period or Straddle Period that results in a Final Adjustment and the payment of foreign Taxes, the liability for such additional foreign Taxes shall be paid by the Party or its Affiliate whose business operations resulted in the foreign Tax that is the subject of the Audit.

(g) Adjustments to Refunds. Notwithstanding Sections 8.3(a) through (f), above, if a Final Determination with respect to an Audit includes an adjustment to a Refund previously received by a Party or its Affiliates, such Party shall be liable for one hundred percent (100%) of the amount owed to the extent of such recovery. For purposes of this Section 8.3(c), an amount shall be considered to be owed when it is actually paid or satisfied pursuant to an offset.

(h) Payment Procedures. In connection with any Audit that results in an amount to be paid pursuant to Section 8.3(a), (b), (c), (d), (e) and (f), the Audit Control Party shall, within thirty (30) Business Days following a final resolution of such Audit, submit in writing to the other Party a preliminary determination (calculated and explained in detail reasonably sufficient to enable the Party to fully understand the basis for such determination and to permit such Party and its Affiliates to satisfy their financial reporting requirements) of the portion of such amount to be paid by each Party pursuant to Section 8.3(a), (b), (c), (d), (e) and (f), as applicable. Each of the Parties and its Affiliates shall have access to all data and information necessary to

calculate such amounts and the Parties and their Affiliates shall cooperate fully in the determination of such amounts. Within twenty (20) Business Days following the receipt by a Party of the information described in this Section 8.3(h), such Party shall have the right to object only to the calculation of the amount of the payment (but not the basis for the payment) by written notice to the other Parties; such written notice shall contain such disputed item or items and the basis for its objection. If no Party objects by proper written notice to the other Parties within the time period described in this Section 8.3(h), the calculation of the amounts due and owing from each Party shall be deemed to have been accepted and agreed upon, and final and conclusive, for purposes of this Section 8.3(h). If any Party objects by proper written notice to the other Parties within such time period, the Parties shall act in good faith to resolve any such dispute as promptly as practicable in accordance with Article XI. The Party or its Affiliate responsible for paying to the applicable Taxing Authority under applicable Law amounts owed pursuant to a Final Determination shall make such payments to such Taxing Authority prior to the due date for such payments. The other Parties shall reimburse the paying Party in accordance with Article VII and Section 7.1 for the portion of such payments for which such other Parties are liable pursuant to this Section 8.3. The time periods specified above for submitting a preliminary determination and objecting may be shortened to a time period determined by the Parties if these Parties ascertain that such shortened time period is necessary to meet the Audit obligations of the Parties and their Affiliates.

(i) Advance Payment of Taxes. In the event that the Audit Control Party decides to contest the position of a Taxing Authority taken with respect to a Pre-Distribution U.S. Income Tax Audit, a Pre-Distribution Qualified Plan Tax Audit, a Pre-Distribution Payroll Tax Audit, or a Pre-Distribution Transfer Pricing Tax Audit in a forum or jurisdiction that requires the prepayment or deposit of the Taxes (or security for the Taxes) in order to contest the Taxes determined by the Taxing Authority to be due and payable, each of the other Parties must pay to the Audit Control Party its portion of such prepayment determined in accordance with this Section 8.3; provided, however, if any Party's portion of such prepayment exceeds $250,000, the Parties shall only be obligated to pay their portions of such prepayment if the Parties vote in favor of the Audit Control Party's decision as to choice of forum or jurisdiction. Each of the Parties shall deliver its written vote to the Audit Control Party within ten (10) days of its receipt of written notice of the Audit Control Party's decision as to choice of forum or jurisdiction and the amount of the required prepayment. A recoupment of all or a portion of a prepayment of Taxes resulting from a Final Determination shall be paid to the Party or Parties that contributed to such prepayment, in proportion to such contributions. No Party shall be liable to any other Party in the event that a Final Determination does not allow for the recovery of all or a portion of a prepayment.

Section 8.4 Correlative Adjustments. If pursuant to a Final Determination there is a Correlative Adjustment attributable to a Pre-Distribution Non-Income or Non-U.S. Tax Audit that causes a Party or its Affiliate to become entitled to a tax benefit, such Party shall pay to the Party that experiences, or whose Affiliates experience, a tax detriment in an amount equal to the lesser of (a) the Tax Benefit Actually Realized or (b) the amount of the tax detriment as a result of such Correlative Adjustment.

ARTICLE IX
ALLOCATION OF TAX ATTRIBUTES AND OTHER TAX MATTERS

Section 9.1 Allocation of Tax Attributes. Each Party shall make its own determination as to the existence and the amount of the Tax Attributes to which it is entitled after the Effective Time; provided, however, that such determination shall be made in a manner that is (a) reasonably consistent with the past practices of the Parties; (b) in accordance with the rules prescribed by applicable Law, including the Code and the Treasury Regulations; (c) consistent with the IRS Ruling, the Tax Representation Letters, and the Tax Opinions; and (d) reasonably determined by the Party to minimize the aggregate cash Tax liability of the Parties for all Pre-Distribution Tax Periods and the portion of all Straddle Periods ending on the Distribution Date. Each Party agrees to provide the other Parties with all of the information supporting the Tax Attribute determinations made by that Party pursuant to this Section 9.1. Notwithstanding the above, the Tax Attributes listed on Schedule 9.1 shall be allocated among the Parties in the manner specified thereon.

Section 9.2 Third Party Tax Indemnities and Benefits. Notwithstanding anything to the contrary in this Agreement, the Parties shall share in accordance with their No-Fault Sharing Percentages (a) any duty or obligation (contractual or otherwise) of a Party or any of its Affiliates, and (b) any Tax benefits, in either case, that arose or is attributable to a period (or portion thereof) ending on or prior to the Distribution Date, to reimburse or be reimbursed by, as the case may be, a Person other than a Party or its Affiliates pursuant to a contractual Tax indemnity agreement entered into in conjunction with the acquisition or disposition of a business. Each Party shall promptly notify the other Party upon receiving notice of any amount to be shared pursuant to this Section 9.2.

ARTICLE X
DEFAULTED AMOUNTS

Section 10.1 General. In the event that one or more Parties defaults on its obligation to pay Distribution Taxes for which it is liable pursuant to Article V to another Party, then each non-defaulting Party shall be required to pay an equal portion of such Distribution Taxes to such other Party; provided, however, that no payment obligation shall exist under this Section 10.1 with respect to Distribution Taxes that are attributable to the Fault of one or more Parties; provided, further, that any payment of Distribution Taxes by a non-defaulting Party pursuant to this Section 10.1 shall in no way release the defaulting Party from its obligations to pay such Distribution Taxes and any non-defaulting Party may exercise any available legal remedies available against such defaulting Party; provided, further, that interest shall accrue on any such payment by a non-defaulting Party at a rate per annum equal to the then applicable Base Rate plus four percent (4%), or the maximum legal rate, whichever is lower. In connection with the foregoing, it is expressly understood that any defaulting Party's rights to any amounts to be received by such defaulting Party hereunder may be used via a right of offset to satisfy, in whole or in part, the obligations of such defaulting Party to pay the Distribution Taxes that are borne by the non-defaulting Parties; such rights of offset shall be applied in favor of the non-defaulting Party or Parties in proportion to the additional amounts paid by any such non-defaulting Party or Parties.

Section 10.2 Subsidiary Funding. Without limitation of the Parties' rights and obligations otherwise set forth in this Agreement and provided that no other Party has defaulted on any of its obligations pursuant to this Agreement, each Party agrees to provide or cause to be provided such funding as is necessary to ensure that its respective Subsidiaries are able to satisfy their respective Tax liabilities to a Taxing Authority that arise as a result of a Final Determination under Section 8.3 of this Agreement, including any such Tax liabilities that, upon default by a Party's Subsidiary, may result in another Party's Subsidiary paying or being required to pay the defaulted Tax liabilities to a Taxing Authority.

ARTICLE XI
ARBITRATION; DISPUTE RESOLUTION

Section 11.1 Agreement to Arbitrate. The procedures for discussion, negotiation and arbitration set forth in this Article XI shall be the final, binding and exclusive means to resolve, and shall apply to, all disputes, controversies or claims (whether in contract, tort or otherwise) that may arise out of or relate to, or arise under or in connection with this Agreement. Each Party agrees on behalf of itself and each member of its respective Group that the procedures set forth in this Article XI shall be the final, binding and exclusive remedy in connection with any dispute, controversy or claim relating to any of the foregoing matters and irrevocably waives any right to commence any Action in or before any Governmental Authority, except to the extent provided under the Arbitration Act in the case of judicial review of arbitration results or awards. Each Party on behalf of itself and each member of its respective Group irrevocably waives any right to any trial by jury with respect to any dispute, controversy or claim covered by this Section 11.1.

Section 11.2 Escalation.

(a) Expeditious Resolution. It is the intent of the Parties to use their respective commercially reasonable efforts to resolve expeditiously any dispute, controversy or claim between them with respect to the matters covered by this Agreement that may arise from time to time on a mutually acceptable negotiated basis. In furtherance of the foregoing, any Party involved in a dispute, controversy or claim may deliver a notice (an "Escalation Notice") demanding an in-person meeting involving representatives of the Parties at a senior level of management (or if the Parties agree, of the appropriate business function or division within such entity). A copy of any such Escalation Notice shall be delivered addressed to the General Counsel, or like chief legal officer or official, of each Party involved in the dispute, controversy or claim (which copy shall state that it is an Escalation Notice pursuant to this Agreement). Any agenda, location or procedure for such discussions or negotiations between the Parties may be established by agreement of the Parties from time to time; provided, however, that the Parties shall use their commercially reasonable efforts to meet within 20 days of the Escalation Notice.

(b) Good Faith Negotiations. Following delivery of an Escalation Notice, the Parties shall undertake good faith, diligent efforts to negotiate a commercially reasonable resolution of the dispute, controversy or claim. The Parties may, by mutual consent, retain a mediator to aid the Parties in their discussions and negotiations. Any opinion expressed by the mediator shall be strictly advisory and shall not be binding on the Parties, nor shall any opinion expressed by the mediator be admissible in any arbitration proceedings. The mediator may be chosen from a list of mediators selected by the Parties or by other agreement of the Parties. All

third-party costs of the mediation shall be borne equally by the Parties involved in the matter, and each Party shall be responsible for its own expenses. Mediation is not a prerequisite to an Arbitration Demand Notice under Section 11.3.

Section 11.3 Demand for Arbitration.

(a) Initiation of Process. At any time following 60 days after the date of an Escalation Notice (the "Arbitration Demand Date"), any Party involved in the dispute, controversy or claim (regardless of whether such Party delivered the Escalation Notice) may deliver a notice demanding arbitration of such dispute, controversy or claim (an "Arbitration Demand Notice"). Delivery of an Escalation Notice by a Party shall be a prerequisite to delivery of an Arbitration Demand Notice by that Party or the other Party; provided, however, that in the event that any Party shall deliver an Arbitration Demand Notice to the other Party, such other Party may itself deliver an Arbitration Demand Notice to such first Party with respect to any related dispute, controversy or claim with respect to which the Applicable Deadline has not passed without the requirement of delivering an Escalation Notice. No Party may assert that the failure to resolve any matter during any prior discussions or negotiations, the course of conduct during such prior discussions or negotiations, or the failure to agree on a mutually acceptable time, agenda, location or procedure for a meeting is a prerequisite to an Arbitration Demand Notice under Section 11.3. In the event that any Party delivers an Arbitration Demand Notice with respect to any dispute, controversy or claim that is the subject of any then pending arbitration proceeding or of a previously delivered Arbitration Demand Notice, all such disputes, controversies and claims shall be resolved in the arbitration proceeding for which an Arbitration Demand Notice was first delivered unless the arbitrators in their sole discretion determine that it is impracticable or otherwise inadvisable to do so.

(b) Limitation Periods. Any Arbitration Demand Notice may be given until the date that is two years after the later of the occurrence of the act or event giving rise to the underlying claim or the date on which such act or event was, or should have been, in the exercise of reasonable due diligence, discovered by the Party asserting the claim (as applicable and as it may in a particular case be specifically extended by the Parties in writing, the "Applicable Deadline"). Any discussions, negotiations or mediations between the Parties pursuant to this Agreement or otherwise will not toll the Applicable Deadline unless expressly agreed in writing by the Parties. Each of the Parties agrees on behalf of itself and each member of its Group that if an Arbitration Demand Notice with respect to a dispute, controversy or claim is not given prior to the occurrence of the Applicable Deadline, as between or among the Parties and the members of their Groups, such dispute, controversy or claim will be barred. Subject to Section 11.9, upon delivery of an Arbitration Demand Notice pursuant to Section 11.3(a) prior to the Applicable Deadline, the dispute, controversy or claim, and all substantive and procedural issues related thereto, shall be decided by a three member panel of arbitrators in accordance with this Article XI.

Section 11.4 Arbitrators.

(a) Selection. The Party delivering the Arbitration Demand Notice shall notify the American Arbitration Association ("AAA") and the other Party in writing describing in reasonable detail the nature of the dispute. Within 20 days of the date of the Arbitration Demand

Notice, each Party to the dispute shall select one arbitrator from the members of a panel of arbitrators of the AAA. The selected arbitrators shall then jointly select a third arbitrator from the members of a panel of arbitrators of the AAA, and such third arbitrator shall be disinterested with respect to each of the Parties and shall be experienced in complex commercial arbitration. In the event that the Parties' selected arbitrators are unable to agree on the selection of the third arbitrator, the AAA shall select the third arbitrator, within 45 days of the date of the Arbitration Demand Notice. In the event that any arbitrator is unable to serve, his replacement will be selected in the same manner as the arbitrator to be replaced. The vote of two of the three arbitrators shall be required for any decision under this Article XI.

(b) Time. The arbitrators will set a time for the hearing of the matter which will commence no later than 180 days after the date of appointment of the third arbitrator and which hearing will be no longer than 30 days (unless in the judgment of the arbitrators the matter is unusually complex and sophisticated and thereby requires a longer time, in which event such hearing shall be no longer than 90 days). The final decision of such arbitrators will be rendered in writing to the Parties not later than 60 days after the last day of the hearing, unless otherwise agreed by the Parties in writing.

(c) Place. The place of any arbitration hereunder will be Indianapolis, Indiana, and the language of any arbitration hereunder will be English. Unless otherwise agreed by the Parties, the arbitration hearing shall be conducted on consecutive days.

Section 11.5 Hearings. Within the time period specified in Section 11.4(b), the matter shall be presented to the arbitrators at a hearing by means of written submissions of memoranda and verified witness statements, filed simultaneously, and responses, if necessary in the judgment of the arbitrators or both of the Parties. If the arbitrators deem it to be essential to a fair resolution of the dispute, live cross-examination or direct examination may be permitted, but is not generally contemplated to be necessary. The arbitrators shall actively manage the arbitration with a view to achieving a just, speedy and cost-effective resolution of the dispute, claim or controversy. The arbitrators may, in their discretion, set time and other limits on the presentation of each Party's case, its memoranda or other submissions, and may refuse to receive any proffered evidence, which the arbitrators, in their discretion, find to be cumulative, unnecessary, irrelevant or of low probative nature. Any arbitration hereunder shall be conducted in accordance with the Commercial Arbitration Rules of the AAA ("Rules") in effect on the date the Arbitration Demand Notice is served. The decision of the arbitrators will be final and binding on the Parties, and judgment thereon may be had and will be enforceable in any court having jurisdiction over the Parties. Arbitration awards will bear interest at the Base Rate plus 2% per annum, subject to any maximum amount permitted by applicable law. To the extent that the provisions of this Agreement and the prevailing Rules conflict, the provisions of this Agreement shall govern.

Section 11.6 Discovery and Certain Other Matters.

(a) Production of Documents. Any Party involved in a dispute, controversy or claim subject to this Article XI may request document production from the other Party or Parties of specific and expressly relevant documents, with the reasonable expenses of the producing Party incurred in such production paid by the requesting Party. Any such discovery shall be conducted in accordance with the Rules, subject to the discretion of the arbitrators. Any

such discovery shall be conducted expeditiously and shall not cause the hearing to be adjourned except upon consent of all Parties involved in the applicable dispute or upon an extraordinary showing of cause demonstrating that such adjournment is necessary to permit discovery essential to a Party to the proceeding. Disputes concerning the scope of document production and enforcement of the document production requests will be determined by written agreement of the Parties involved in the applicable dispute or, failing such agreement, will be referred to the arbitrators for resolution. Subject to the terms of this Agreement, all discovery requests will be subject to the Parties' rights to claim any applicable privilege, and no joint privilege may be waived without the prior written consent of both Parties to this Agreement. The arbitrators will adopt procedures to protect the proprietary rights of the Parties and to maintain the confidential treatment of the arbitration proceedings (except as may be required by law). Subject to the foregoing, the arbitrators shall have the power to issue subpoenas to compel the production of documents relevant to the dispute, controversy or claim.

(b) Authority of Arbitrators. The arbitrators shall have full power and authority to determine issues of arbitrability but shall otherwise be limited to interpreting or construing the applicable provisions of this Agreement, and will have no authority or power to limit, expand, alter, amend, modify, revoke or suspend any condition or provision of this Agreement; it being understood, however, that the arbitrators will have full authority to implement the provisions of this Agreement, and to fashion appropriate remedies for breaches of this Agreement (including interim or permanent injunctive relief); provided that the arbitrators shall not have (i) any authority in excess of the authority a court having jurisdiction over the Parties and the controversy or dispute would have absent these arbitration provisions or (ii) any right or power to award punitive damages. It is the intention of the Parties that in rendering a decision the arbitrators give effect to the applicable provisions of this Agreement and follow applicable law (it being understood and agreed that this sentence shall not give rise to a right of judicial review of the arbitrators' award).

(c) Effect of Failure to Participate. If a Party fails or refuses to appear at and participate in an arbitration hearing after due notice, the arbitrators may hear and determine the controversy upon evidence produced by the appearing Party.

(d) Costs. Arbitration costs will be borne equally by each Party involved in the matter, and each Party will be responsible for its own attorneys' fees and other costs and expenses, including the costs of any expert witnesses selected by such Party.

Section 11.7 Certain Additional Matters.

(a) Nature of Award. Any arbitration award shall be a bare award limited to a holding for or against a Party and shall be without findings as to facts, issues or conclusions of law and shall be without a statement of the reasoning on which the award rests, but must be in adequate form so that a judgment of a court may be entered thereupon. Judgment upon any arbitration award hereunder may be entered in any court having jurisdiction thereof.

(b) Confidentiality of Proceedings. Except as required by law, the Parties shall hold, and shall cause their respective officers, directors, employees, agents and other representatives to hold, the existence, content and result of mediation or arbitration in confidence

in accordance with the provisions of this Section 11.7(b) and except as may be required in order to enforce any award. Each of the Parties shall request that any mediator or arbitrator comply with such confidentiality requirement.

Section 11.8 Continuity of Service and Performance. Unless otherwise agreed in writing, the Parties will continue to provide service and honor all other commitments under this Agreement during the course of the dispute resolution procedures pursuant to this Article XI with respect to all matters not subject to such dispute, controversy or claim.

Section 11.9 Law Governing Arbitration Procedures. The interpretation of the provisions of this Article XI, only insofar as they relate to the agreement to arbitrate and any procedures pursuant thereto, shall be governed by the Arbitration Act, as amended, and other applicable federal law. In all other respects, the interpretation of this Agreement shall be governed as set forth in Section 12.4.

ARTICLE XII
MISCELLANEOUS

Section 12.1 Complete Agreement. This Agreement, the Schedules hereto and the other documents referred to herein shall constitute the entire agreement between the Parties with respect to the subject matter hereof and shall supersede all previous negotiations, commitments and writings with respect to such subject matter.

Section 12.2 Other Agreements. Except as otherwise expressly provided herein, if there shall be a conflict or an inconsistency between the provisions of this Agreement and the provisions of the Distribution Agreement or any of the Other Agreements, the provisions of this Agreement shall control over the inconsistent provisions of the Distribution Agreement or any of the Other Agreements.

Section 12.3 Expenses. RemainCo and SpinCo shall each be responsible for its expenses incurred in connection with the Distribution.

Section 12.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana (other than the laws regarding choice of laws and conflicts of laws) as to all matters, including matters of validity, construction, effect, performance and remedies; provided, however, that the Arbitration Act shall govern the matters described in Article XI.

Section 12.5 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person (including a nationally recognized delivery service) by facsimile, electronic mail or other standard form of telecommunications (provided confirmation is delivered to the recipient the next Business Day in the case of facsimile, electronic mail or other standard form of telecommunications) or by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to RemainCo: Hillenbrand Industries, Inc.
1069 State Route 46 East
Batesville, IN 47006-8835
c/o Corporate Secretary

If to SpinCo: Batesville Holdings, Inc.
One Batesville Boulevard
Batesville, IN 47006-8835
c/o General Counsel

or to such other address as a Party may have furnished to the other Party by a notice in writing in accordance with this Section 12.5.

Section 12.6 Amendment and Modification. This Agreement may be amended, modified or supplemented only by a written agreement signed by each of the Parties.

Section 12.7 Successors and Assigns: No Third Party Beneficiaries This Agreement is made and shall be binding on and inure solely to the benefit of the RemainCo Group and the SpinCo Group and their respective successors or permitted assigns and does not otherwise confer any rights or defenses on any other Person. Neither RemainCo nor SpinCo may assign any of its rights or obligations under this Agreement to another Person without the consent of the other Party to this Agreement, which consent may be withheld for any reason or no reason. Subject to the foregoing, (a) this Agreement and all the terms and provisions hereof shall be binding upon and inure to the benefit of the Parties to this Agreement and their respective successors and permitted assigns, and (b) each Party to this Agreement shall require any Person or Persons that, as a result of any merger, purchase of assets, reorganization or other transaction, acquires or succeeds to all or substantially all of its business or assets to assume its obligations under this Agreement pursuant to a written assumption agreement in form and substance reasonably satisfactory to the other Party.

Section 12.8 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 12.9 Interpretation. The Article and Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the Parties and shall not in any way affect the meaning or interpretation of this Agreement.

Section 12.10 Legal Enforceability. Each Party agrees that it shall not, directly or indirectly, challenge the enforceability of this Agreement on any grounds or under any circumstances. Without limiting the effect of the immediately preceding sentence, if any provision of this Agreement is determined by a Governmental Authority or the arbitrators selected under Section 11.4 to be prohibited or unenforceable in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Each Party acknowledges that money damages would be an inadequate remedy for

any breach of the provisions of this Agreement and agrees that the obligations of the Parties hereunder shall be specifically enforceable.

Section 12.11 Performance Standard. Each of RemainCo and SpinCo agrees to at all times exercise good faith and fair dealing in the performance of its rights and obligations under this Agreement and to cause the members of its respective Group to do likewise.

Section 12.12 Authority. Each Party represents to the other that: (a) it has the corporate or other requisite power and authority to execute, deliver and perform this Agreement; (b) the execution, delivery and performance of this Agreement by it have been duly authorized by all necessary corporate or other actions; (c) it has duly and validly executed and delivered this Agreement; and (d) this Agreement is a legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equity principles.

Section 12.13 Joint Authorship. This Agreement shall be treated as though it were jointly drafted by RemainCo and SpinCo, and any ambiguities shall not be construed for or against any Party on the basis of attributed authorship.

Section 12.14 References; Interpretation.

(a) Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Distribution Agreement. References in this Agreement to any gender include references to all genders, and references to the singular include references to the plural and vice versa. Unless the context otherwise requires, the words "include", "includes", and "including" when used in this Agreement shall be deemed to be followed by the phrase "without limitation". Unless the context otherwise requires, references in this Agreement to Articles, Sections and Schedules shall be deemed references to Articles and Sections of, and Schedules to, this Agreement. Unless the context otherwise requires, the words "hereof", "hereby", and "herein" and words of similar meaning when used in this Agreement refer to this Agreement in its entirety and not to any particular Article, Section or provision of this Agreement.

(b) The Parties agree that this Agreement is intended solely to determine the cash tax obligations of the Parties and does not address the manner or method of tax accounting for any item.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first above written.

HILLENBRAND INDUSTRIES, INC.

By: /s/ Patrick D. de Maynadier
Name: Patrick D. de Maynadier
Title: Senior Vice President, General Counsel and Secretary

BATESVILLE HOLDINGS, INC.

By: /s/ John R. Zerkle
Name: John R. Zerkle
Title: Senior Vice President, General Counsel and Secretary

Schedule 1.1(c)
Adjustments that Form Part of the Adjusted Allocation Method

The modifications that are part of the Adjusted Allocation Method are as follows:

1. Foreign Tax credit under sections 27 and 901 — SpinCo's foreign tax credit shall be determined on a theoretical separate standalone basis; provided, however, any foreign tax credit carry forward allocated to SpinCo in excess of a carry forward from the theoretical separate stand-alone calculation, both determined pursuant to Reg. § 1.1502-79(d)(2), shall reduce the amount of credit utilized on a stand alone basis, but not below zero.

2. Research Credit under Section 41 — the consolidated research credit shall be allocated to the subgroups based on each subgroup's qualified research expenditures.

3. Capital Gains and Losses and Net Capital Loss Carryovers — are attributed to and allocated between SpinCo and RemainCo pursuant to Treas. Reg. 1.1502-22.

4. Domestic Manufacturing Deduction under Section 199 — SpinCo's domestic manufacturing deduction shall be determined using consolidated taxable income with reasonable allocations of expenses to SpinCo and RemainCo income.

5. ETI- SpinCo's ETI shall be determined using consolidated taxable income with reasonable allocations of expenses to SpinCo and RemainCo income.

6. Other Items — any other item calculated on a consolidated basis for purposes of the U.S. federal income tax return shall be subject to similar adjustments with an intent to reflect SpinCo's separate company tax liability with any adjustment being intended to reflect a ratable share of the benefit or detriment of participating in the consolidated federal return.

EXHIBIT 10.5

EMPLOYMENT AGREEMENT

PREAMBLE

This Employment Agreement defines the essential terms and conditions of our employment relationship with you. The subjects covered in this Agreement are vitally important to you and to the Company. Thus, you should read the document carefully and ask any questions before signing the Agreement. Given the importance of these matters to you and the Company, you are required to sign the Agreement as a condition of employment.

This EMPLOYMENT AGREEMENT, dated and effective this 31st day of March, 2008 is entered into by and between Batesville Holdings, Inc. (to be renamed Hillenbrand, Inc.) ("Company") and Cynthia L. Lucchese ("Employee").

WITNESSETH:

WHEREAS, the Company is engaged in the design, manufacture, promotion and sale of funeral and burial-related products and services throughout the United States and North America including, but not limited to, burial caskets, cremation products and other memorial products.

WHEREAS, the Company is willing to employ Employee in an executive or managerial position and Employee desires to be employed by the Company in such capacity based upon the terms and conditions set forth in this Agreement;

WHEREAS, in the course of the employment contemplated under this Agreement**,** and as a continuation of Employee's past employment with the Company, if applicable, it will be necessary for Employee to acquire and maintain knowledge of certain trade secrets and other confidential and proprietary information regarding the Company as well as any of its parent, subsidiary and/or affiliated entities (hereinafter jointly referred to as the "Companies"); and

WHEREAS, the Company and Employee (collectively referred to as the "Parties") acknowledge and agree that the execution of this Agreement is necessary to memorialize the terms and conditions of their employment relationship as well as safeguard against the unauthorized disclosure or use of the Company's confidential information and to otherwise preserve the goodwill and ongoing business value of the Company;

NOW THEREFORE, in consideration of Employee's employment, the Company's willingness to disclose certain confidential and proprietary information to Employee and the mutual covenants contained herein as well as other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. Employment. As of the effective date of this Agreement, the Company agrees to employ Employee and Employee agrees to serve as Senior Vice President and Chief Financial Officer. Employee agrees to perform all duties and responsibilities traditionally assigned to,

or falling within the normal responsibilities of, an individual employed in the above-referenced position. Employee also agrees to perform any and all additional duties or responsibilities as may be assigned by the Company in its sole discretion. The Parties acknowledge that both this title and the underlying duties may change.

2. Best Efforts and Duty of Loyalty. During the term of employment with the Company, Employee covenants and agrees to exercise reasonable efforts to perform all assigned duties in a diligent and professional manner and in the best interest of the Company. Employee agrees to devote her full working time, attention, talents, skills and best efforts to further the Company's business and agrees not to take any action, or make any omission, that deprives the Company of any business opportunities or otherwise act in a manner that conflicts with the best interest of the Company or is otherwise detrimental to its business. Employee agrees not to engage in any outside business activity, whether or not pursued for gain, profit or other pecuniary advantage, without the express written consent of the Company. Employee shall act at all times in accordance with the Company's Code of Ethical Business Conducts, and all other applicable policies which may exist or be adopted by the Company from time to time.

3. At-Will Employment. Subject to the terms and conditions set forth below, Employee specifically acknowledges and accepts such employment on an "at-will" basis and agrees that both Employee and the Company retain the right to terminate this relationship at any time, with or without cause, for any reason not prohibited by applicable law upon notice as required by this Agreement. Employee acknowledges that nothing in this Agreement is intended to create, nor should be interpreted to create, an employment contract for any specified length of time between the Company and Employee.

4. Compensation. For all services rendered by Employee on behalf of, or at the request of, the Company, Employee shall be paid as follows:

   (a) A base salary at the bi-weekly rate of Eleven Thousand, Five Hundred Thirty Eight Dollars and Forty Six Cents ($11,538.46), less usual and ordinary deductions;

   (b) Incentive compensation, payable solely at the discretion of the Company, pursuant to the Company's existing Incentive Compensation Program or any other program as the Company may establish in its sole discretion; and

   (c) Such additional compensation, benefits and perquisites as the Company may deem appropriate.

5. Changes to Compensation. Notwithstanding anything contained herein to the contrary, Employee acknowledges that the Company specifically reserves the right to make changes to Employee's compensation in its sole discretion including, but not limited to, modifying or eliminating a compensation component. The Parties agree that such changes shall be deemed effective immediately and a modification of this Agreement unless, within seven (7) days after receiving notice of such change, Employee exercises her right to terminate this Agreement without cause or for "Good Reason" as provided below in Paragraph No. 11. The Parties anticipate that Employee's compensation structure will be reviewed on an annual basis but acknowledge that the Company shall have no obligation to do so.

6. Direct Deposit. As a condition of employment, and within thirty (30) days of the effective date of this Agreement, Employee agrees to make all necessary arrangements to have all sums paid pursuant to this Agreement direct deposited into one or more bank accounts as designated by Employee.

7. Warranties and Indemnification. Employee warrants that she is not a party to any contract, restrictive covenant, or other agreement purporting to limit or otherwise adversely affecting her ability to secure employment with any third party. Alternatively, should any such agreement exist, Employee warrants that the contemplated services to be performed hereunder will not violate the terms and conditions of any such agreement. In either event, Employee agrees to fully indemnify and hold the Company harmless from any and all claims arising from, or involving the enforcement of, any such restrictive covenants or other agreements.

8. Restricted Duties. Employee agrees not to disclose, or use for the benefit of the Company, any confidential or proprietary information belonging to any predecessor employer(s) that otherwise has not been made public and further acknowledges that the Company has specifically instructed her not to disclose or use such confidential or proprietary information. Based on her understanding of the anticipated duties and responsibilities hereunder, Employee acknowledges that such duties and responsibilities will not compel the disclosure or use of any such confidential and proprietary information.

9. Termination Without Cause. The Parties agree that either party may terminate this employment relationship at any time, without cause, upon sixty (60) days' advance written notice or, if terminated by the Company, pay in lieu of notice (hereinafter referred to as "notice pay"). In such event, Employee shall only be entitled to such compensation, benefits and perquisites that have been paid or fully accrued as of the effective date of his separation and as otherwise explicitly set forth in this Agreement. However, in no event shall Employee be entitled to notice pay if Employee is eligible for and accepts severance payments pursuant to the provisions of Paragraphs 16, 17 and 18 below.

10. Termination With Cause. Employee's employment may be terminated by the Company at any time "for cause" without notice or prior warning. For purposes of this Agreement, "cause" shall mean the Company's good faith determination that Employee has:

    (a) Acted with gross neglect or willful misconduct in the discharge of her duties and responsibilities or refused to follow or comply with the lawful direction of the Company or the terms and conditions of this Agreement, providing such refusal is not based primarily on Employee's good faith compliance with applicable legal or ethical standards;

    (b) Acquiesced or participated in any conduct that is dishonest, fraudulent, illegal (at the felony level), unethical, involves moral turpitude or is otherwise illegal and involves conduct that has the potential, in the Company's reasonable opinion, to cause the Company, its officers or its directors embarrassment or ridicule;

    (c) Violated a material requirement of any Company policy or procedure, specifically including a violation of the Company's Code of Ethics or Associate Policy Manual;

(d) Disclosed without proper authorization any trade secrets or other Confidential Information (as defined herein);

(e) Engaged in any act that, in the reasonable opinion of the Company, is contrary to its best interests or would hold the Company, its officers or directors up to probable civil or criminal liability, provided that, if Employee acts in good faith in compliance with applicable legal or ethical standards, such actions shall not be grounds for termination for cause; or

(f) Engaged in such other conduct recognized at law as constituting cause.

Upon the occurrence or discovery of any event specified above, the Company shall have the right to terminate Employee's employment, effective immediately, by providing notice thereof to Employee without further obligation to her other than accrued wages or other accrued wages, deferred compensation or other accrued benefits of employment (collectively referred to herein as "Accrued Obligations"), which shall be paid in accordance with the Company's past practice and applicable law. To the extent any violation of this Paragraph is capable of being promptly cured by Employee (or cured within a reasonable period to the Company's satisfaction), the Company agrees to provide Employee with a reasonable opportunity to so cure such defect. Absent written mutual agreement otherwise, the Parties agree in advance that it is not possible for Employee to cure any violations of sub-paragraph (b) or (d) and, therefore, no opportunity for cure need be provided in those circumstances.

11. Termination by Employee for Good Reason. Employee may terminate this Agreement and declare this Agreement to have been terminated "without cause" by the Company (and, therefore, for "Good Reason") upon the occurrence, without Employee's consent, of any of the following circumstances:

(a) The failure to elect or reelect Employee as Senior Vice President or other officer of the Company (unless such failure is related in any way to the Company's failure to separate Batesville Casket Company, Inc. from Hill-Rom, Inc. or the Company's decision to terminate Employee for cause);

(b) The failure of the Company to continue to provide Employee with office space, related facilities and support personnel (including, but not limited to, administrative and secretarial assistance) within the Company's principal executive offices commensurate with her responsibilities to, and position within, the Company;

(c) A reduction by the Company in the amount of Employee's base salary or the discontinuation or reduction by the Company of Employee's participation at the same level of eligibility as compared to other peer employees in any incentive compensation, additional compensation, benefits, policies or perquisites subject to Employee understanding that such reduction(s) shall be permissible if the change applies in a similar way to other peer level employees;

(d) The relocation of the Company's principal executive offices or Employee's place of work to a location requiring a change of more than fifty (50) miles in Employee's daily commute; or

(e) A failure by the Company to perform its obligations under this Employment Agreement (other than inadvertent failures that are cured by the Company promptly upon notice from the Employee).

12. Termination Due to Death or Disability. In the event Employee dies or suffers a disability (as defined herein) during the term of employment, this Agreement shall automatically be terminated on the date of such death or disability without further obligation on the part of the Company other than the payment of Accrued Obligations. For purposes of this Agreement, Employee shall be considered to have suffered a "disability" upon a determination that Employee cannot perform the essential functions of her position as a result of a such a disability and the occurrence of one or more of the following events:

(a) Employee becomes eligible for or receives any benefits pursuant to any disability insurance policy as a result of a determination under such policy that Employee is permanently disabled;

(b) Employee becomes eligible for or receives any disability benefits under the Social Security Act; or

(c) A good faith determination by the Company that Employee is and will likely remain unable to perform the essential functions of her duties or responsibilities hereunder on a full-time basis, with or without reasonable accommodation, as a result of any mental or physical impairment.

Notwithstanding anything expressed or implied above to the contrary, the Company agrees to fully comply with its obligations under the Family and Medical Leave Act of 1993 and the Americans with Disabilities Act as well as any other applicable federal, state, or local law, regulation, or ordinance governing the provision of leave to individuals with serious health conditions or the protection of individuals with disabilities as well as the Company's obligation to provide reasonable accommodation thereunder.

13. Exit Interview. Upon termination of Employee's employment for any reason, Employee agrees, if requested, to participate in an exit interview with the Company and reaffirm in writing her post-employment obligations as set forth in this Agreement

14. Section 409A Notification. Employee acknowledges that she has been advised of the American Jobs Creation Act of 2004, which added Section 409A to the Internal Revenue Code ("Section 409A"), and significantly changed the taxation of nonqualified deferred compensation plans and arrangements. Under proposed and final regulations as of the date of this Agreement, Employee has been advised that her severance pay and other termination benefits may be treated by the Internal Revenue Service as providing "nonqualified deferred compensation," and therefore subject to Section 409A. In that event, several provisions in Section 409A may affect Employee's receipt of severance compensation, including the timing thereof. These include, but are not limited to, a provision which requires that distributions to "specified employees" of public companies on account of separation from service may not be made earlier than six (6) months after the effective date of such separation. If applicable, failure to comply with Section 409A can lead to immediate

taxation of such deferrals, with interest calculated at a penalty rate and a 20% penalty. As a result of the requirements imposed by the American Jobs Creation Act of 2004, Employee agrees if she is a "specified employee" at the time of her termination of employment and if payments in connection with such termination of employment are subject to Section 409A and not otherwise exempt, such payments (and other benefits to the extent applicable) due Employee at the time of termination of employment shall not be paid until a date at least six (6) months after the effective date of Employee's termination of employment ("Employee's Effective Termination Date"). Notwithstanding any provision of this Agreement to the contrary, to the extent that any payment under the terms of this Agreement would constitute an impermissible acceleration of payments under Section 409A or any regulations or Treasury guidance promulgated thereunder, such payments shall be made no earlier than at such times allowed under Section 409A. If any provision of this Agreement (or of any award of compensation) would cause Employee to incur any additional tax or interest under Section 409A or any regulations or Treasury guidance promulgated thereunder, the Company or its successor may reform such provision; provided that it will (i) maintain, to the maximum extent practicable, the original intent of the applicable provision without violating the provisions of Section 409A and (ii) notify and consult with Employee regarding such amendments or modifications prior to the effective date of any such change.

15. Section 409A Acknowledgement. Employee acknowledges that, notwithstanding anything contained herein to the contrary, both Parties shall be independently responsible for assessing their own risks and liabilities under Section 409A that may be associated with any payment made under the terms of this Agreement or any other arrangement which may be deemed to trigger Section 409A. Further, the Parties agree that each shall independently bear responsibility for any and all taxes, penalties or other tax obligations as may be imposed upon them in their individual capacity as a matter of law. To the extent applicable, Employee understands and agrees that she shall have the responsibility for, and she agrees to pay, any and all appropriate income tax or other tax obligations for which she is individually responsible and/or related to receipt of any benefits provided in this Agreement. Employee agrees to fully indemnify and hold the Company harmless for any taxes, penalties, interest, cost or attorneys' fee assessed against or incurred by the Company on account of such benefits having been provided to her or based on any alleged failure to withhold taxes or satisfy any claimed obligation. Employee understands and acknowledges that neither the Company, nor any of its employees, attorneys, or other representatives has provided or will provide her with any legal or financial advice concerning taxes or any other matter, and that she has not relied on any such advice in deciding whether to enter into this Agreement.

16. Severance. In the event Employee's employment is terminated by the Company without cause (including by Employee for Good Reason), and subject to the normal terms and conditions imposed by the Company as set forth herein and in the attached Separation and Release Agreement, Employee shall be eligible to receive severance pay based upon her base salary at the time of termination for a period determined in accordance with any guidelines as may be established by the Company or for a period up to twelve (12) months (whichever is longer).

17. Enhanced Severance. In the event the proposed separation of Batesville Casket Company, Inc. from Hill-Rom,, Inc. does not occur by December 31, 2008 and if the parties do not

reach agreement on another position for Employee within Batesville Services, Inc. or its related entities by January 31, 2009, Employee may elect to terminate this Agreement upon sixty (60) days' written notice. In the event Employee elects to terminate this Agreement pursuant to the provisions of this paragraph, Employee shall be eligible to receive severance pay based upon her base salary at the time of termination for period of up to twelve (12) months. Severance pay benefits under this paragraph shall be in lieu of any severance under paragraph 16 and shall be paid as follows: (i) if both the severance pay benefit is subject to Section 409A and if Employee is a "specified employee" under Section 409A, the first six (6) months of severance shall be paid in one lump sum (less applicable deductions and withholdings) on the day following the date which is six (6) months following Employee's Effective Termination Date and the remainder of the benefits, if any, will be paid out in bi-weekly installments equivalent to the Employee's salary commencing on the next regularly scheduled payroll date, or (ii) for any severance pay benefits not subject to clause (i), begin upon the next regularly scheduled payroll following the earlier to occur of fifteen (15) days from the Company's receipt of an executed Separation and Release Agreement or the expiration of sixty (60) days after Employee's Effective Termination Date and shall be paid on the Company's regularly scheduled pay dates; provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then any benefits not subject to clause (i) shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Employee's Effective Termination Date. Excluding any lump sum payment due as a result of the application of Section 409A (which shall be paid regardless of reemployment), all other severance payments provided hereunder shall terminate upon Employee's reemployment

18. Severance Payment Terms and Conditions. No severance pay shall be paid if Employee is terminated for cause or if Employee voluntarily leaves the Company's employ without "Good Reason" (as defined above), or without fulfilling the conditions set out in Paragraph 17, above. Any severance pay made payable under this Agreement shall be paid in lieu of, and not in addition to, any other contractual, notice or statutory pay or other accrued compensation obligation (excluding accrued wages and deferred compensation). Additionally, such severance pay is contingent upon Employee fully complying with the restrictive covenants contained herein and executing a Separation and Release Agreement in a form not substantially different from that attached as Exhibit A. Further, the Company's obligation to provide severance hereunder shall be deemed null and void should Employee fail or refuse to execute and deliver to the Company the Company's then-standard Separation and Release Agreement (without modification) within any time period as may be prescribed by law or, in absence thereof, twenty-one (21) days after the Employee's Effective Termination Date. Conditioned upon the execution and delivery of the Separation and Release Agreement as set forth in the prior sentence, Severance pay benefits shall be paid as follows: (i) in one lump sum equivalent to six (6) months' salary on the day following the date which is six (6) months following Employee's Effective Termination Date with any remainder to be paid in bi-weekly installments equivalent to the Employee's salary commencing on the next regularly scheduled payroll date, if both the severance pay benefit is subject to Section 409A and if Employee is a "specified employee" under Section 409A or (ii) for any severance pay benefits not subject to clause (i), begin upon the next regularly scheduled payroll following the earlier to occur of fifteen (15) days from the Company's

receipt of an executed Separation and Release Agreement or the expiration of sixty (60) days after Employee's Effective Termination Date and shall be paid on the Company's regularly scheduled pay dates; provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then any benefits not subject to clause (i) shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Employee's Effective Termination Date. Excluding any lump sum payment due as a result of the application of Section 409A (which shall be paid regardless of reemployment), all other severance payments provided hereunder shall terminate upon reemployment.

19. Assignment of Rights.

(a) Copyrights. Employee agrees that all works of authorship fixed in any tangible medium of expression by her during the term of this Agreement relating to the Company's business ("Works"), either solely or jointly with others, shall be and remain exclusively the property of the Company. Each such Work created by Employee is a "work made for hire" under the copyright law and the Company may file applications to register copyright in such Works as author and copyright owner thereof. If, for any reason, a Work created by Employee is excluded from the definition of a "work made for hire" under the copyright law, then Employee does hereby assign, sell, and convey to the Company the entire rights, title, and interests in and to such Work, including the copyright therein, to the Company. Employee will execute any documents that the Company deems necessary in connection with the assignment of such Work and copyright therein. Employee will take whatever steps and do whatever acts the Company requests, including, but not limited to, placement of the Company's proper copyright notice on Works created by Employee to secure or aid in securing copyright protection in such Works and will assist the Company or its nominees in filing applications to register claims of copyright in such Works. The Company shall have free and unlimited access at all times to all Works and all copies thereof and shall have the right to claim and take possession on demand of such Works and copies.

(b) Inventions. Employee agrees that all discoveries, concepts, and ideas, whether patentable or not, including, but not limited to, apparatus, processes, methods, compositions of matter, techniques, and formulae, as well as improvements thereof or know-how related thereto, relating to any present or prospective product, process, or service of the Company ("Inventions") that Employee conceives or makes during the term of this Agreement relating to the Company's business, shall become and remain the exclusive property of the Company, whether patentable or not, and Employee will, without royalty or any other consideration:

(i) Inform the Company promptly and fully of such Inventions by written reports, setting forth in detail the procedures employed and the results achieved;

(ii) Assign to the Company all of her rights, title, and interests in and to such Inventions, any applications for United States and foreign Letters Patent, any United States and foreign Letters Patent, and any renewals thereof granted upon such Inventions;

(iii) Assist the Company or its nominees, at the expense of the Company, to obtain such United States and foreign Letters Patent for such Inventions as the Company may elect; and

(iv) Execute, acknowledge, and deliver to the Company at the Company's expense such written documents and instruments, and do such other acts, such as giving testimony in support of her inventorship, as may be necessary in the opinion of the Company, to obtain and maintain United States and foreign Letters Patent upon such Inventions and to vest the entire rights and title thereto in the Company and to confirm the complete ownership by the Company of such Inventions, patent applications, and patents.

20. Company Property. All records, files, drawings, documents, data in whatever form, business equipment (including computers, PDAs, cell phones, etc.), and the like relating to, or provided by, the Company shall be and remain the sole property of the Company. Upon termination of employment, Employee shall immediately return to the Company all such items without retention of any copies and without additional request by the Company. De minimis items such as pay stubs, 401(k) plan summaries, employee bulletins, and the like are excluded from this requirement.

21. Confidential Information. Employee acknowledges that the Company and its affiliated entities (herein collectively referred to as "Companies") possess certain trade secrets as well as other confidential and proprietary information which they have acquired or will acquire at great effort and expense. Such information may include, without limitation, confidential information, whether in tangible or intangible form, regarding the Companies' products and services, marketing strategies, business plans, operations, costs, current or prospective customer information (including customer identities, contacts, requirements, creditworthiness, preferences, and like matters), product concepts, designs, prototypes or specifications, research and development efforts, technical data and know-how, sales information, including pricing and other terms and conditions of sale, financial information, internal procedures, techniques, forecasts, methods, trade information, trade secrets, software programs, project requirements, inventions, trademarks, trade names, and similar information regarding the Companies' business(es) (collectively referred to herein as "Confidential Information"). Employee further acknowledges that, as a result of her employment with the Company, Employee will have access to, will become acquainted with, and/or may help develop, such Confidential Information. Confidential Information shall not include information readily available in the public so long as such information was not made available through fault of Employee or wrong doing by any other individual.

22. Restricted Use of Confidential Information. Employee agrees that all Confidential Information is and shall remain the sole and exclusive property of the Company and/or its affiliated entities. Except as may be expressly authorized by the Company in writing, Employee agrees not to disclose, or cause any other person or entity to disclose, any Confidential Information to any third party while employed by the Company and for as long thereafter as such information remains confidential (or as limited by applicable law). Further, Employee agrees to use such Confidential Information only in the course of Employee's duties in furtherance of the Company's business and agrees not to make use of

any such Confidential Information for Employee's own purposes or for the benefit of any other entity or person.

23. Acknowledged Need for Limited Restrictive Covenants. Employee acknowledges that the Companies have spent and will continue to expend substantial amounts of time, money and effort to develop their business strategies, Confidential Information, customer identities and relationships, goodwill and employee relationships, and that Employee will benefit from these efforts. Further, Employee acknowledges the inevitable use of, or near-certain influence by her knowledge of, the Confidential Information disclosed to Employee during the course of employment if allowed to compete against the Company in an unrestricted manner and that such use would be unfair and extremely detrimental to the Company. Accordingly, based on these legitimate business reasons, Employee acknowledges each of the Companies' need to protect their legitimate business interests by reasonably restricting Employee's ability to compete with the Company on a limited basis.

24. Non-Solicitation. During Employee's employment and for a period of twenty-four (24) months thereafter, Employee agrees not to directly or indirectly engage in the following prohibited conduct:

    (a) Solicit, offer products or services to, or accept orders for, any Competitive Products or otherwise transact any competitive business with, any customer or entity with whom Employee had contact or transacted any business on behalf of the Company (or any Affiliate thereof) during the eighteen (18) month period preceding Employee's date of separation or about whom Employee possessed, or had access to, confidential and proprietary information;

    (b) Attempt to entice or otherwise cause any third party to withdraw, curtail or cease doing business with the Company (or any Affiliate thereof), specifically including customers, vendors, independent contractors and other third party entities;

    (c) Disclose to any person or entity the identities, contacts or preferences of any customers of the Company (or any Affiliate thereof), or the identity of any other persons or entities having business dealings with the Company (or any Affiliate thereof);

    (d) Induce any individual who has been employed by or had provided services to the Company (or any Affiliate thereof) within the six (6) month period immediately preceding the effective date of Employee's separation to terminate such relationship with the Company (or any Affiliate thereof);

    (e) Assist, coordinate or otherwise offer employment to, accept employment inquiries from, or employ any individual who is or had been employed by the Company (or any Affiliate thereof) at any time within the six (6) month period immediately preceding such offer, or inquiry;

    (f) Communicate or indicate in any way to any customer of the Company (or any Affiliate thereof), prior to formal separation from the Company, any interest, desire, plan, or decision to separate from the Company; or

(g) Otherwise attempt to directly or indirectly interfere with the Company's business, the business of any of the Companies or their relationship with their employees, consultants, independent contractors or customers.

25. Limited Non-Compete. For the above-stated reasons, and as a condition of employment to the fullest extent permitted by law, Employee agrees during the Relevant Non-Compete Period not to directly or indirectly engage in the following competitive activities:

(a) Employee shall not have any ownership interest in, work for, advise, consult, or have any business connection or business or employment relationship in any competitive capacity with any Competitor unless Employee provides written notice to the Company of such relationship prior to entering into such relationship and, further, provides sufficient written assurances to the Company's satisfaction that such relationship will not, jeopardize the Company's legitimate interests or otherwise violate the terms of this Agreement;

(b) Employee shall not engage in any research, development, production, sale or distribution of any Competitive Products, specifically including any products or services relating to those for which Employee had responsibility for the eighteen (18) month period preceding Employee's date of separation;

(c) Employee shall not market, sell, or otherwise offer or provide any Competitive Products within her Geographic Territory (if applicable) or Assigned Customer Base, specifically including any products or services relating to those for which Employee had responsibility for the eighteen (18) month period preceding Employee's date of separation; and

(d) Employee shall not distribute, market, sell or otherwise offer or provide any Competitive Products to any customer of the Company with whom Employee had contact or for which Employee had responsibility at any time during the eighteen (18) month period preceding Employee's date of separation

26. Non-Compete Definitions. For purposes of this Agreement, the Parties agree that the following terms shall apply:

(a) "Affiliate" includes any parent, subsidiary, joint venture, sister company, or other entity controlled, owned, managed or otherwise associated with the Company;

(b) "Assigned Customer Base" shall include all accounts or customers formally assigned to Employee within a given territory or geographical area or contacted by her at any time during the eighteen (18) month period preceding Employee's date of separation;

(c) "Competitive Products" shall include any product or service that directly or indirectly competes with, is substantially similar to, or serves as a reasonable substitute for, any product or service in research, development or design, or manufactured, produced, sold or distributed by the Company;

(d) "Competitor" shall include any person or entity that offers or is actively planning to offer any Competitive Products and may include (but not be limited to) any entity identified on the Company's Illustrative Competitor List, attached hereto as Exhibit B, which shall be amended from time to time to reflect changes in the Company's business and competitive environment (updated competitor lists will be provided to Employee upon reasonable request);

(e) "Geographic Territory" shall include any territory formally assigned to Employee as well as all territories in which Employee has provided any services, sold any products or otherwise had responsibility at any time during the twenty-four (24) month period preceding Employee's date of separation;

(f) "Relevant Non-Compete Period" shall include the period of Employee's employment with the Company as well as a period of twenty-four (24) months after such employment is terminated, regardless of the reason for such termination provided, however, that this period shall be reduced to the greater of (i) twelve (12) months or (ii) the total length of Employee's employment with the Company, including employment with any parent, subsidiary or affiliated entity, if such employment is less than twenty-four (24) months;

(g) "Directly or indirectly" shall be construed such that the foregoing restrictions shall apply equally to Employee whether performed individually or as a partner, shareholder, officer, director, manager, employee, salesperson, independent contractor, broker, agent, or consultant for any other individual, partnership, firm, corporation, company, or other entity engaged in such conduct

27. Employment by National or Regional Accounts. Employee acknowledges that she will have acquired and/or have access to confidential and proprietary information regarding the Company's business dealings with, and business strategies concerning, its national or regional accounts (a/k/a Key Accounts, Prime Accounts, and National Accounts). Employee further acknowledges that such knowledge would provide her with a competitive advantage if used against the Company or used against a competitor of a national or regional account. Accordingly, as a term and condition of employment, Employee agrees that the foregoing restrictive covenants shall apply with equal force to restrict her from seeking any employment or any other business relationship with such national or regional account, whether or not serviced by Employee, for the duration of her Relevant Non-Compete Period. Employee agrees that such accounts shall include, but not be limited to, the following:

- Arbor Memorial Services
- Brooke Funeral Services Co., LLC (Brooke Franchise Corp.)
- Buckner Management Services
- Calvert Group
- Carriage Funeral Holdings, Inc.
- Celebris Memorial Services, Inc. (Urel Bourgie)
- Citadel Funeral Service, Inc. (Wisconsin Vault Company)
- Concord Family Services, Inc.

- Family Choices
- Keystone Group Holdings, Inc.
- Memory Gardens Management Corporation
- Northstar Memorial Group
- Pioneer Enterprises, Inc.
- Security National Financial Corporation
- Stewart Enterprises, Inc.
- Vertin Companies Family Funeral Homes
- Wilson Financial Group, Inc.
- Gibralter Mausoleum Company (A division of Matthews International)
- Legacy Funeral Group (Legacy Funeral Holdings, Inc.; Legacy Funeral Holdings of Louisiana, LLC; Legacy Funeral Holdings of Mississippi, LLC; Legacy Funeral Properties, Inc.)
- Newcomer Funeral Homes and Crematories
- Paxus Services, Inc.(Paxus Services (Kansas), Inc.; Paxus Services (Tennessee), Inc.; Paxus Services (Lousiana), Inc.; Paxus Services (Texas), Inc.; Paxus Services (Oklahoma), Inc.)
- Rollings Funeral Service, Inc.
- Service Corporation International
- StoneMor Partners, L.P.
- Washburn-McReavy Funeral Chapels

28. Consent to Reasonableness. In light of the above-referenced concerns, including Employee's knowledge of and access to the Companies' Confidential Information, Employee acknowledges that the terms of the foregoing restrictive covenants are reasonable and necessary to protect the Company's legitimate business interests and will not unreasonably interfere with Employee's ability to obtain alternate employment. As such, Employee hereby agrees that such restrictions are valid and enforceable, and affirmatively waives any argument or defense to the contrary. Employee acknowledges that this limited non-competition provision is not an attempt to prevent Employee from obtaining other employment in violation of IC § 22-5-3-1 or any other similar statute. Employee further acknowledges that the Company may need to take action, including litigation, to enforce this limited non-competition provision, which efforts the Parties stipulate shall not be deemed an attempt to prevent Employee from obtaining other employment.

29. Survival of Restrictive Covenants. Employee acknowledges that the above restrictive covenants shall survive the termination of this Agreement and the termination of Employee's employment for any reason. Employee further acknowledges that any alleged breach by the Company of any contractual, statutory or other obligation shall not excuse or terminate the obligations hereunder or otherwise preclude the Company from seeking injunctive or other

relief. Rather, Employee acknowledges that such obligations are independent and separate covenants undertaken by Employee for the benefit of the Company.

30. Effect of Transfer. Subject to the provisions of Paragraph 11 above, Employee agrees that this Agreement shall continue in full force and effect notwithstanding any change in job duties, job titles or reporting responsibilities. Employee further acknowledges that the above restrictive covenants shall survive, and be extended to cover, the transfer of Employee from the Company to its parent, subsidiary, sister corporation or any other affiliated entity (hereinafter collectively referred to as an "Affiliate") or any subsequent transfer(s) among them. Specifically, in the event of Employee's temporary or permanent transfer to an Affiliate, she agrees that the foregoing restrictive covenants shall remain in force so as to continue to protect such company for the duration of the non-compete period, measured from her effective date of transfer to an Affiliate. Additionally, Employee acknowledges that this Agreement shall be deemed to have been automatically assigned to the Affiliate as of her effective date of transfer such that the above-referenced restrictive covenants (as well as all other terms and conditions contained herein) shall be construed thereafter to protect the legitimate business interests and goodwill of the Affiliate as if Employee and the Affiliate had independently entered into this Agreement. Employee's acceptance of her transfer to, and subsequent employment by, the Affiliate shall serve as consideration for (as well as be deemed as evidence of her consent to) the assignment of this Agreement to the Affiliate as well as the extension of such restrictive covenants to the Affiliate. Employee agrees that this provision shall apply with equal force to any subsequent transfers of Employee from one Affiliate to another Affiliate.

31. Post-Termination Notification. For the duration of her Relevant Non-compete Period or other restrictive covenant period, which ever is longer, Employee agrees to promptly notify the Company no later than five (5) business days of her acceptance of any employment or consulting engagement. Such notice shall include sufficient information to ensure Employee compliance with her non-compete obligations and must include at a minimum the following information: (i) the name of the employer or entity for which she is providing any consulting services; (ii) a description of her intended duties as well as (iii) the anticipated start date. Such information is required to ensure Employee's compliance with her non-compete obligations as well as all other applicable restrictive covenants. Such notice shall be provided in writing to the Office of Vice President and General Counsel of the Company at One Batesville Boulevard, Batesville, Indiana 47006. Failure to timely provide such notice shall be deemed a material breach of this Agreement and entitle the Company to return of any severance paid to Employee plus attorneys' fees. Employee further consents to the Company's notification to any new employer of Employee's rights and obligations under this Agreement.

32. Scope of Restrictions. If the scope of any restriction contained in any preceding paragraphs of this Agreement is deemed too broad to permit enforcement of such restriction to its fullest extent, then such restriction shall be enforced to the maximum extent permitted by law, and Employee hereby consents and agrees that such scope may be judicially modified accordingly in any proceeding brought to enforce such restriction.

33. Specific Enforcement/Injunctive Relief. Employee agrees that it would be difficult to measure any damages to the Company from a breach of the above-referenced restrictive covenants, but acknowledges that the potential for such damages would be great, incalculable and irremediable, and that monetary damages alone would be an inadequate remedy. Accordingly, Employee agrees that the Company shall be entitled to immediate injunctive relief against such breach, or threatened breach, in any court having jurisdiction. In addition, if Employee violates any such restrictive covenant, Employee agrees that the period of such violation shall be added to the term of the restriction. In determining the period of any violation, the Parties stipulate that in any calendar month in which Employee engages in any activity in violation of such provisions, Employee shall be deemed to have violated such provision for the entire month, and that month shall be added to the duration of the non-competition provision. Employee acknowledges that the remedies described above shall not be the exclusive remedies, and the Company may seek any other remedy available to it either in law or in equity, including, by way of example only, statutory remedies for misappropriation of trade secrets, and including the recovery of compensatory or punitive damages. Employee further agrees that the Company shall be entitled to an award of all costs and attorneys' fees incurred by it in any attempt to enforce the terms of this Agreement.

34. Publicly Traded Stock. The Parties agree that nothing contained in this Agreement shall be construed to prohibit Employee from investing her personal assets in any stock or corporate security traded or quoted on a national securities exchange or national market system provided, however, such investments do not require any services on the part of Employee in the operation or the affairs of the business or otherwise violate the Company's Code of Ethics.

35. Notice of Claim and Contractual Limitations Period. Employee acknowledges the Company's need for prompt notice, investigation, and resolution of any claims that may be filed against it due to the number of relationships it has with employees and others (and due to the turnover among such individuals with knowledge relevant to any underlying claim). Accordingly, Employee agrees prior to initiating any litigation of any type (including, but not limited to, employment discrimination litigation, wage litigation, defamation, or any other claim) to notify the Company, within One Hundred and Eighty (180) days after the claim accrued, by sending a certified letter addressed to the Company's General Counsel setting forth: (i) claimant's name, address, and phone; (ii) the name of any attorney representing Employee; (iii) the nature of the claim; (iv) the date the claim arose; and (v) the relief requested. This provision is in addition to any other notice and exhaustion requirements that might apply. For any dispute or claim of any type against the Company (including but not limited to employment discrimination litigation, wage litigation, defamation, or any other claim), Employee must commence legal action within the shorter of one (1) year of accrual of the cause of action or such shorter period that may be specified by law.

36. Non-Jury Trials. Notwithstanding any right to a jury trial for any claims, Employee waives any such right to a jury trial, and agrees that any claim of any type (including but not limited to employment discrimination litigation, wage litigation, defamation, or any other claim) lodged in any court will be tried, if at all, without a jury.

37. Choice of Forum. Employee acknowledges that the Company is primarily based in Indiana, and Employee understands and acknowledges the Company's desire and need to defend any litigation against it in Indiana. Accordingly, the Parties agree that any claim of any type brought by Employee against the Company or any of its employees or agents must be maintained only in a court sitting in Marion County, Indiana, or Ripley County, Indiana, or, if a federal court, the Southern District of Indiana, Indianapolis Division. Employee further understands and acknowledges that in the event the Company initiates litigation against Employee, the Company may need to prosecute such litigation in such state where the Employee is subject to personal jurisdiction. Accordingly, for purposes of enforcement of this Agreement, Employee specifically consents to personal jurisdiction in the State of Indiana as well as any state in which resides a customer assigned to the Employee. Furthermore, Employee consents to appear, upon Company's request and at Employee's own cost, for deposition, hearing, trial, or other court proceeding in Indiana or in any state in which resides a customer assigned to the Employee.

38. Choice of Law. This Agreement shall be deemed to have been made within the County of Ripley, State of Indiana and shall be interpreted and construed in accordance with the laws of the State of Indiana. Any and all matters of dispute of any nature whatsoever arising out of, or in any way connected with the interpretation of this Agreement, any disputes arising out of the Agreement or the employment relationship between the Parties hereto, shall be governed by, construed by and enforced in accordance with the laws of the State of Indiana without regard to any applicable state's choice of law provisions.

39. Titles. Titles are used for the purpose of convenience in this Agreement and shall be ignored in any construction of it.

40. Severability. The Parties agree that each and every paragraph, sentence, clause, term and provision of this Agreement is severable and that, in the event any portion of this Agreement is adjudged to be invalid or unenforceable, the remaining portions thereof shall remain in effect and be enforced to the fullest extent permitted by law. Further, should any particular clause, covenant, or provision of this Agreement be held unreasonable or contrary to public policy for any reason, the Parties acknowledge and agree that such covenant, provision or clause shall automatically be deemed modified such that the contested covenant, provision or clause will have the closest effect permitted by applicable law to the original form and shall be given effect and enforced as so modified to whatever extent would be reasonable and enforceable under applicable law.

41. Assignment-Notices. The rights and obligations of the Company under this Agreement shall inure to its benefit, as well as the benefit of its parent, subsidiary, successor and affiliated entities, and shall be binding upon the successors and assigns of the Company. This Agreement, being personal to Employee, cannot be assigned by Employee, but her personal representative shall be bound by all its terms and conditions. Any notice required hereunder shall be sufficient if in writing and mailed to the last known residence of Employee or to the Company at its principal office with a copy mailed to the Office of the General Counsel.

42. Amendments and Modifications. Except as specifically provided herein, no modification, amendment, extension or waiver of this Agreement or any provision hereof shall be binding

upon the Company or Employee unless in writing and signed by both Parties. The waiver by the Company or Employee of a breach of any provision of this Agreement shall not be construed as a waiver of any subsequent breach. Nothing in this Agreement shall be construed as a limitation upon the Company's right to modify or amend any of its manuals or policies in its sole discretion and any such modification or amendment which pertains to matters addressed herein shall be deemed to be incorporated herein and made a part of this Agreement.

43. Outside Representations. Employee represents and acknowledges that in signing this Agreement she does not rely, and has not relied, upon any representation or statement made by the Company or by any of the Company's employees, officers, agents, stockholders, directors or attorneys with regard to the subject matter, basis or effect of this Agreement other than those specifically contained herein.

44. Voluntary and Knowing Execution. Employee acknowledges that she has been offered a reasonable amount of time within which to consider and review this Agreement; that she has carefully read and fully understands all of the provisions of this Agreement; and that she has entered into this Agreement knowingly and voluntarily.

45. Entire Agreement. This Agreement constitutes the entire employment agreement between the Parties hereto concerning the subject matter hereof and shall supersede all prior and contemporaneous agreements between the Parties in connection with the subject matter of this Agreement. Any pre-existing Employment Agreements shall be deemed null and void. Nothing in this Agreement, however, shall affect any separately-executed written agreement addressing any other issues (e. g., the Inventions, Improvements, Copyrights and Trade Secrets Agreement, etc.).

IN WITNESS WHEREOF, the Parties have signed this Agreement effective as of the day and year first above written.

"EMPLOYEE"	BATESVILLE HOLDINGS, INC. (to be renamed Hillenbrand, Inc.)
Signed: _____	By: _____
Printed: _____	Title: _____
Dated: _____	Dated: _____

CAUTION: READ BEFORE SIGNING

Exhibit A

SAMPLE SEPARATION AND RELEASE AGREEMENT

THIS SEPARATION and RELEASE AGREEMENT ("Agreement") is entered into by and between EMPLOYEE'S FULL NAME("Employee") and Company Name (together with its subsidiaries and affiliates, the "Company"). To wit, the Parties agree as follows:

1. Employee's active employment by the Company shall terminate effective [date of termination](Employee's "Effective Termination Date"). Except as specifically provided by this Agreement, or in any other non-employment agreement that may exist between the Company and Employee, Employee agrees that the Company shall have no other obligations or liabilities to her following her Effective Termination Date and that her receipt of the Severance Benefits provided herein shall constitute a complete settlement, satisfaction and waiver of any and all claims she may have against the Company.

2. Employee further submits, and the Company hereby accepts, her resignation as an employee, officer and director, as of her Effective Termination Date for any position she may hold. The Parties agree that this resignation shall apply to all such positions Employee may hold with the Company or any parent, subsidiary or affiliated entity thereof. Employee agrees to execute any documents needed to effectuate such resignation. Employee further agrees to take whatever steps are necessary to facilitate and ensure the smooth transition of her duties and responsibilities to others.

3. Employee acknowledges that she has been advised of the American Jobs Creation Act of 2004, which added Section 409A ("Section 409A") to the Internal Revenue Code, and significantly changed the taxation of nonqualified deferred compensation plans and arrangements. Under proposed and final regulations as of the date of this Agreement, Employee has been advised that her severance pay may be treated by the Internal Revenue Service as providing "nonqualified deferred compensation," and therefore subject to Section 409A. In that event, several provisions in Section 409A may affect Employee's receipt of severance compensation. These include, but are not limited to, a provision which requires that distributions to "specified employees" of public companies on account of separation from service may not be made earlier than six (6) months after the effective date of such separation. If applicable, failure to comply with Section 409A can lead to immediate taxation of deferrals, with interest calculated at a penalty rate and a 20% penalty. As a result of the requirements imposed by the American Jobs Creation Act of 2004, Employee agrees if she is a "specified employee" at the time of her termination of employment and if severance payments are covered as "non-qualified deferred compensation" or otherwise not exempt, the severance pay benefits shall not be paid until a date at least six (6) months after Employee's Effective Termination Date from Company, as more fully explained by Paragraph 4, below.

4. In consideration of the promises contained in this Agreement and contingent upon Employee's compliance with such promises, the Company agrees to provide Employee the following:

(a) Severance pay, in lieu of, and not in addition to any other contractual, notice or statutory pay obligations (other than accrued wages and deferred compensation) in the maximum total amount of [_____] Dollars and **[**_____**]** Cents ($_____), less applicable deductions or other set offs, payable as follows:

[*For 409A Severance Pay for Specified Employees Only*]

(i) A lump payment in the gross amount of [insert amount equal to 6 months pay] [_____] Dollars and [_____] Cents **($**_____) payable the day following the sixth (6th) month anniversary of Employee's Effective Termination Date, with any remaining amount to be paid in bi-weekly installments equivalent to Employee's base salary (i.e. _____ Dollars and _____Cents ($_____), less applicable deductions or other setoffs) commencing upon the next regularly scheduled payroll date after the payment of the lump sum for a period of up to _____ (___) weeks or until the Employee becomes reemployed, whichever comes first.

[*For Non- 409A Severance Pay or 409A Severance Pay for Non-Specified Employees Only*]

(i) Commencing on the next regularly scheduled payroll immediately following the earlier to occur of fifteen (15) days from the Company's receipt of and Executed Separation and Release Agreement or the expiration of sixty (60) days after Employee's Effective Termination Date, Employee shall be paid severance equivalent to his bi-weekly base salary (i.e. **[**_____**]** Dollars and **[**_____**]** Cents ($**[**_____**]**), less applicable deductions or other set-offs), for a period up to [weeks] (**[**___**]**) weeks following Employee's Effective Termination Date or until Employee becomes reemployed, whichever occurs first; provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then this severance pay shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Employee's Effective Termination Date.

(b) Payment for any earned but unused vacation as of Employee's Effective Termination Date, less applicable deductions permitted or required by law payable in one lump sum within fifteen (15) days after the Employee's Effective Termination Date; and

(c) Group Life Insurance coverage until the above-referenced Severance Pay terminates.

5. Except as may be required by Section 409A, the above Severance Pay shall be paid in accordance with the Company's standard payroll practices (e.g. bi-weekly). The Parties agree that the initial two (2) weeks of the foregoing Severance Pay shall be allocated as consideration provided to Employee in exchange for her execution of a release in compliance with the Older Workers Benefit Protection Act. The balance of the severance benefits and other obligations undertaken by the Company pursuant to this Agreement shall be allocated as consideration for all other promises and obligations undertaken by Employee, including execution of a general release of claims.

6. The Company further agrees to provide Employee with limited out-placement counseling with a company of its choice provided that Employee participates in such counseling immediately following termination of employment. Notwithstanding anything in this Section 6 to the contrary, the out-placement counseling shall not be provided after the last day of the second calendar year following the calendar year in which termination of employment occurs.

7. As of her Effective Termination Date, Employee will become ineligible to participate in the Company's health insurance program and continuation of coverage requirements under COBRA (if any) will be triggered at that time. However, as additional consideration for the promises and obligations contained herein (and except as may be prohibited by law), the Company agrees to continue to pay the employer's share of such coverage as provided under the health care program selected by Employee as of her Effective Termination Date, subject to any approved changes in coverage based on a qualified election, until the above-referenced Severance Pay terminates, Employee accepts other employment or Employee becomes eligible for alternative healthcare coverage, which ever comes first, provided Employee (i) timely completes the applicable election of coverage forms and (ii) continues to pay the employee portion of the applicable premium(s). Thereafter, if applicable, coverage will be made available to Employee at her sole expense (i.e., Employee will be responsible for the full COBRA premium) for the remaining months of the COBRA coverage period made available pursuant to applicable law. In the event Employee is deemed to be a highly compensated employee under applicable law, Employee acknowledges that the value of the benefits provided hereunder may be subject to taxation. The medical insurance provided herein does not include any disability coverage.

8. Should Employee become employed before the above-referenced Severance Benefits are exhausted or terminated, Employee agrees to so notify the Company in writing within five (5) business days of Employee's acceptance of such employment, providing the name of such employer (or entity to whom Employee may be providing consulting services), her intended duties as well as the anticipated start date. Such information is required to ensure Employee's compliance with her non-compete obligations as well as all other applicable restrictive covenants. This notice will also serve to trigger the Company's right to terminate the above-referenced severance pay benefits (specifically excluding any lump sum payment due as a result of the application of Section 409A) as well as all Company-paid or Company—provided benefits consistent with the above paragraphs. Failure to timely provide such notice shall be deemed a material breach of this Agreement entitling the Company to recover as damages the value of all benefits provided to Employee hereunder plus attorneys fees.

9. Employee agrees to fully indemnify and hold the Company harmless for any taxes, penalties, interest, cost or attorneys' fee assessed against or incurred by the Company on account of such benefits having been provided to her or based on any alleged failure to withhold taxes or satisfy any claimed obligation. Employee understands and acknowledges that neither the Company, nor any of its employees, attorneys, or other representatives has provided her with any legal or financial advice concerning taxes or any other matter, and that she has not relied on any such advice in deciding whether to enter into this Agreement. To the extent applicable, Employee understands and agrees that she shall have the responsibility for, and she agrees to pay, any and all appropriate income tax or other tax obligations for which she is

individually responsible and/or related to receipt of any benefits provided in this Agreement not subject to federal withholding obligations

10. In exchange for the foregoing Severance Benefits, EMPLOYEE FULL NAME on behalf of himself/herself, her heirs, representatives, agents and assigns hereby RELEASES, INDEMNIFIES, HOLDS HARMLESS, and FOREVER DISCHARGES (i) Company Name (ii) its parent, subsidiary or affiliated entities, (iii) all of their present or former directors, officers, employees, shareholders, and agents, as well as, (iv) all predecessors, successors and assigns thereof from any and all actions, charges, claims, demands, damages or liabilities of any kind or character whatsoever, known or unknown, which Employee now has or may have had through the effective date of this Agreement.

11. Without limiting the generality of the foregoing release, it shall include: (i) all claims or potential claims arising under any federal, state or local laws relating to the Parties' employment relationship, including any claims Employee may have under the Civil Rights Acts of 1866 and 1964, as amended, 42 U.S.C. §§ 1981 and 2000(e) et seq.; the Civil Rights Act of 1991; the Age Discrimination in Employment Act, as amended, 29 U.S.C. §§ 621et seq.; the Americans with Disabilities Act of 1990, as amended, 42 U.S.C §§ 12,101 et seq.; the Fair Labor Standards Act 29 U.S.C. §§ 201 et seq.; the Worker Adjustment and Retraining Notification Act, 29 U.S.C. §§ 2101, et seq.; the Employee Retirement Income Security Act, 29 U.S.C. §§ 1101et seq.; the Sarbanes-Oxley Act of 2002, specifically including the Corporate and Criminal Fraud Accountability Act, 18 USC §1514A et seq.; and any other federal, state or local law governing the Parties' employment relationship; (ii) any claims on account of, arising out of or in any way connected with Employee's employment with the Company or leaving of that employment; (iii) any claims alleged or which could have been alleged in any charge or complaint against the Company; (iv) any claims relating to the conduct of any employee, officer, director, agent or other representative of the Company; (v) any claims of discrimination, harassment or retaliation on any basis; (vi) any claims arising from any legal restrictions on an employer's right to separate its employees; (vii) any claims for personal injury, compensatory or punitive damages or other forms of relief; and (viii) all other causes of action sounding in contract, tort or other common law basis, including (a) the breach of any alleged oral or written contract, (b) negligent or intentional misrepresentations, (c) wrongful discharge, (d) just cause dismissal, (e) defamation, (f) interference with contract or business relationship or (g) negligent or intentional infliction of emotional distress.

12. Employee further agrees and covenants not to sue the Company or any entity or individual subject to the foregoing General Release with respect to any claims, demands, liabilities or obligations release by this Agreement provided, however, that nothing contained in this Agreement shall:

    (a) prevent Employee from filing an administrative charge with the Equal Employment Opportunity Commission or any other federal, state or local agency; or

    (b) prevent Employee from challenging, under the Older Worker's Benefit Protection Act (29 U.S.C. § 626, the knowing and voluntary nature of her release of any age claims in this

Agreement in court of before the Equal Employment Opportunity Commission. **[INCLUDE THIS SUBPARAGRAPH (b) IF EMPLOYEE IS AGE 40 OR OLDER]**

13. Notwithstanding her right to file an administrative charge with the EEOC or any other federal, state, or local agency, Employee agrees that with her release of claims in this Agreement, she has waived any right she may have to recover monetary or other personal relief in any proceeding based in whole or in part on claims released by her in this Agreement. For example, Employee waives any right to monetary damages or reinstatement if an administrative charge is brought against the Company whether by Employee, the EEOC, or any other person or entity, including but not limited to any federal, state, or local agency. Further, with her release of claims in this Agreement, Employee specifically assigns to the Company her right to any recovery arising from any such proceeding.

14. **(ADD THIS LANGUAGE IF THE EMPLOYEE IS AGE 40 OR OLDER) The Parties acknowledge that it is their mutual and specific intent that the above waiver fully complies with the requirements of the Older Workers Benefit Protection Act (29 U.S.C. § 626) and any similar law governing release of claims. Accordingly, Employee hereby acknowledges that:**

    (a) She has carefully read and fully understands all of the provisions of this Agreement and that she has entered into this Agreement knowingly and voluntarily;

    (b) The Severance Benefits offered in exchange for Employee's release of claims exceed in kind and scope that to which she would have otherwise been legally entitled absent the execution of this Agreement;

    (c) Prior to signing this Agreement, Employee had been advised, and is being advised by this Agreement, to consult with an attorney of her choice concerning its terms and conditions; and

    (d) She has been offered at least [twenty-one (21)/forty-five (45)] [SELECT 21 FOR AN INDIVIDUAL TERMINATION AND 45 FOR A GROUP TERMINATION] days within which to review and consider this Agreement.

15. **(ADD THIS LANGUAGE IF EMPLOYEE IS AGE 40 OR OLDER) The Parties agree that this Agreement shall not become effective and enforceable until the date this Agreement is signed by both Parties or seven (7) calendar days after its execution by Employee, whichever is later. Employee may revoke this Agreement for any reason by providing written notice of such intent to the Company within seven (7) days after she has signed this Agreement, thereby forfeiting Employee's right to receive any Severance Benefits provided hereunder and rendering this Agreement null and void in its entirety.** This revocation must be sent to the Employee's HR representative with a copy sent to the Company's Office of General Counsel and must be received by the end of the seventh day after the Employee signs this Agreement to be effective.

16. [ADD THIS LANGUAGE IF THE EMPLOYEE IS IN CALIFORNIA] Employee specifically acknowledges that, as a condition of this Agreement, she expressly releases all rights and claims that she knows about as well as those she may not know about. Employee

expressly waives all rights under Section 1542 of the Civil Code of the State of California, which reads as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in her favor at the time of executing the release which if known, must have materially affected her settlement with the debtor."

Notwithstanding the provision by Section 1542, and for the purpose of implementing a full and complete release and discharge of the Company as set forth above, Employee expressly acknowledges that this Agreement is intended to include and does in its effect, without limitation, include all claims which Employee does not know or suspect to exist in her favor at the time of signing this Agreement and that this Agreement expressly contemplates the extinguishment of all such claims.

17. The Parties agree that nothing contained herein shall purport to waive or otherwise affect any of Employee's rights or claims that may arise after she signs this Agreement. It is further understood by the Parties that nothing in this Agreement shall affect any rights Employee may have under any Company sponsored Deferred Compensation Program, Executive Life Insurance Bonus Plan, Stock Grant Award, Stock Option Grant, Restricted Stock Unit Award, Pension Plan and/or Savings Plan (i.e., 401(k) plan) provided by the Company as of the date of her termination, such items to be governed exclusively by the terms of the applicable agreements or plan documents.

18. Similarly, notwithstanding any provision contained herein to the contrary, this Agreement shall not constitute a waiver or release or otherwise affect Employee's rights with respect to any vested benefits, any rights [she] has to benefits which can not be waived by law, any coverage provided under any Directors and Officers ("D&O") policy, any rights Employee may have under any indemnification agreement [she] has with the Company prior to the date hereof, any rights she has as a shareholder, or any claim for breach of this Agreement, including, but not limited to the benefits promised by the terms of this Agreement.

19. [Optional provision for equity-eligible employees: Except as provided herein, Employee acknowledges that she will not be eligible to receive or vest in any additional stock options, stock awards or restricted stock units ("RSUs") as of [her] Effective Termination Date. Failure to exercise any vested options within the applicable period as set for in the plan and/or grant will result in their forfeiture. Employee acknowledges that any stock options, stock awards or RSUs held for less than the required period shall be deemed forfeited as of the effective date of this Agreement. All terms and conditions of such stock options, stock awards or RSUs shall not be affected by this Agreement, shall remain in full force and effect, and shall govern the Parties' rights with respect to such equity based awards.]

20. **[*Option A*]** Employee acknowledges that her termination and the Severance Benefits offered hereunder were based on an individual determination and were not offered in conjunction with any group termination or group severance program and waives any claim to the contrary.

[*Option B*] Employee represents and agrees that she has been provided relevant cohort information based on the information available to the Company as of the date this Agreement was tendered to Employee. This information is attached hereto as Exhibit A. The Parties acknowledge that simply providing such information does not mean and should not be interpreted to mean that the Company was obligated to comply with 29 C.F.R. § 1625.22(f).

21. Employee hereby affirms and acknowledges her continued obligations to comply with the post-termination covenants contained in her Employment Agreement, including but not limited to, the non-compete, trade secret and confidentiality provisions. Employee acknowledges that a copy of the Employment Agreement has been attached to this Agreement as Exhibit A **[B]** or has otherwise been provided to her and, to the extent not inconsistent with the terms of this Agreement or applicable law, the terms thereof shall be incorporated herein by reference. Employee acknowledges that the restrictions contained therein are valid and reasonable in every respect and are necessary to protect the Company's legitimate business interests. Employee hereby affirmatively waives any claim or defense to the contrary. Employee hereby acknowledges that the definition of Competitor, as provided in her Employment Agreement shall include but not be limited to those entities specifically identified in the updated Competitor List, attached hereto as Exhibit B **[C]**.

22. Employee acknowledges that the Company as well as its parent, subsidiary and affiliated companies ("Companies" herein) possess, and she has been granted access to, certain trade secrets as well as other confidential and proprietary information that they have acquired at great effort and expense. Such information includes, without limitation, confidential information regarding products and services, marketing strategies, business plans, operations, costs, current or, prospective customer information (including customer contacts, requirements, creditworthiness and like matters), product concepts, designs, prototypes or specifications, regulatory compliance issues, research and development efforts, technical data and know-how, sales information, including pricing and other terms and conditions of sale, financial information, internal procedures, techniques, forecasts, methods, trade information, trade secrets, software programs, project requirements, inventions, trademarks, trade names, and similar information regarding the Companies' business (collectively referred to herein as "Confidential Information").

23. Employee agrees that all such Confidential Information is and shall remain the sole and exclusive property of the Company. Except as may be expressly authorized by the Company in writing, or as may be required by law after providing due notice thereof to the Company, Employee agrees not to disclose, or cause any other person or entity to disclose, any Confidential Information to any third party for as long thereafter as such information remains confidential (or as limited by applicable law) and agrees not to make use of any such Confidential Information for Employee's own purposes or for the benefit of any other entity or person. The Parties acknowledge that Confidential Information shall not include any information that is otherwise made public through no fault of Employee or other wrong doing.

24. On or before Employee's Effective Termination Date or per the Company's request, Employee agrees to return the original and all copies of all things in her possession or control relating to the Company or its business, including but not limited to any and all contracts,

reports, memoranda, correspondence, manuals, forms, records, designs, budgets, contact information or lists (including customer, vendor or supplier lists), ledger sheets or other financial information, drawings, plans (including, but not limited to, business, marketing and strategic plans), personnel or other business files, computer hardware, software, or access codes, door and file keys, identification, credit cards, pager, phone, and any and all other physical, intellectual, or personal property of any nature that she received, prepared, helped prepare, or directed preparation of in connection with her employment with the Company. Nothing contained herein shall be construed to require the return of any non-confidential and de minimis items regarding Employee's pay, benefits or other rights of employment such as pay stubs, W-2 forms, 401(k) plan summaries, benefit statements, etc.

25. Employee hereby consents and authorizes the Company to deduct as an offset from the above-referenced severance payments the value of any Company property not returned or returned in a damaged condition as well as any monies paid by the Company on Employee's behalf (e.g., payment of any outstanding American Express bill).

26. Employee agrees to cooperate with the Company in connection with any pending or future litigation, proceeding or other matter which has been or may be brought against or by the Company before any agency, court, or other tribunal and concerning or relating in any way to any matter falling within Employee's knowledge or former area of responsibility. Employee agrees to immediately notify the Company, through the Office of the General Counsel, in the event she is contacted by any outside attorney (including paralegals or other affiliated parties) unless (i) the Company is represented by the attorney, (ii) Employee is represented by the attorney for the purpose of protecting her personal interests or (iii) the Company has been advised of and has approved such contact. Employee agrees to provide reasonable assistance and completely truthful testimony in such matters including, without limitation, facilitating and assisting in the preparation of any underlying defense, responding to discovery requests, preparing for and attending deposition(s) as well as appearing in court to provide truthful testimony. The Company agrees to reimburse Employee for all reasonable out of pocket expenses incurred at the request of the Company associated with such assistance and testimony.

27. Employee agrees not to make any written or oral statement that may defame, disparage or cast in a negative light so as to do harm to the personal or professional reputation of (a) the Company, (b) its employees, officers, directors or trustees or (c) the services and/or products provided by the Company and its subsidiaries or affiliate entities. Similarly, in response to any written inquiry from any prospective employer or in connection with a written inquiry in connection with any future business relationship involving Employee, the Company agrees not to provide any information that may defame, disparage or cast in a negative light so as to do harm to the personal or professional reputation of Employee. The Parties acknowledge, however, that nothing contained herein shall be construed to prevent or prohibit the Company or the Employee from providing truthful information in response to any court order, discovery request, subpoena or other lawful request.

28. **EMPLOYEE SPECIFICALLY AGREES AND UNDERSTANDS THAT THE EXISTENCE AND TERMS OF THIS AGREEMENT ARE STRICTLY CONFIDENTIAL AND THAT SUCH CONFIDENTIALITY IS A MATERIAL TERM**

OF THIS AGREEMENT. Accordingly, except as required by law or unless authorized to do so by the Company in writing, Employee agrees that she shall not communicate, display or otherwise reveal any of the contents of this Agreement to anyone other than her spouse, legal counsel or financial advisor provided, however, that they are first advised of the confidential nature of this Agreement and Employee obtains their agreement to be bound by the same. The Company agrees that Employee may respond to legitimate inquiries regarding the termination of her employment by stating that the Parties have terminated their relationship on an amicable basis and that the Parties have entered into a Confidential Separation and Release Agreement that prohibits her from further discussing the specifics of her separation. Nothing contained herein shall be construed to prevent Employee from discussing or otherwise advising subsequent employers of the existence of any obligations as set forth in her Employment Agreement. Further, nothing contained herein shall be construed to limit or otherwise restrict the Company's ability to disclose the terms and conditions of this Agreement as may be required by business necessity.

29. In the event that Employee breaches or threatens to breach any provision of this Agreement, she agrees that the Company shall be entitled to seek any and all equitable and legal relief provided by law, specifically including immediate and permanent injunctive relief. Employee hereby waives any claim that the Company has an adequate remedy at law. In addition, and to the extent not prohibited by law, Employee agrees that the Company shall be entitled to discontinue providing any additional Severance Benefits upon such breach or threatened breach as well as an award of all costs and attorneys' fees incurred by the Company in any successful effort to enforce the terms of this Agreement. Employee agrees that the foregoing relief shall not be construed to limit or otherwise restrict the Company's ability to pursue any other remedy provided by law, including the recovery of any actual, compensatory or punitive damages. Moreover, if Employee pursues any claims against the Company subject to the foregoing General Release, or breaches the above confidentiality provision, Employee agrees to immediately reimburse the Company for the value of all benefits received under this Agreement to the fullest extent permitted by law.

30. Similarly, in the event that the Company breaches or threatens to breach any provision of this Agreement, Employee shall be entitled to seek any and all equitable or other available relief provided by law, specifically including immediate and permanent injunctive relief. In the event Employee is required to file suit to enforce the terms of this Agreement, the Company agrees that Employee shall be entitled to an award of all costs and attorneys' fees incurred by her in any wholly successful effort (i.e. entry of a judgment in her favor) to enforce the terms of this Agreement. In the event Employee is wholly unsuccessful, the Company shall be entitled to an award of its costs and attorneys' fees.

31. Both Parties acknowledge that this Agreement is entered into solely for the purpose of terminating Employee's employment relationship with the Company on an amicable basis and shall not be construed as an admission of liability or wrongdoing by the Company or Employee, both Parties having expressly denied any such liability or wrongdoing.

32. Each of the promises and obligations shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, assigns and successors in interest of each of the Parties.

33. The Parties agree that each and every paragraph, sentence, clause, term and provision of this Agreement is severable and that, if any portion of this Agreement should be deemed not enforceable for any reason, such portion shall be stricken and the remaining portion or portions thereof should continue to be enforced to the fullest extent permitted by applicable law.

34. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Indiana without regard to any applicable state's choice of law provisions.

35. **[USE THIS LANGUAGE IF OWBPA LANGUAGE (FOR EMPLOYEES AGE 40 OR OVER) IS NOT INCLUDED] Employee acknowledges that she has been offered a period of twenty-one (21) days within which to consider and review this Agreement; that she has carefully read and fully understands all of the provisions of this Agreement; and that she has entered into this Agreement knowingly and voluntarily.**

36. Employee represents and acknowledges that in signing this Agreement she does not rely, and has not relied, upon any representation or statement made by the Company or by any of the Company's employees, officers, agents, stockholders, directors or attorneys with regard to the subject matter, basis or effect of this Agreement other than those specifically contained herein.

37. This Agreement represents the entire agreement between the Parties concerning the subject matter hereof, shall supersede any and all prior agreements which may otherwise exist between them concerning the subject matter hereof (specifically excluding, however, the post-termination obligations contained in an Employee's Employment Agreement, any obligations contained in an existing and valid Indemnity Agreement or Change in Control or any obligation contained in any other legally-binding document), and shall not be altered, amended, modified or otherwise changed except by a writing executed by both Parties.

PLEASE READ CAREFULLY. THIS SEPARATION AND RELEASE AGREEMENT INCLUDES A COMPLETE RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

IN WITNESS WHEREOF, the Parties have themselves signed, or caused a duly authorized agent thereof to sign, this Agreement on their behalf and thereby acknowledge their intent to be bound by its terms and conditions.

[EMPLOYEE]		COMPANY NAME	
Signed:	_____	By:	_____
Printed:	_____	Title:	_____
Dated:	_____	Dated:	_____

Exhibit B

ILLUSTRATIVE COMPETITOR LIST

The following is an illustrative, non-exhaustive list of Competitors with whom Employee may not, during her relevant non-compete period, directly or indirectly engage in any of the competitive activities proscribed by the terms of her Employment Agreement.

- Astral Industries, Inc.
- Goliath Casket, Inc.
- Milso Industries, LLC
- R and S Marble Designs
- Schuykill Haven Casket Company, Inc. (A division of The Haven Line Industries)
- Thacker Caskets, Inc.
- The Victoriaville Group
- Aurora Casket Company, Inc.
- Milso Industries, Inc.
- New England Casket Company
- Reynoldsville Casket Company
- SinoSource International, Inc.
- The York Group (a division of Matthews International Corp.) and its distributors, including Warfield Rohr, Artco, Newmark and AJ Distribution
- Wilbert Funeral Services, Inc.

While the above list is intended to identify the Company's primary competitors, it should not be construed as all encompassing so as to exclude other potential competitors falling within the Non-Compete definitions of "Competitor." The Company reserves the right to amend this list at any time in its sole discretion to identify other or additional Competitors based on changes in the products and services offered, changes in its business or industry as well as changes in the duties and responsibilities of the individual employee. An updated list will be provided to Employee upon reasonable request. Employees are encouraged to consult with the Company prior to accepting any position with any potential competitor.

(Revised list 12-10-2007)

5488163.1

EXHIBIT 10.6

EMPLOYMENT AGREEMENT

PREAMBLE

This Employment Agreement defines the essential terms and conditions of our employment relationship with you. The subjects covered in this Agreement are vitally important to you and to the Company. Thus, you should read the document carefully and ask any questions before signing the Agreement. Given the importance of these matters to you and the Company, you are required to sign the Agreement as a condition of employment.

This EMPLOYMENT AGREEMENT, dated and effective this 31st day of March, 2008 is entered into by and between Batesville Holdings, Inc. (to be renamed Hillenbrand, Inc.) ("Company") and John R. Zerkle ("Employee").

WITNESSETH:

WHEREAS, the Company is engaged in the design, manufacture, promotion and sale of funeral and burial-related products and services throughout the United States and North America including, but not limited to, burial caskets, cremation products and other memorial products.

WHEREAS, the Company is willing to employ Employee in an executive or managerial position and Employee desires to be employed by the Company in such capacity based upon the terms and conditions set forth in this Agreement;

WHEREAS, in the course of the employment contemplated under this Agreement**,** and as a continuation of Employee's past employment with the Company, if applicable, it will be necessary for Employee to acquire and maintain knowledge of certain trade secrets and other confidential and proprietary information regarding the Company as well as any of its parent, subsidiary and/or affiliated entities (hereinafter jointly referred to as the "Companies"); and

WHEREAS, the Company and Employee (collectively referred to as the "Parties") acknowledge and agree that the execution of this Agreement is necessary to memorialize the terms and conditions of their employment relationship as well as safeguard against the unauthorized disclosure or use of the Company's confidential information and to otherwise preserve the goodwill and ongoing business value of the Company;

NOW THEREFORE, in consideration of Employee's employment, the Company's willingness to disclose certain confidential and proprietary information to Employee and the mutual covenants contained herein as well as other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. Employment. As of the effective date of this Agreement, the Company agrees to employ Employee and Employee agrees to serve as Vice President & General Counsel. Employee agrees to perform all duties and responsibilities traditionally assigned to, or falling within the

normal responsibilities of, an individual employed in the above-referenced position, which may include providing relevant business and legal advice to the Company and any of its parent, subsidiary and affiliated entities (e.g., Batesville Holdings, Inc. (to be renamed Hillenbrand, Inc.), Batesville Services, Inc. and subsidiary entities thereof). Employee also agrees to perform any and all additional duties or responsibilities as may be assigned by the Company in its sole discretion. The Parties acknowledge that both this title and the underlying duties may change.

2. Best Efforts and Duty of Loyalty. During the term of employment with the Company, Employee covenants and agrees to exercise reasonable efforts to perform all assigned duties in a diligent and professional manner and in the best interest of the Company. Employee agrees to devote his full working time, attention, talents, skills and best efforts to further the Company's business and agrees not to take any action, or make any omission, that deprives the Company of any business opportunities or otherwise act in a manner that conflicts with the best interest of the Company or is otherwise detrimental to its business. Employee agrees not to engage in any outside business activity, whether or not pursued for gain, profit or other pecuniary advantage, without the express written consent of the Company. Employee shall act at all times in accordance with the Company's Code of Ethical Business Conducts, and all other applicable policies which may exist or be adopted by the Company from time to time.

3. At-Will Employment. Subject to the terms and conditions set forth below, Employee specifically acknowledges and accepts such employment on an "at-will" basis and agrees that both Employee and the Company retain the right to terminate this relationship at any time, with or without cause, for any reason not prohibited by applicable law upon notice as required by this Agreement. Employee acknowledges that nothing in this Agreement is intended to create, nor should be interpreted to create, an employment contract for any specified length of time between the Company and Employee.

4. Compensation. For all services rendered by Employee on behalf of, or at the request of, the Company, Employee shall be paid as follows:

   (a) A base salary at the bi-weekly rate of Eight Thousand Four Hundred Three Dollars and No Cents ($8,403.00), less usual and ordinary deductions;

   (b) Notwithstanding subparagraph (a), above, if the proposed separation of Batesville Casket Company from Hill-Rom, Inc. occurs Employee shall instead be paid a base salary at the bi-weekly rate of Ten Thousand Five Hundred Seventy Six Dollars and Ninety Two Cents ($10,576.92), less usual and ordinary deductions beginning as of the effective date of the separation

   (c) Incentive compensation, payable solely at the discretion of the Company, pursuant to the Company's existing Incentive Compensation Program or any other program as the Company may establish in its sole discretion; and

   (d) Such additional compensation, benefits and perquisites as the Company may deem appropriate.

5. Changes to Compensation. Notwithstanding anything contained herein to the contrary, Employee acknowledges that the Company specifically reserves the right to make changes to Employee's compensation in its sole discretion including, but not limited to, modifying or eliminating a compensation component. The Parties agree that such changes shall be deemed effective immediately and a modification of this Agreement unless, within seven (7) days after receiving notice of such change, Employee exercises his right to terminate this Agreement without cause or for "Good Reason" as provided below in Paragraph No. 11. The Parties anticipate that Employee's compensation structure will be reviewed on an annual basis but acknowledge that the Company shall have no obligation to do so.

6. Direct Deposit. As a condition of employment, and within thirty (30) days of the effective date of this Agreement, Employee agrees to make all necessary arrangements to have all sums paid pursuant to this Agreement direct deposited into one or more bank accounts as designated by Employee.

7. Warranties and Indemnification. Employee warrants that he is not a party to any contract, restrictive covenant, or other agreement purporting to limit or otherwise adversely affecting his ability to secure employment with any third party. Alternatively, should any such agreement exist, Employee warrants that the contemplated services to be performed hereunder will not violate the terms and conditions of any such agreement. In either event, Employee agrees to fully indemnify and hold the Company harmless from any and all claims arising from, or involving the enforcement of, any such restrictive covenants or other agreements.

8. Restricted Duties. Employee agrees not to disclose, or use for the benefit of the Company, any confidential or proprietary information belonging to any predecessor employer(s) that otherwise has not been made public and further acknowledges that the Company has specifically instructed him not to disclose or use such confidential or proprietary information. Based on his understanding of the anticipated duties and responsibilities hereunder, Employee acknowledges that such duties and responsibilities will not compel the disclosure or use of any such confidential and proprietary information.

9. Termination Without Cause. The Parties agree that either party may terminate this employment relationship at any time, without cause, upon sixty (60) days' advance written notice or, if terminated by the Company, pay in lieu of notice (hereinafter referred to as "notice pay"). In such event, Employee shall only be entitled to such compensation, benefits and perquisites that have been paid or fully accrued as of the effective date of his separation and as otherwise explicitly set forth in this Agreement. However, in no event shall Employee be entitled to notice pay if Employee is eligible for and accepts severance payments pursuant to the provisions of Paragraphs 16 and 17, below.

10. Termination With Cause. Employee's employment may be terminated by the Company at any time "for cause" without notice or prior warning. For purposes of this Agreement, "cause" shall mean the Company's good faith determination that Employee has:

    (a) Acted with gross neglect or willful misconduct in the discharge of his duties and responsibilities or refused to follow or comply with the lawful direction of the Company

or the terms and conditions of this Agreement, providing such refusal is not based primarily on Employee's good faith compliance with applicable legal or ethical standards;

(b) Acquiesced or participated in any conduct that is dishonest, fraudulent, illegal (at the felony level), unethical, involves moral turpitude or is otherwise illegal and involves conduct that has the potential, in the Company's reasonable opinion, to cause the Company, its officers or its directors embarrassment or ridicule;

(c) Violated a material requirement of any Company policy or procedure, specifically including a violation of the Company's Code of Ethics or Associate Policy Manual;

(d) Disclosed without proper authorization any trade secrets or other Confidential Information (as defined herein);

(e) Engaged in any act that, in the reasonable opinion of the Company, is contrary to its best interests or would hold the Company, its officers or directors up to probable civil or criminal liability, provided that, if Employee acts in good faith in compliance with applicable legal or ethical standards, such actions shall not be grounds for termination for cause; or

(f) Engaged in such other conduct recognized at law as constituting cause.

Upon the occurrence or discovery of any event specified above, the Company shall have the right to terminate Employee's employment, effective immediately, by providing notice thereof to Employee without further obligation to him other than accrued wages or other accrued wages, deferred compensation or other accrued benefits of employment (collectively referred to herein as "Accrued Obligations"), which shall be paid in accordance with the Company's past practice and applicable law. To the extent any violation of this Paragraph is capable of being promptly cured by Employee (or cured within a reasonable period to the Company's satisfaction), the Company agrees to provide Employee with a reasonable opportunity to so cure such defect. Absent written mutual agreement otherwise, the Parties agree in advance that it is not possible for Employee to cure any violations of sub-paragraph (b) or (d) and, therefore, no opportunity for cure need be provided in those circumstances.

11. Termination by Employee for Good Reason. Employee may terminate this Agreement and declare this Agreement to have been terminated "without cause" by the Company (and, therefore, for "Good Reason") upon the occurrence, without Employee's consent, of any of the following circumstances:

(a) The assignment to Employee of duties lasting more than sixty (60) days that are materially inconsistent with Employee's then current position or a material change in his reporting relationship to the CEO or his/her successor;

(b) The failure to elect or reelect Employee as Vice President or other officer of the Company (unless such failure is related in any way to the Company's decision to terminate Employee for cause);

(c) The failure of the Company to continue to provide Employee with office space, related facilities and support personnel (including, but not limited to, administrative and secretarial assistance) within the Company's principal executive offices commensurate with his responsibilities to, and position within, the Company;

(d) A reduction by the Company in the amount of Employee's base salary or the discontinuation or reduction by the Company of Employee's participation at the same level of eligibility as compared to other peer employees in any incentive compensation, additional compensation, benefits, policies or perquisites subject to Employee understanding that such reduction(s) shall be permissible if the change applies in a similar way to other peer level employees;

(e) The relocation of the Company's principal executive offices or Employee's place of work to a location requiring a change of more than fifty (50) miles in Employee's daily commute; or

(f) A failure by the Company to perform its obligations under this Employment Agreement (other than inadvertent failures that are cured by the Company promptly upon notice from the Employee).

12. Termination Due to Death or Disability. In the event Employee dies or suffers a disability (as defined herein) during the term of employment, this Agreement shall automatically be terminated on the date of such death or disability without further obligation on the part of the Company other than the payment of Accrued Obligations. For purposes of this Agreement, Employee shall be considered to have suffered a "disability" upon a determination that Employee cannot perform the essential functions of his position as a result of a such a disability and the occurrence of one or more of the following events:

(a) Employee becomes eligible for or receives any benefits pursuant to any disability insurance policy as a result of a determination under such policy that Employee is permanently disabled;

(b) Employee becomes eligible for or receives any disability benefits under the Social Security Act; or

(c) A good faith determination by the Company that Employee is and will likely remain unable to perform the essential functions of his duties or responsibilities hereunder on a full-time basis, with or without reasonable accommodation, as a result of any mental or physical impairment.

Notwithstanding anything expressed or implied above to the contrary, the Company agrees to fully comply with its obligations under the Family and Medical Leave Act of 1993 and the Americans with Disabilities Act as well as any other applicable federal, state, or local law, regulation, or ordinance governing the provision of leave to individuals with serious health conditions or the protection of individuals with disabilities as well as the Company's obligation to provide reasonable accommodation thereunder.

13. Exit Interview. Upon termination of Employee's employment for any reason, Employee agrees, if requested, to participate in an exit interview with the Company and reaffirm in writing his post-employment obligations as set forth in this Agreement

14. Section 409A Notification. Employee acknowledges that he has been advised of the American Jobs Creation Act of 2004, which added Section 409A to the Internal Revenue Code ("Section 409A"), and significantly changed the taxation of nonqualified deferred compensation plans and arrangements. Under proposed and final regulations as of the date of this Agreement, Employee has been advised that his severance pay and other termination benefits may be treated by the Internal Revenue Service as providing "nonqualified deferred compensation," and therefore subject to Section 409A. In that event, several provisions in Section 409A may affect Employee's receipt of severance compensation, including the timing thereof. These include, but are not limited to, a provision which requires that distributions to "specified employees" of public companies on account of separation from service may not be made earlier than six (6) months after the effective date of such separation. If applicable, failure to comply with Section 409A can lead to immediate taxation of such deferrals, with interest calculated at a penalty rate and a 20% penalty. As a result of the requirements imposed by the American Jobs Creation Act of 2004, Employee agrees if he is a "specified employee" at the time of his termination of employment and if payments in connection with such termination of employment are subject to Section 409A and not otherwise exempt, such payments (and other benefits to the extent applicable) due Employee at the time of termination of employment shall not be paid until a date at least six (6) months after the effective date of Employee's termination of employment ("Employee's Effective Termination Date"). Notwithstanding any provision of this Agreement to the contrary, to the extent that any payment under the terms of this Agreement would constitute an impermissible acceleration of payments under Section 409A or any regulations or Treasury guidance promulgated thereunder, such payments shall be made no earlier than at such times allowed under Section 409A. If any provision of this Agreement (or of any award of compensation) would cause Employee to incur any additional tax or interest under Section 409A or any regulations or Treasury guidance promulgated thereunder, the Company or its successor may reform such provision; provided that it will (i) maintain, to the maximum extent practicable, the original intent of the applicable provision without violating the provisions of Section 409A and (ii) notify and consult with Employee regarding such amendments or modifications prior to the effective date of any such change.

15. Section 409A Acknowledgement. Employee acknowledges that, notwithstanding anything contained herein to the contrary, both Parties shall be independently responsible for assessing their own risks and liabilities under Section 409A that may be associated with any payment made under the terms of this Agreement or any other arrangement which may be deemed to trigger Section 409A. Further, the Parties agree that each shall independently bear responsibility for any and all taxes, penalties or other tax obligations as may be imposed upon them in their individual capacity as a matter of law. To the extent applicable, Employee understands and agrees that he shall have the responsibility for, and he agrees to pay, any and all appropriate income tax or other tax obligations for which he is individually responsible and/or related to receipt of any benefits provided in this Agreement. Employee agrees to fully indemnify and hold the Company harmless for any taxes, penalties, interest, cost or attorneys' fee assessed against or incurred by the Company on account of such

benefits having been provided to him or based on any alleged failure to withhold taxes or satisfy any claimed obligation. Employee understands and acknowledges that neither the Company, nor any of its employees, attorneys, or other representatives has provided or will provide him with any legal or financial advice concerning taxes or any other matter, and that he has not relied on any such advice in deciding whether to enter into this Agreement.

16. Severance. In the event Employee's employment is terminated by the Company without cause (including by Employee for Good Reason), and subject to the normal terms and conditions imposed by the Company as set forth herein and in the attached Separation and Release Agreement, Employee shall be eligible to receive severance pay based upon his base salary at the time of termination for a period determined in accordance with any guidelines as may be established by the Company or for a period up to twelve (12) months (whichever is longer).

17. Severance Payment Terms and Conditions. No severance pay shall be paid if Employee voluntarily leaves the Company's employ without "Good Reason" (as defined above) or is terminated for cause. Any severance pay made payable under this Agreement shall be paid in lieu of, and not in addition to, any other contractual, notice or statutory pay or other accrued compensation obligation (excluding accrued wages and deferred compensation). Additionally, such severance pay is contingent upon Employee fully complying with the restrictive covenants contained herein and executing a Separation and Release Agreement in a form not substantially different from that attached as Exhibit A. Further, the Company's obligation to provide severance hereunder shall be deemed null and void should Employee fail or refuse to execute and deliver to the Company the Company's then-standard Separation and Release Agreement (without modification) within any time period as may be prescribed by law or, in absence thereof, twenty-one (21) days after the Employee's Effective Termination Date. Conditioned upon the execution and delivery of the Separation and Release Agreement as set forth in the prior sentence, Severance pay benefits shall be paid as follows: (i) in one lump sum equivalent to six (6) months' salary on the day following the date which is six (6) months following Employee's Effective Termination Date with any remainder to be paid in bi-weekly installments equivalent to the Employee's salary commencing on the next regularly scheduled payroll date, if both the severance pay benefit is subject to Section 409A and if Employee is a "specified employee" under Section 409A or (ii) for any severance pay benefits not subject to clause (i), begin upon the next regularly scheduled payroll following the earlier to occur of fifteen (15) days from the Company's receipt of an executed Separation and Release Agreement or the expiration of sixty (60) days after Employee's Effective Termination Date and shall be paid on the Company's regularly scheduled pay dates; provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then any benefits not subject to clause (i) shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Employee's Effective Termination Date. Excluding any lump sum payment due as a result of the application of Section 409A (which shall be paid regardless of reemployment), all other severance payments provided hereunder shall terminate upon reemployment.

18. Assignment of Rights.

(a) Copyrights. Employee agrees that all works of authorship fixed in any tangible medium of expression by him during the term of this Agreement relating to the Company's business ("Works"), either solely or jointly with others, shall be and remain exclusively the property of the Company. Each such Work created by Employee is a "work made for hire" under the copyright law and the Company may file applications to register copyright in such Works as author and copyright owner thereof. If, for any reason, a Work created by Employee is excluded from the definition of a "work made for hire" under the copyright law, then Employee does hereby assign, sell, and convey to the Company the entire rights, title, and interests in and to such Work, including the copyright therein, to the Company. Employee will execute any documents that the Company deems necessary in connection with the assignment of such Work and copyright therein. Employee will take whatever steps and do whatever acts the Company requests, including, but not limited to, placement of the Company's proper copyright notice on Works created by Employee to secure or aid in securing copyright protection in such Works and will assist the Company or its nominees in filing applications to register claims of copyright in such Works. The Company shall have free and unlimited access at all times to all Works and all copies thereof and shall have the right to claim and take possession on demand of such Works and copies.

(b) Inventions. Employee agrees that all discoveries, concepts, and ideas, whether patentable or not, including, but not limited to, apparatus, processes, methods, compositions of matter, techniques, and formulae, as well as improvements thereof or know-how related thereto, relating to any present or prospective product, process, or service of the Company ("Inventions") that Employee conceives or makes during the term of this Agreement relating to the Company's business, shall become and remain the exclusive property of the Company, whether patentable or not, and Employee will, without royalty or any other consideration:

(i) Inform the Company promptly and fully of such Inventions by written reports, setting forth in detail the procedures employed and the results achieved;

(ii) Assign to the Company all of his rights, title, and interests in and to such Inventions, any applications for United States and foreign Letters Patent, any United States and foreign Letters Patent, and any renewals thereof granted upon such Inventions;

(iii) Assist the Company or its nominees, at the expense of the Company, to obtain such United States and foreign Letters Patent for such Inventions as the Company may elect; and

(iv) Execute, acknowledge, and deliver to the Company at the Company's expense such written documents and instruments, and do such other acts, such as giving testimony in support of his inventorship, as may be necessary in the opinion of the Company, to obtain and maintain United States and foreign Letters Patent upon such Inventions and to vest the entire rights and title thereto in the Company and to confirm the complete ownership by the Company of such Inventions, patent applications, and patents.

19. Company Property. All records, files, drawings, documents, data in whatever form, business equipment (including computers, PDAs, cell phones, etc.), and the like relating to, or provided by, the Company shall be and remain the sole property of the Company. Upon termination of employment, Employee shall immediately return to the Company all such items without retention of any copies and without additional request by the Company. De minimis items such as pay stubs, 401(k) plan summaries, employee bulletins, and the like are excluded from this requirement. Further, sample legal forms and other related items developed by the Employee during the legal term of his employment may be retained and used by him thereafter provided they are not used to compete against the Company.

20. Confidential Information. Employee acknowledges that the Company and its affiliated entities (herein collectively referred to as "Companies") possess certain trade secrets as well as other confidential and proprietary information which they have acquired or will acquire at great effort and expense. Such information may include, without limitation, confidential information, whether in tangible or intangible form, regarding the Companies' products and services, marketing strategies, business plans, operations, costs, current or prospective customer information (including customer identities, contacts, requirements, creditworthiness, preferences, and like matters), product concepts, designs, prototypes or specifications, research and development efforts, technical data and know-how, sales information, including pricing and other terms and conditions of sale, financial information, internal procedures, techniques, forecasts, methods, trade information, trade secrets, software programs, project requirements, inventions, trademarks, trade names, and similar information regarding the Companies' business(es) (collectively referred to herein as "Confidential Information"). Employee further acknowledges that, as a result of his employment with the Company, Employee will have access to, will become acquainted with, and/or may help develop, such Confidential Information. Confidential Information shall not include information readily available in the public so long as such information was not made available through fault of Employee or wrong doing by any other individual.

21. Restricted Use of Confidential Information. Employee agrees that all Confidential Information is and shall remain the sole and exclusive property of the Company and/or its affiliated entities. Except as may be expressly authorized by the Company in writing, Employee agrees not to disclose, or cause any other person or entity to disclose, any Confidential Information to any third party while employed by the Company and for as long thereafter as such information remains confidential (or as limited by applicable law). Further, Employee agrees to use such Confidential Information only in the course of Employee's duties in furtherance of the Company's business and agrees not to make use of any such Confidential Information for Employee's own purposes or for the benefit of any other entity or person.

22. Acknowledged Need for Limited Restrictive Covenants. Employee acknowledges that the Companies have spent and will continue to expend substantial amounts of time, money and effort to develop their business strategies, Confidential Information, customer identities and relationships, goodwill and employee relationships, and that Employee will benefit from these efforts. Further, Employee acknowledges the inevitable use of, or near-certain influence by his knowledge of, the Confidential Information disclosed to Employee during the course of employment if allowed to compete against the Company in an unrestricted

manner and that such use would be unfair and extremely detrimental to the Company. Accordingly, based on these legitimate business reasons, Employee acknowledges each of the Companies' need to protect their legitimate business interests by reasonably restricting Employee's ability to compete with the Company on a limited basis.

23. Non-Solicitation. During Employee's employment and for a period of twenty-four (24) months thereafter, Employee agrees not to directly or indirectly engage in the following prohibited conduct:

    (a) Solicit, offer products or services to, or accept orders for, any Competitive Products or otherwise transact any competitive business with, any customer or entity with whom Employee had contact or transacted any business on behalf of the Company (or any Affiliate thereof) during the eighteen (18) month period preceding Employee's date of separation or about whom Employee possessed, or had access to, confidential and proprietary information;

    (b) Attempt to entice or otherwise cause any third party to withdraw, curtail or cease doing business with the Company (or any Affiliate thereof), specifically including customers, vendors, independent contractors and other third party entities;

    (c) Disclose to any person or entity the identities, contacts or preferences of any customers of the Company (or any Affiliate thereof), or the identity of any other persons or entities having business dealings with the Company (or any Affiliate thereof);

    (d) Induce any individual who has been employed by or had provided services to the Company (or any Affiliate thereof) within the six (6) month period immediately preceding the effective date of Employee's separation to terminate such relationship with the Company (or any Affiliate thereof);

    (e) Assist, coordinate or otherwise offer employment to, accept employment inquiries from, or employ any individual who is or had been employed by the Company (or any Affiliate thereof) at any time within the six (6) month period immediately preceding such offer, or inquiry;

    (f) Communicate or indicate in any way to any customer of the Company (or any Affiliate thereof), prior to formal separation from the Company, any interest, desire, plan, or decision to separate from the Company; or

    (g) Otherwise attempt to directly or indirectly interfere with the Company's business, the business of any of the Companies or their relationship with their employees, consultants, independent contractors or customers.

24. Limited Non-Compete. For the above-stated reasons, and as a condition of employment to the fullest extent permitted by law, Employee agrees during the Relevant Non-Compete Period while serving in any capacity other than as legal counsel for the Company or another client not to directly or indirectly engage in the following competitive activities:

(a) Employee shall not have any ownership interest in, work for, advise, consult, or have any business connection or business or employment relationship in any competitive capacity with any Competitor unless Employee provides written notice to the Company of such relationship prior to entering into such relationship and, further, provides sufficient written assurances to the Company's satisfaction that such relationship will not, jeopardize the Company's legitimate interests or otherwise violate the terms of this Agreement;

(b) Employee shall not engage in any research, development, production, sale or distribution of any Competitive Products, specifically including any products or services relating to those for which Employee had responsibility for the eighteen (18) month period preceding Employee's date of separation;

(c) Employee shall not market, sell, or otherwise offer or provide any Competitive Products within his Geographic Territory (if applicable) or Assigned Customer Base, specifically including any products or services relating to those for which Employee had responsibility for the eighteen (18) month period preceding Employee's date of separation; and

(d) Employee shall not distribute, market, sell or otherwise offer or provide any Competitive Products to any customer of the Company with whom Employee had contact or for which Employee had responsibility at any time during the eighteen (18) month period preceding Employee's date of separation

25. Non-Compete Definitions. For purposes of this Agreement, the Parties agree that the following terms shall apply:

(a) "Affiliate" includes any parent, subsidiary, joint venture, sister company, or other entity controlled, owned, managed or otherwise associated with the Company;

(b) "Assigned Customer Base" shall include all accounts or customers formally assigned to Employee within a given territory or geographical area or contacted by him at any time during the eighteen (18) month period preceding Employee's date of separation;

(c) "Competitive Products" shall include any product or service that directly or indirectly competes with, is substantially similar to, or serves as a reasonable substitute for, any product or service in research, development or design, or manufactured, produced, sold or distributed by the Company;

(d) "Competitor" shall include any person or entity that offers or is actively planning to offer any Competitive Products and may include (but not be limited to) any entity identified on the Company's Illustrative Competitor List, attached hereto as Exhibit B, which shall be amended from time to time to reflect changes in the Company's business and competitive environment (updated competitor lists will be provided to Employee upon reasonable request);

(e) "Geographic Territory" shall include any territory formally assigned to Employee as well as all territories in which Employee has provided any services, sold any products or

otherwise had responsibility at any time during the twenty-four (24) month period preceding Employee's date of separation;

(f) "Relevant Non-Compete Period" shall include the period of Employee's employment with the Company as well as a period of twenty-four (24) months after such employment is terminated, regardless of the reason for such termination provided, however, that this period shall be reduced to the greater of (i) twelve (12) months or (ii) the total length of Employee's employment with the Company, including employment with any parent, subsidiary or affiliated entity, if such employment is less than twenty-four (24) months;

(g) "Directly or indirectly" shall be construed such that the foregoing restrictions shall apply equally to Employee whether performed individually or as a partner, shareholder, officer, director, manager, employee, salesperson, independent contractor, broker, agent, or consultant for any other individual, partnership, firm, corporation, company, or other entity engaged in such conduct

26. Employment by National or Regional Accounts. Employee acknowledges that he will have acquired and/or have access to confidential and proprietary information regarding the Company's business dealings with, and business strategies concerning, its national or regional accounts (a/k/a Key Accounts, Prime Accounts, and National Accounts). Employee further acknowledges that such knowledge would provide him with a competitive advantage if used against the Company or used against a competitor of a national or regional account. Accordingly, as a term and condition of employment, Employee agrees that the foregoing restrictive covenants shall apply with equal force to restrict him from seeking any employment or any other business relationship with such national or regional account, whether or not serviced by Employee, for the duration of his Relevant Non-Compete Period. Employee agrees that such accounts shall include, but not be limited to, the following:

- Arbor Memorial Services
- Brooke Funeral Services Co., LLC (Brooke Franchise Corp.)
- Buckner Management Services
- Calvert Group
- Carriage Funeral Holdings, Inc.
- Celebris Memorial Services, Inc. (Urel Bourgie)
- Citadel Funeral Service, Inc. (Wisconsin Vault Company)
- Concord Family Services, Inc.
- Family Choices
- Gibralter Mausoleum Company (A division of Matthews International)
- Keystone Group Holdings, Inc.
- Legacy Funeral Group (Legacy Funeral Holdings, Inc.; Legacy Funeral Holdings of Louisiana, LLC; Legacy Funeral Holdings of Mississippi, LLC; Legacy Funeral Properties, Inc.)
- Memory Gardens Management
- Newcomer Funeral Homes

Corporation

- Northstar Memorial Group
- Pioneer Enterprises, Inc.
- Security National Financial Corporation
- Stewart Enterprises, Inc.
- Vertin Companies Family Funeral Homes
- Wilson Financial Group, Inc.

and Crematories

- Paxus Services, Inc. (Paxus Services (Kansas), Inc.; Paxus Services (Tennessee), Inc.; Paxus Services (Lousiana), Inc.; Paxus Services (Texas), Inc.; Paxus Services (Oklahoma), Inc.)
- Rollings Funeral Service, Inc.
- Service Corporation International
- StoneMor Partners, L.P.
- Washburn-McReavy Funeral Chapels

27. Consent to Reasonableness. In light of the above-referenced concerns, including Employee's knowledge of and access to the Companies' Confidential Information, Employee acknowledges that the terms of the foregoing restrictive covenants are reasonable and necessary to protect the Company's legitimate business interests and will not unreasonably interfere with Employee's ability to obtain alternate employment. As such, Employee hereby agrees that such restrictions are valid and enforceable, and affirmatively waives any argument or defense to the contrary. Employee acknowledges that this limited non-competition provision is not an attempt to prevent Employee from obtaining other employment in violation of IC § 22-5-3-1 or any other similar statute. Employee further acknowledges that the Company may need to take action, including litigation, to enforce this limited non-competition provision, which efforts the Parties stipulate shall not be deemed an attempt to prevent Employee from obtaining other employment.

28. Ethical Obligations. Notwithstanding anything contained herein to the contrary, Employee acknowledges that he has certain independent ethical obligation concerning confidentiality and conflicts of interest imposed by the applicable provisions of the Indiana Rules of Professional Conduct (as well as possibly other model rules of professional conduct), which prevent or limit Employee in his capacity as an attorney from representing or otherwise working for any direct or indirect competitor of the Company whose interest may be materially adverse to the interest of the Company as well as prohibit Employee from disclosing, relying upon or otherwise using Company information for the benefit of such competitors. Employee acknowledges that such ethical obligations, specifically including Rules 1.6 through 1.9 of the Indiana Rule of Professional Conduct, shall be deemed part of this Agreement and shall run concurrent with all other restrictive covenant obligations contained herein.

29. Survival of Restrictive Covenants. Employee acknowledges that the above restrictive covenants shall survive the termination of this Agreement and the termination of Employee's employment for any reason. Employee further acknowledges that any alleged breach by the Company of any contractual, statutory or other obligation shall not excuse or terminate the obligations hereunder or otherwise preclude the Company from seeking injunctive or other relief. Rather, Employee acknowledges that such obligations are independent and separate covenants undertaken by Employee for the benefit of the Company.

30. Effect of Transfer. Subject to the provisions of Paragraph 11 above, Employee agrees that this Agreement shall continue in full force and effect notwithstanding any change in job duties, job titles or reporting responsibilities. Employee further acknowledges that the above restrictive covenants shall survive, and be extended to cover, the transfer of Employee from the Company to its parent, subsidiary, sister corporation or any other affiliated entity (hereinafter collectively referred to as an "Affiliate") or any subsequent transfer(s) among them. Specifically, in the event of Employee's temporary or permanent transfer to an Affiliate, he agrees that the foregoing restrictive covenants shall remain in force so as to continue to protect such company for the duration of the non-compete period, measured from his effective date of transfer to an Affiliate. Additionally, Employee acknowledges that this Agreement shall be deemed to have been automatically assigned to the Affiliate as of his effective date of transfer such that the above-referenced restrictive covenants (as well as all other terms and conditions contained herein) shall be construed thereafter to protect the legitimate business interests and goodwill of the Affiliate as if Employee and the Affiliate had independently entered into this Agreement. Employee's acceptance of his transfer to, and subsequent employment by, the Affiliate shall serve as consideration for (as well as be deemed as evidence of his consent to) the assignment of this Agreement to the Affiliate as well as the extension of such restrictive covenants to the Affiliate. Employee agrees that this provision shall apply with equal force to any subsequent transfers of Employee from one Affiliate to another Affiliate.

31. Post-Termination Notification. For the duration of his Relevant Non-compete Period or other restrictive covenant period, which ever is longer, Employee agrees to promptly notify the Company no later than five (5) business days of his acceptance of any employment or consulting engagement. Such notice shall include sufficient information to ensure Employee compliance with his non-compete obligations and must include at a minimum the following information: (i) the name of the employer or entity for which he is providing any consulting services; (ii) a description of his intended duties as well as (iii) the anticipated start date. Such information is required to ensure Employee's compliance with his non-compete obligations as well as all other applicable restrictive covenants. Such notice shall be provided in writing to the Office of Vice President and General Counsel of the Company at One Batesville Boulevard, Batesville, Indiana 47006. Failure to timely provide such notice shall be deemed a material breach of this Agreement and entitle the Company to return of any severance paid to Employee plus attorneys' fees. Employee further consents to the Company's notification to any new employer of Employee's rights and obligations under this Agreement.

32. Scope of Restrictions. If the scope of any restriction contained in any preceding paragraphs of this Agreement is deemed too broad to permit enforcement of such restriction to its fullest

extent, then such restriction shall be enforced to the maximum extent permitted by law, and Employee hereby consents and agrees that such scope may be judicially modified accordingly in any proceeding brought to enforce such restriction. The Parties agree that the foregoing restrictions shall not be construed to prohibit Employee from the general practice of law provided, however, that any such practice of law must be consistent with Employee's ethical obligations to maintain as confidential information protected by the attorney-client privilege, attorney work product doctrine or similar doctrines.

33. Specific Enforcement/Injunctive Relief. Employee agrees that it would be difficult to measure any damages to the Company from a breach of the above-referenced restrictive covenants, but acknowledges that the potential for such damages would be great, incalculable and irremediable, and that monetary damages alone would be an inadequate remedy. Accordingly, Employee agrees that the Company shall be entitled to immediate injunctive relief against such breach, or threatened breach, in any court having jurisdiction. In addition, if Employee violates any such restrictive covenant, Employee agrees that the period of such violation shall be added to the term of the restriction. In determining the period of any violation, the Parties stipulate that in any calendar month in which Employee engages in any activity in violation of such provisions, Employee shall be deemed to have violated such provision for the entire month, and that month shall be added to the duration of the non-competition provision. Employee acknowledges that the remedies described above shall not be the exclusive remedies, and the Company may seek any other remedy available to it either in law or in equity, including, by way of example only, statutory remedies for misappropriation of trade secrets, and including the recovery of compensatory or punitive damages. Employee further agrees that the Company shall be entitled to an award of all costs and attorneys' fees incurred by it in any attempt to enforce the terms of this Agreement.

34. Publicly Traded Stock. The Parties agree that nothing contained in this Agreement shall be construed to prohibit Employee from investing his personal assets in any stock or corporate security traded or quoted on a national securities exchange or national market system provided, however, such investments do not require any services on the part of Employee in the operation or the affairs of the business or otherwise violate the Company's Code of Ethics.

35. Notice of Claim and Contractual Limitations Period. Employee acknowledges the Company's need for prompt notice, investigation, and resolution of any claims that may be filed against it due to the number of relationships it has with employees and others (and due to the turnover among such individuals with knowledge relevant to any underlying claim). Accordingly, Employee agrees prior to initiating any litigation of any type (including, but not limited to, employment discrimination litigation, wage litigation, defamation, or any other claim) to notify the Company, within One Hundred and Eighty (180) days after the claim accrued, by sending a certified letter addressed to the Company's General Counsel setting forth: (i) claimant's name, address, and phone; (ii) the name of any attorney representing Employee; (iii) the nature of the claim; (iv) the date the claim arose; and (v) the relief requested. This provision is in addition to any other notice and exhaustion requirements that might apply. For any dispute or claim of any type against the Company (including but not limited to employment discrimination litigation, wage litigation, defamation, or any other

claim), Employee must commence legal action within the shorter of one (1) year of accrual of the cause of action or such shorter period that may be specified by law.

36. Non-Jury Trials. Notwithstanding any right to a jury trial for any claims, Employee waives any such right to a jury trial, and agrees that any claim of any type (including but not limited to employment discrimination litigation, wage litigation, defamation, or any other claim) lodged in any court will be tried, if at all, without a jury.

37. Choice of Forum. Employee acknowledges that the Company is primarily based in Indiana, and Employee understands and acknowledges the Company's desire and need to defend any litigation against it in Indiana. Accordingly, the Parties agree that any claim of any type brought by Employee against the Company or any of its employees or agents must be maintained only in a court sitting in Marion County, Indiana, or Ripley County, Indiana, or, if a federal court, the Southern District of Indiana, Indianapolis Division. Employee further understands and acknowledges that in the event the Company initiates litigation against Employee, the Company may need to prosecute such litigation in such state where the Employee is subject to personal jurisdiction. Accordingly, for purposes of enforcement of this Agreement, Employee specifically consents to personal jurisdiction in the State of Indiana as well as any state in which resides a customer assigned to the Employee. Furthermore, Employee consents to appear, upon Company's request and at Employee's own cost, for deposition, hearing, trial, or other court proceeding in Indiana or in any state in which resides a customer assigned to the Employee.

38. Choice of Law. This Agreement shall be deemed to have been made within the County of Ripley, State of Indiana and shall be interpreted and construed in accordance with the laws of the State of Indiana. Any and all matters of dispute of any nature whatsoever arising out of, or in any way connected with the interpretation of this Agreement, any disputes arising out of the Agreement or the employment relationship between the Parties hereto, shall be governed by, construed by and enforced in accordance with the laws of the State of Indiana without regard to any applicable state's choice of law provisions.

39. Titles. Titles are used for the purpose of convenience in this Agreement and shall be ignored in any construction of it.

40. Severability. The Parties agree that each and every paragraph, sentence, clause, term and provision of this Agreement is severable and that, in the event any portion of this Agreement is adjudged to be invalid or unenforceable, the remaining portions thereof shall remain in effect and be enforced to the fullest extent permitted by law. Further, should any particular clause, covenant, or provision of this Agreement be held unreasonable or contrary to public policy for any reason, the Parties acknowledge and agree that such covenant, provision or clause shall automatically be deemed modified such that the contested covenant, provision or clause will have the closest effect permitted by applicable law to the original form and shall be given effect and enforced as so modified to whatever extent would be reasonable and enforceable under applicable law.

41. Assignment-Notices. The rights and obligations of the Company under this Agreement shall inure to its benefit, as well as the benefit of its parent, subsidiary, successor and affiliated

entities, and shall be binding upon the successors and assigns of the Company. This Agreement, being personal to Employee, cannot be assigned by Employee, but his personal representative shall be bound by all its terms and conditions. Any notice required hereunder shall be sufficient if in writing and mailed to the last known residence of Employee or to the Company at its principal office with a copy mailed to the Office of the General Counsel.

42. Amendments and Modifications. Except as specifically provided herein, no modification, amendment, extension or waiver of this Agreement or any provision hereof shall be binding upon the Company or Employee unless in writing and signed by both Parties. The waiver by the Company or Employee of a breach of any provision of this Agreement shall not be construed as a waiver of any subsequent breach. Nothing in this Agreement shall be construed as a limitation upon the Company's right to modify or amend any of its manuals or policies in its sole discretion and any such modification or amendment which pertains to matters addressed herein shall be deemed to be incorporated herein and made a part of this Agreement.

43. Outside Representations. Employee represents and acknowledges that in signing this Agreement he does not rely, and has not relied, upon any representation or statement made by the Company or by any of the Company's employees, officers, agents, stockholders, directors or attorneys with regard to the subject matter, basis or effect of this Agreement other than those specifically contained herein.

44. Voluntary and Knowing Execution. Employee acknowledges that he has been offered a reasonable amount of time within which to consider and review this Agreement; that he has carefully read and fully understands all of the provisions of this Agreement; and that he has entered into this Agreement knowingly and voluntarily.

45. Entire Agreement. This Agreement constitutes the entire employment agreement between the Parties hereto concerning the subject matter hereof and shall supersede all prior and contemporaneous agreements between the Parties in connection with the subject matter of this Agreement. Any pre-existing Employment Agreements shall be deemed null and void. Nothing in this Agreement, however, shall affect any separately-executed written agreement addressing any other issues (e.g., the Inventions, Improvements, Copyrights and Trade Secrets Agreement, etc.).

IN WITNESS WHEREOF, the Parties have signed this Agreement effective as of the day and year first above written.

"EMPLOYEE"		BATESVILLE HOLDINGS, INC. (to be renamed Hillenbrand, Inc.)	
Signed:	_____	By:	_____
Printed:	_____	Title:	_____
Dated:	_____	Dated:	_____

CAUTION: READ BEFORE SIGNING

Exhibit A

SAMPLE SEPARATION AND RELEASE AGREEMENT

THIS SEPARATION and RELEASE AGREEMENT ("Agreement") is entered into by and between John R. Zerkle ("Employee") and Batesville Services, Inc. (together with its subsidiaries and affiliates, the "Company"). To wit, the Parties agree as follows:

1. Employee's active employment by the Company shall terminate effective [date of termination] (Employee's "Effective Termination Date"). Except as specifically provided by this Agreement, or in any other non-employment agreement that may exist between the Company and Employee, Employee agrees that the Company shall have no other obligations or liabilities to him following his Effective Termination Date and that his receipt of the Severance Benefits provided herein shall constitute a complete settlement, satisfaction and waiver of any and all claims he may have against the Company.

2. Employee further submits, and the Company hereby accepts, his resignation as an employee, officer and director, as of his Effective Termination Date for any position he may hold. The Parties agree that this resignation shall apply to all such positions Employee may hold with the Company or any parent, subsidiary or affiliated entity thereof. Employee agrees to execute any documents needed to effectuate such resignation. Employee further agrees to take whatever steps are necessary to facilitate and ensure the smooth transition of his duties and responsibilities to others.

3. Employee acknowledges that he has been advised of the American Jobs Creation Act of 2004, which added Section 409A ("Section 409A") to the Internal Revenue Code, and significantly changed the taxation of nonqualified deferred compensation plans and arrangements. Under proposed and final regulations as of the date of this Agreement, Employee has been advised that his severance pay may be treated by the Internal Revenue Service as providing "nonqualified deferred compensation," and therefore subject to Section 409A. In that event, several provisions in Section 409A may affect Employee's receipt of severance compensation. These include, but are not limited to, a provision which requires that distributions to "specified employees" of public companies on account of separation from service may not be made earlier than six (6) months after the effective date of such separation. If applicable, failure to comply with Section 409A can lead to immediate taxation of deferrals, with interest calculated at a penalty rate and a 20% penalty. As a result of the requirements imposed by the American Jobs Creation Act of 2004, Employee agrees if he is a "specified employee" at the time of his termination of employment and if severance payments are covered as "non-qualified deferred compensation" or otherwise not exempt, the severance pay benefits shall not be paid until a date at least six (6) months after Employee's Effective Termination Date from Company, as more fully explained by Paragraph 4, below.

4. In consideration of the promises contained in this Agreement and contingent upon Employee's compliance with such promises, the Company agrees to provide Employee the following:

(a) Severance pay, in lieu of, and not in addition to any other contractual, notice or statutory pay obligations (other than accrued wages and deferred compensation) in the maximum total amount of [_____] Dollars and **[**_____**]** Cents ($_____), less applicable deductions or other set offs, payable as follows:

[*For 409A Severance Pay for Specified Employees Only*]

(i) A lump payment in the gross amount of [insert amount equal to 6 months pay] [_____] Dollars and [_____] Cents **($**_____) payable the day following the sixth (6th) month anniversary of Employee's Effective Termination Date, with any remaining amount to be paid in bi-weekly installments equivalent to Employee's base salary (i.e. _____ Dollars and _____ Cents ($ _____), less applicable deductions or other setoffs) commencing upon the next regularly scheduled payroll date after the payment of the lump sum for a period of up to _____ (_____) weeks or until the Employee becomes reemployed, whichever comes first.

[*For Non- 409A Severance Pay or 409A Severance Pay for Non-Specified Employees Only*]

(i) Commencing on the next regularly scheduled payroll immediately following the earlier to occur of fifteen (15) days from the Company's receipt of and Executed Separation and Release Agreement or the expiration of sixty (60) days after Employee's Effective Termination Date, Employee shall be paid severance equivalent to his bi-weekly base salary (i.e. **[**_____**]** Dollars and **[**_____**]** Cents ($**[**_____**]**), less applicable deductions or other set-offs), for a period up to [weeks] (**[**___**]**) weeks following Employee's Effective Termination Date or until Employee becomes reemployed, whichever occurs first; provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then this severance pay shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Employee's Effective Termination Date.

(b) Payment for any earned but unused vacation as of Employee's Effective Termination Date, less applicable deductions permitted or required by law payable in one lump sum within fifteen (15) days after the Employee's Effective Termination Date; and

(c) Group Life Insurance coverage until the above-referenced Severance Pay terminates.

5. Except as may be required by Section 409A, the above Severance Pay shall be paid in accordance with the Company's standard payroll practices (e.g. bi-weekly) and shall begin on the first normally scheduled payroll following Employee's Effective Termination Date or the effective date of this Agreement, whichever occurs last. The Parties agree that the initial two (2) weeks of the foregoing Severance Pay shall be allocated as consideration provided to Employee in exchange for his execution of a release in compliance with the Older Workers Benefit Protection Act. The balance of the severance benefits and other obligations undertaken by the Company pursuant to this Agreement shall be allocated as consideration

for all other promises and obligations undertaken by Employee, including execution of a general release of claims.

6. The Company further agrees to provide Employee with limited out-placement counseling with a company of its choice provided that Employee participates in such counseling immediately following termination of employment. Notwithstanding anything in this Section 6 to the contrary, the out-placement counseling shall not be provided after the last day of the second calendar year following the calendar year in which termination of employment occurs.

7. As of his Effective Termination Date, Employee will become ineligible to participate in the Company's health insurance program and continuation of coverage requirements under COBRA (if any) will be triggered at that time. However, as additional consideration for the promises and obligations contained herein (and except as may be prohibited by law), the Company agrees to continue to pay the employer's share of such coverage as provided under the health care program selected by Employee as of his Effective Termination Date, subject to any approved changes in coverage based on a qualified election, until the above-referenced Severance Pay terminates, Employee accepts other employment or Employee becomes eligible for alternative healthcare coverage, which ever comes first, provided Employee (i) timely completes the applicable election of coverage forms and (ii) continues to pay the employee portion of the applicable premium(s). Thereafter, if applicable, coverage will be made available to Employee at his sole expense (i.e., Employee will be responsible for the full COBRA premium) for the remaining months of the COBRA coverage period made available pursuant to applicable law. The medical insurance provided herein does not include any disability coverage.

8. Should Employee become employed before the above-referenced Severance Benefits are exhausted or terminated, Employee agrees to so notify the Company in writing within five (5) business days of Employee's acceptance of such employment, providing the name of such employer (or entity to whom Employee may be providing consulting services), his intended duties as well as the anticipated start date. Such information is required to ensure Employee's compliance with his non-compete obligations as well as all other applicable restrictive covenants. This notice will also serve to trigger the Company's right to terminate the above-referenced severance pay benefits (specifically excluding any lump sum payment due as a result of the application of Section 409A) as well as all Company-paid or Company—provided benefits consistent with the above paragraphs. Failure to timely provide such notice shall be deemed a material breach of this Agreement entitling the Company to recover as damages the value of all benefits provided to Employee hereunder plus attorneys fees. .In the event Employee accepts employment at a lower rate of pay, the Company will agree to continue to pay Employee the difference between the above severance pay and Employee's total compensation to be paid by a subsequent employer upon receipt of acceptable proof of such compensation. All other severance benefits however, shall terminate upon reemployment.

9. Employee agrees to fully indemnify and hold the Company harmless for any taxes, penalties, interest, cost or attorneys' fee assessed against or incurred by the Company on account of such benefits having been provided to him or based on any alleged failure to withhold taxes

or satisfy any claimed obligation. Employee understands and acknowledges that neither the Company, nor any of its employees, attorneys, or other representatives has provided him with any legal or financial advice concerning taxes or any other matter, and that he has not relied on any such advice in deciding whether to enter into this Agreement. To the extent applicable, Employee understands and agrees that he shall have the responsibility for, and he agrees to pay, any and all appropriate income tax or other tax obligations for which he is individually responsible and/or related to receipt of any benefits provided in this Agreement not subject to federal withholding obligations

10. In exchange for the foregoing Severance Benefits, JOHN R. ZERKLE on behalf of himself, his heirs, representatives, agents and assigns hereby RELEASES, INDEMNIFIES, HOLDS HARMLESS, and FOREVER DISCHARGES (i) Batesville Services, Inc. (ii) its parent, subsidiary or affiliated entities, (iii) all of their present or former directors, officers, employees, shareholders, and agents, as well as, (iv) all predecessors, successors and assigns thereof from any and all actions, charges, claims, demands, damages or liabilities of any kind or character whatsoever, known or unknown, which Employee now has or may have had through the effective date of this Agreement.

11. Without limiting the generality of the foregoing release, it shall include: (i) all claims or potential claims arising under any federal, state or local laws relating to the Parties' employment relationship, including any claims Employee may have under the Civil Rights Acts of 1866 and 1964, as amended, 42 U.S.C. §§ 1981 and 2000(e) et seq.; the Civil Rights Act of 1991; the Age Discrimination in Employment Act, as amended, 29 U.S.C. §§ 621 et seq.; the Americans with Disabilities Act of 1990, as amended, 42 U.S.C §§ 12,101 et seq.; the Fair Labor Standards Act 29 U.S.C. §§ 201 et seq.; the Worker Adjustment and Retraining Notification Act, 29 U.S.C. §§ 2101, et seq.; the Employee Retirement Income Security Act, 29 U.S.C. §§ 1101 et seq.; the Sarbanes-Oxley Act of 2002, specifically including the Corporate and Criminal Fraud Accountability Act, 18 USC §1514A et seq.; and any other federal, state or local law governing the Parties' employment relationship; (ii) any claims on account of, arising out of or in any way connected with Employee's employment with the Company or leaving of that employment; (iii) any claims alleged or which could have been alleged in any charge or complaint against the Company; (iv) any claims relating to the conduct of any employee, officer, director, agent or other representative of the Company; (v) any claims of discrimination, harassment or retaliation on any basis; (vi) any claims arising from any legal restrictions on an employer's right to separate its employees; (vii) any claims for personal injury, compensatory or punitive damages or other forms of relief; and (viii) all other causes of action sounding in contract, tort or other common law basis, including (a) the breach of any alleged oral or written contract, (b) negligent or intentional misrepresentations, (c) wrongful discharge, (d) just cause dismissal, (e) defamation, (f) interference with contract or business relationship or (g) negligent or intentional infliction of emotional distress.

12. Employee further agrees and covenants not to sue the Company or any entity or individual subject to the foregoing General Release with respect to any claims, demands, liabilities or obligations release by this Agreement provided, however, that nothing contained in this Agreement shall:

(a) prevent Employee from filing an administrative charge with the Equal Employment Opportunity Commission or any other federal, state or local agency; or

(b) prevent Employee from challenging, under the Older Worker's Benefit Protection Act (29 U.S.C. § 626), the knowing and voluntary nature of his/her release of any age claims in this Agreement in court or before the Equal Employment Opportunity Commission. **[INCLUDE THIS SUBPARAGRAPH (b) IF EMPLOYEE IS AGE 40 OR OLDER]**

13. Notwithstanding his right to file an administrative charge with the EEOC or any other federal, state, or local agency, Employee agrees that with his release of claims in this Agreement, he has waived any right he may have to recover monetary or other personal relief in any proceeding based in whole or in part on claims released by him in this Agreement. For example, Employee waives any right to monetary damages or reinstatement if an administrative charge is brought against the Company whether by Employee, the EEOC, or any other person or entity, including but not limited to any federal, state, or local agency. Further, with his release of claims in this Agreement, Employee specifically assigns to the Company his right to any recovery arising from any such proceeding.

14. **[ADD THIS LANGUAGE IF THE EMPLOYEE IS AGE 40 OR OLDER]**The Parties acknowledge that it is their mutual and specific intent that the above waiver fully complies with the requirements of the Older Workers Benefit Protection Act (29 U.S.C. § 626) and any similar law governing release of claims. Accordingly, Employee hereby acknowledges that:

(a) He has carefully read and fully understands all of the provisions of this Agreement and that he has entered into this Agreement knowingly and voluntarily;

(b) The Severance Benefits offered in exchange for Employee's release of claims exceed in kind and scope that to which he would have otherwise been legally entitled absent the execution of this Agreement;

(c) Prior to signing this Agreement, Employee had been advised, and is being advised by this Agreement, to consult with an attorney of his choice concerning its terms and conditions; and

(d) He has been offered at least **[twenty-one (21)/forty-five (45)]** days within which to review and consider this Agreement.

15. **[ADD THIS LANGUAGE IF EMPLOYEE IS AGE 40 OR OLDER]**The Parties agree that this Agreement shall not become effective and enforceable until the date this Agreement is signed by both Parties or seven (7) calendar days after its execution by Employee, whichever is later. Employee may revoke this Agreement for any reason by providing written notice of such intent to the Company within seven (7) days after he has signed this Agreement, thereby forfeiting Employee's right to receive any Severance Benefits provided hereunder and rendering this Agreement null and void in its entirety. This revocation must be sent to the Employee's HR representative with a copy sent to the Batesville Casket Company Office of General Counsel and must be received by the end of the seventh day after the Employee signs this Agreement to be effective.

16. **[ADD THIS LANGUAGE IF THE EMPLOYEE IS IN CALIFORNIA]**Employee specifically acknowledges that, as a condition of this Agreement, he/she expressly releases all rights and claims that he/she knows about as well as those he/she may not know about. Employee expressly waives all rights under Section 1542 of the Civil Code of the State of California, which reads as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his/her favor at the time of executing the release which if known, must have materially affected his/her settlement with the debtor."

Notwithstanding the provision by Section 1542, and for the purpose of implementing a full and complete release and discharge of the Company as set forth above, Employee expressly acknowledges that this Agreement is intended to include and does in its effect, without limitation, include all claims which Employee does not know or suspect to exist in his/her favor at the time of signing this Agreement and that this Agreement expressly contemplates the extinguishment of all such claims.

17. The Parties agree that nothing contained herein shall purport to waive or otherwise affect any of Employee's rights or claims that may arise after he signs this Agreement. It is further understood by the Parties that nothing in this Agreement shall affect any rights Employee may have under any Company sponsored Deferred Compensation Program, Executive Life Insurance Bonus Plan, Stock Grant Award, Stock Option Grant, Restricted Stock Unit Award, Pension Plan and/or Savings Plan (i.e., 401(k) plan) provided by the Company as of the date of his termination, such items to be governed exclusively by the terms of the applicable agreements or plan documents.

18. Similarly, notwithstanding any provision contained herein to the contrary, this Agreement shall not constitute a waiver or release or otherwise affect Employee's rights with respect to any vested benefits, any rights [he/she] has to benefits which can not be waived by law, any coverage provided under any Directors and Officers ("D&O") policy, any rights Employee may have under any indemnification agreement [he/she] has with the Company prior to the date hereof, any rights he has as a shareholder, or any claim for breach of this Agreement, including, but not limited to the benefits promised by the terms of this Agreement.

19. **[*Optional provision for equity-eligible employees*: Except as provided herein, Employee acknowledges that he will not be eligible to receive or vest in any additional stock options, stock awards or restricted stock units ("RSUs") as of [his/her] Effective Termination Date. Failure to exercise any vested options within the applicable period as set for in the plan and/or grant will result in their forfeiture. Employee acknowledges that any stock options, stock awards or RSUs held for less than the required period shall be deemed forfeited as of the effective date of this Agreement. All terms and conditions of such stock options, stock awards or RSUs shall not be affected by this Agreement, shall remain in full force and effect, and shall govern the Parties' rights with respect to such equity based awards.]**

20. **[*Option A*]** Employee acknowledges that his termination and the Severance Benefits offered hereunder were based on an individual determination and were not offered in conjunction with any group termination or group severance program and waives any claim to the contrary.

[*Option B*] Employee represents and agrees that he has been provided relevant cohort information based on the information available to the Company as of the date this Agreement was tendered to Employee. This information is attached hereto as Exhibit A. The Parties acknowledge that simply providing such information does not mean and should not be interpreted to mean that the Company was obligated to comply with 29 C.F.R. § 1625.22(f).

21. Employee hereby affirms and acknowledges his continued obligations to comply with the post-termination covenants contained in his Employment Agreement, including but not limited to, the non-compete, trade secret and confidentiality provisions. Employee acknowledges that a copy of the Employment Agreement has been attached to this Agreement as Exhibit A **[B]** or has otherwise been provided to him and, to the extent not inconsistent with the terms of this Agreement or applicable law, the terms thereof shall be incorporated herein by reference. Employee acknowledges that the restrictions contained therein are valid and reasonable in every respect and are necessary to protect the Company's legitimate business interests. Employee hereby affirmatively waives any claim or defense to the contrary. Employee hereby acknowledges that the definition of Competitor, as provided in his Employment Agreement shall include but not be limited to those entities specifically identified in the updated Competitor List, attached hereto as Exhibit B **[C]**.

22. Employee acknowledges that the Company as well as its parent, subsidiary and affiliated companies ("Companies" herein) possess, and he has been granted access to, certain trade secrets as well as other confidential and proprietary information that they have acquired at great effort and expense. Such information includes, without limitation, confidential information regarding products and services, marketing strategies, business plans, operations, costs, current or, prospective customer information (including customer contacts, requirements, creditworthiness and like matters), product concepts, designs, prototypes or specifications, regulatory compliance issues, research and development efforts, technical data and know-how, sales information, including pricing and other terms and conditions of sale, financial information, internal procedures, techniques, forecasts, methods, trade information, trade secrets, software programs, project requirements, inventions, trademarks, trade names, and similar information regarding the Companies' business (collectively referred to herein as "Confidential Information").

23. Employee agrees that all such Confidential Information is and shall remain the sole and exclusive property of the Company. Except as may be expressly authorized by the Company in writing, or as may be required by law after providing due notice thereof to the Company, Employee agrees not to disclose, or cause any other person or entity to disclose, any Confidential Information to any third party for as long thereafter as such information remains confidential (or as limited by applicable law) and agrees not to make use of any such Confidential Information for Employee's own purposes or for the benefit of any other entity or person. The Parties acknowledge that Confidential Information shall not include any

information that is otherwise made public through no fault of Employee or other wrong doing.

24. On or before Employee's Effective Termination Date or per the Company's request, Employee agrees to return the original and all copies of all things in his possession or control relating to the Company or its business, including but not limited to any and all contracts, reports, memoranda, correspondence, manuals, forms, records, designs, budgets, contact information or lists (including customer, vendor or supplier lists), ledger sheets or other financial information, drawings, plans (including, but not limited to, business, marketing and strategic plans), personnel or other business files, computer hardware, software, or access codes, door and file keys, identification, credit cards, pager, phone, and any and all other physical, intellectual, or personal property of any nature that he received, prepared, helped prepare, or directed preparation of in connection with his employment with the Company. Nothing contained herein shall be construed to require the return of any non-confidential and de minimis items regarding Employee's pay, benefits or other rights of employment such as pay stubs, W-2 forms, 401(k) plan summaries, benefit statements, etc.

25. Employee hereby consents and authorizes the Company to deduct as an offset from the above-referenced severance payments the value of any Company property not returned or returned in a damaged condition as well as any monies paid by the Company on Employee's behalf (e.g., payment of any outstanding American Express bill).

26. Employee agrees to cooperate with the Company in connection with any pending or future litigation, proceeding or other matter which has been or may be brought against or by the Company before any agency, court, or other tribunal and concerning or relating in any way to any matter falling within Employee's knowledge or former area of responsibility. Employee agrees to immediately notify the Company, through the Office of the General Counsel, in the event he is contacted by any outside attorney (including paralegals or other affiliated parties) unless (i) the Company is represented by the attorney, (ii) Employee is represented by the attorney for the purpose of protecting his personal interests or (iii) the Company has been advised of and has approved such contact. Employee agrees to provide reasonable assistance and completely truthful testimony in such matters including, without limitation, facilitating and assisting in the preparation of any underlying defense, responding to discovery requests, preparing for and attending deposition(s) as well as appearing in court to provide truthful testimony. The Company agrees to reimburse Employee for all reasonable out of pocket expenses incurred at the request of the Company associated with such assistance and testimony.

27. Employee agrees not to make any written or oral statement that may defame, disparage or cast in a negative light so as to do harm to the personal or professional reputation of (a) the Company, (b) its employees, officers, directors or trustees or (c) the services and/or products provided by the Company and its subsidiaries or affiliate entities. Similarly, in response to any written inquiry from any prospective employer or in connection with a written inquiry in connection with any future business relationship involving Employee, the Company agrees not to provide any information that may defame, disparage or cast in a negative light so as to do harm to the personal or professional reputation of Employee. The Parties acknowledge, however, that nothing contained herein shall be construed to prevent or prohibit the Company

or the Employee from providing truthful information in response to any court order, discovery request, subpoena or other lawful request.

28. **EMPLOYEE SPECIFICALLY AGREES AND UNDERSTANDS THAT THE EXISTENCE AND TERMS OF THIS AGREEMENT ARE STRICTLY CONFIDENTIAL AND THAT SUCH CONFIDENTIALITY IS A MATERIAL TERM OF THIS AGREEMENT.** Accordingly, except as required by law or unless authorized to do so by the Company in writing, Employee agrees that he shall not communicate, display or otherwise reveal any of the contents of this Agreement to anyone other than his spouse, legal counsel or financial advisor provided, however, that they are first advised of the confidential nature of this Agreement and Employee obtains their agreement to be bound by the same. The Company agrees that Employee may respond to legitimate inquiries regarding the termination of his employment by stating that the Parties have terminated their relationship on an amicable basis and that the Parties have entered into a Confidential Separation and Release Agreement that prohibits him from further discussing the specifics of his separation. Nothing contained herein shall be construed to prevent Employee from discussing or otherwise advising subsequent employers of the existence of any obligations as set forth in his Employment Agreement. Further, nothing contained herein shall be construed to limit or otherwise restrict the Company's ability to disclose the terms and conditions of this Agreement as may be required by business necessity.

29. In the event that Employee breaches or threatens to breach any provision of this Agreement, he agrees that the Company shall be entitled to seek any and all equitable and legal relief provided by law, specifically including immediate and permanent injunctive relief. Employee hereby waives any claim that the Company has an adequate remedy at law. In addition, and to the extent not prohibited by law, Employee agrees that the Company shall be entitled to discontinue providing any additional Severance Benefits upon such breach or threatened breach as well as an award of all costs and attorneys' fees incurred by the Company in any successful effort to enforce the terms of this Agreement. Employee agrees that the foregoing relief shall not be construed to limit or otherwise restrict the Company's ability to pursue any other remedy provided by law, including the recovery of any actual, compensatory or punitive damages. Moreover, if Employee pursues any claims against the Company subject to the foregoing General Release, or breaches the above confidentiality provision, Employee agrees to immediately reimburse the Company for the value of all benefits received under this Agreement to the fullest extent permitted by law.

30. Similarly, in the event that the Company breaches or threatens to breach any provision of this Agreement, Employee shall be entitled to seek any and all equitable or other available relief provided by law, specifically including immediate and permanent injunctive relief. In the event Employee is required to file suit to enforce the terms of this Agreement, the Company agrees that Employee shall be entitled to an award of all costs and attorneys' fees incurred by him in any wholly successful effort (i.e. entry of a judgment in his favor) to enforce the terms of this Agreement. In the event Employee is wholly unsuccessful, the Company shall be entitled to an award of its costs and attorneys' fees.

31. Both Parties acknowledge that this Agreement is entered into solely for the purpose of terminating Employee's employment relationship with the Company on an amicable basis

and shall not be construed as an admission of liability or wrongdoing by the Company or Employee, both Parties having expressly denied any such liability or wrongdoing.

32. Each of the promises and obligations shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, assigns and successors in interest of each of the Parties.

33. The Parties agree that each and every paragraph, sentence, clause, term and provision of this Agreement is severable and that, if any portion of this Agreement should be deemed not enforceable for any reason, such portion shall be stricken and the remaining portion or portions thereof should continue to be enforced to the fullest extent permitted by applicable law.

34. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Indiana without regard to any applicable state's choice of law provisions.

35. **[USE THIS LANGUAGE IF OWBPA LANGUAGE (FOR EMPLOYEES AGE 40 OR OVER) IS NOT INCLUDED]**Employee acknowledges that he/she has been offered a period of twenty-one (21) days within which to consider and review this Agreement; that he/she has carefully read and fully understands all of the provisions of this Agreement; and that he/she has entered into this Agreement knowingly and voluntarily.

36. Employee represents and acknowledges that in signing this Agreement he does not rely, and has not relied, upon any representation or statement made by the Company or by any of the Company's employees, officers, agents, stockholders, directors or attorneys with regard to the subject matter, basis or effect of this Agreement other than those specifically contained herein.

37. This Agreement represents the entire agreement between the Parties concerning the subject matter hereof, shall supersede any and all prior agreements which may otherwise exist between them concerning the subject matter hereof (specifically excluding, however, the post-termination obligations contained in an Employee's Employment Agreement, any obligations contained in an existing and valid Indemnity Agreement or Change in Control or any obligation contained in any other legally-binding document), and shall not be altered, amended, modified or otherwise changed except by a writing executed by both Parties.

PLEASE READ CAREFULLY. THIS SEPARATION AND RELEASE AGREEMENT INCLUDES A COMPLETE RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

IN WITNESS WHEREOF, the Parties have themselves signed, or caused a duly authorized agent thereof to sign, this Agreement on their behalf and thereby acknowledge their intent to be bound by its terms and conditions.

[EMPLOYEE]		BATESVILLE HOLDINGS, INC.	
Signed:	_____	By:	_____
Printed:	_____	Title:	_____
Dated:	_____	Dated:	_____

Exhibit B

ILLUSTRATIVE COMPETITOR LIST

The following is an illustrative, non-exhaustive list of Competitors with whom Employee may not, during his relevant non-compete period, directly or indirectly engage in any of the competitive activities proscribed by the terms of his Employment Agreement.

- Astral Industries, Inc.
- Aurora Casket Company, Inc.
- Goliath Casket, Inc.
- Milso Industries, Inc.
- Milso Industries, LLC
- New England Casket Company
- R and S Marble Designs
- Reynoldsville Casket Company
- Schuykill Haven Casket Company, Inc. (A division of The Haven Line Industries)
- SinoSource International, Inc.
- Thacker Caskets, Inc.
- The York Group (a division of Matthews International Corp.) and its distributors, including Warfield Rohr, Artco, Newmark and AJ Distribution
- The Victoriaville Group
- Wilbert Funeral Services, Inc.

While the above list is intended to identify the Company's primary competitors, it should not be construed as all encompassing so as to exclude other potential competitors falling within the Non-Compete definitions of "Competitor." The Company reserves the right to amend this list at any time in its sole discretion to identify other or additional Competitors based on changes in the products and services offered, changes in its business or industry as well as changes in the duties and responsibilities of the individual employee. An updated list will be provided to Employee upon reasonable request. Employees are encouraged to consult with the Company prior to accepting any position with any potential competitor.

(Revised list 12-10-2007)

EXHIBIT 10.7

EMPLOYMENT AGREEMENT

PREAMBLE

This Employment Agreement defines the essential terms and conditions of our employment relationship with you. The subjects covered in this Agreement are vitally important to you and to the Company. Thus, you should read the document carefully and ask any questions before signing the Agreement. Given the importance of these matters to you and the Company, you are required to sign the Agreement as a condition of employment.

This EMPLOYMENT AGREEMENT, dated and effective this 31st day of March, 2008 is entered into by and between Batesville Services, Inc. ("Company") and Michael L. Di Bease ("Employee").

WITNESSETH:

WHEREAS, the Company is engaged in the design, manufacture, promotion and sale of funeral and burial-related products and services throughout the United States and North America including, but not limited to, burial caskets, cremation products and other memorial products.

WHEREAS, the Company is willing to employ Employee in an executive or managerial position and Employee desires to be employed by the Company in such capacity based upon the terms and conditions set forth in this Agreement;

WHEREAS, in the course of the employment contemplated under this Agreement**,** and as a continuation of Employee's past employment with the Company, if applicable, it will be necessary for Employee to acquire and maintain knowledge of certain trade secrets and other confidential and proprietary information regarding the Company as well as any of its parent, subsidiary and/or affiliated entities (hereinafter jointly referred to as the "Companies"); and

WHEREAS, the Company and Employee (collectively referred to as the "Parties") acknowledge and agree that the execution of this Agreement is necessary to memorialize the terms and conditions of their employment relationship as well as safeguard against the unauthorized disclosure or use of the Company's confidential information and to otherwise preserve the goodwill and ongoing business value of the Company;

NOW THEREFORE, in consideration of Employee's employment, the Company's willingness to disclose certain confidential and proprietary information to Employee and the mutual covenants contained herein as well as other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. Employment. As of the effective date of this Agreement, the Company agrees to employ Employee and Employee agrees to serve as Vice President- Marketing. Employee agrees to perform all duties and responsibilities traditionally assigned to, or falling within the normal

responsibilities of, an individual employed in the above-referenced position. Employee also agrees to perform any and all additional duties or responsibilities as may be assigned by the Company in its sole discretion. The Parties acknowledge that both this title and the underlying duties may change.

2. Best Efforts and Duty of Loyalty. During the term of employment with the Company, Employee covenants and agrees to exercise reasonable efforts to perform all assigned duties in a diligent and professional manner and in the best interest of the Company. Employee agrees to devote his full working time, attention, talents, skills and best efforts to further the Company's business and agrees not to take any action, or make any omission, that deprives the Company of any business opportunities or otherwise act in a manner that conflicts with the best interest of the Company or is otherwise detrimental to its business. Employee agrees not to engage in any outside business activity, whether or not pursued for gain, profit or other pecuniary advantage, without the express written consent of the Company. Employee shall act at all times in accordance with the Company's Code of Ethical Business Conducts, and all other applicable policies which may exist or be adopted by the Company from time to time.

3. At-Will Employment. Subject to the terms and conditions set forth below, Employee specifically acknowledges and accepts such employment on an "at-will" basis and agrees that both Employee and the Company retain the right to terminate this relationship at any time, with or without cause, for any reason not prohibited by applicable law upon notice as required by this Agreement. Employee acknowledges that nothing in this Agreement is intended to create, nor should be interpreted to create, an employment contract for any specified length of time between the Company and Employee.

4. Compensation. For all services rendered by Employee on behalf of, or at the request of, the Company, Employee shall be paid as follows:

   (a) A base salary at the bi-weekly rate of Eleven Thousand Five Hundred Thirty-eight Dollars and Eight Cents ($11,538.08), less usual and ordinary deductions;

   (b) Incentive compensation, payable solely at the discretion of the Company, pursuant to the Company's existing Incentive Compensation Program or any other program as the Company may establish in its sole discretion; and

   (c) Such additional compensation, benefits and perquisites as the Company may deem appropriate.

5. Changes to Compensation. Notwithstanding anything contained herein to the contrary, Employee acknowledges that the Company specifically reserves the right to make changes to Employee's compensation in its sole discretion including, but not limited to, modifying or eliminating a compensation component. The Parties agree that such changes shall be deemed effective immediately and a modification of this Agreement unless, within seven (7) days after receiving notice of such change, Employee exercises his right to terminate this Agreement without cause or for "Good Reason" as provided below in Paragraph No. 11. The Parties anticipate that Employee's compensation structure will be reviewed on an annual basis but acknowledge that the Company shall have no obligation to do so.

6. Direct Deposit. As a condition of employment, and within thirty (30) days of the effective date of this Agreement, Employee agrees to make all necessary arrangements to have all sums paid pursuant to this Agreement direct deposited into one or more bank accounts as designated by Employee.

7. Warranties and Indemnification. Employee warrants that he is not a party to any contract, restrictive covenant, or other agreement purporting to limit or otherwise adversely affecting his ability to secure employment with any third party. Alternatively, should any such agreement exist, Employee warrants that the contemplated services to be performed hereunder will not violate the terms and conditions of any such agreement. In either event, Employee agrees to fully indemnify and hold the Company harmless from any and all claims arising from, or involving the enforcement of, any such restrictive covenants or other agreements.

8. Restricted Duties. Employee agrees not to disclose, or use for the benefit of the Company, any confidential or proprietary information belonging to any predecessor employer(s) that otherwise has not been made public and further acknowledges that the Company has specifically instructed him not to disclose or use such confidential or proprietary information. Based on his understanding of the anticipated duties and responsibilities hereunder, Employee acknowledges that such duties and responsibilities will not compel the disclosure or use of any such confidential and proprietary information.

9. Termination Without Cause. The Parties agree that either party may terminate this employment relationship at any time, without cause, upon sixty (60) days' advance written notice or, if terminated by the Company, pay in lieu of notice (hereinafter referred to as "notice pay"). In such event, Employee shall only be entitled to such compensation, benefits and perquisites that have been paid or fully accrued as of the effective date of his separation and as otherwise explicitly set forth in this Agreement. However, in no event shall Employee be entitled to notice pay if Employee is eligible for and accepts severance payments pursuant to the provisions of Paragraphs 16 and 17, below.

10. Termination With Cause. Employee's employment may be terminated by the Company at any time "for cause" without notice or prior warning. For purposes of this Agreement, "cause" shall mean the Company's good faith determination that Employee has:

    (a) Acted with gross neglect or willful misconduct in the discharge of his duties and responsibilities or refused to follow or comply with the lawful direction of the Company or the terms and conditions of this Agreement, providing such refusal is not based primarily on Employee's good faith compliance with applicable legal or ethical standards;

    (b) Acquiesced or participated in any conduct that is dishonest, fraudulent, illegal (at the felony level), unethical, involves moral turpitude or is otherwise illegal and involves conduct that has the potential, in the Company's reasonable opinion, to cause the Company, its officers or its directors embarrassment or ridicule;

    (c) Violated a material requirement of any Company policy or procedure, specifically including a violation of the Company's Code of Ethics or Associate Policy Manual;

(d) Disclosed without proper authorization any trade secrets or other Confidential Information (as defined herein);

(e) Engaged in any act that, in the reasonable opinion of the Company, is contrary to its best interests or would hold the Company, its officers or directors up to probable civil or criminal liability, provided that, if Employee acts in good faith in compliance with applicable legal or ethical standards, such actions shall not be grounds for termination for cause; or

(f) Engaged in such other conduct recognized at law as constituting cause.

Upon the occurrence or discovery of any event specified above, the Company shall have the right to terminate Employee's employment, effective immediately, by providing notice thereof to Employee without further obligation to him other than accrued wages or other accrued wages, deferred compensation or other accrued benefits of employment (collectively referred to herein as "Accrued Obligations"), which shall be paid in accordance with the Company's past practice and applicable law. To the extent any violation of this Paragraph is capable of being promptly cured by Employee (or cured within a reasonable period to the Company's satisfaction), the Company agrees to provide Employee with a reasonable opportunity to so cure such defect. Absent written mutual agreement otherwise, the Parties agree in advance that it is not possible for Employee to cure any violations of sub-paragraph (b) or (d) and, therefore, no opportunity for cure need be provided in those circumstances.

11. Termination by Employee for Good Reason. Employee may terminate this Agreement and declare this Agreement to have been terminated "without cause" by the Company (and, therefore, for "Good Reason") upon the occurrence, without Employee's consent, of any of the following circumstances:

(a) The assignment to Employee of duties lasting more than sixty (60) days that are materially inconsistent with Employee's then current position or a material change in his reporting relationship to the CEO or his/her successor;

(b) The failure to elect or reelect Employee as Vice President or other officer of the Company (unless such failure is related in any way to the Company's decision to terminate Employee for cause);

(c) The failure of the Company to continue to provide Employee with office space, related facilities and support personnel (including, but not limited to, administrative and secretarial assistance) within the Company's principal executive offices commensurate with his responsibilities to, and position within, the Company;

(d) A reduction by the Company in the amount of Employee's base salary or the discontinuation or reduction by the Company of Employee's participation at the same level of eligibility as compared to other peer employees in any incentive compensation, additional compensation, benefits, policies or perquisites subject to Employee understanding that such reduction(s) shall be permissible if the change applies in a similar way to other peer level employees;

(e) The relocation of the Company's principal executive offices or Employee's place of work to a location requiring a change of more than fifty (50) miles in Employee's daily commute; or

(f) A failure by the Company to perform its obligations under this Employment Agreement (other than inadvertent failures that are cured by the Company promptly upon notice from the Employee).

12. Termination Due to Death or Disability. In the event Employee dies or suffers a disability (as defined herein) during the term of employment, this Agreement shall automatically be terminated on the date of such death or disability without further obligation on the part of the Company other than the payment of Accrued Obligations. For purposes of this Agreement, Employee shall be considered to have suffered a "disability" upon a determination that Employee cannot perform the essential functions of his position as a result of a such a disability and the occurrence of one or more of the following events:

(a) Employee becomes eligible for or receives any benefits pursuant to any disability insurance policy as a result of a determination under such policy that Employee is permanently disabled;

(b) Employee becomes eligible for or receives any disability benefits under the Social Security Act; or

(c) A good faith determination by the Company that Employee is and will likely remain unable to perform the essential functions of his duties or responsibilities hereunder on a full-time basis, with or without reasonable accommodation, as a result of any mental or physical impairment.

Notwithstanding anything expressed or implied above to the contrary, the Company agrees to fully comply with its obligations under the Family and Medical Leave Act of 1993 and the Americans with Disabilities Act as well as any other applicable federal, state, or local law, regulation, or ordinance governing the provision of leave to individuals with serious health conditions or the protection of individuals with disabilities as well as the Company's obligation to provide reasonable accommodation thereunder.

13. Exit Interview. Upon termination of Employee's employment for any reason, Employee agrees, if requested, to participate in an exit interview with the Company and reaffirm in writing his post-employment obligations as set forth in this Agreement

14. Section 409A Notification. Employee acknowledges that he has been advised of the American Jobs Creation Act of 2004, which added Section 409A to the Internal Revenue Code ("Section 409A"), and significantly changed the taxation of nonqualified deferred compensation plans and arrangements. Under proposed and final regulations as of the date of this Agreement, Employee has been advised that his severance pay and other termination benefits may be treated by the Internal Revenue Service as providing "nonqualified deferred compensation," and therefore subject to Section 409A. In that event, several provisions in Section 409A may affect Employee's receipt of severance compensation, including the timing thereof. These include, but are not limited to, a provision which requires that

distributions to "specified employees" of public companies on account of separation from service may not be made earlier than six (6) months after the effective date of such separation. If applicable, failure to comply with Section 409A can lead to immediate taxation of such deferrals, with interest calculated at a penalty rate and a 20% penalty. As a result of the requirements imposed by the American Jobs Creation Act of 2004, Employee agrees if he is a "specified employee" at the time of his termination of employment and if payments in connection with such termination of employment are subject to Section 409A and not otherwise exempt, such payments (and other benefits to the extent applicable) due Employee at the time of termination of employment shall not be paid until a date at least six (6) months after the effective date of Employee's termination of employment ("Employee's Effective Termination Date"). Notwithstanding any provision of this Agreement to the contrary, to the extent that any payment under the terms of this Agreement would constitute an impermissible acceleration of payments under Section 409A or any regulations or Treasury guidance promulgated thereunder, such payments shall be made no earlier than at such times allowed under Section 409A. If any provision of this Agreement (or of any award of compensation) would cause Employee to incur any additional tax or interest under Section 409A or any regulations or Treasury guidance promulgated thereunder, the Company or its successor may reform such provision; provided that it will (i) maintain, to the maximum extent practicable, the original intent of the applicable provision without violating the provisions of Section 409A and (ii) notify and consult with Employee regarding such amendments or modifications prior to the effective date of any such change.

15. Section 409A Acknowledgement. Employee acknowledges that, notwithstanding anything contained herein to the contrary, both Parties shall be independently responsible for assessing their own risks and liabilities under Section 409A that may be associated with any payment made under the terms of this Agreement or any other arrangement which may be deemed to trigger Section 409A. Further, the Parties agree that each shall independently bear responsibility for any and all taxes, penalties or other tax obligations as may be imposed upon them in their individual capacity as a matter of law. To the extent applicable, Employee understands and agrees that he shall have the responsibility for, and he agrees to pay, any and all appropriate income tax or other tax obligations for which he is individually responsible and/or related to receipt of any benefits provided in this Agreement. Employee agrees to fully indemnify and hold the Company harmless for any taxes, penalties, interest, cost or attorneys' fee assessed against or incurred by the Company on account of such benefits having been provided to him or based on any alleged failure to withhold taxes or satisfy any claimed obligation. Employee understands and acknowledges that neither the Company, nor any of its employees, attorneys, or other representatives has provided or will provide him with any legal or financial advice concerning taxes or any other matter, and that he has not relied on any such advice in deciding whether to enter into this Agreement.

16. Severance. In the event Employee's employment is terminated by the Company without cause (including by Employee for Good Reason), and subject to the normal terms and conditions imposed by the Company as set forth herein and in the attached Separation and Release Agreement, Employee shall be eligible to receive severance pay based upon his base salary at the time of termination for a period determined in accordance with any guidelines as may be established by the Company or for a period up to twelve (12) months (whichever is longer).

17. Severance Payment Terms and Conditions. No severance pay shall be paid if Employee voluntarily leaves the Company's employ without "Good Reason" (as defined above) or is terminated for cause. Any severance pay made payable under this Agreement shall be paid in lieu of, and not in addition to, any other contractual, notice or statutory pay or other accrued compensation obligation (excluding accrued wages and deferred compensation). Additionally, such severance pay is contingent upon Employee fully complying with the restrictive covenants contained herein and executing a Separation and Release Agreement in a form not substantially different from that attached as Exhibit A. Further, the Company's obligation to provide severance hereunder shall be deemed null and void should Employee fail or refuse to execute and deliver to the Company the Company's then-standard Separation and Release Agreement (without modification) within any time period as may be prescribed by law or, in absence thereof, twenty-one (21) days after the Employee's Effective Termination Date. Conditioned upon the execution and delivery of the Separation and Release Agreement as set forth in the prior sentence, Severance pay benefits shall be paid as follows: (i) in one lump sum equivalent to six (6) months' salary on the day following the date which is six (6) months following Employee's Effective Termination Date with any remainder to be paid in bi-weekly installments equivalent to the Employee's salary commencing on the next regularly scheduled payroll date, if both the severance pay benefit is subject to Section 409A and if Employee is a "specified employee" under Section 409A or (ii) for any severance pay benefits not subject to clause (i), begin upon the next regularly scheduled payroll following the earlier to occur of fifteen (15) days from the Company's receipt of an executed Separation and Release Agreement or the expiration of sixty (60) days after Employee's Effective Termination Date and shall be paid on the Company's regularly scheduled pay dates; provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then any benefits not subject to clause (i) shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Employee's Effective Termination Date. Excluding any lump sum payment due as a result of the application of Section 409A (which shall be paid regardless of reemployment), all other severance payments provided hereunder shall terminate upon reemployment.

18. Assignment of Rights.

(a) Copyrights. Employee agrees that all works of authorship fixed in any tangible medium of expression by him during the term of this Agreement relating to the Company's business ("Works"), either solely or jointly with others, shall be and remain exclusively the property of the Company. Each such Work created by Employee is a "work made for hire" under the copyright law and the Company may file applications to register copyright in such Works as author and copyright owner thereof. If, for any reason, a Work created by Employee is excluded from the definition of a "work made for hire" under the copyright law, then Employee does hereby assign, sell, and convey to the Company the entire rights, title, and interests in and to such Work, including the copyright therein, to the Company. Employee will execute any documents that the Company deems necessary in connection with the assignment of such Work and copyright therein. Employee will take whatever steps and do whatever acts the Company requests, including, but not limited to, placement of the Company's proper copyright notice on Works created by Employee to secure or aid in securing copyright protection in

such Works and will assist the Company or its nominees in filing applications to register claims of copyright in such Works. The Company shall have free and unlimited access at all times to all Works and all copies thereof and shall have the right to claim and take possession on demand of such Works and copies.

(b) Inventions. Employee agrees that all discoveries, concepts, and ideas, whether patentable or not, including, but not limited to, apparatus, processes, methods, compositions of matter, techniques, and formulae, as well as improvements thereof or know-how related thereto, relating to any present or prospective product, process, or service of the Company ("Inventions") that Employee conceives or makes during the term of this Agreement relating to the Company's business, shall become and remain the exclusive property of the Company, whether patentable or not, and Employee will, without royalty or any other consideration:

(i) Inform the Company promptly and fully of such Inventions by written reports, setting forth in detail the procedures employed and the results achieved;

(ii) Assign to the Company all of his rights, title, and interests in and to such Inventions, any applications for United States and foreign Letters Patent, any United States and foreign Letters Patent, and any renewals thereof granted upon such Inventions;

(iii) Assist the Company or its nominees, at the expense of the Company, to obtain such United States and foreign Letters Patent for such Inventions as the Company may elect; and

(iv) Execute, acknowledge, and deliver to the Company at the Company's expense such written documents and instruments, and do such other acts, such as giving testimony in support of his inventorship, as may be necessary in the opinion of the Company, to obtain and maintain United States and foreign Letters Patent upon such Inventions and to vest the entire rights and title thereto in the Company and to confirm the complete ownership by the Company of such Inventions, patent applications, and patents.

19. Company Property. All records, files, drawings, documents, data in whatever form, business equipment (including computers, PDAs, cell phones, etc.), and the like relating to, or provided by, the Company shall be and remain the sole property of the Company. Upon termination of employment, Employee shall immediately return to the Company all such items without retention of any copies and without additional request by the Company. De minimis items such as pay stubs, 401(k) plan summaries, employee bulletins, and the like are excluded from this requirement.

20. Confidential Information. Employee acknowledges that the Company and its affiliated entities (herein collectively referred to as "Companies") possess certain trade secrets as well as other confidential and proprietary information which they have acquired or will acquire at great effort and expense. Such information may include, without limitation, confidential information, whether in tangible or intangible form, regarding the Companies' products and services, marketing strategies, business plans, operations, costs, current or prospective

customer information (including customer identities, contacts, requirements, creditworthiness, preferences, and like matters), product concepts, designs, prototypes or specifications, research and development efforts, technical data and know-how, sales information, including pricing and other terms and conditions of sale, financial information, internal procedures, techniques, forecasts, methods, trade information, trade secrets, software programs, project requirements, inventions, trademarks, trade names, and similar information regarding the Companies' business(es) (collectively referred to herein as "Confidential Information"). Employee further acknowledges that, as a result of his employment with the Company, Employee will have access to, will become acquainted with, and/or may help develop, such Confidential Information. Confidential Information shall not include information readily available in the public so long as such information was not made available through fault of Employee or wrong doing by any other individual.

21. Restricted Use of Confidential Information. Employee agrees that all Confidential Information is and shall remain the sole and exclusive property of the Company and/or its affiliated entities. Except as may be expressly authorized by the Company in writing, Employee agrees not to disclose, or cause any other person or entity to disclose, any Confidential Information to any third party while employed by the Company and for as long thereafter as such information remains confidential (or as limited by applicable law). Further, Employee agrees to use such Confidential Information only in the course of Employee's duties in furtherance of the Company's business and agrees not to make use of any such Confidential Information for Employee's own purposes or for the benefit of any other entity or person.

22. Acknowledged Need for Limited Restrictive Covenants. Employee acknowledges that the Companies have spent and will continue to expend substantial amounts of time, money and effort to develop their business strategies, Confidential Information, customer identities and relationships, goodwill and employee relationships, and that Employee will benefit from these efforts. Further, Employee acknowledges the inevitable use of, or near-certain influence by his knowledge of, the Confidential Information disclosed to Employee during the course of employment if allowed to compete against the Company in an unrestricted manner and that such use would be unfair and extremely detrimental to the Company. Accordingly, based on these legitimate business reasons, Employee acknowledges each of the Companies' need to protect their legitimate business interests by reasonably restricting Employee's ability to compete with the Company on a limited basis.

23. Non-Solicitation. During Employee's employment and for a period of twenty-four (24) months thereafter, Employee agrees not to directly or indirectly engage in the following prohibited conduct:

    (a) Solicit, offer products or services to, or accept orders for, any Competitive Products or otherwise transact any competitive business with, any customer or entity with whom Employee had contact or transacted any business on behalf of the Company (or any Affiliate thereof) during the eighteen (18) month period preceding Employee's date of separation or about whom Employee possessed, or had access to, confidential and proprietary information;

(b) Attempt to entice or otherwise cause any third party to withdraw, curtail or cease doing business with the Company (or any Affiliate thereof), specifically including customers, vendors, independent contractors and other third party entities;

(c) Disclose to any person or entity the identities, contacts or preferences of any customers of the Company (or any Affiliate thereof), or the identity of any other persons or entities having business dealings with the Company (or any Affiliate thereof);

(d) Induce any individual who has been employed by or had provided services to the Company (or any Affiliate thereof) within the six (6) month period immediately preceding the effective date of Employee's separation to terminate such relationship with the Company (or any Affiliate thereof);

(e) Assist, coordinate or otherwise offer employment to, accept employment inquiries from, or employ any individual who is or had been employed by the Company (or any Affiliate thereof) at any time within the six (6) month period immediately preceding such offer, or inquiry;

(f) Communicate or indicate in any way to any customer of the Company (or any Affiliate thereof), prior to formal separation from the Company, any interest, desire, plan, or decision to separate from the Company; or

(g) Otherwise attempt to directly or indirectly interfere with the Company's business, the business of any of the Companies or their relationship with their employees, consultants, independent contractors or customers.

24. Limited Non-Compete. For the above-stated reasons, and as a condition of employment to the fullest extent permitted by law, Employee agrees during the Relevant Non-Compete Period not to directly or indirectly engage in the following competitive activities:

(a) Employee shall not have any ownership interest in, work for, advise, consult, or have any business connection or business or employment relationship in any competitive capacity with any Competitor unless Employee provides written notice to the Company of such relationship prior to entering into such relationship and, further, provides sufficient written assurances to the Company's satisfaction that such relationship will not, jeopardize the Company's legitimate interests or otherwise violate the terms of this Agreement;

(b) Employee shall not engage in any research, development, production, sale or distribution of any Competitive Products, specifically including any products or services relating to those for which Employee had responsibility for the eighteen (18) month period preceding Employee's date of separation;

(c) Employee shall not market, sell, or otherwise offer or provide any Competitive Products within his Geographic Territory (if applicable) or Assigned Customer Base, specifically including any products or services relating to those for which Employee had responsibility for the eighteen (18) month period preceding Employee's date of separation; and

(d) Employee shall not distribute, market, sell or otherwise offer or provide any Competitive Products to any customer of the Company with whom Employee had contact or for which Employee had responsibility at any time during the eighteen (18) month period preceding Employee's date of separation

25. Non-Compete Definitions. For purposes of this Agreement, the Parties agree that the following terms shall apply:

(a) "Affiliate" includes any parent, subsidiary, joint venture, sister company, or other entity controlled, owned, managed or otherwise associated with the Company;

(b) "Assigned Customer Base" shall include all accounts or customers formally assigned to Employee within a given territory or geographical area or contacted by him at any time during the eighteen (18) month period preceding Employee's date of separation;

(c) "Competitive Products" shall include any product or service that directly or indirectly competes with, is substantially similar to, or serves as a reasonable substitute for, any product or service in research, development or design, or manufactured, produced, sold or distributed by the Company;

(d) "Competitor" shall include any person or entity that offers or is actively planning to offer any Competitive Products and may include (but not be limited to) any entity identified on the Company's Illustrative Competitor List, attached hereto as Exhibit B, which shall be amended from time to time to reflect changes in the Company's business and competitive environment (updated competitor lists will be provided to Employee upon reasonable request);

(e) "Geographic Territory" shall include any territory formally assigned to Employee as well as all territories in which Employee has provided any services, sold any products or otherwise had responsibility at any time during the twenty-four (24) month period preceding Employee's date of separation;

(f) "Relevant Non-Compete Period" shall include the period of Employee's employment with the Company as well as a period of twenty-four (24) months after such employment is terminated, regardless of the reason for such termination provided, however, that this period shall be reduced to the greater of (i) twelve (12) months or (ii) the total length of Employee's employment with the Company, including employment with any parent, subsidiary or affiliated entity, if such employment is less than twenty-four (24) months;

(g) "Directly or indirectly" shall be construed such that the foregoing restrictions shall apply equally to Employee whether performed individually or as a partner, shareholder, officer, director, manager, employee, salesperson, independent contractor, broker, agent, or consultant for any other individual, partnership, firm, corporation, company, or other entity engaged in such conduct

26. Employment by National or Regional Accounts. Employee acknowledges that he will have acquired and/or have access to confidential and proprietary information regarding the Company's business dealings with, and business strategies concerning, its national or

regional accounts (a/k/a Key Accounts, Prime Accounts, and National Accounts). Employee further acknowledges that such knowledge would provide him with a competitive advantage if used against the Company or used against a competitor of a national or regional account. Accordingly, as a term and condition of employment, Employee agrees that the foregoing restrictive covenants shall apply with equal force to restrict him from seeking any employment or any other business relationship with such national or regional account, whether or not serviced by Employee, for the duration of his Relevant Non-Compete Period. Employee agrees that such accounts shall include, but not be limited to, the following:

- Arbor Memorial Services
- Brooke Funeral Services Co., LLC (Brooke Franchise Corp.)
- Buckner Management Services
- Calvert Group
- Carriage Funeral Holdings, Inc.
- Celebris Memorial Services, Inc. (Urel Bourgie)
- Citadel Funeral Service, Inc. (Wisconsin Vault Company)
- Concord Family Services, Inc.
- Family Choices
- Gibralter Mausoleum Company (A division of Matthews International)
- Keystone Group Holdings, Inc.
- Legacy Funeral Group (Legacy Funeral Holdings, Inc.; Legacy Funeral Holdings of Louisiana, LLC; Legacy Funeral Holdings of Mississippi, LLC; Legacy Funeral Properties, Inc.)
- Memory Gardens Management Corporation
- Newcomer Funeral Homes and Crematories
- Northstar Memorial Group
- Paxus Services, Inc. (Paxus Services (Kansas), Inc.; Paxus Services (Tennessee), Inc.; Paxus Services (Lousiana), Inc.; Paxus Services (Texas), Inc.; Paxus Services (Oklahoma), Inc.)
- Pioneer Enterprises, Inc.
- Rollings Funeral Service, Inc.
- Security National Financial Corporation
- Service Corporation International
- Stewart Enterprises, Inc.
- StoneMor Partners, L.P.
- Vertin Companies Family Funeral Homes
- Washburn-McReavy Funeral Chapels
- Wilson Financial Group, Inc.

27. Consent to Reasonableness. In light of the above-referenced concerns, including Employee's knowledge of and access to the Companies' Confidential Information, Employee acknowledges that the terms of the foregoing restrictive covenants are reasonable and necessary to protect the Company's legitimate business interests and will not unreasonably interfere with Employee's ability to obtain alternate employment. As such, Employee hereby agrees that such restrictions are valid and enforceable, and affirmatively waives any argument or defense to the contrary. Employee acknowledges that this limited non-competition provision is not an attempt to prevent Employee from obtaining other employment in violation of IC § 22-5-3-1 or any other similar statute. Employee further acknowledges that the Company may need to take action, including litigation, to enforce this limited non-competition provision, which efforts the Parties stipulate shall not be deemed an attempt to prevent Employee from obtaining other employment.

28. Survival of Restrictive Covenants. Employee acknowledges that the above restrictive covenants shall survive the termination of this Agreement and the termination of Employee's employment for any reason. Employee further acknowledges that any alleged breach by the Company of any contractual, statutory or other obligation shall not excuse or terminate the obligations hereunder or otherwise preclude the Company from seeking injunctive or other relief. Rather, Employee acknowledges that such obligations are independent and separate covenants undertaken by Employee for the benefit of the Company.

29. Effect of Transfer. Subject to the provisions of Paragraph 11 above, Employee agrees that this Agreement shall continue in full force and effect notwithstanding any change in job duties, job titles or reporting responsibilities. Employee further acknowledges that the above restrictive covenants shall survive, and be extended to cover, the transfer of Employee from the Company to its parent, subsidiary, sister corporation or any other affiliated entity (hereinafter collectively referred to as an "Affiliate") or any subsequent transfer(s) among them. Specifically, in the event of Employee's temporary or permanent transfer to an Affiliate, he agrees that the foregoing restrictive covenants shall remain in force so as to continue to protect such company for the duration of the non-compete period, measured from his effective date of transfer to an Affiliate. Additionally, Employee acknowledges that this Agreement shall be deemed to have been automatically assigned to the Affiliate as of his effective date of transfer such that the above-referenced restrictive covenants (as well as all other terms and conditions contained herein) shall be construed thereafter to protect the legitimate business interests and goodwill of the Affiliate as if Employee and the Affiliate had independently entered into this Agreement. Employee's acceptance of his transfer to, and subsequent employment by, the Affiliate shall serve as consideration for (as well as be deemed as evidence of his consent to) the assignment of this Agreement to the Affiliate as well as the extension of such restrictive covenants to the Affiliate. Employee agrees that this provision shall apply with equal force to any subsequent transfers of Employee from one Affiliate to another Affiliate.

30. Post-Termination Notification. For the duration of his Relevant Non-compete Period or other restrictive covenant period, which ever is longer, Employee agrees to promptly notify the Company no later than five (5) business days of his acceptance of any employment or consulting engagement. Such notice shall include sufficient information to ensure Employee compliance with his non-compete obligations and must include at a minimum the following

information: (i) the name of the employer or entity for which he is providing any consulting services; (ii) a description of his intended duties as well as (iii) the anticipated start date. Such information is required to ensure Employee's compliance with his non-compete obligations as well as all other applicable restrictive covenants. Such notice shall be provided in writing to the Office of Vice President and General Counsel of the Company at One Batesville Boulevard, Batesville, Indiana 47006. Failure to timely provide such notice shall be deemed a material breach of this Agreement and entitle the Company to return of any severance paid to Employee plus attorneys' fees. Employee further consents to the Company's notification to any new employer of Employee's rights and obligations under this Agreement.

31. Scope of Restrictions. If the scope of any restriction contained in any preceding paragraphs of this Agreement is deemed too broad to permit enforcement of such restriction to its fullest extent, then such restriction shall be enforced to the maximum extent permitted by law, and Employee hereby consents and agrees that such scope may be judicially modified accordingly in any proceeding brought to enforce such restriction.

32. Specific Enforcement/Injunctive Relief. Employee agrees that it would be difficult to measure any damages to the Company from a breach of the above-referenced restrictive covenants, but acknowledges that the potential for such damages would be great, incalculable and irremediable, and that monetary damages alone would be an inadequate remedy. Accordingly, Employee agrees that the Company shall be entitled to immediate injunctive relief against such breach, or threatened breach, in any court having jurisdiction. In addition, if Employee violates any such restrictive covenant, Employee agrees that the period of such violation shall be added to the term of the restriction. In determining the period of any violation, the Parties stipulate that in any calendar month in which Employee engages in any activity in violation of such provisions, Employee shall be deemed to have violated such provision for the entire month, and that month shall be added to the duration of the non-competition provision. Employee acknowledges that the remedies described above shall not be the exclusive remedies, and the Company may seek any other remedy available to it either in law or in equity, including, by way of example only, statutory remedies for misappropriation of trade secrets, and including the recovery of compensatory or punitive damages. Employee further agrees that the Company shall be entitled to an award of all costs and attorneys' fees incurred by it in any attempt to enforce the terms of this Agreement.

33. Publicly Traded Stock. The Parties agree that nothing contained in this Agreement shall be construed to prohibit Employee from investing his personal assets in any stock or corporate security traded or quoted on a national securities exchange or national market system provided, however, such investments do not require any services on the part of Employee in the operation or the affairs of the business or otherwise violate the Company's Code of Ethics.

34. Notice of Claim and Contractual Limitations Period. Employee acknowledges the Company's need for prompt notice, investigation, and resolution of any claims that may be filed against it due to the number of relationships it has with employees and others (and due to the turnover among such individuals with knowledge relevant to any underlying claim). Accordingly, Employee agrees prior to initiating any litigation of any type (including, but not

limited to, employment discrimination litigation, wage litigation, defamation, or any other claim) to notify the Company, within One Hundred and Eighty (180) days after the claim accrued, by sending a certified letter addressed to the Company's General Counsel setting forth: (i) claimant's name, address, and phone; (ii) the name of any attorney representing Employee; (iii) the nature of the claim; (iv) the date the claim arose; and (v) the relief requested. This provision is in addition to any other notice and exhaustion requirements that might apply. For any dispute or claim of any type against the Company (including but not limited to employment discrimination litigation, wage litigation, defamation, or any other claim), Employee must commence legal action within the shorter of one (1) year of accrual of the cause of action or such shorter period that may be specified by law.

35. Non-Jury Trials. Notwithstanding any right to a jury trial for any claims, Employee waives any such right to a jury trial, and agrees that any claim of any type (including but not limited to employment discrimination litigation, wage litigation, defamation, or any other claim) lodged in any court will be tried, if at all, without a jury.

36. Choice of Forum. Employee acknowledges that the Company is primarily based in Indiana, and Employee understands and acknowledges the Company's desire and need to defend any litigation against it in Indiana. Accordingly, the Parties agree that any claim of any type brought by Employee against the Company or any of its employees or agents must be maintained only in a court sitting in Marion County, Indiana, or Ripley County, Indiana, or, if a federal court, the Southern District of Indiana, Indianapolis Division. Employee further understands and acknowledges that in the event the Company initiates litigation against Employee, the Company may need to prosecute such litigation in such state where the Employee is subject to personal jurisdiction. Accordingly, for purposes of enforcement of this Agreement, Employee specifically consents to personal jurisdiction in the State of Indiana as well as any state in which resides a customer assigned to the Employee. Furthermore, Employee consents to appear, upon Company's request and at Employee's own cost, for deposition, hearing, trial, or other court proceeding in Indiana or in any state in which resides a customer assigned to the Employee.

37. Choice of Law. This Agreement shall be deemed to have been made within the County of Ripley, State of Indiana and shall be interpreted and construed in accordance with the laws of the State of Indiana. Any and all matters of dispute of any nature whatsoever arising out of, or in any way connected with the interpretation of this Agreement, any disputes arising out of the Agreement or the employment relationship between the Parties hereto, shall be governed by, construed by and enforced in accordance with the laws of the State of Indiana without regard to any applicable state's choice of law provisions.

38. Titles. Titles are used for the purpose of convenience in this Agreement and shall be ignored in any construction of it.

39. Severability. The Parties agree that each and every paragraph, sentence, clause, term and provision of this Agreement is severable and that, in the event any portion of this Agreement is adjudged to be invalid or unenforceable, the remaining portions thereof shall remain in effect and be enforced to the fullest extent permitted by law. Further, should any particular clause, covenant, or provision of this Agreement be held unreasonable or contrary to public

policy for any reason, the Parties acknowledge and agree that such covenant, provision or clause shall automatically be deemed modified such that the contested covenant, provision or clause will have the closest effect permitted by applicable law to the original form and shall be given effect and enforced as so modified to whatever extent would be reasonable and enforceable under applicable law.

40. Assignment-Notices. The rights and obligations of the Company under this Agreement shall inure to its benefit, as well as the benefit of its parent, subsidiary, successor and affiliated entities, and shall be binding upon the successors and assigns of the Company. This Agreement, being personal to Employee, cannot be assigned by Employee, but his personal representative shall be bound by all its terms and conditions. Any notice required hereunder shall be sufficient if in writing and mailed to the last known residence of Employee or to the Company at its principal office with a copy mailed to the Office of the General Counsel.

41. Amendments and Modifications. Except as specifically provided herein, no modification, amendment, extension or waiver of this Agreement or any provision hereof shall be binding upon the Company or Employee unless in writing and signed by both Parties. The waiver by the Company or Employee of a breach of any provision of this Agreement shall not be construed as a waiver of any subsequent breach. Nothing in this Agreement shall be construed as a limitation upon the Company's right to modify or amend any of its manuals or policies in its sole discretion and any such modification or amendment which pertains to matters addressed herein shall be deemed to be incorporated herein and made a part of this Agreement.

42. Outside Representations. Employee represents and acknowledges that in signing this Agreement he does not rely, and has not relied, upon any representation or statement made by the Company or by any of the Company's employees, officers, agents, stockholders, directors or attorneys with regard to the subject matter, basis or effect of this Agreement other than those specifically contained herein.

43. Voluntary and Knowing Execution. Employee acknowledges that he has been offered a reasonable amount of time within which to consider and review this Agreement; that he has carefully read and fully understands all of the provisions of this Agreement; and that he has entered into this Agreement knowingly and voluntarily.

44. Entire Agreement. This Agreement constitutes the entire employment agreement between the Parties hereto concerning the subject matter hereof and shall supersede all prior and contemporaneous agreements between the Parties in connection with the subject matter of this Agreement. Any pre-existing Employment Agreements shall be deemed null and void. Nothing in this Agreement, however, shall affect any separately-executed written agreement addressing any other issues (e.g., the Inventions, Improvements, Copyrights and Trade Secrets Agreement, etc.).

IN WITNESS WHEREOF, the Parties have signed this Agreement effective as of the day and year first above written.

"EMPLOYEE"		BATESVILLE SERVICES, INC.	
Signed:	_____	By:	_____
Printed:	_____	Title:	_____
Dated:	_____	Dated:	_____

CAUTION: READ BEFORE SIGNING

Exhibit A

SAMPLE SEPARATION AND RELEASE AGREEMENT

THIS SEPARATION and RELEASE AGREEMENT ("Agreement") is entered into by and between Michael L. Di Bease ("Employee") and Batesville Services, Inc. (together with its subsidiaries and affiliates, the "Company"). To wit, the Parties agree as follows:

1. Employee's active employment by the Company shall terminate effective [date of termination] (Employee's "Effective Termination Date"). Except as specifically provided by this Agreement, or in any other non-employment agreement that may exist between the Company and Employee, Employee agrees that the Company shall have no other obligations or liabilities to him following his Effective Termination Date and that his receipt of the Severance Benefits provided herein shall constitute a complete settlement, satisfaction and waiver of any and all claims he may have against the Company.

2. Employee further submits, and the Company hereby accepts, his resignation as an employee, officer and director, as of his Effective Termination Date for any position he may hold. The Parties agree that this resignation shall apply to all such positions Employee may hold with the Company or any parent, subsidiary or affiliated entity thereof. Employee agrees to execute any documents needed to effectuate such resignation. Employee further agrees to take whatever steps are necessary to facilitate and ensure the smooth transition of his duties and responsibilities to others.

3. Employee acknowledges that he has been advised of the American Jobs Creation Act of 2004, which added Section 409A ("Section 409A") to the Internal Revenue Code, and significantly changed the taxation of nonqualified deferred compensation plans and arrangements. Under proposed and final regulations as of the date of this Agreement, Employee has been advised that his severance pay may be treated by the Internal Revenue Service as providing "nonqualified deferred compensation," and therefore subject to Section 409A. In that event, several provisions in Section 409A may affect Employee's receipt of severance compensation. These include, but are not limited to, a provision which requires that distributions to "specified employees" of public companies on account of separation from service may not be made earlier than six (6) months after the effective date of such separation. If applicable, failure to comply with Section 409A can lead to immediate taxation of deferrals, with interest calculated at a penalty rate and a 20% penalty. As a result of the requirements imposed by the American Jobs Creation Act of 2004, Employee agrees if he is a "specified employee" at the time of his termination of employment and if severance payments are covered as "non-qualified deferred compensation" or otherwise not exempt, the severance pay benefits shall not be paid until a date at least six (6) months after Employee's Effective Termination Date from Company, as more fully explained by Paragraph 4, below.

4. In consideration of the promises contained in this Agreement and contingent upon Employee's compliance with such promises, the Company agrees to provide Employee the following:

(a) Severance pay, in lieu of, and not in addition to any other contractual, notice or statutory pay obligations (other than accrued wages and deferred compensation) in the maximum total amount of [_____] Dollars and **[_____]** Cents ($_____), less applicable deductions or other set offs, payable as follows:

[*For 409A Severance Pay for Specified Employees Only*]

(i) A lump payment in the gross amount of [insert amount equal to 6 months pay] [_____] Dollars and [_____] Cents **($_____)** payable the day following the sixth (6th) month anniversary of Employee's Effective Termination Date, with any remaining amount to be paid in bi-weekly installments equivalent to Employee's base salary (i.e. _____ Dollars and _____ Cents ($_____), less applicable deductions or other setoffs) commencing upon the next regularly scheduled payroll date after the payment of the lump sum for a period of up to _____ (___) weeks or until the Employee becomes reemployed, whichever comes first.

[*For Non- 409A Severance pay or 409A Severance Pay for Non-Specified Employees Only*]

(i) Commencing on the next regularly scheduled payroll immediately following the earlier to occur of fifteen (15) days from the Company's receipt of and Executed Separation and Release Agreement or the expiration of sixty (60) days after Employee's Effective Termination Date, Employee shall be paid severance equivalent to his bi-weekly base salary (i.e. **[_____]** Dollars and **[_____]** Cents ($**[_____]**), less applicable deductions or other set-offs), for a period up to [weeks] (**[_____]**) weeks following Employee's Effective Termination Date or until Employee becomes reemployed, whichever occurs first; provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then this severance pay shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Employee's Effective Termination Date.

(b) Payment for any earned but unused vacation as of Employee's Effective Termination Date, less applicable deductions permitted or required by law payable in one lump sum within fifteen (15) days after the Employee's Effective Termination Date; and

(c) Group Life Insurance coverage until the above-referenced Severance Pay terminates.

5. Except as may be required by Section 409A, the above Severance Pay shall be paid in accordance with the Company's standard payroll practices (e.g. bi-weekly) and shall begin on the first normally scheduled payroll following Employee's Effective Termination Date or the effective date of this Agreement, whichever occurs last. The Parties agree that the initial two (2) weeks of the foregoing Severance Pay shall be allocated as consideration provided to Employee in exchange for his execution of a release in compliance with the Older Workers Benefit Protection Act. The balance of the severance benefits and other obligations undertaken by the Company pursuant to this Agreement shall be allocated as consideration

for all other promises and obligations undertaken by Employee, including execution of a general release of claims.

6. The Company further agrees to provide Employee with limited out-placement counseling with a company of its choice provided that Employee participates in such counseling immediately following termination of employment. Notwithstanding anything in this Section 6 to the contrary, the out-placement counseling shall not be provided after the last day of the second calendar year following the calendar year in which termination of employment occurs.

7. As of his Effective Termination Date, Employee will become ineligible to participate in the Company's health insurance program and continuation of coverage requirements under COBRA (if any) will be triggered at that time. However, as additional consideration for the promises and obligations contained herein (and except as may be prohibited by law), the Company agrees to continue to pay the employer's share of such coverage as provided under the health care program selected by Employee as of his Effective Termination Date, subject to any approved changes in coverage based on a qualified election, until the above-referenced Severance Pay terminates, Employee accepts other employment or Employee becomes eligible for alternative healthcare coverage, which ever comes first, provided Employee (i) timely completes the applicable election of coverage forms and (ii) continues to pay the employee portion of the applicable premium(s). Thereafter, if applicable, coverage will be made available to Employee at his sole expense (i.e., Employee will be responsible for the full COBRA premium) for the remaining months of the COBRA coverage period made available pursuant to applicable law. The medical insurance provided herein does not include any disability coverage.

8. Should Employee become employed before the above-referenced Severance Benefits are exhausted or terminated, Employee agrees to so notify the Company in writing within five (5) business days of Employee's acceptance of such employment, providing the name of such employer (or entity to whom Employee may be providing consulting services), his intended duties as well as the anticipated start date. Such information is required to ensure Employee's compliance with his non-compete obligations as well as all other applicable restrictive covenants. This notice will also serve to trigger the Company's right to terminate the above-referenced severance pay benefits (specifically excluding any lump sum payment due as a result of the application of Section 409A) as well as all Company-paid or Company—provided benefits consistent with the above paragraphs. Failure to timely provide such notice shall be deemed a material breach of this Agreement entitling the Company to recover as damages the value of all benefits provided to Employee hereunder plus attorneys fees. .In the event Employee accepts employment at a lower rate of pay, the Company will agree to continue to pay Employee the difference between the above severance pay and Employee's total compensation to be paid by a subsequent employer upon receipt of acceptable proof of such compensation. All other severance benefits however, shall terminate upon reemployment.

9. Employee agrees to fully indemnify and hold the Company harmless for any taxes, penalties, interest, cost or attorneys' fee assessed against or incurred by the Company on account of such benefits having been provided to him or based on any alleged failure to withhold taxes

or satisfy any claimed obligation. Employee understands and acknowledges that neither the Company, nor any of its employees, attorneys, or other representatives has provided him with any legal or financial advice concerning taxes or any other matter, and that he has not relied on any such advice in deciding whether to enter into this Agreement. To the extent applicable, Employee understands and agrees that he shall have the responsibility for, and he agrees to pay, any and all appropriate income tax or other tax obligations for which he is individually responsible and/or related to receipt of any benefits provided in this Agreement not subject to federal withholding obligations

10. In exchange for the foregoing Severance Benefits, MICHAEL L. DI BEASE on behalf of himself, his heirs, representatives, agents and assigns hereby RELEASES, INDEMNIFIES, HOLDS HARMLESS, and FOREVER DISCHARGES (i) Batesville Services, Inc. (ii) its parent, subsidiary or affiliated entities, (iii) all of their present or former directors, officers, employees, shareholders, and agents, as well as, (iv) all predecessors, successors and assigns thereof from any and all actions, charges, claims, demands, damages or liabilities of any kind or character whatsoever, known or unknown, which Employee now has or may have had through the effective date of this Agreement.

11. Without limiting the generality of the foregoing release, it shall include: (i) all claims or potential claims arising under any federal, state or local laws relating to the Parties' employment relationship, including any claims Employee may have under the Civil Rights Acts of 1866 and 1964, as amended, 42 U.S.C. §§ 1981 and 2000(e) et seq.; the Civil Rights Act of 1991; the Age Discrimination in Employment Act, as amended, 29 U.S.C. §§ 621 et seq.; the Americans with Disabilities Act of 1990, as amended, 42 U.S.C §§ 12,101 et seq.; the Fair Labor Standards Act 29 U.S.C. §§ 201 et seq.; the Worker Adjustment and Retraining Notification Act, 29 U.S.C. §§ 2101, et seq.; the Employee Retirement Income Security Act, 29 U.S.C. §§ 1101 et seq.; the Sarbanes-Oxley Act of 2002, specifically including the Corporate and Criminal Fraud Accountability Act, 18 USC §1514A et seq.; and any other federal, state or local law governing the Parties' employment relationship; (ii) any claims on account of, arising out of or in any way connected with Employee's employment with the Company or leaving of that employment; (iii) any claims alleged or which could have been alleged in any charge or complaint against the Company; (iv) any claims relating to the conduct of any employee, officer, director, agent or other representative of the Company; (v) any claims of discrimination, harassment or retaliation on any basis; (vi) any claims arising from any legal restrictions on an employer's right to separate its employees; (vii) any claims for personal injury, compensatory or punitive damages or other forms of relief; and (viii) all other causes of action sounding in contract, tort or other common law basis, including (a) the breach of any alleged oral or written contract, (b) negligent or intentional misrepresentations, (c) wrongful discharge, (d) just cause dismissal, (e) defamation, (f) interference with contract or business relationship or (g) negligent or intentional infliction of emotional distress.

12. Employee further agrees and covenants not to sue the Company or any entity or individual subject to the foregoing General Release with respect to any claims, demands, liabilities or obligations release by this Agreement provided, however, that nothing contained in this Agreement shall

(a) prevent Employee from filing an administrative charge with the Equal Employment Opportunity Commission or any other federal, state or local agency; or

(b) prevent Employee from challenging, under the Older Worker's Benefit Protection Act (29 U.S.C. § 626), the knowing and voluntary nature of his/her release of any age claims in this Agreement in court or before the Equal Employment Opportunity Commission. **[INCLUDE THIS SUBPARAGRAPH (b) IF EMPLOYEE IS AGE 40 OR OLDER]**

13. Notwithstanding his right to file an administrative charge with the EEOC or any other federal, state, or local agency, Employee agrees that with his release of claims in this Agreement, he has waived any right he may have to recover monetary or other personal relief in any proceeding based in whole or in part on claims released by him in this Agreement. For example, Employee waives any right to monetary damages or reinstatement if an administrative charge is brought against the Company whether by Employee, the EEOC, or any other person or entity, including but not limited to any federal, state, or local agency. Further, with his release of claims in this Agreement, Employee specifically assigns to the Company his right to any recovery arising from any such proceeding.

14. **[ADD THIS LANGUAGE IF THE EMPLOYEE IS AGE 40 OR OLDER]**The Parties acknowledge that it is their mutual and specific intent that the above waiver fully complies with the requirements of the Older Workers Benefit Protection Act (29 U.S.C. § 626) and any similar law governing release of claims. Accordingly, Employee hereby acknowledges that:

(a) He has carefully read and fully understands all of the provisions of this Agreement and that he has entered into this Agreement knowingly and voluntarily;
(b) The Severance Benefits offered in exchange for Employee's release of claims exceed in kind and scope that to which he would have otherwise been legally entitled absent the execution of this Agreement;

(c) Prior to signing this Agreement, Employee had been advised, and is being advised by this Agreement, to consult with an attorney of his choice concerning its terms and conditions; and

(d) He has been offered at least **[twenty-one (21)/forty-five (45)]** days within which to review and consider this Agreement.

15. **[ADD THIS LANGUAGE IF EMPLOYEE IS AGE 40 OR OLDER]**The Parties agree that this Agreement shall not become effective and enforceable until the date this Agreement is signed by both Parties or seven (7) calendar days after its execution by Employee, whichever is later. Employee may revoke this Agreement for any reason by providing written notice of such intent to the Company within seven (7) days after he has signed this Agreement, thereby forfeiting Employee's right to receive any Severance Benefits provided hereunder and rendering this Agreement null and void in its entirety. This revocation must be sent to the Employee's HR representative with a copy sent to the Batesville Casket Company Office of General Counsel and must be received by the end of the seventh day after the Employee signs this Agreement to be effective.

16. **[ADD THIS LANGUAGE IF THE EMPLOYEE IS IN CALIFORNIA]**Employee specifically acknowledges that, as a condition of this Agreement, he/she expressly releases all rights and claims that he/she knows about as well as those he/she may not know about. Employee expressly waives all rights under Section 1542 of the Civil Code of the State of California, which reads as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his/her favor at the time of executing the release which if known, must have materially affected his/her settlement with the debtor."

Notwithstanding the provision by Section 1542, and for the purpose of implementing a full and complete release and discharge of the Company as set forth above, Employee expressly acknowledges that this Agreement is intended to include and does in its effect, without limitation, include all claims which Employee does not know or suspect to exist in his/her favor at the time of signing this Agreement and that this Agreement expressly contemplates the extinguishment of all such claims.

17. The Parties agree that nothing contained herein shall purport to waive or otherwise affect any of Employee's rights or claims that may arise after he signs this Agreement. It is further understood by the Parties that nothing in this Agreement shall affect any rights Employee may have under any Company sponsored Deferred Compensation Program, Executive Life Insurance Bonus Plan, Stock Grant Award, Stock Option Grant, Restricted Stock Unit Award, Pension Plan and/or Savings Plan (i.e., 401(k) plan) provided by the Company as of the date of his termination, such items to be governed exclusively by the terms of the applicable agreements or plan documents.

18. Similarly, notwithstanding any provision contained herein to the contrary, this Agreement shall not constitute a waiver or release or otherwise affect Employee's rights with respect to any vested benefits, any rights [he/she] has to benefits which can not be waived by law, any coverage provided under any Directors and Officers ("D&O") policy, any rights Employee may have under any indemnification agreement [he/she] has with the Company prior to the date hereof, any rights he has as a shareholder, or any claim for breach of this Agreement, including, but not limited to the benefits promised by the terms of this Agreement.

19. **[*Optional provision for equity-eligible employees:* Except as provided herein, Employee acknowledges that he will not be eligible to receive or vest in any additional stock options, stock awards or restricted stock units ("RSUs") as of [his/her] Effective Termination Date. Failure to exercise any vested options within the applicable period as set for in the plan and/or grant will result in their forfeiture. Employee acknowledges that any stock options, stock awards or RSUs held for less than the required period shall be deemed forfeited as of the effective date of this Agreement. All terms and conditions of such stock options, stock awards or RSUs shall not be affected by this Agreement, shall remain in full force and effect, and shall govern the Parties' rights with respect to such equity based awards.]**

20. **[*Option A*]** Employee acknowledges that his termination and the Severance Benefits offered hereunder were based on an individual determination and were not offered in conjunction with any group termination or group severance program and waives any claim to the contrary.

[*Option B*] Employee represents and agrees that he has been provided relevant cohort information based on the information available to the Company as of the date this Agreement was tendered to Employee. This information is attached hereto as Exhibit A. The Parties acknowledge that simply providing such information does not mean and should not be interpreted to mean that the Company was obligated to comply with 29 C.F.R. § 1625.22(f).

21. Employee hereby affirms and acknowledges his continued obligations to comply with the post-termination covenants contained in his Employment Agreement, including but not limited to, the non-compete, trade secret and confidentiality provisions. Employee acknowledges that a copy of the Employment Agreement has been attached to this Agreement as Exhibit A **[B]** or has otherwise been provided to him and, to the extent not inconsistent with the terms of this Agreement or applicable law, the terms thereof shall be incorporated herein by reference. Employee acknowledges that the restrictions contained therein are valid and reasonable in every respect and are necessary to protect the Company's legitimate business interests. Employee hereby affirmatively waives any claim or defense to the contrary. Employee hereby acknowledges that the definition of Competitor, as provided in his Employment Agreement shall include but not be limited to those entities specifically identified in the updated Competitor List, attached hereto as Exhibit B **[C]**.

22. Employee acknowledges that the Company as well as its parent, subsidiary and affiliated companies ("Companies" herein) possess, and he has been granted access to, certain trade secrets as well as other confidential and proprietary information that they have acquired at great effort and expense. Such information includes, without limitation, confidential information regarding products and services, marketing strategies, business plans, operations, costs, current or, prospective customer information (including customer contacts, requirements, creditworthiness and like matters), product concepts, designs, prototypes or specifications, regulatory compliance issues, research and development efforts, technical data and know-how, sales information, including pricing and other terms and conditions of sale, financial information, internal procedures, techniques, forecasts, methods, trade information, trade secrets, software programs, project requirements, inventions, trademarks, trade names, and similar information regarding the Companies' business (collectively referred to herein as "Confidential Information").

23. Employee agrees that all such Confidential Information is and shall remain the sole and exclusive property of the Company. Except as may be expressly authorized by the Company in writing, or as may be required by law after providing due notice thereof to the Company, Employee agrees not to disclose, or cause any other person or entity to disclose, any Confidential Information to any third party for as long thereafter as such information remains confidential (or as limited by applicable law) and agrees not to make use of any such Confidential Information for Employee's own purposes or for the benefit of any other entity or person. The Parties acknowledge that Confidential Information shall not include any

information that is otherwise made public through no fault of Employee or other wrong doing.

24. On or before Employee's Effective Termination Date or per the Company's request, Employee agrees to return the original and all copies of all things in his possession or control relating to the Company or its business, including but not limited to any and all contracts, reports, memoranda, correspondence, manuals, forms, records, designs, budgets, contact information or lists (including customer, vendor or supplier lists), ledger sheets or other financial information, drawings, plans (including, but not limited to, business, marketing and strategic plans), personnel or other business files, computer hardware, software, or access codes, door and file keys, identification, credit cards, pager, phone, and any and all other physical, intellectual, or personal property of any nature that he received, prepared, helped prepare, or directed preparation of in connection with his employment with the Company. Nothing contained herein shall be construed to require the return of any non-confidential and de minimis items regarding Employee's pay, benefits or other rights of employment such as pay stubs, W-2 forms, 401(k) plan summaries, benefit statements, etc.

25. Employee hereby consents and authorizes the Company to deduct as an offset from the above-referenced severance payments the value of any Company property not returned or returned in a damaged condition as well as any monies paid by the Company on Employee's behalf (e.g., payment of any outstanding American Express bill).

26. Employee agrees to cooperate with the Company in connection with any pending or future litigation, proceeding or other matter which has been or may be brought against or by the Company before any agency, court, or other tribunal and concerning or relating in any way to any matter falling within Employee's knowledge or former area of responsibility. Employee agrees to immediately notify the Company, through the Office of the General Counsel, in the event he is contacted by any outside attorney (including paralegals or other affiliated parties) unless (i) the Company is represented by the attorney, (ii) Employee is represented by the attorney for the purpose of protecting his personal interests or (iii) the Company has been advised of and has approved such contact. Employee agrees to provide reasonable assistance and completely truthful testimony in such matters including, without limitation, facilitating and assisting in the preparation of any underlying defense, responding to discovery requests, preparing for and attending deposition(s) as well as appearing in court to provide truthful testimony. The Company agrees to reimburse Employee for all reasonable out of pocket expenses incurred at the request of the Company associated with such assistance and testimony.

27. Employee agrees not to make any written or oral statement that may defame, disparage or cast in a negative light so as to do harm to the personal or professional reputation of (a) the Company, (b) its employees, officers, directors or trustees or (c) the services and/or products provided by the Company and its subsidiaries or affiliate entities. Similarly, in response to any written inquiry from any prospective employer or in connection with a written inquiry in connection with any future business relationship involving Employee, the Company agrees not to provide any information that may defame, disparage or cast in a negative light so as to do harm to the personal or professional reputation of Employee. The Parties acknowledge, however, that nothing contained herein shall be construed to prevent or prohibit the Company

or the Employee from providing truthful information in response to any court order, discovery request, subpoena or other lawful request.

28. **EMPLOYEE SPECIFICALLY AGREES AND UNDERSTANDS THAT THE EXISTENCE AND TERMS OF THIS AGREEMENT ARE STRICTLY CONFIDENTIAL AND THAT SUCH CONFIDENTIALITY IS A MATERIAL TERM OF THIS AGREEMENT.** Accordingly, except as required by law or unless authorized to do so by the Company in writing, Employee agrees that he shall not communicate, display or otherwise reveal any of the contents of this Agreement to anyone other than his spouse, legal counsel or financial advisor provided, however, that they are first advised of the confidential nature of this Agreement and Employee obtains their agreement to be bound by the same. The Company agrees that Employee may respond to legitimate inquiries regarding the termination of his employment by stating that the Parties have terminated their relationship on an amicable basis and that the Parties have entered into a Confidential Separation and Release Agreement that prohibits him from further discussing the specifics of his separation. Nothing contained herein shall be construed to prevent Employee from discussing or otherwise advising subsequent employers of the existence of any obligations as set forth in his Employment Agreement. Further, nothing contained herein shall be construed to limit or otherwise restrict the Company's ability to disclose the terms and conditions of this Agreement as may be required by business necessity.

29. In the event that Employee breaches or threatens to breach any provision of this Agreement, he agrees that the Company shall be entitled to seek any and all equitable and legal relief provided by law, specifically including immediate and permanent injunctive relief. Employee hereby waives any claim that the Company has an adequate remedy at law. In addition, and to the extent not prohibited by law, Employee agrees that the Company shall be entitled to discontinue providing any additional Severance Benefits upon such breach or threatened breach as well as an award of all costs and attorneys' fees incurred by the Company in any successful effort to enforce the terms of this Agreement. Employee agrees that the foregoing relief shall not be construed to limit or otherwise restrict the Company's ability to pursue any other remedy provided by law, including the recovery of any actual, compensatory or punitive damages. Moreover, if Employee pursues any claims against the Company subject to the foregoing General Release, or breaches the above confidentiality provision, Employee agrees to immediately reimburse the Company for the value of all benefits received under this Agreement to the fullest extent permitted by law.

30. Similarly, in the event that the Company breaches or threatens to breach any provision of this Agreement, Employee shall be entitled to seek any and all equitable or other available relief provided by law, specifically including immediate and permanent injunctive relief. In the event Employee is required to file suit to enforce the terms of this Agreement, the Company agrees that Employee shall be entitled to an award of all costs and attorneys' fees incurred by him in any wholly successful effort (i.e. entry of a judgment in his favor) to enforce the terms of this Agreement. In the event Employee is wholly unsuccessful, the Company shall be entitled to an award of its costs and attorneys' fees.

31. Both Parties acknowledge that this Agreement is entered into solely for the purpose of terminating Employee's employment relationship with the Company on an amicable basis

and shall not be construed as an admission of liability or wrongdoing by the Company or Employee, both Parties having expressly denied any such liability or wrongdoing.

32. Each of the promises and obligations shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, assigns and successors in interest of each of the Parties.

33. The Parties agree that each and every paragraph, sentence, clause, term and provision of this Agreement is severable and that, if any portion of this Agreement should be deemed not enforceable for any reason, such portion shall be stricken and the remaining portion or portions thereof should continue to be enforced to the fullest extent permitted by applicable law.

34. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Indiana without regard to any applicable state's choice of law provisions.

35. **[USE THIS LANGUAGE IF OWBPA LANGUAGE (FOR EMPLOYEES AGE 40 OR OVER) IS NOT INCLUDED.]**Employee acknowledges that he/she has been offered a period of twenty-one (21) days within which to consider and review this Agreement; that he/she has carefully read and fully understands all of the provisions of this Agreement; and that he/she has entered into this Agreement knowingly and voluntarily.

36. Employee represents and acknowledges that in signing this Agreement he does not rely, and has not relied, upon any representation or statement made by the Company or by any of the Company's employees, officers, agents, stockholders, directors or attorneys with regard to the subject matter, basis or effect of this Agreement other than those specifically contained herein.

37. This Agreement represents the entire agreement between the Parties concerning the subject matter hereof, shall supersede any and all prior agreements which may otherwise exist between them concerning the subject matter hereof (specifically excluding, however, the post-termination obligations contained in an Employee's Employment Agreement, any obligations contained in an existing and valid Indemnity Agreement or Change in Control or any obligation contained in any other legally-binding document), and shall not be altered, amended, modified or otherwise changed except by a writing executed by both Parties.

PLEASE READ CAREFULLY. THIS SEPARATION AND RELEASE AGREEMENT INCLUDES A COMPLETE RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

IN WITNESS WHEREOF, the Parties have themselves signed, or caused a duly authorized agent thereof to sign, this Agreement on their behalf and thereby acknowledge their intent to be bound by its terms and conditions.

[EMPLOYEE]		BATESVILLE SERVICES, INC.	
Signed:	_____	By:	_____
Printed:	_____	Title:	_____
Dated:	_____	Dated:	_____

Exhibit B

ILLUSTRATIVE COMPETITOR LIST

The following is an illustrative, non-exhaustive list of Competitors with whom Employee may not, during his relevant non-compete period, directly or indirectly engage in any of the competitive activities proscribed by the terms of his Employment Agreement.

- Astral Industries, Inc.
- Aurora Casket Company, Inc.
- Goliath Casket, Inc.
- Milso Industries, Inc.
- Milso Industries, LLC
- New England Casket Company
- R and S Marble Designs
- Reynoldsville Casket Company
- Schuykill Haven Casket Company, Inc.
  (A division of The Haven Line Industries)
- SinoSource International, Inc.
- Thacker Caskets, Inc.
- The York Group (a division of Matthews International Corp.) and its distributors, including Warfield Rohr, Artco, Newmark and AJ Distribution
- The Victoriaville Group
- Wilbert Funeral Services, Inc.

While the above list is intended to identify the Company's primary competitors, it should not be construed as all encompassing so as to exclude other potential competitors falling within the Non-Compete definitions of "Competitor." The Company reserves the right to amend this list at any time in its sole discretion to identify other or additional Competitors based on changes in the products and services offered, changes in its business or industry as well as changes in the duties and responsibilities of the individual employee. An updated list will be provided to Employee upon reasonable request. Employees are encouraged to consult with the Company prior to accepting any position with any potential competitor.

(Revised list 12-10-2007)

EXHIBIT 10.8

EMPLOYMENT AGREEMENT

PREAMBLE

This Employment Agreement defines the essential terms and conditions of our employment relationship with you. The subjects covered in this Agreement are vitally important to you and to the Company. Thus, you should read the document carefully and ask any questions before signing the Agreement. Given the importance of these matters to you and the Company, you are required to sign the Agreement as a condition of employment.

This EMPLOYMENT AGREEMENT, dated and effective this 31st day of March, 2008 is entered into by and between Batesville Services, Inc. ("Company") and Douglas I. Kunkel ("Employee").

WITNESSETH:

WHEREAS, the Company is engaged in the design, manufacture, promotion and sale of funeral and burial-related products and services throughout the United States and North America including, but not limited to, burial caskets, cremation products and other memorial products.

WHEREAS, the Company is willing to employ Employee in an executive or managerial position and Employee desires to be employed by the Company in such capacity based upon the terms and conditions set forth in this Agreement;

WHEREAS, in the course of the employment contemplated under this Agreement**,** and as a continuation of Employee's past employment with the Company, if applicable, it will be necessary for Employee to acquire and maintain knowledge of certain trade secrets and other confidential and proprietary information regarding the Company as well as any of its parent, subsidiary and/or affiliated entities (hereinafter jointly referred to as the "Companies"); and

WHEREAS, the Company and Employee (collectively referred to as the "Parties") acknowledge and agree that the execution of this Agreement is necessary to memorialize the terms and conditions of their employment relationship as well as safeguard against the unauthorized disclosure or use of the Company's confidential information and to otherwise preserve the goodwill and ongoing business value of the Company;

NOW THEREFORE, in consideration of Employee's employment, the Company's willingness to disclose certain confidential and proprietary information to Employee and the mutual covenants contained herein as well as other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. Employment. As of the effective date of this Agreement, the Company agrees to employ Employee and Employee agrees to serve as Vice President, Global Supply Chain Management. Employee agrees to perform all duties and responsibilities traditionally

assigned to, or falling within the normal responsibilities of, an individual employed in the above-referenced position. Employee also agrees to perform any and all additional duties or responsibilities as may be assigned by the Company in its sole discretion. The Parties acknowledge that both this title and the underlying duties may change.

2. Best Efforts and Duty of Loyalty. During the term of employment with the Company, Employee covenants and agrees to exercise reasonable efforts to perform all assigned duties in a diligent and professional manner and in the best interest of the Company. Employee agrees to devote his full working time, attention, talents, skills and best efforts to further the Company's business and agrees not to take any action, or make any omission, that deprives the Company of any business opportunities or otherwise act in a manner that conflicts with the best interest of the Company or is otherwise detrimental to its business. Employee agrees not to engage in any outside business activity, whether or not pursued for gain, profit or other pecuniary advantage, without the express written consent of the Company. Employee shall act at all times in accordance with the Company's Code of Ethical Business Conducts, and all other applicable policies which may exist or be adopted by the Company from time to time.

3. At-Will Employment. Subject to the terms and conditions set forth below, Employee specifically acknowledges and accepts such employment on an "at-will" basis and agrees that both Employee and the Company retain the right to terminate this relationship at any time, with or without cause, for any reason not prohibited by applicable law upon notice as required by this Agreement. Employee acknowledges that nothing in this Agreement is intended to create, nor should be interpreted to create, an employment contract for any specified length of time between the Company and Employee.

4. Compensation. For all services rendered by Employee on behalf of, or at the request of, the Company, Employee shall be paid as follows:

   (a) A base salary at the bi-weekly rate of Eleven Thousand Dollars and No Cents ($11,000), less usual and ordinary deductions;

   (b) Incentive compensation, payable solely at the discretion of the Company, pursuant to the Company's existing Incentive Compensation Program or any other program as the Company may establish in its sole discretion; and

   (c) Such additional compensation, benefits and perquisites as the Company may deem appropriate.

5. Changes to Compensation. Notwithstanding anything contained herein to the contrary, Employee acknowledges that the Company specifically reserves the right to make changes to Employee's compensation in its sole discretion including, but not limited to, modifying or eliminating a compensation component. The Parties agree that such changes shall be deemed effective immediately and a modification of this Agreement unless, within seven (7) days after receiving notice of such change, Employee exercises his right to terminate this Agreement without cause or for "Good Reason" as provided below in Paragraph No. 11. The Parties anticipate that Employee's compensation structure will be reviewed on an annual basis but acknowledge that the Company shall have no obligation to do so.

6. Direct Deposit. As a condition of employment, and within thirty (30) days of the effective date of this Agreement, Employee agrees to make all necessary arrangements to have all sums paid pursuant to this Agreement direct deposited into one or more bank accounts as designated by Employee.

7. Warranties and Indemnification. Employee warrants that he is not a party to any contract, restrictive covenant, or other agreement purporting to limit or otherwise adversely affecting his ability to secure employment with any third party. Alternatively, should any such agreement exist, Employee warrants that the contemplated services to be performed hereunder will not violate the terms and conditions of any such agreement. In either event, Employee agrees to fully indemnify and hold the Company harmless from any and all claims arising from, or involving the enforcement of, any such restrictive covenants or other agreements.

8. Restricted Duties. Employee agrees not to disclose, or use for the benefit of the Company, any confidential or proprietary information belonging to any predecessor employer(s) that otherwise has not been made public and further acknowledges that the Company has specifically instructed him not to disclose or use such confidential or proprietary information. Based on his understanding of the anticipated duties and responsibilities hereunder, Employee acknowledges that such duties and responsibilities will not compel the disclosure or use of any such confidential and proprietary information.

9. Termination Without Cause. The Parties agree that either party may terminate this employment relationship at any time, without cause, upon sixty (60) days' advance written notice or, if terminated by the Company, pay in lieu of notice (hereinafter referred to as "notice pay"). In such event, Employee shall only be entitled to such compensation, benefits and perquisites that have been paid or fully accrued as of the effective date of his separation and as otherwise explicitly set forth in this Agreement. However, in no event shall Employee be entitled to notice pay if Employee is eligible for and accepts severance payments pursuant to the provisions of Paragraphs 16 and 17, below.

10. Termination With Cause. Employee's employment may be terminated by the Company at any time "for cause" without notice or prior warning. For purposes of this Agreement, "cause" shall mean the Company's good faith determination that Employee has:

    (a) Acted with gross neglect or willful misconduct in the discharge of his duties and responsibilities or refused to follow or comply with the lawful direction of the Company or the terms and conditions of this Agreement, providing such refusal is not based primarily on Employee's good faith compliance with applicable legal or ethical standards;

    (b) Acquiesced or participated in any conduct that is dishonest, fraudulent, illegal (at the felony level), unethical, involves moral turpitude or is otherwise illegal and involves conduct that has the potential, in the Company's reasonable opinion, to cause the Company, its officers or its directors embarrassment or ridicule;

    (c) Violated a material requirement of any Company policy or procedure, specifically including a violation of the Company's Code of Ethics or Associate Policy Manual;

(d) Disclosed without proper authorization any trade secrets or other Confidential Information (as defined herein);

(e) Engaged in any act that, in the reasonable opinion of the Company, is contrary to its best interests or would hold the Company, its officers or directors up to probable civil or criminal liability, provided that, if Employee acts in good faith in compliance with applicable legal or ethical standards, such actions shall not be grounds for termination for cause; or

(f) Engaged in such other conduct recognized at law as constituting cause.

Upon the occurrence or discovery of any event specified above, the Company shall have the right to terminate Employee's employment, effective immediately, by providing notice thereof to Employee without further obligation to him other than accrued wages or other accrued wages, deferred compensation or other accrued benefits of employment (collectively referred to herein as "Accrued Obligations"), which shall be paid in accordance with the Company's past practice and applicable law. To the extent any violation of this Paragraph is capable of being promptly cured by Employee (or cured within a reasonable period to the Company's satisfaction), the Company agrees to provide Employee with a reasonable opportunity to so cure such defect. Absent written mutual agreement otherwise, the Parties agree in advance that it is not possible for Employee to cure any violations of sub-paragraph (b) or (d) and, therefore, no opportunity for cure need be provided in those circumstances.

11. Termination by Employee for Good Reason. Employee may terminate this Agreement and declare this Agreement to have been terminated "without cause" by the Company (and, therefore, for "Good Reason") upon the occurrence, without Employee's consent, of any of the following circumstances:

(a) The assignment to Employee of duties lasting more than sixty (60) days that are materially inconsistent with Employee's then current position or a material change in his reporting relationship to the CEO or his/her successor;

(b) The failure to elect or reelect Employee as Vice President or other officer of the Company (unless such failure is related in any way to the Company's decision to terminate Employee for cause);

(c) The failure of the Company to continue to provide Employee with office space, related facilities and support personnel (including, but not limited to, administrative and secretarial assistance) within the Company's principal executive offices commensurate with his responsibilities to, and position within, the Company;

(d) A reduction by the Company in the amount of Employee's base salary or the discontinuation or reduction by the Company of Employee's participation at the same level of eligibility as compared to other peer employees in any incentive compensation, additional compensation, benefits, policies or perquisites subject to Employee understanding that such reduction(s) shall be permissible if the change applies in a similar way to other peer level employees;

(e) The relocation of the Company's principal executive offices or Employee's place of work to a location requiring a change of more than fifty (50) miles in Employee's daily commute; or

(f) A failure by the Company to perform its obligations under this Employment Agreement (other than inadvertent failures that are cured by the Company promptly upon notice from the Employee).

12. Termination Due to Death or Disability. In the event Employee dies or suffers a disability (as defined herein) during the term of employment, this Agreement shall automatically be terminated on the date of such death or disability without further obligation on the part of the Company other than the payment of Accrued Obligations. For purposes of this Agreement, Employee shall be considered to have suffered a "disability" upon a determination that Employee cannot perform the essential functions of his position as a result of a such a disability and the occurrence of one or more of the following events:

(a) Employee becomes eligible for or receives any benefits pursuant to any disability insurance policy as a result of a determination under such policy that Employee is permanently disabled;

(b) Employee becomes eligible for or receives any disability benefits under the Social Security Act; or

(c) A good faith determination by the Company that Employee is and will likely remain unable to perform the essential functions of his duties or responsibilities hereunder on a full-time basis, with or without reasonable accommodation, as a result of any mental or physical impairment.

Notwithstanding anything expressed or implied above to the contrary, the Company agrees to fully comply with its obligations under the Family and Medical Leave Act of 1993 and the Americans with Disabilities Act as well as any other applicable federal, state, or local law, regulation, or ordinance governing the provision of leave to individuals with serious health conditions or the protection of individuals with disabilities as well as the Company's obligation to provide reasonable accommodation thereunder.

13. Exit Interview. Upon termination of Employee's employment for any reason, Employee agrees, if requested, to participate in an exit interview with the Company and reaffirm in writing his post-employment obligations as set forth in this Agreement

14. Section 409A Notification. Employee acknowledges that he has been advised of the American Jobs Creation Act of 2004, which added Section 409A to the Internal Revenue Code ("Section 409A"), and significantly changed the taxation of nonqualified deferred compensation plans and arrangements. Under proposed and final regulations as of the date of this Agreement, Employee has been advised that his severance pay and other termination benefits may be treated by the Internal Revenue Service as providing "nonqualified deferred compensation," and therefore subject to Section 409A. In that event, several provisions in Section 409A may affect Employee's receipt of severance compensation, including the timing thereof. These include, but are not limited to, a provision which requires that

distributions to "specified employees" of public companies on account of separation from service may not be made earlier than six (6) months after the effective date of such separation. If applicable, failure to comply with Section 409A can lead to immediate taxation of such deferrals, with interest calculated at a penalty rate and a 20% penalty. As a result of the requirements imposed by the American Jobs Creation Act of 2004, Employee agrees if he is a "specified employee" at the time of his termination of employment and if payments in connection with such termination of employment are subject to Section 409A and not otherwise exempt, such payments (and other benefits to the extent applicable) due Employee at the time of termination of employment shall not be paid until a date at least six (6) months after the effective date of Employee's termination of employment ("Employee's Effective Termination Date"). Notwithstanding any provision of this Agreement to the contrary, to the extent that any payment under the terms of this Agreement would constitute an impermissible acceleration of payments under Section 409A or any regulations or Treasury guidance promulgated thereunder, such payments shall be made no earlier than at such times allowed under Section 409A. If any provision of this Agreement (or of any award of compensation) would cause Employee to incur any additional tax or interest under Section 409A or any regulations or Treasury guidance promulgated thereunder, the Company or its successor may reform such provision; provided that it will (i) maintain, to the maximum extent practicable, the original intent of the applicable provision without violating the provisions of Section 409A and (ii) notify and consult with Employee regarding such amendments or modifications prior to the effective date of any such change.

15. Section 409A Acknowledgement. Employee acknowledges that, notwithstanding anything contained herein to the contrary, both Parties shall be independently responsible for assessing their own risks and liabilities under Section 409A that may be associated with any payment made under the terms of this Agreement or any other arrangement which may be deemed to trigger Section 409A. Further, the Parties agree that each shall independently bear responsibility for any and all taxes, penalties or other tax obligations as may be imposed upon them in their individual capacity as a matter of law. To the extent applicable, Employee understands and agrees that he shall have the responsibility for, and he agrees to pay, any and all appropriate income tax or other tax obligations for which he is individually responsible and/or related to receipt of any benefits provided in this Agreement. Employee agrees to fully indemnify and hold the Company harmless for any taxes, penalties, interest, cost or attorneys' fee assessed against or incurred by the Company on account of such benefits having been provided to him or based on any alleged failure to withhold taxes or satisfy any claimed obligation. Employee understands and acknowledges that neither the Company, nor any of its employees, attorneys, or other representatives has provided or will provide him with any legal or financial advice concerning taxes or any other matter, and that he has not relied on any such advice in deciding whether to enter into this Agreement.

16. Severance. In the event Employee's employment is terminated by the Company without cause (including by Employee for Good Reason), and subject to the normal terms and conditions imposed by the Company as set forth herein and in the attached Separation and Release Agreement, Employee shall be eligible to receive severance pay based upon his base salary at the time of termination for a period determined in accordance with any guidelines as may be established by the Company or for a period up to twelve (12) months (whichever is longer).

17. Severance Payment Terms and Conditions. No severance pay shall be paid if Employee voluntarily leaves the Company's employ without "Good Reason" (as defined above) or is terminated for cause. Any severance pay made payable under this Agreement shall be paid in lieu of, and not in addition to, any other contractual, notice or statutory pay or other accrued compensation obligation (excluding accrued wages and deferred compensation). Additionally, such severance pay is contingent upon Employee fully complying with the restrictive covenants contained herein and executing a Separation and Release Agreement in a form not substantially different from that attached as Exhibit A. Further, the Company's obligation to provide severance hereunder shall be deemed null and void should Employee fail or refuse to execute and deliver to the Company the Company's then-standard Separation and Release Agreement (without modification) within any time period as may be prescribed by law or, in absence thereof, twenty-one (21) days after the Employee's Effective Termination Date. Conditioned upon the execution and delivery of the Separation and Release Agreement as set forth in the prior sentence, Severance pay benefits shall be paid as follows: (i) in one lump sum equivalent to six (6) months' salary on the day following the date which is six (6) months following Employee's Effective Termination Date with any remainder to be paid in bi-weekly installments equivalent to the Employee's salary commencing on the next regularly scheduled payroll date, if both the severance pay benefit is subject to Section 409A and if Employee is a "specified employee" under Section 409A or (ii) for any severance pay benefits not subject to clause (i), begin upon the next regularly scheduled payroll following the earlier to occur of fifteen (15) days from the Company's receipt of an executed Separation and Release Agreement or the expiration of sixty (60) days after Employee's Effective Termination Date and shall be paid on the Company's regularly scheduled pay dates; provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then any benefits not subject to clause (i) shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Employee's Effective Termination Date. Excluding any lump sum payment due as a result of the application of Section 409A (which shall be paid regardless of reemployment), all other severance payments provided hereunder shall terminate upon reemployment.

18. Assignment of Rights.

(a) Copyrights. Employee agrees that all works of authorship fixed in any tangible medium of expression by him during the term of this Agreement relating to the Company's business ("Works"), either solely or jointly with others, shall be and remain exclusively the property of the Company. Each such Work created by Employee is a "work made for hire" under the copyright law and the Company may file applications to register copyright in such Works as author and copyright owner thereof. If, for any reason, a Work created by Employee is excluded from the definition of a "work made for hire" under the copyright law, then Employee does hereby assign, sell, and convey to the Company the entire rights, title, and interests in and to such Work, including the copyright therein, to the Company. Employee will execute any documents that the Company deems necessary in connection with the assignment of such Work and copyright therein. Employee will take whatever steps and do whatever acts the Company requests, including, but not limited to, placement of the Company's proper copyright notice on Works created by Employee to secure or aid in securing copyright protection in

such Works and will assist the Company or its nominees in filing applications to register claims of copyright in such Works. The Company shall have free and unlimited access at all times to all Works and all copies thereof and shall have the right to claim and take possession on demand of such Works and copies.

(b) Inventions. Employee agrees that all discoveries, concepts, and ideas, whether patentable or not, including, but not limited to, apparatus, processes, methods, compositions of matter, techniques, and formulae, as well as improvements thereof or know-how related thereto, relating to any present or prospective product, process, or service of the Company ("Inventions") that Employee conceives or makes during the term of this Agreement relating to the Company's business, shall become and remain the exclusive property of the Company, whether patentable or not, and Employee will, without royalty or any other consideration:

(i) Inform the Company promptly and fully of such Inventions by written reports, setting forth in detail the procedures employed and the results achieved;

(ii) Assign to the Company all of his rights, title, and interests in and to such Inventions, any applications for United States and foreign Letters Patent, any United States and foreign Letters Patent, and any renewals thereof granted upon such Inventions;

(iii) Assist the Company or its nominees, at the expense of the Company, to obtain such United States and foreign Letters Patent for such Inventions as the Company may elect; and

(iv) Execute, acknowledge, and deliver to the Company at the Company's expense such written documents and instruments, and do such other acts, such as giving testimony in support of his inventorship, as may be necessary in the opinion of the Company, to obtain and maintain United States and foreign Letters Patent upon such Inventions and to vest the entire rights and title thereto in the Company and to confirm the complete ownership by the Company of such Inventions, patent applications, and patents.

19. Company Property. All records, files, drawings, documents, data in whatever form, business equipment (including computers, PDAs, cell phones, etc.), and the like relating to, or provided by, the Company shall be and remain the sole property of the Company. Upon termination of employment, Employee shall immediately return to the Company all such items without retention of any copies and without additional request by the Company. De minimis items such as pay stubs, 401(k) plan summaries, employee bulletins, and the like are excluded from this requirement.

20. Confidential Information. Employee acknowledges that the Company and its affiliated entities (herein collectively referred to as "Companies") possess certain trade secrets as well as other confidential and proprietary information which they have acquired or will acquire at great effort and expense. Such information may include, without limitation, confidential information, whether in tangible or intangible form, regarding the Companies' products and services, marketing strategies, business plans, operations, costs, current or prospective

customer information (including customer identities, contacts, requirements, creditworthiness, preferences, and like matters), product concepts, designs, prototypes or specifications, research and development efforts, technical data and know-how, sales information, including pricing and other terms and conditions of sale, financial information, internal procedures, techniques, forecasts, methods, trade information, trade secrets, software programs, project requirements, inventions, trademarks, trade names, and similar information regarding the Companies' business(es) (collectively referred to herein as "Confidential Information"). Employee further acknowledges that, as a result of his employment with the Company, Employee will have access to, will become acquainted with, and/or may help develop, such Confidential Information. Confidential Information shall not include information readily available in the public so long as such information was not made available through fault of Employee or wrong doing by any other individual.

21. Restricted Use of Confidential Information. Employee agrees that all Confidential Information is and shall remain the sole and exclusive property of the Company and/or its affiliated entities. Except as may be expressly authorized by the Company in writing, Employee agrees not to disclose, or cause any other person or entity to disclose, any Confidential Information to any third party while employed by the Company and for as long thereafter as such information remains confidential (or as limited by applicable law). Further, Employee agrees to use such Confidential Information only in the course of Employee's duties in furtherance of the Company's business and agrees not to make use of any such Confidential Information for Employee's own purposes or for the benefit of any other entity or person.

22. Acknowledged Need for Limited Restrictive Covenants. Employee acknowledges that the Companies have spent and will continue to expend substantial amounts of time, money and effort to develop their business strategies, Confidential Information, customer identities and relationships, goodwill and employee relationships, and that Employee will benefit from these efforts. Further, Employee acknowledges the inevitable use of, or near-certain influence by his knowledge of, the Confidential Information disclosed to Employee during the course of employment if allowed to compete against the Company in an unrestricted manner and that such use would be unfair and extremely detrimental to the Company. Accordingly, based on these legitimate business reasons, Employee acknowledges each of the Companies' need to protect their legitimate business interests by reasonably restricting Employee's ability to compete with the Company on a limited basis.

23. Non-Solicitation. During Employee's employment and for a period of twenty-four (24) months thereafter, Employee agrees not to directly or indirectly engage in the following prohibited conduct:

    (a) Solicit, offer products or services to, or accept orders for, any Competitive Products or otherwise transact any competitive business with, any customer or entity with whom Employee had contact or transacted any business on behalf of the Company (or any Affiliate thereof) during the eighteen (18) month period preceding Employee's date of separation or about whom Employee possessed, or had access to, confidential and proprietary information;

(b) Attempt to entice or otherwise cause any third party to withdraw, curtail or cease doing business with the Company (or any Affiliate thereof), specifically including customers, vendors, independent contractors and other third party entities;

(c) Disclose to any person or entity the identities, contacts or preferences of any customers of the Company (or any Affiliate thereof), or the identity of any other persons or entities having business dealings with the Company (or any Affiliate thereof);

(d) Induce any individual who has been employed by or had provided services to the Company (or any Affiliate thereof) within the six (6) month period immediately preceding the effective date of Employee's separation to terminate such relationship with the Company (or any Affiliate thereof);

(e) Assist, coordinate or otherwise offer employment to, accept employment inquiries from, or employ any individual who is or had been employed by the Company (or any Affiliate thereof) at any time within the six (6) month period immediately preceding such offer, or inquiry;

(f) Communicate or indicate in any way to any customer of the Company (or any Affiliate thereof), prior to formal separation from the Company, any interest, desire, plan, or decision to separate from the Company; or

(g) Otherwise attempt to directly or indirectly interfere with the Company's business, the business of any of the Companies or their relationship with their employees, consultants, independent contractors or customers.

24. Limited Non-Compete. For the above-stated reasons, and as a condition of employment to the fullest extent permitted by law, Employee agrees during the Relevant Non-Compete Period not to directly or indirectly engage in the following competitive activities:

(a) Employee shall not have any ownership interest in, work for, advise, consult, or have any business connection or business or employment relationship in any competitive capacity with any Competitor unless Employee provides written notice to the Company of such relationship prior to entering into such relationship and, further, provides sufficient written assurances to the Company's satisfaction that such relationship will not, jeopardize the Company's legitimate interests or otherwise violate the terms of this Agreement;

(b) Employee shall not engage in any research, development, production, sale or distribution of any Competitive Products, specifically including any products or services relating to those for which Employee had responsibility for the eighteen (18) month period preceding Employee's date of separation;

(c) Employee shall not market, sell, or otherwise offer or provide any Competitive Products within his Geographic Territory (if applicable) or Assigned Customer Base, specifically including any products or services relating to those for which Employee had responsibility for the eighteen (18) month period preceding Employee's date of separation; and

(d) Employee shall not distribute, market, sell or otherwise offer or provide any Competitive Products to any customer of the Company with whom Employee had contact or for which Employee had responsibility at any time during the eighteen (18) month period preceding Employee's date of separation

25. Non-Compete Definitions. For purposes of this Agreement, the Parties agree that the following terms shall apply:

(a) "Affiliate" includes any parent, subsidiary, joint venture, sister company, or other entity controlled, owned, managed or otherwise associated with the Company;

(b) "Assigned Customer Base" shall include all accounts or customers formally assigned to Employee within a given territory or geographical area or contacted by him at any time during the eighteen (18) month period preceding Employee's date of separation;

(c) "Competitive Products" shall include any product or service that directly or indirectly competes with, is substantially similar to, or serves as a reasonable substitute for, any product or service in research, development or design, or manufactured, produced, sold or distributed by the Company;

(d) "Competitor" shall include any person or entity that offers or is actively planning to offer any Competitive Products and may include (but not be limited to) any entity identified on the Company's Illustrative Competitor List, attached hereto as Exhibit B, which shall be amended from time to time to reflect changes in the Company's business and competitive environment (updated competitor lists will be provided to Employee upon reasonable request);

(e) "Geographic Territory" shall include any territory formally assigned to Employee as well as all territories in which Employee has provided any services, sold any products or otherwise had responsibility at any time during the twenty-four (24) month period preceding Employee's date of separation;

(f) "Relevant Non-Compete Period" shall include the period of Employee's employment with the Company as well as a period of twenty-four (24) months after such employment is terminated, regardless of the reason for such termination provided, however, that this period shall be reduced to the greater of (i) twelve (12) months or (ii) the total length of Employee's employment with the Company, including employment with any parent, subsidiary or affiliated entity, if such employment is less than twenty-four (24) months;

(g) "Directly or indirectly" shall be construed such that the foregoing restrictions shall apply equally to Employee whether performed individually or as a partner, shareholder, officer, director, manager, employee, salesperson, independent contractor, broker, agent, or consultant for any other individual, partnership, firm, corporation, company, or other entity engaged in such conduct

26. Employment by National or Regional Accounts. Employee acknowledges that he will have acquired and/or have access to confidential and proprietary information regarding the Company's business dealings with, and business strategies concerning, its national or

regional accounts (a/k/a Key Accounts, Prime Accounts, and National Accounts). Employee further acknowledges that such knowledge would provide him with a competitive advantage if used against the Company or used against a competitor of a national or regional account. Accordingly, as a term and condition of employment, Employee agrees that the foregoing restrictive covenants shall apply with equal force to restrict him from seeking any employment or any other business relationship with such national or regional account, whether or not serviced by Employee, for the duration of his Relevant Non-Compete Period. Employee agrees that such accounts shall include, but not be limited to, the following:

- Arbor Memorial Services
- Brooke Funeral Services Co., LLC (Brooke Franchise Corp.)
- Buckner Management Services
- Calvert Group
- Carriage Funeral Holdings, Inc.
- Celebris Memorial Services, Inc. (Urel Bourgie)
- Citadel Funeral Service, Inc. (Wisconsin Vault Company)
- Concord Family Services, Inc.
- Family Choices
- Gibralter Mausoleum Company (A division of Matthews International)
- Keystone Group Holdings, Inc.
- Legacy Funeral Group (Legacy Funeral Holdings, Inc.; Legacy Funeral Holdings of Louisiana, LLC; Legacy Funeral Holdings of Mississippi, LLC; Legacy Funeral Properties, Inc.)
- Memory Gardens Management Corporation
- Newcomer Funeral Homes and Crematories
- Northstar Memorial Group
- Paxus Services, Inc. (Paxus Services (Kansas), Inc.; Paxus Services (Tennessee), Inc.; Paxus Services (Lousiana), Inc.; Paxus Services (Texas), Inc.; Paxus Services (Oklahoma), Inc.)
- Pioneer Enterprises, Inc.
- Rollings Funeral Service, Inc.
- Security National Financial Corporation
- Service Corporation International
- StoneMor Partners, L.P.
- Stewart Enterprises, Inc.
- Washburn-McReavy Funeral Chapels
- Vertin Companies Family Funeral Homes
- Wilson Financial Group, Inc.

27. Consent to Reasonableness. In light of the above-referenced concerns, including Employee's knowledge of and access to the Companies' Confidential Information, Employee acknowledges that the terms of the foregoing restrictive covenants are reasonable and necessary to protect the Company's legitimate business interests and will not unreasonably interfere with Employee's ability to obtain alternate employment. As such, Employee hereby agrees that such restrictions are valid and enforceable, and affirmatively waives any argument or defense to the contrary. Employee acknowledges that this limited non-competition provision is not an attempt to prevent Employee from obtaining other employment in violation of IC § 22-5-3-1 or any other similar statute. Employee further acknowledges that the Company may need to take action, including litigation, to enforce this limited non-competition provision, which efforts the Parties stipulate shall not be deemed an attempt to prevent Employee from obtaining other employment.

28. Survival of Restrictive Covenants. Employee acknowledges that the above restrictive covenants shall survive the termination of this Agreement and the termination of Employee's employment for any reason. Employee further acknowledges that any alleged breach by the Company of any contractual, statutory or other obligation shall not excuse or terminate the obligations hereunder or otherwise preclude the Company from seeking injunctive or other relief. Rather, Employee acknowledges that such obligations are independent and separate covenants undertaken by Employee for the benefit of the Company.

29. Effect of Transfer. Subject to the provisions of Paragraph 11 above, Employee agrees that this Agreement shall continue in full force and effect notwithstanding any change in job duties, job titles or reporting responsibilities. Employee further acknowledges that the above restrictive covenants shall survive, and be extended to cover, the transfer of Employee from the Company to its parent, subsidiary, sister corporation or any other affiliated entity (hereinafter collectively referred to as an "Affiliate") or any subsequent transfer(s) among them. Specifically, in the event of Employee's temporary or permanent transfer to an Affiliate, he agrees that the foregoing restrictive covenants shall remain in force so as to continue to protect such company for the duration of the non-compete period, measured from his effective date of transfer to an Affiliate. Additionally, Employee acknowledges that this Agreement shall be deemed to have been automatically assigned to the Affiliate as of his effective date of transfer such that the above-referenced restrictive covenants (as well as all other terms and conditions contained herein) shall be construed thereafter to protect the legitimate business interests and goodwill of the Affiliate as if Employee and the Affiliate had independently entered into this Agreement. Employee's acceptance of his transfer to, and subsequent employment by, the Affiliate shall serve as consideration for (as well as be deemed as evidence of his consent to) the assignment of this Agreement to the Affiliate as well as the extension of such restrictive covenants to the Affiliate. Employee agrees that this provision shall apply with equal force to any subsequent transfers of Employee from one Affiliate to another Affiliate.

30. Post-Termination Notification. For the duration of his Relevant Non-compete Period or other restrictive covenant period, which ever is longer, Employee agrees to promptly notify the Company no later than five (5) business days of his acceptance of any employment or consulting engagement. Such notice shall include sufficient information to ensure Employee compliance with his non-compete obligations and must include at a minimum the following

information: (i) the name of the employer or entity for which he is providing any consulting services; (ii) a description of his intended duties as well as (iii) the anticipated start date. Such information is required to ensure Employee's compliance with his non-compete obligations as well as all other applicable restrictive covenants. Such notice shall be provided in writing to the Office of Vice President and General Counsel of the Company at One Batesville Boulevard, Batesville, Indiana 47006. Failure to timely provide such notice shall be deemed a material breach of this Agreement and entitle the Company to return of any severance paid to Employee plus attorneys' fees. Employee further consents to the Company's notification to any new employer of Employee's rights and obligations under this Agreement.

31. Scope of Restrictions. If the scope of any restriction contained in any preceding paragraphs of this Agreement is deemed too broad to permit enforcement of such restriction to its fullest extent, then such restriction shall be enforced to the maximum extent permitted by law, and Employee hereby consents and agrees that such scope may be judicially modified accordingly in any proceeding brought to enforce such restriction.

32. Specific Enforcement/Injunctive Relief. Employee agrees that it would be difficult to measure any damages to the Company from a breach of the above-referenced restrictive covenants, but acknowledges that the potential for such damages would be great, incalculable and irremediable, and that monetary damages alone would be an inadequate remedy. Accordingly, Employee agrees that the Company shall be entitled to immediate injunctive relief against such breach, or threatened breach, in any court having jurisdiction. In addition, if Employee violates any such restrictive covenant, Employee agrees that the period of such violation shall be added to the term of the restriction. In determining the period of any violation, the Parties stipulate that in any calendar month in which Employee engages in any activity in violation of such provisions, Employee shall be deemed to have violated such provision for the entire month, and that month shall be added to the duration of the non-competition provision. Employee acknowledges that the remedies described above shall not be the exclusive remedies, and the Company may seek any other remedy available to it either in law or in equity, including, by way of example only, statutory remedies for misappropriation of trade secrets, and including the recovery of compensatory or punitive damages. Employee further agrees that the Company shall be entitled to an award of all costs and attorneys' fees incurred by it in any attempt to enforce the terms of this Agreement.

33. Publicly Traded Stock. The Parties agree that nothing contained in this Agreement shall be construed to prohibit Employee from investing his personal assets in any stock or corporate security traded or quoted on a national securities exchange or national market system provided, however, such investments do not require any services on the part of Employee in the operation or the affairs of the business or otherwise violate the Company's Code of Ethics.

34. Notice of Claim and Contractual Limitations Period. Employee acknowledges the Company's need for prompt notice, investigation, and resolution of any claims that may be filed against it due to the number of relationships it has with employees and others (and due to the turnover among such individuals with knowledge relevant to any underlying claim). Accordingly, Employee agrees prior to initiating any litigation of any type (including, but not

limited to, employment discrimination litigation, wage litigation, defamation, or any other claim) to notify the Company, within One Hundred and Eighty (180) days after the claim accrued, by sending a certified letter addressed to the Company's General Counsel setting forth: (i) claimant's name, address, and phone; (ii) the name of any attorney representing Employee; (iii) the nature of the claim; (iv) the date the claim arose; and (v) the relief requested. This provision is in addition to any other notice and exhaustion requirements that might apply. For any dispute or claim of any type against the Company (including but not limited to employment discrimination litigation, wage litigation, defamation, or any other claim), Employee must commence legal action within the shorter of one (1) year of accrual of the cause of action or such shorter period that may be specified by law.

35. Non-Jury Trials. Notwithstanding any right to a jury trial for any claims, Employee waives any such right to a jury trial, and agrees that any claim of any type (including but not limited to employment discrimination litigation, wage litigation, defamation, or any other claim) lodged in any court will be tried, if at all, without a jury.

36. Choice of Forum. Employee acknowledges that the Company is primarily based in Indiana, and Employee understands and acknowledges the Company's desire and need to defend any litigation against it in Indiana. Accordingly, the Parties agree that any claim of any type brought by Employee against the Company or any of its employees or agents must be maintained only in a court sitting in Marion County, Indiana, or Ripley County, Indiana, or, if a federal court, the Southern District of Indiana, Indianapolis Division. Employee further understands and acknowledges that in the event the Company initiates litigation against Employee, the Company may need to prosecute such litigation in such state where the Employee is subject to personal jurisdiction. Accordingly, for purposes of enforcement of this Agreement, Employee specifically consents to personal jurisdiction in the State of Indiana as well as any state in which resides a customer assigned to the Employee. Furthermore, Employee consents to appear, upon Company's request and at Employee's own cost, for deposition, hearing, trial, or other court proceeding in Indiana or in any state in which resides a customer assigned to the Employee.

37. Choice of Law. This Agreement shall be deemed to have been made within the County of Ripley, State of Indiana and shall be interpreted and construed in accordance with the laws of the State of Indiana. Any and all matters of dispute of any nature whatsoever arising out of, or in any way connected with the interpretation of this Agreement, any disputes arising out of the Agreement or the employment relationship between the Parties hereto, shall be governed by, construed by and enforced in accordance with the laws of the State of Indiana without regard to any applicable state's choice of law provisions.

38. Titles. Titles are used for the purpose of convenience in this Agreement and shall be ignored in any construction of it.

39. Severability. The Parties agree that each and every paragraph, sentence, clause, term and provision of this Agreement is severable and that, in the event any portion of this Agreement is adjudged to be invalid or unenforceable, the remaining portions thereof shall remain in effect and be enforced to the fullest extent permitted by law. Further, should any particular clause, covenant, or provision of this Agreement be held unreasonable or contrary to public

policy for any reason, the Parties acknowledge and agree that such covenant, provision or clause shall automatically be deemed modified such that the contested covenant, provision or clause will have the closest effect permitted by applicable law to the original form and shall be given effect and enforced as so modified to whatever extent would be reasonable and enforceable under applicable law.

40. Assignment-Notices. The rights and obligations of the Company under this Agreement shall inure to its benefit, as well as the benefit of its parent, subsidiary, successor and affiliated entities, and shall be binding upon the successors and assigns of the Company. This Agreement, being personal to Employee, cannot be assigned by Employee, but his personal representative shall be bound by all its terms and conditions. Any notice required hereunder shall be sufficient if in writing and mailed to the last known residence of Employee or to the Company at its principal office with a copy mailed to the Office of the General Counsel.

41. Amendments and Modifications. Except as specifically provided herein, no modification, amendment, extension or waiver of this Agreement or any provision hereof shall be binding upon the Company or Employee unless in writing and signed by both Parties. The waiver by the Company or Employee of a breach of any provision of this Agreement shall not be construed as a waiver of any subsequent breach. Nothing in this Agreement shall be construed as a limitation upon the Company's right to modify or amend any of its manuals or policies in its sole discretion and any such modification or amendment which pertains to matters addressed herein shall be deemed to be incorporated herein and made a part of this Agreement.

42. Outside Representations. Employee represents and acknowledges that in signing this Agreement he does not rely, and has not relied, upon any representation or statement made by the Company or by any of the Company's employees, officers, agents, stockholders, directors or attorneys with regard to the subject matter, basis or effect of this Agreement other than those specifically contained herein.

43. Voluntary and Knowing Execution. Employee acknowledges that he has been offered a reasonable amount of time within which to consider and review this Agreement; that he has carefully read and fully understands all of the provisions of this Agreement; and that he has entered into this Agreement knowingly and voluntarily.

44. Entire Agreement. This Agreement constitutes the entire employment agreement between the Parties hereto concerning the subject matter hereof and shall supersede all prior and contemporaneous agreements between the Parties in connection with the subject matter of this Agreement. Any pre-existing Employment Agreements shall be deemed null and void. Nothing in this Agreement, however, shall affect any separately-executed written agreement addressing any other issues (e.g., the Inventions, Improvements, Copyrights and Trade Secrets Agreement, etc.).

IN WITNESS WHEREOF, the Parties have signed this Agreement effective as of the day and year first above written.

"EMPLOYEE"	BATESVILLE SERVICES, INC.
Signed: _____	By: _____
Printed: _____	Title: _____
Dated: _____	Dated: _____

CAUTION: READ BEFORE SIGNING

Exhibit A

SAMPLE SEPARATION AND RELEASE AGREEMENT

THIS SEPARATION and RELEASE AGREEMENT ("Agreement") is entered into by and between Douglas I. Kunkel ("Employee") and Batesville Services, Inc. (together with its subsidiaries and affiliates, the "Company"). To wit, the Parties agree as follows:

1. Employee's active employment by the Company shall terminate effective [date of termination] (Employee's "Effective Termination Date"). Except as specifically provided by this Agreement, or in any other non-employment agreement that may exist between the Company and Employee, Employee agrees that the Company shall have no other obligations or liabilities to him following his Effective Termination Date and that his receipt of the Severance Benefits provided herein shall constitute a complete settlement, satisfaction and waiver of any and all claims he may have against the Company.

2. Employee further submits, and the Company hereby accepts, his resignation as an employee, officer and director, as of his Effective Termination Date for any position he may hold. The Parties agree that this resignation shall apply to all such positions Employee may hold with the Company or any parent, subsidiary or affiliated entity thereof. Employee agrees to execute any documents needed to effectuate such resignation. Employee further agrees to take whatever steps are necessary to facilitate and ensure the smooth transition of his duties and responsibilities to others.

3. Employee acknowledges that he has been advised of the American Jobs Creation Act of 2004, which added Section 409A ("Section 409A") to the Internal Revenue Code, and significantly changed the taxation of nonqualified deferred compensation plans and arrangements. Under proposed and final regulations as of the date of this Agreement, Employee has been advised that his severance pay may be treated by the Internal Revenue Service as providing "nonqualified deferred compensation," and therefore subject to Section 409A. In that event, several provisions in Section 409A may affect Employee's receipt of severance compensation. These include, but are not limited to, a provision which requires that distributions to "specified employees" of public companies on account of separation from service may not be made earlier than six (6) months after the effective date of such separation. If applicable, failure to comply with Section 409A can lead to immediate taxation of deferrals, with interest calculated at a penalty rate and a 20% penalty. As a result of the requirements imposed by the American Jobs Creation Act of 2004, Employee agrees if he is a "specified employee" at the time of his termination of employment and if severance payments are covered as "non-qualified deferred compensation" or otherwise not exempt, the severance pay benefits shall not be paid until a date at least six (6) months after Employee's Effective Termination Date from Company, as more fully explained by Paragraph 4, below.

4. In consideration of the promises contained in this Agreement and contingent upon Employee's compliance with such promises, the Company agrees to provide Employee the following:

(a) Severance pay, in lieu of, and not in addition to any other contractual, notice or statutory pay obligations (other than accrued wages and deferred compensation) in the maximum total amount of [_____] Dollars and **[_____]** Cents ($_____), less applicable deductions or other set offs, payable as follows:

[*For 409A Severance Pay for Specified Employees Only*]

(i) A lump payment in the gross amount of [insert amount equal to 6 months pay] [_____] Dollars and [_____] Cents (**$_____**) payable the day following the sixth (6th) month anniversary of Employee's Effective Termination Date, with any remaining amount to be paid in bi-weekly installments equivalent to Employee's base salary (i.e. _____ Dollars and _____ Cents ($_____), less applicable deductions or other setoffs) commencing upon the next regularly scheduled payroll date after the payment of the lump sum for a period of up to ___ (___) weeks or until the Employee becomes reemployed, whichever comes first.

[*For Non-409A Severance Pay or 409A Severance Pay for Non-Specified Employees Only*]

(i) Commencing on the next regularly scheduled payroll immediately following the earlier to occur of fifteen (15) days from the Company's receipt of and Executed Separation and Release Agreement or the expiration of sixty (60) days after Employee's Effective Termination Date, Employee shall be paid severance equivalent to his bi-weekly base salary (i.e. **[_____]** Dollars and **[_____]** Cents ($**[_____]**), less applicable deductions or other set-offs), for a period up to [weeks] (**[_____]**) weeks following Employee's Effective Termination Date or until Employee becomes reemployed, whichever occurs first; provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then this severance pay shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Employee's Effective Termination Date.

(b) Payment for any earned but unused vacation as of Employee's Effective Termination Date, less applicable deductions permitted or required by law payable in one lump sum within fifteen (15) days after the Employee's Effective Termination Date; and

(c) Group Life Insurance coverage until the above-referenced Severance Pay terminates.

5. Except as may be required by Section 409A, the above Severance Pay shall be paid in accordance with the Company's standard payroll practices (e.g. bi-weekly) and shall begin on the first normally scheduled payroll following Employee's Effective Termination Date or the effective date of this Agreement, whichever occurs last. The Parties agree that the initial two (2) weeks of the foregoing Severance Pay shall be allocated as consideration provided to Employee in exchange for his execution of a release in compliance with the Older Workers Benefit Protection Act. The balance of the severance benefits and other obligations undertaken by the Company pursuant to this Agreement shall be allocated as consideration

for all other promises and obligations undertaken by Employee, including execution of a general release of claims.

6. The Company further agrees to provide Employee with limited out-placement counseling with a company of its choice provided that Employee participates in such counseling immediately following termination of employment. Notwithstanding anything in this Section 6 to the contrary, the out-placement counseling shall not be provided after the last day of the second calendar year following the calendar year in which termination of employment occurs.

7. As of his Effective Termination Date, Employee will become ineligible to participate in the Company's health insurance program and continuation of coverage requirements under COBRA (if any) will be triggered at that time. However, as additional consideration for the promises and obligations contained herein (and except as may be prohibited by law), the Company agrees to continue to pay the employer's share of such coverage as provided under the health care program selected by Employee as of his Effective Termination Date, subject to any approved changes in coverage based on a qualified election, until the above-referenced Severance Pay terminates, Employee accepts other employment or Employee becomes eligible for alternative healthcare coverage, which ever comes first, provided Employee (i) timely completes the applicable election of coverage forms and (ii) continues to pay the employee portion of the applicable premium(s). Thereafter, if applicable, coverage will be made available to Employee at his sole expense (i.e., Employee will be responsible for the full COBRA premium) for the remaining months of the COBRA coverage period made available pursuant to applicable law. The medical insurance provided herein does not include any disability coverage.

8. Should Employee become employed before the above-referenced Severance Benefits are exhausted or terminated, Employee agrees to so notify the Company in writing within five (5) business days of Employee's acceptance of such employment, providing the name of such employer (or entity to whom Employee may be providing consulting services), his intended duties as well as the anticipated start date. Such information is required to ensure Employee's compliance with his non-compete obligations as well as all other applicable restrictive covenants. This notice will also serve to trigger the Company's right to terminate the above-referenced severance pay benefits (specifically excluding any lump sum payment due as a result of the application of Section 409A) as well as all Company-paid or Company—provided benefits consistent with the above paragraphs. Failure to timely provide such notice shall be deemed a material breach of this Agreement entitling the Company to recover as damages the value of all benefits provided to Employee hereunder plus attorneys fees. .In the event Employee accepts employment at a lower rate of pay, the Company will agree to continue to pay Employee the difference between the above severance pay and Employee's total compensation to be paid by a subsequent employer upon receipt of acceptable proof of such compensation. All other severance benefits however, shall terminate upon reemployment.

9. Employee agrees to fully indemnify and hold the Company harmless for any taxes, penalties, interest, cost or attorneys' fee assessed against or incurred by the Company on account of such benefits having been provided to him or based on any alleged failure to withhold taxes

or satisfy any claimed obligation. Employee understands and acknowledges that neither the Company, nor any of its employees, attorneys, or other representatives has provided him with any legal or financial advice concerning taxes or any other matter, and that he has not relied on any such advice in deciding whether to enter into this Agreement. To the extent applicable, Employee understands and agrees that he shall have the responsibility for, and he agrees to pay, any and all appropriate income tax or other tax obligations for which he is individually responsible and/or related to receipt of any benefits provided in this Agreement not subject to federal withholding obligations

10. In exchange for the foregoing Severance Benefits, DOUGLAS I. KUNKEL on behalf of himself, his heirs, representatives, agents and assigns hereby RELEASES, INDEMNIFIES, HOLDS HARMLESS, and FOREVER DISCHARGES (i) Batesville Services, Inc. (ii) its parent, subsidiary or affiliated entities, (iii) all of their present or former directors, officers, employees, shareholders, and agents, as well as, (iv) all predecessors, successors and assigns thereof from any and all actions, charges, claims, demands, damages or liabilities of any kind or character whatsoever, known or unknown, which Employee now has or may have had through the effective date of this Agreement.

11. Without limiting the generality of the foregoing release, it shall include: (i) all claims or potential claims arising under any federal, state or local laws relating to the Parties' employment relationship, including any claims Employee may have under the Civil Rights Acts of 1866 and 1964, as amended, 42 U.S.C. §§ 1981 and 2000(e) et seq.; the Civil Rights Act of 1991; the Age Discrimination in Employment Act, as amended, 29 U.S.C. §§ 621 et seq.; the Americans with Disabilities Act of 1990, as amended, 42 U.S.C §§ 12,101 et seq.; the Fair Labor Standards Act 29 U.S.C. §§ 201 et seq.; the Worker Adjustment and Retraining Notification Act, 29 U.S.C. §§ 2101, et seq.; the Employee Retirement Income Security Act, 29 U.S.C. §§ 1101 et seq.; the Sarbanes-Oxley Act of 2002, specifically including the Corporate and Criminal Fraud Accountability Act, 18 USC §1514A et seq.; and any other federal, state or local law governing the Parties' employment relationship; (ii) any claims on account of, arising out of or in any way connected with Employee's employment with the Company or leaving of that employment; (iii) any claims alleged or which could have been alleged in any charge or complaint against the Company; (iv) any claims relating to the conduct of any employee, officer, director, agent or other representative of the Company; (v) any claims of discrimination, harassment or retaliation on any basis; (vi) any claims arising from any legal restrictions on an employer's right to separate its employees; (vii) any claims for personal injury, compensatory or punitive damages or other forms of relief; and (viii) all other causes of action sounding in contract, tort or other common law basis, including (a) the breach of any alleged oral or written contract, (b) negligent or intentional misrepresentations, (c) wrongful discharge, (d) just cause dismissal, (e) defamation, (f) interference with contract or business relationship or (g) negligent or intentional infliction of emotional distress.

12. Employee further agrees and covenants not to sue the Company or any entity or individual subject to the foregoing General Release with respect to any claims, demands, liabilities or obligations release by this Agreement provided, however, that nothing contained in this Agreement shall:

(a) prevent Employee from filing an administrative charge with the Equal Employment Opportunity Commission or any other federal, state or local agency; or

(b) prevent Employee from challenging, under the Older Worker's Benefit Protection Act (29 U.S.C. § 626), the knowing and voluntary nature of his/her release of any age claims in this Agreement in court or before the Equal Employment Opportunity Commission. **[INCLUDE THIS SUBPARAGRAPH (b) IF EMPLOYEE IS AGE 40 OR OLDER]**

13. Notwithstanding his right to file an administrative charge with the EEOC or any other federal, state, or local agency, Employee agrees that with his release of claims in this Agreement, he has waived any right he may have to recover monetary or other personal relief in any proceeding based in whole or in part on claims released by him in this Agreement. For example, Employee waives any right to monetary damages or reinstatement if an administrative charge is brought against the Company whether by Employee, the EEOC, or any other person or entity, including but not limited to any federal, state, or local agency. Further, with his release of claims in this Agreement, Employee specifically assigns to the Company his right to any recovery arising from any such proceeding.

14. **[ADD THIS LANGUAGE IF THE EMPLOYEE IS AGE 40 OR OLDER]**The Parties acknowledge that it is their mutual and specific intent that the above waiver fully complies with the requirements of the Older Workers Benefit Protection Act (29 U.S.C. § 626) and any similar law governing release of claims. Accordingly, Employee hereby acknowledges that:

(a) He has carefully read and fully understands all of the provisions of this Agreement and that he has entered into this Agreement knowingly and voluntarily;

(b) The Severance Benefits offered in exchange for Employee's release of claims exceed in kind and scope that to which he would have otherwise been legally entitled absent the execution of this Agreement;

(c) Prior to signing this Agreement, Employee had been advised, and is being advised by this Agreement, to consult with an attorney of his choice concerning its terms and conditions; and

(d) He has been offered at least **[twenty-one (21)/forty-five (45)]** days within which to review and consider this Agreement.

15. **[ADD THIS LANGUAGE IF EMPLOYEE IS AGE 40 OR OLDER]**The Parties agree that this Agreement shall not become effective and enforceable until the date this Agreement is signed by both Parties or seven (7) calendar days after its execution by Employee, whichever is later. Employee may revoke this Agreement for any reason by providing written notice of such intent to the Company within seven (7) days after he has signed this Agreement, thereby forfeiting Employee's right to receive any Severance Benefits provided hereunder and rendering this Agreement null and void in its entirety. This revocation must be sent to the Employee's HR representative with a copy sent to the Batesville Casket Company Office of General Counsel and must be received by the end of the seventh day after the Employee signs this Agreement to be effective.

16. **[ADD THIS LANGUAGE IF THE EMPLOYEE IS IN CALIFORNIA]**Employee specifically acknowledges that, as a condition of this Agreement, he/she expressly releases all rights and claims that he/she knows about as well as those he/she may not know about. Employee expressly waives all rights under Section 1542 of the Civil Code of the State of California, which reads as follows:

    "A general release does not extend to claims which the creditor does not know or suspect to exist in his/her favor at the time of executing the release which if known, must have materially affected his/her settlement with the debtor."

    Notwithstanding the provision by Section 1542, and for the purpose of implementing a full and complete release and discharge of the Company as set forth above, Employee expressly acknowledges that this Agreement is intended to include and does in its effect, without limitation, include all claims which Employee does not know or suspect to exist in his/her favor at the time of signing this Agreement and that this Agreement expressly contemplates the extinguishment of all such claims.

17. The Parties agree that nothing contained herein shall purport to waive or otherwise affect any of Employee's rights or claims that may arise after he signs this Agreement. It is further understood by the Parties that nothing in this Agreement shall affect any rights Employee may have under any Company sponsored Deferred Compensation Program, Executive Life Insurance Bonus Plan, Stock Grant Award, Stock Option Grant, Restricted Stock Unit Award, Pension Plan and/or Savings Plan (i.e., 401(k) plan) provided by the Company as of the date of his termination, such items to be governed exclusively by the terms of the applicable agreements or plan documents.

18. Similarly, notwithstanding any provision contained herein to the contrary, this Agreement shall not constitute a waiver or release or otherwise affect Employee's rights with respect to any vested benefits, any rights [he/she] has to benefits which can not be waived by law, any coverage provided under any Directors and Officers ("D&O") policy, any rights Employee may have under any indemnification agreement [he/she] has with the Company prior to the date hereof, any rights he has as a shareholder, or any claim for breach of this Agreement, including, but not limited to the benefits promised by the terms of this Agreement.

19. **[*Optional provision for equity-eligible employees:* Except as provided herein, Employee acknowledges that he will not be eligible to receive or vest in any additional stock options, stock awards or restricted stock units ("RSUs") as of [his/her] Effective Termination Date. Failure to exercise any vested options within the applicable period as set for in the plan and/or grant will result in their forfeiture. Employee acknowledges that any stock options, stock awards or RSUs held for less than the required period shall be deemed forfeited as of the effective date of this Agreement. All terms and conditions of such stock options, stock awards or RSUs shall not be affected by this Agreement, shall remain in full force and effect, and shall govern the Parties' rights with respect to such equity based awards.]**

20. **[*Option A*]** Employee acknowledges that his termination and the Severance Benefits offered hereunder were based on an individual determination and were not offered in conjunction with any group termination or group severance program and waives any claim to the contrary.

    [*Option B*] Employee represents and agrees that he has been provided relevant cohort information based on the information available to the Company as of the date this Agreement was tendered to Employee. This information is attached hereto as Exhibit A. The Parties acknowledge that simply providing such information does not mean and should not be interpreted to mean that the Company was obligated to comply with 29 C.F.R. § 1625.22(f).

21. Employee hereby affirms and acknowledges his continued obligations to comply with the post-termination covenants contained in his Employment Agreement, including but not limited to, the non-compete, trade secret and confidentiality provisions. Employee acknowledges that a copy of the Employment Agreement has been attached to this Agreement as Exhibit A **[B]** or has otherwise been provided to him and, to the extent not inconsistent with the terms of this Agreement or applicable law, the terms thereof shall be incorporated herein by reference. Employee acknowledges that the restrictions contained therein are valid and reasonable in every respect and are necessary to protect the Company's legitimate business interests. Employee hereby affirmatively waives any claim or defense to the contrary. Employee hereby acknowledges that the definition of Competitor, as provided in his Employment Agreement shall include but not be limited to those entities specifically identified in the updated Competitor List, attached hereto as Exhibit B **[C]**.

22. Employee acknowledges that the Company as well as its parent, subsidiary and affiliated companies ("Companies" herein) possess, and he has been granted access to, certain trade secrets as well as other confidential and proprietary information that they have acquired at great effort and expense. Such information includes, without limitation, confidential information regarding products and services, marketing strategies, business plans, operations, costs, current or, prospective customer information (including customer contacts, requirements, creditworthiness and like matters), product concepts, designs, prototypes or specifications, regulatory compliance issues, research and development efforts, technical data and know-how, sales information, including pricing and other terms and conditions of sale, financial information, internal procedures, techniques, forecasts, methods, trade information, trade secrets, software programs, project requirements, inventions, trademarks, trade names, and similar information regarding the Companies' business (collectively referred to herein as "Confidential Information").

23. Employee agrees that all such Confidential Information is and shall remain the sole and exclusive property of the Company. Except as may be expressly authorized by the Company in writing, or as may be required by law after providing due notice thereof to the Company, Employee agrees not to disclose, or cause any other person or entity to disclose, any Confidential Information to any third party for as long thereafter as such information remains confidential (or as limited by applicable law) and agrees not to make use of any such Confidential Information for Employee's own purposes or for the benefit of any other entity or person. The Parties acknowledge that Confidential Information shall not include any

information that is otherwise made public through no fault of Employee or other wrong doing.

24. On or before Employee's Effective Termination Date or per the Company's request, Employee agrees to return the original and all copies of all things in his possession or control relating to the Company or its business, including but not limited to any and all contracts, reports, memoranda, correspondence, manuals, forms, records, designs, budgets, contact information or lists (including customer, vendor or supplier lists), ledger sheets or other financial information, drawings, plans (including, but not limited to, business, marketing and strategic plans), personnel or other business files, computer hardware, software, or access codes, door and file keys, identification, credit cards, pager, phone, and any and all other physical, intellectual, or personal property of any nature that he received, prepared, helped prepare, or directed preparation of in connection with his employment with the Company. Nothing contained herein shall be construed to require the return of any non-confidential and de minimis items regarding Employee's pay, benefits or other rights of employment such as pay stubs, W-2 forms, 401(k) plan summaries, benefit statements, etc.

25. Employee hereby consents and authorizes the Company to deduct as an offset from the above-referenced severance payments the value of any Company property not returned or returned in a damaged condition as well as any monies paid by the Company on Employee's behalf (e.g., payment of any outstanding American Express bill).

26. Employee agrees to cooperate with the Company in connection with any pending or future litigation, proceeding or other matter which has been or may be brought against or by the Company before any agency, court, or other tribunal and concerning or relating in any way to any matter falling within Employee's knowledge or former area of responsibility. Employee agrees to immediately notify the Company, through the Office of the General Counsel, in the event he is contacted by any outside attorney (including paralegals or other affiliated parties) unless (i) the Company is represented by the attorney, (ii) Employee is represented by the attorney for the purpose of protecting his personal interests or (iii) the Company has been advised of and has approved such contact. Employee agrees to provide reasonable assistance and completely truthful testimony in such matters including, without limitation, facilitating and assisting in the preparation of any underlying defense, responding to discovery requests, preparing for and attending deposition(s) as well as appearing in court to provide truthful testimony. The Company agrees to reimburse Employee for all reasonable out of pocket expenses incurred at the request of the Company associated with such assistance and testimony.

27. Employee agrees not to make any written or oral statement that may defame, disparage or cast in a negative light so as to do harm to the personal or professional reputation of (a) the Company, (b) its employees, officers, directors or trustees or (c) the services and/or products provided by the Company and its subsidiaries or affiliate entities. Similarly, in response to any written inquiry from any prospective employer or in connection with a written inquiry in connection with any future business relationship involving Employee, the Company agrees not to provide any information that may defame, disparage or cast in a negative light so as to do harm to the personal or professional reputation of Employee. The Parties acknowledge, however, that nothing contained herein shall be construed to prevent or prohibit the Company

or the Employee from providing truthful information in response to any court order, discovery request, subpoena or other lawful request.

28. **EMPLOYEE SPECIFICALLY AGREES AND UNDERSTANDS THAT THE EXISTENCE AND TERMS OF THIS AGREEMENT ARE STRICTLY CONFIDENTIAL AND THAT SUCH CONFIDENTIALITY IS A MATERIAL TERM OF THIS AGREEMENT.** Accordingly, except as required by law or unless authorized to do so by the Company in writing, Employee agrees that he shall not communicate, display or otherwise reveal any of the contents of this Agreement to anyone other than his spouse, legal counsel or financial advisor provided, however, that they are first advised of the confidential nature of this Agreement and Employee obtains their agreement to be bound by the same. The Company agrees that Employee may respond to legitimate inquiries regarding the termination of his employment by stating that the Parties have terminated their relationship on an amicable basis and that the Parties have entered into a Confidential Separation and Release Agreement that prohibits him from further discussing the specifics of his separation. Nothing contained herein shall be construed to prevent Employee from discussing or otherwise advising subsequent employers of the existence of any obligations as set forth in his Employment Agreement. Further, nothing contained herein shall be construed to limit or otherwise restrict the Company's ability to disclose the terms and conditions of this Agreement as may be required by business necessity.

29. In the event that Employee breaches or threatens to breach any provision of this Agreement, he agrees that the Company shall be entitled to seek any and all equitable and legal relief provided by law, specifically including immediate and permanent injunctive relief. Employee hereby waives any claim that the Company has an adequate remedy at law. In addition, and to the extent not prohibited by law, Employee agrees that the Company shall be entitled to discontinue providing any additional Severance Benefits upon such breach or threatened breach as well as an award of all costs and attorneys' fees incurred by the Company in any successful effort to enforce the terms of this Agreement. Employee agrees that the foregoing relief shall not be construed to limit or otherwise restrict the Company's ability to pursue any other remedy provided by law, including the recovery of any actual, compensatory or punitive damages. Moreover, if Employee pursues any claims against the Company subject to the foregoing General Release, or breaches the above confidentiality provision, Employee agrees to immediately reimburse the Company for the value of all benefits received under this Agreement to the fullest extent permitted by law.

30. Similarly, in the event that the Company breaches or threatens to breach any provision of this Agreement, Employee shall be entitled to seek any and all equitable or other available relief provided by law, specifically including immediate and permanent injunctive relief. In the event Employee is required to file suit to enforce the terms of this Agreement, the Company agrees that Employee shall be entitled to an award of all costs and attorneys' fees incurred by him in any wholly successful effort (i.e. entry of a judgment in his favor) to enforce the terms of this Agreement. In the event Employee is wholly unsuccessful, the Company shall be entitled to an award of its costs and attorneys' fees.

31. Both Parties acknowledge that this Agreement is entered into solely for the purpose of terminating Employee's employment relationship with the Company on an amicable basis

and shall not be construed as an admission of liability or wrongdoing by the Company or Employee, both Parties having expressly denied any such liability or wrongdoing.

32. Each of the promises and obligations shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, assigns and successors in interest of each of the Parties.

33. The Parties agree that each and every paragraph, sentence, clause, term and provision of this Agreement is severable and that, if any portion of this Agreement should be deemed not enforceable for any reason, such portion shall be stricken and the remaining portion or portions thereof should continue to be enforced to the fullest extent permitted by applicable law.

34. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Indiana without regard to any applicable state's choice of law provisions.

35. **[USE THIS LANGUAGE IF OWBPA LANGUAGE (FOR EMPLOYEES AGE 40 OR OVER) IS NOT INCLUDED]**Employee acknowledges that he/she has been offered a period of twenty-one (21) days within which to consider and review this Agreement; that he/she has carefully read and fully understands all of the provisions of this Agreement; and that he/she has entered into this Agreement knowingly and voluntarily.

36. Employee represents and acknowledges that in signing this Agreement he does not rely, and has not relied, upon any representation or statement made by the Company or by any of the Company's employees, officers, agents, stockholders, directors or attorneys with regard to the subject matter, basis or effect of this Agreement other than those specifically contained herein.

37. This Agreement represents the entire agreement between the Parties concerning the subject matter hereof, shall supersede any and all prior agreements which may otherwise exist between them concerning the subject matter hereof (specifically excluding, however, the post-termination obligations contained in an Employee's Employment Agreement, any obligations contained in an existing and valid Indemnity Agreement or Change in Control or any obligation contained in any other legally-binding document), and shall not be altered, amended, modified or otherwise changed except by a writing executed by both Parties.

PLEASE READ CAREFULLY. THIS SEPARATION AND RELEASE AGREEMENT INCLUDES A COMPLETE RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

IN WITNESS WHEREOF, the Parties have themselves signed, or caused a duly authorized agent thereof to sign, this Agreement on their behalf and thereby acknowledge their intent to be bound by its terms and conditions.

[EMPLOYEE]		BATESVILLE SERVICES, INC.	
Signed:	_____	By:	_____
Printed:	_____	Title:	_____
Dated:	_____	Dated:	_____

Exhibit B

ILLUSTRATIVE COMPETITOR LIST

The following is an illustrative, non-exhaustive list of Competitors with whom Employee may not, during his relevant non-compete period, directly or indirectly engage in any of the competitive activities proscribed by the terms of his Employment Agreement.

- Astral Industries, Inc.
- Aurora Casket Company, Inc.
- Goliath Casket, Inc.
- Milso Industries, Inc.
- Milso Industries, LLC
- New England Casket Company
- R and S Marble Designs
- Reynoldsville Casket Company
- Schuykill Haven Casket Company, Inc. (A division of The Haven Line Industries)
- SinoSource International, Inc.
- Thacker Caskets, Inc.
- The York Group (a division of Matthews International Corp.) and its distributors, including Warfield Rohr, Artco, Newmark and AJ Distribution
- The Victoriaville Group
- Wilbert Funeral Services, Inc.

While the above list is intended to identify the Company's primary competitors, it should not be construed as all encompassing so as to exclude other potential competitors falling within the Non-Compete definitions of "Competitor." The Company reserves the right to amend this list at any time in its sole discretion to identify other or additional Competitors based on changes in the products and services offered, changes in its business or industry as well as changes in the duties and responsibilities of the individual employee. An updated list will be provided to Employee upon reasonable request. Employees are encouraged to consult with the Company prior to accepting any position with any potential competitor.

(Revised list 7-26-2005)

Exhibit 99.1

CONTACT INFORMATION

Investor Relations Hillenbrand Inc.
Contact: Mark. R Lanning, Vice President, Investor Relations and Treasurer
Phone: 812-934-7256
Email: mrlanning@hillenbrand.com

Media
Contact: Victoria Gilbert, Manager, Corporate & Investor Communications
Phone: 812-931-5051
Email: victoria.gilbert@hillenbrand.com

HILLENBRAND, INC. BEGINS TRADING ON THE NYSE

BATESVILLE, Ind., April 1, 2008 — /PR Newswire-First Call/ — Hillenbrand, Inc., formerly known as Batesville Holdings, Inc, announced that its shares began trading on the New York Stock Exchange (NYSE) today under the new ticker HI, following yesterday's completion of its spin-off from Hill-Rom Holdings, Inc. (NYSE:HRC), formerly known as Hillenbrand Industries, Inc. The new Hillenbrand, Inc. will move forward as the holding company for Batesville Casket Company, a leader in the North American death care industry.

Under the terms of the spin-off, shareholders of the former Hillenbrand Industries received one share of Hillenbrand, Inc. stock for every share of Hillenbrand Industries held as of the March 24, 2008 spin-off record date.

"Our new listing on the world's premier exchange is a landmark event for Hillenbrand, Inc. and launches a new beginning for us as a publicly traded company," said Kenneth A. Camp, president and chief executive officer of Hillenbrand, Inc.

"As the new Hillenbrand, Inc. and as a leader in the funeral services industry, we are now clearly focused on leveraging our core competencies including exceptional customer service, high quality products, award winning operational excellence and a highly qualified management team to reinvest in future growth opportunities for our business and to build long-term value for our new shareholders."

Leadership representing both the new Hillenbrand, Inc. and Hill-Rom Holdings, Inc. today rang The Opening Bell on the NYSE.

ABOUT HILLENBRAND, INC.

Hillenbrand, Inc. is the holding company for Batesville Casket Company, a leader in the North American death care industry through the sale of funeral services products, including burial caskets, cremation caskets, containers and urns, selection room display fixturing and other personalization and memorialization products.

Batesville Casket Company..*helping families honor the lives of those they love.*

www.hillenbrand.com

Disclosure Regarding Forward-Looking Statements

Certain statements in this release contain forward looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, regarding the future plans, objectives, beliefs, expectations, representations and projections of Hillenbrand, Inc. (the "Company"). The Company has tried, wherever possible, to identify these forward looking statements using words such as "intend," "anticipate," "believe," "plan," "expect," "may," "goal," "become," "pursue," "estimate," "strategy," "will," "projection," "forecast," "continue," "accelerate," "promise," "increase," "higher," "lower," "reduce," "improve," "expand," "progress," "potential" or the negative of those terms or other variations of them or by comparable terminology. The absence of such terms, however, does not mean that the statement is not forward looking. It is important to note that forward looking statements are not guarantees of future performance, and the Company's actual results could differ materially from those set forth in any forward looking statements. Factors that could cause actual results to differ from forward looking statements include but are not limited to: the antitrust litigation in which the Company is currently a defendant; the Company's dependence on its relationships with several large national providers; continued fluctuations in mortality rates and increased cremations; ongoing involvement in claims, lawsuits and governmental proceedings; failure of the Company's announced strategic initiatives to achieve expected growth, efficiencies or cost reductions; disruptions in the Company's business or other adverse consequences resulting from the spin-off of the Company from Hillenbrand Industries, Inc.; failure to achieve the anticipated benefits of the spin-off; failure of the Company to execute its acquisition and business alliance strategy through the consummation and successful integration of acquisitions or entry into joint ventures or other business alliances; competition from nontraditional sources in the funeral service business; increased costs or unavailability of raw materials; labor disruptions; the ability to retain executive officers and other key personnel; and certain tax-related matters. For a more in depth discussion of these and other factors that could cause actual results to differ from those contained in forward looking statements, see the discussions under the heading "Risk Factors" in the Information Statement dated March 17, 2008 filed as Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 17, 2008. The Company assumes no obligation to update or revise any forward looking statements.